



SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)

Interim Financial Report
For The Fourth Quarter Ended
31 December 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	Notes	3-MONTH ENDED		YEAR-TO-DATE	
		Unaudited 31.12.2023 RM'000	Unaudited 31.12.2022 RM'000	Unaudited 31.12.2023 RM'000	Audited 31.12.2022 RM'000
Revenue	A9	54,083	38,566	200,965	141,741
Cost of sales		(59,620)	(46,049)	(208,371)	(149,384)
Gross loss		(5,537)	(7,483)	(7,406)	(7,643)
Other income		207	126	662	552
Administrative expenses		(2,729)	(2,850)	(7,778)	(9,623)
Fair value gain on investment in quoted shares		-	-	1,158	-
Net loss on impairment of financial instruments		(6,290)	-	(6,290)	(3,360)
Other expenses		(128)	(117)	(544)	(411)
Loss from operations		(14,477)	(10,324)	(20,198)	(20,485)
Finance income		801	192	1,174	495
Finance costs		(766)	(673)	(2,794)	(1,814)
Loss before tax ("LBT")	B11	(14,442)	(10,805)	(21,818)	(21,804)
Taxation	B6	226	1,749	180	2,535
Loss after tax and other comprehensive income ("LAT")		(14,216)	(9,056)	(21,638)	(19,269)
Loss and other comprehensive income for the financial period attributable to:					
• Owners of the Company		(14,216)	(9,056)	(21,638)	(19,269)
• Non-controlling interests		-	-	-	-
		<u>(14,216)</u>	<u>(9,056)</u>	<u>(21,638)</u>	<u>(19,269)</u>
Losses per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B10	(2.89)	(1.85)	(4.40)	(4.10)
• Diluted (sen) ⁽²⁾	B10	(2.89)	(1.85)	(4.40)	(4.10)

Notes:

- (1) 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 audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic and diluted loss per share is calculated based on the weighted average number of ordinary shares of 470,182,789 (489,634,083 ordinary shares in issue) as at 31 December 2022 and the weighted average number of ordinary shares of 491,277,919 (589,634,083 ordinary shares in issue) as at 31 December 2023. There are no dilutive instruments as at the end of the current quarter.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾

	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	11,873	12,157
Right-of-use assets	4,479	32
Investment properties	5,241	5,351
Other investments	-	757
Deferred tax assets	3,632	3,633
Total non-current assets	25,225	21,930
Current Assets		
Trade and other receivables	75,633	81,103
Contract assets	44,623	41,643
Current tax assets	1,595	631
Investment in quoted shares	-	2,396
Cash and cash equivalents	18,894	31,441
Total current assets	140,745	157,214
TOTAL ASSETS	165,970	179,144
EQUITY AND LIABILITIES		
Equity		
Share capital	84,036	72,336
Merger reserve	(35,723)	(35,723)
(Accumulated Losses)/Retained earnings	(3,812)	17,826
Total equity attributable to owners of the Group	44,501	54,439
Liabilities		
Non-current liabilities		
Loans and borrowings	1,319	20,292
Deferred tax liabilities	281	281
Total non-current liabilities	1,600	20,573
Current liabilities		
Trade and other payables	91,677	73,288
Loans and borrowings	27,602	23,907
Contract liabilities	590	6,872
Current tax liabilities	-	65
Total current liabilities	119,869	104,132
TOTAL LIABILITIES	121,469	124,705
TOTAL EQUITY AND LIABILITIES	165,970	179,144
Number of shares in issue (*000)⁽²⁾	589,634	489,634
NET ASSETS PER SHARE (RM)	0.09	0.11

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽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 audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share as at 31 December 2023 and as at 31 December 2022 is calculated based on the share capital of 589,634,083 shares in issue as at 31 December 2023 and 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.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	Share Capital	Merger Reserve	Retained Earnings/ (Accumulated Losses)	Total attributable to owners	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022 (Audited)	36,723	(35,723)	37,095	38,095	38,095
Loss and total comprehensive expense for the financial year	-	-	(19,269)	(19,269)	(19,269)
Transaction with owners:					
Issuance of shares pursuant to public issue	36,723	-	-	36,723	36,723
Share issuance expenses	(1,110)	-	-	(1,110)	(1,110)
As at 31 December 2022 / 1 January 2023 (Audited)	72,336	(35,723)	17,826	54,439	54,439
Loss and total comprehensive expense for the financial year	-	-	(21,638)	(21,638)	(21,638)
Transaction with owners:					
Issuance of shares pursuant to public issue	12,000	-	-	12,000	12,000
Share issuance expenses	(300)	-	-	(300)	(300)
As at 31 December 2023 (Unaudited)	84,036	(35,723)	(3,812)	44,501	44,501

Note:

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	YEAR-TO-DATE	
	Unaudited 31.12.2023 RM'000	Audited 31.12.2022 RM'000
Cash Flows from operating activities		
Loss before tax	(21,818)	(21,804)
Adjustments for:		
Depreciation of property, plant and equipment	2,345	1,543
Depreciation of right-of-use assets	57	107
Depreciation of investment properties	109	109
Property, plant and equipment written off	4	-
Finance income	(1,174)	(495)
Finance costs	2,794	1,814
Fair value gain on investment in quoted shares	(1,158)	-
Net loss on impairment of financial assets	6,290	3,360
Gain on disposal of property, plant and equipment	(75)	-
Gain on disposal of other investments	(75)	-
Change in fair value of other investments	(46)	408
Operating loss before working capital changes	(12,747)	(14,958)
Change in working capital		
Change in trade and other receivables and prepayments	3,516	(14,523)
Change in trade and other payables	18,388	(4,459)
Change in contract assets	(6,638)	4,935
Change in contract liabilities	(6,282)	6,872
Cash used in operations	(3,763)	(22,133)
Income tax paid	(849)	(1,565)
Income tax refunded	-	42
Interest paid	(2,793)	(1,814)
Net cash used in operating activities	(7,405)	(25,470)
Cash Flows from investing activities		
Acquisition of property, plant and equipment	(2,065)	(4,307)
Acquisition of right-of-use assets	(4,504)	-
Net changes in other investments	-	(62)
Interest income received	496	495
Proceeds from disposal of property, plant and equipment	75	-
Proceeds from disposal of other investments	4,433	4
Net cash used in investing activities	(1,565)	(3,870)
Cash Flows from financing activities		
Change in deposits pledged	946	(3,532)
Dividends paid	-	(4,000)
Net repayments of loans and borrowings	(6,976)	16,439
Payment of lease liabilities	-	(137)
Net proceed from issuance of shares	11,700	35,613
Net cash from financing activities	5,670	44,383

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	YEAR-TO-DATE	
	Unaudited 31.12.2023 RM'000	Audited 31.12.2022 RM'000
Net decrease in cash and cash equivalents	(3,300)	15,043
Cash and cash equivalents at the beginning of the financial year	10,284	(4,759)
Cash and cash equivalents at the end of the financial year	6,984	10,284
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	13,727	21,226
Cash and bank balances	5,167	10,215
	18,894	31,441
Less: Pledged deposits	(10,661)	(11,606)
	8,233	19,835
Bank overdrafts	(1,249)	(9,551)
Cash and cash equivalents in the consolidated statement of cash flows	6,984	10,284

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 audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

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 Holdings Berhad (“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 2022 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 2022.

A3. Auditors’ report on preceding annual financial statements

The audited financial statements of the Group for the financial year ended 31 December 2022 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 during the current financial quarter and financial year-to-date.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current financial quarter and financial year-to-date.

A8. Dividends

There was no dividend declared or paid for the current financial 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 quarter and financial year-to-date is as follows:

Analysis of revenue by business segments

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Construction and civil engineering	53,683	38,566	200,341	141,576
ICT solutions and services	400	-	624	165
Total	54,083	38,566	200,965	141,741

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment during the current financial quarter and financial year-to-date.

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

Save as disclosed in Note B5, 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

There were no material changes in the composition of the Group during the current financial quarter and financial year-to-date.

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

There were no 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 and financial year-to-date.

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

B1. Review of Performance

Results for current financial quarter

For the fourth and last financial quarter ended 31 December 2023, the Group recorded a revenue of RM54.08 million, an increase of RM15.52 million as compared to preceding year's corresponding quarter's revenue of RM38.57 million. The increase of revenue for the current financial quarter is mainly due to higher revenue recognition following the completion of two projects.

The revenue of the Group is mainly derived from the construction and civil engineering segment with the Malaysian market as the sole market contributing to the Group's revenue. Meanwhile, the ICT solutions and services segment recorded revenue of RM0.40 million for the current financial quarter, representing a 100% increase compared to no revenue recorded for the corresponding quarter of the preceding year.

In the current financial quarter under review, the Group recorded a gross loss of RM5.54 million as compared to the corresponding quarter's gross loss of RM7.48 million in the preceding year. The current financial quarter's gross loss is mainly attributable to lower profitability from on-going projects due to elevated cost of construction materials and rising labour cost. Additionally, a provision of liquidated ascertained damages amounted to RM4.23 million also contributed to the gross loss. In relation to the provision of liquidated ascertained damages, the Group back-charged sub-contractors an amount of RM2.61 million.

For the current quarter, the Group recorded a LBT of RM14.44 million as compared to an LBT RM10.81 million in the corresponding quarter of the preceding year. The Group's LAT the current financial quarter was RM14.22 million, as compared to RM9.06 million reported in the preceding year's corresponding quarter.

The LBT for the current financial quarter is mainly attributable to the provision of liquidated ascertained damages of RM4.23 million and a one-off loss on impairments of contract asset balance and receivable balances amounted to RM6.29 million. This impairment is mainly related to Impression U-Thant Project and Dawn Project that were mutually terminated on 31 March 2023. Subsequently, the Group entered into a settlement agreement in the fourth quarter of the financial year. In the preceding year's corresponding quarter, the loss was due to lower revenue achieved and lower profitability from ongoing projects due to elevated cost of construction materials and higher defect rectification cost.

Results for financial year-to-date

For the current financial year-to-date, the Group recorded a LBT of RM21.82 million and a LAT RM21.64 million. This compares to the preceding year-to-date, where the Group reported LBT of RM21.80 million and LAT of RM19.27 million, respectively. The loss for the current financial year to-date is mainly attributable to lower profitability from projects due to elevated cost of construction materials, higher defect rectification cost incurred for completed projects, provision of liquidated ascertained damages of RM4.23 million (which the Group back-charged to sub-contractors amounting to RM2.61 million), rising labour cost and a one-off loss on impairments of RM6.29 million.

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

B1. Review of Performance (Continued)

Results for financial year-to-date (Continued)

In contrast, the loss for preceding year-to-date was due to lower revenue, lower profitability from ongoing projects due to the elevated cost of construction materials, higher defect rectification cost incurred, listing expenses, and fair value loss on investment in quoted shares.

B2. Comparison with the immediate preceding quarter's results

For the fourth and last third financial quarter, the Group recorded a higher revenue of RM54.08 million compared to RM42.69 million in the preceding third quarter. However, the Group recorded a LBT and LAT of RM14.44 million and RM14.22 million, respectively, in the fourth quarter as compared to LBT and LAT of RM1.18 million in the immediate preceding third quarter.

The causes of the losses in the current quarter is mainly attributable to lower profitability from ongoing projects due to elevated cost of construction materials and rising labour cost with the exception the one-off loss on impairments of RM6.29 million and provision of liquidated ascertained damages of RM4.23 million whereby the Group back-charged sub-contractors RM2.61 million that incurred in the current fourth quarter.

B3. Prospects and outlook

For financial year ended 2023, the real estate construction activities in Malaysia have expanded by 3.1% following higher demand for properties despite a rising interest rate environment and high uncertainty in external environment. Total value of real estate construction activities for year 2023 was RM24.99 billion, which was an increase from RM24.24 billion registered in 2022.

Moving forward for 2024, the construction industry in Malaysia is expected to expand by 6.8% to RM60.69 billion. As outlined in the Budget 2024 ("2nd Belanjawan MADANI"), the allocation for development expenditure stands at RM99.0 million which is the largest ever, is expected to drive growth in the local construction industry.

The Malaysian Government's focus on home ownership remains evident in the 2nd Belanjawan MADANI with an allocation of RM2.47 billion allocated to implement housing projects in 2024. These include a special guarantee fund of RM1 billion to encourage reputable developers to revive identified abandoned projects, RM546 million to continue the implementation of 36 Program Perumahan Rakyat, including a new project in Kluang, Johor, RM358 million to continue 14 Program Rumah Mesra Rakyat programme, which involves the construction of 3,500 housing units RM460 million to aid approximately 65,000 impoverished rural residents for the construction of new homes or the renovation of their existing dilapidated houses, and RM100 million for the maintenance of low- and medium-cost public and private strata housing projects nationwide.

As of 31 December 2023, the Group's order book stands at RM276.17 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

Proposed Special Issue, Proposed Rights Issue with Warrants and Proposed Acquisition (Collectively, the "Proposals")

On 18 July 2023, the Company had entered into a share sale agreement for the proposed acquisition of 2,000,000 ordinary shares, representing 100.00% equity interest in Taghill Projects Sdn Bhd ("Taghill") from Wong Yih Ming, Chu Yee Hong and Yap Kek Siung (collectively referred to as Vendors), for a total purchase consideration of RM122.00 million to be fully satisfied via a combination of cash payment of RM96.00 million and RM26.00 million via the issuance of new ordinary shares in Siab ("Consideration shares") ("Proposed Acquisition").

In consideration of Siab acquiring shares of Taghill, the Vendors have jointly and severally provided profit guarantee of attaining profit after tax and minority interest of not less than RM24.00 million for financial year ending 31 December 2024 and 31 December 2025 on a cumulative basis.

The proposed rights issue with warrants entails the issuance of 919,512,111 rights shares together with 459,756,056 warrants on the basis of 4 rights shares for every 3 existing Siab shares with 1 warrant for every 2 rights shares subscribed.

The Company intends to raise RM110.34 million from the proposed rights issue with warrants whereby RM96.00 million will be utilised as cash payment for the Proposed Acquisition ("Proposed Rights Issue with Warrants").

On 17 August 2023, an application was made to Bursa Securities for the admission of the warrants to the Official List of Bursa Securities as well as the listing of and quotation for the consideration shares, rights shares, warrants, and new Siab shares to be issued from the exercise of the warrants ("Application"). Subsequently on 28 August 2023, the Company has applied to Bursa Securities to withdraw this Application with the intention to review the structure of the Proposals.

On 15 September 2023, the Company and Vendors had mutually agreed to vary certain terms relating to the mode of payment for the Proposed Acquisition. In relation to this, the Company and Vendors had entered into an amended and restated share sale agreement to amend, restate, specify and/or supplement the relevant provisions of the share sale agreement.

- (i) Proposed special issue of 100,000,000 new ordinary shares in Siab ("Share(s)" or "Siab Share(s)") representing approximately 20.42% of Siab's existing issued shares to independent third party investor(s) to be identified at an issue price of RM0.12 per Share ("Proposed Special Issue");

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

B5. Status of corporate proposals (Continued)

Proposed Special Issue, Proposed rights issue with warrants and Proposed acquisition (Continued)

- (ii) Renounceable rights issue of 766,524,308 new Siab Shares (“Rights Shares”) together with 383,262,154 free detachable warrants (“Warrant(s)”) on the basis of 13 Rights Shares for every 10 existing Siab Shares held on an entitlement date to be determined later together with 1 Warrant for every 2 Rights Shares subscribed (“Proposed Rights Issue with Warrants”); and
- (iii) Proposed acquisition of 2,000,000 Taghill Shares from Chu Yee Hong, Wong Yih Ming and Yap Kek Siung, representing 100.00% of the equity interest in Taghill, for a total Purchase Consideration of RM122,000,000 to be fully satisfied via a combination of cash payment of RM96.00 million and issuance of 200,000,000 Consideration Shares at an issue price of RM0.13 per Share (“Proposed Acquisition”).

A second application was made to Bursa Securities on 26 September 2023 in relation to the revised Proposals. On 5 October 2023, the Company has proposed to vary the details of the Proposed Special Issue and Proposed Rights Issue with Warrants to as summarised below:

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

On 27 October 2023, Bursa Securities had conditionally approved the Proposals.

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

B5. Status of corporate proposals (Continued)

On 18 December 2023, announcement was made where the Group had resolve to fix the issue price for the Special Issue Shares at RM0.12 per share. The Private Placement was completed with the listing of 100,000,000 new ordinary shares in Siab on 28 December 2023 (“Private Placement”).

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

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

B6. Income tax expenses

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(226)	620	(180)	1,301
Deferred tax expense	-	(2,369)	-	(3,836)
Total tax expense⁽²⁾	(226)	(1,749)	(180)	(2,535)
Effective tax rate (%) ⁽¹⁾	N/A	N/A	N/A	N/A
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

- (1) The Group’s effective tax rate for the current quarter and preceding year’s corresponding quarter is not applicable due to loss before taxation. The Group’s effective tax rate for the current financial year to date 31 December 2023 and the preceding year’s financial year to date of 31 December 2022 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)

B7. Status of utilisation of proceeds

Proceeds from the IPO

On 28 January 2022, the Company issued its prospectus in relation to the public issue of 122,409,000 new ordinary shares at RM0.30 per share in conjunction with the IPO exercise. The listing exercise was completed on 28 February 2022 and on 22 May 2023, the Board had decided to vary the intended utilisation of the proceeds raised from the IPO exercise.

<u>Details of utilisation of proceeds</u>	<u>Proposed utilisation</u>	<u>Deviation⁽¹⁾</u>	<u>Variation⁽²⁾</u>	<u>Actual utilisation</u>	<u>Balance unutilised</u>	<u>Estimated timeframe for utilisation</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(A+B+C+D) = (E)</u>	
Purchase of land and construction of storage facility	6,098	-	-	(4,504)	1,594	Within 24 months
Purchase of machinery and equipment	13,125	-	(2,934)	(7,394)	2,797	Within 24 months
Purchase of BIM system software	3,066	-	(3,066)	-	-	Within 24 months
Upgrade software and systems	810	-	-	(810)	-	Within 18 months
Working capital	9,300	473	-	(9,773)	-	Within 12 months
Office expansion	300	(37)	-	(263)	-	Within 24 months
Estimated listing expenses	4,023	(436)	-	(3,587)	-	Within 3 months
Repayment of bank borrowings and suppliers	-	-	6,000	(6,000)	-	Within 3 months
Total	36,722	-	-	(32,331)	4,391	

Notes:

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

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

B7. Status of utilisation of proceeds (Continued)

Proceeds from the IPO (Continued)

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

Proceeds from the Private Placement

As at 31 December 2023, the status of the utilisation of proceed raised from the Private Placement are as follows:

Details of the utilisation	Proceeds Raised RM'000	Actual utilisation RM'000	Intended timeframe for utilisation
Cash consideration for the Proposed acquisition	12,000	-	Within 24 months from date of receipt of proceed on 28 December 2023
Total	12,000	-	

B8. Bank borrowings

The Group's bank borrowings were as follows:

	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
Current:		
Hire purchase liabilities	1,210	1,307
Term loans	17,804	3,285
Bank overdrafts	1,249	9,551
Revolving credit	5,000	5,000
Recourse factoring	2,339	4,764
	27,602	23,907
Non-current:		
Hire purchase liabilities	1,319	2,377
Term loans	-	17,915
	1,319	20,292
Total bank borrowings	28,921	44,199

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

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

B9. Dividend

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

B10. Loss 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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Loss attributable to ordinary owners of the Company (RM'000)	(14,216)	(9,056)	(21,638)	(19,269)
Number of ordinary shares ('000)	589,634	489,634	589,634	489,634
Basic loss per share (sen) ⁽¹⁾	(2.89)	(1.85)	(4.40)	(4.10)

Notes:

- (1) Basic loss per share for the preceding corresponding quarter and preceding year-to-date is calculated based on the weighted average number of ordinary shares of 470,182,789 (489,634,083 ordinary shares in issue) as at 31 December 2022.
- (2) Basic loss per share for the current quarter and current year-to-date is calculated based on the weighted average number of ordinary shares of 491,277,919 (589,634,083 ordinary shares in issue) as at 31 December 2022. The diluted loss per share is identical with basic loss per share as there are no dilutive instruments as at the end of the current quarter.

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

B11. Disclosure on selected expense/income items as required by the Listing Requirements

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

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	427	722	2,345	1,543
Depreciation of investment properties	27	27	109	109
Depreciation of right-of-use assets	17	(22)	57	107
Net loss on impairment of financial assets	6,290	240	6,290	3,360
Property, plant and equipment written off	4	-	4	-
Interest expense	766	673	2,794	1,814
Interest income	(801)	(192)	(1,174)	(495)
Rental income	(77)	(77)	(309)	(232)
Fair value gain on investment in quoted shares	-	-	(1,158)	-
Loss/(Gain) in fair value change of other investments	-	106	(46)	408
Gain on disposal of other investment	(2)	-	(75)	-
Gain on disposal of property, plant and equipment	-	-	(75)	-

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

BY ORDER OF THE BOARD

SIAB HOLDINGS BERHAD

27 February 2024