

SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)

Interim Financial Report
For The Third Quarter Ended
30 September 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022[1]

		3-MONTH ENDED		YEAR-TO-DATE	
		30.09.2022	30.09.2021[2]	30.09.2022	30.09.2021[2]
	Notes	RM'000	RM'000	RM'000	RM'000
Revenue	A9	46,433	N/A	108,796	N/A
Cost of sales		(50,811)	N/A	(108,667)	N/A
Gross (loss)/profit		**(4,378)**	**N/A**	**129**	**N/A**
Other income		105	N/A	426	N/A
Administrative expenses		(2,377)	N/A	(6,641)	N/A
Fair value loss on investment in quoted shares		(3,360)	N/A	(3,360)	N/A
Other expenses		223	N/A	(318)	N/A
Loss from operations		**(9,787)**	**N/A**	**(9,764)**	**N/A**
Finance income		107	N/A	303	N/A
Finance costs		(455)	N/A	(1,298)	N/A
Loss before tax ("LBT")	B12	**(10,135)**	**N/A**	**(10,759)**	**N/A**
Taxation	B7	1,652	N/A	727	N/A
Loss after tax and other comprehensive income ("LAT")		**(8,483)**	**N/A**	**(10,032)**	**N/A**
Loss and other comprehensive income for the financial period attributable to:					
• Owners of the Company		(8,483)	N/A	(10,032)	N/A
• Non-controlling interests		-	N/A	-	N/A
		(8,483)	N/A	(10,032)	N/A
Loss per share attributable to owners of the Company					
• Basic (sen)[3]	B11	(1.73)	N/A	(2.05)	N/A
• Diluted (sen)[3]	B11	(1.73)	N/A	(2.05)	N/A

Notes:

N/A – Not applicable

(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 Accountants' Report dated 5 January 2022 included in the prospectus of Siab Holdings Berhad ("**Siab**" or "**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.

(2) There are no comparative figures for the preceding corresponding quarter and year-to-date presented as this is the fourth interim financial report on consolidated results announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

(3) Basic and diluted loss per share is calculated based on the share capital of 489,634,083 shares in issue as at 30 September 2022. There are no dilutive instruments as at the end of the current quarter.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022[1]

	UNAUDITED As at 30.09.2022 RM'000	UNAUDITED As at 30.09.2021[2] RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,907	N/A
Right-of-use assets	10	N/A
Investment properties	5,378	N/A
Other investments	909	N/A
Deferred tax assets	978	N/A
Total non-current assets	**14,182**	**N/A**
Current Assets		
Trade and other receivables	70,894	N/A
Contract assets	56,072	N/A
Current tax assets	760	N/A
Investment in quoted shares	2,640	N/A
Cash and cash equivalents	29,312	N/A
Total current assets	**159,678**	**N/A**
TOTAL ASSETS	**173,860**	**N/A**
EQUITY AND LIABILITIES		
Equity		
Share capital	72,336	N/A
Merger reserve	(35,723)	N/A
Retained earnings	27,063	N/A
Total equity attributable to owners of the Group	**63,676**	**N/A**
Liabilities		
Non-current liabilities		
Loans and borrowings	21,254	N/A
Total non-current liabilities	**21,254**	**N/A**
Current liabilities		
Trade and other payables	69,348	N/A
Loans and borrowings	19,572	N/A
Lease liabilities	10	N/A
Total current liabilities	**88,930**	**N/A**
TOTAL LIABILITIES	**110,184**	**N/A**
TOTAL EQUITY AND LIABILITIES	**173,860**	**N/A**
Number of shares in issue ('000)[3]	489,634	N/A
NET ASSETS PER SHARE (RM)	0.13	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022[(1)] (CONT'D)

Notes:

N/A – Not applicable

(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) There are no comparative figures for the preceding corresponding year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(3) Based on the share capital of 489,634,083 shares in issue as at 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022[(1)]

	Share Capital	Merger Reserve	Distributable Retained Earnings	Total attributable to owners	Total Equity
	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)	-	-	(10,032)	**(10,032)**	**(10,032)**
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 30 September 2022	**72,336**	**(35,723)**	**27,063**	**63,676**	**63,676**

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022[1]

	YEAR-TO-DATE	
	30.09.2022	**30.09.2021[2]**
	RM'000	**RM'000**
Cash Flows from Operating Activities		
Loss before tax	**(10,759)**	**N/A**
Adjustments for:		
Depreciation of property, plant and equipment	821	N/A
Depreciation of right-of-use assets	129	N/A
Depreciation of investment properties	82	N/A
Finance income	(303)	N/A
Finance costs	1,298	N/A
Fair value loss on investment in quoted shares	3,360	N/A
Gain on disposal of property, plant and equipment	(38)	N/A
Change in fair value of other investments	(45)	N/A
Operating loss before working capital changes	(5,455)	N/A
Change in working capital		
Change in trade and other receivables and prepayments	(4,314)	N/A
Change in trade and other payables	(12,399)	N/A
Change in contract assets	(9,494)	N/A
Cash used in operations	(31,662)	N/A
Income tax paid	(1,153)	N/A
Interest paid	(1,298)	N/A
Net cash used in operating activities	**(34,113)**	**N/A**
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(1,810)	N/A
Interest income received	303	N/A
Proceeds from disposal of property, plant and equipment	38	N/A
Net cash used in investing activities	**(1,469)**	**N/A**
Cash Flows from Financing Activities		
Change in deposits pledged	(1,288)	N/A
Net drawdown of loans and borrowings	17,429	N/A
Payment of lease liabilities	(127)	N/A
Proceed from issuance of shares, net	35,613	N/A
Net cash from financing activities	**51,627**	**N/A**
Net increase in cash and cash equivalents	16,045	N/A
Cash and cash equivalents at the beginning of the financial period	(4,759)	N/A
Cash and cash equivalents at the end of the financial period	**11,286**	**N/A**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022[(1)] (CONT'D)

	YEAR-TO-DATE	
	30.09.2022	**30.09.2021[(2)]**
	RM'000	**RM'000**
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	24,416	N/A
Cash and bank balances	4,896	N/A
	29,312	N/A
Less: Pledged deposits	(9,362)	N/A
	19,950	N/A
Bank overdrafts	(8,664)	N/A
Cash and cash equivalents in the consolidated statement of cash flows	**11,286**	**N/A**

Notes:

N/A – Not applicable

(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.

(2) There are no comparative figures for the preceding corresponding year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

[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 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 Listing Requirements.

This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the third quarter ended 30 September 2022 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report dated 5 January 2022 as disclosed in the Prospectus dated 28 January 2022, audited financial statements for financial year ended 31 December 2021 and the accompanying 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 materiality 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.

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

A8. Dividend

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

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 30 September 2022 is as follows:

Analysis of revenue by business segments

	3-MONTH ENDED		YEAR-TO-DATE	
	30.09.2022 RM'000	**30.09.2021(1) RM'000**	**30.09.2022 RM'000**	**30.09.2021(1) RM'000**
Construction and civil engineering	46,854	N/A	109,215	N/A
ICT solutions and services	(421)	N/A	(419)	N/A
Total	**46,433**	**N/A**	**108,796**	**N/A**

Notes:

N/A – Not applicable

(1) This is the interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

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.

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

A14. Capital commitments

	3-MONTH ENDED		YEAR-TO-DATE	
	30.09.2022 RM'000	30.09.2021(1) RM'000	30.09.2022 RM'000	30.09.2021(1) RM'000
Property, plant and equipment				
Authorised and contracted for	4,331	N/A	4,331	N/A

Notes:

N/A – Not applicable

(1) This is the interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

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.

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

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

B1. Review of Performance

Results for current quarter and financial year-to-date

The Group recorded a revenue of RM46.43 million for the current financial quarter ended 30 September 2022. The Group's revenue was mainly derived from the construction and civil engineering segment for the current financial quarter ended 30 September 2022, with the Malaysian market as the sole market to the Group's revenue. The ICT solutions and services segment reported a reversal of accrued billing of RM0.42 million while awaiting certification of work done from consultant.

The Group registered a LBT and LAT of RM10.14 million and RM8.48 million respectively, in the current financial quarter under review.

There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

B2. Comparison with immediate preceding quarter's results

For the current financial quarter, the Group recorded revenue of RM46.43 million as compared to revenue of RM31.98 million in the preceding quarter. The increase in revenue for the current quarter by RM14.45 million is mainly due to higher level of construction activities from on-going projects.

In the current quarter, the Group recorded a LBT and LAT of RM10.14 million and RM8.48 million respectively as compared to LBT and LAT of RM1.18 million and RM1.67 million in the preceding quarter. The loss is mainly due to elevated cost of the construction materials, lower profit margin from ongoing projects, higher cost incurred for defect rectification and fair value loss on investment in quoted shares.

B3. Prospects and outlook

As per the BNM Quarterly Bulletin, the construction sector recorded a higher growth of 15.3% in third quarter as compared preceding second quarter of 2.4% as all subsectors recorded improvements in activities. Commercial real estate, mixed-development and small-scale projects continued to support activities in the non-residential and special trade subsectors.

In July 2022, the Group has successfully secured a warehouse construction contract with a total contract sum of RM89.57 million thereby boosting our order book to RM523.46 million as at 30 September 2022.

Moving onwards, 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.

B4. Profit Forecast or Profit Guarantee

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

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

B5. Status of corporate proposals

On 17 May 2022, the Company's wholly owned subsidiary, Siab (M) Sdn Bhd ("**Siab M**") had entered into a debt settlement agreement with Yong Tai Berhad ("**YTB**"), YTB Development Sdn Bhd ("**YTBD**") and YTB Impression Sdn Bhd ("**YTBI**") for the settlement of an aggregate amount of RM6.00 million debt owing by YTBD and YTBI to Siab M via the issuance of 12,000,000 ordinary shares in YTB ("**Settlement Share(s)**") at an issue price of RM0.5000 per Settlement Share ("**Debt Settlement**").

On 15 September 2022, the Debt Settlement has been completed following the receipt of the Settlement Shares and the listing of the Settlement Shares on the Main Market of Bursa Securities.

Save as disclosed above, there are 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	
	30.09.2022	**30.09.2021[(1)]**	**30.09.2022**	**30.09.2021[(1)]**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax (income) / expense	(189)	N/A	736	N/A
Deferred tax income	(1,463)	N/A	(1,463)	N/A
Total tax expense[(3)]	**(1,652)**	**N/A**	**(727)**	**N/A**
Effective tax rate (%)[(2)]	N/A	N/A	N/A	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable

(1) This is the interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) The Group's effective tax rate for the current quarter is not applicable due to loss before taxation.

(3) 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	-	(433)	5,665	Within 24 months
Purchase of machinery and equipment	13,125	-	(6,213)	6,912	Within 24 months
Purchase of BIM system software	3,066	-	-	3,066	Within 24 months
Upgrade software and systems	810	-	(588)	222	Within 18 months
Office expansion	300	-	(263)	37	Within 24 months
Working capital	9,300	436	(9,736)	-	Within 12 months
Estimated listing expenses	4,023	(436)	(3,587)	-	Within 3 months
	36,722	**-**	**(20,820)**	**15,902**	

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

Note:

(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.

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 30.09.2022 RM'000	UNAUDITED As at 30.09.2021[2] RM'000
Current:		
Hire purchase liabilities	1,462	N/A
Term loans	3,308	N/A
Bank overdrafts	8,664	N/A
Revolving credit	5,000	N/A
Recourse factoring	1,138	N/A
	19,572	N/A
Non-current:		
Hire purchase liabilities	2,525	N/A
Term loans	18,729	N/A
	21,254	N/A
Total bank borrowings	**40,826**	**N/A**

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

Notes:

N/A – Not applicable

(1) This is the interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

B10. Dividend

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

B11. 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	
	30.09.2022	30.09.2021[1]	30.09.2022	30.09.2021[1]
Loss attributable to ordinary owners of the Company (RM'000)	(8,483)	N/A	(10,032)	N/A
Number of ordinary shares ('000)	489,634	N/A	489,634	N/A
Basic/Diluted loss per share (sen)[2]	(1.73)	N/A	(2.05)	N/A

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

B11. Loss per share (Continued)

Notes:

N/A – Not applicable

(1) This is the interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) Basic and diluted loss per share is calculated based on the share capital of 489,634,083 shares in issue as at 30 September 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 before tax is arrived after charging/(crediting):

	3-MONTH ENDED		YEAR-TO-DATE	
	30.09.2022 RM'000	**30.09.2021(1) RM'000**	**30.09.2022 RM'000**	**30.09.2021(1) RM'000**
Depreciation of property, plant and equipment	297	N/A	821	N/A
Depreciation of investment properties	27	N/A	82	N/A
Depreciation of right-of-use assets	19	N/A	129	N/A
Fair value loss on investment in quoted shares	3,360	N/A	3,360	N/A
Interest expense	455	N/A	1,298	N/A
Interest income	(107)	N/A	(303)	N/A
Rental income	(77)	N/A	(232)	N/A
Gain on disposal of property, plant and equipment	(38)	N/A	(38)	N/A

Note:

N/A – Not applicable

(1) This is the interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

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

21 November 2022