



SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)

Interim Financial Report
For The First Quarter Ended
31 March 2023

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

	Notes	3-MONTH ENDED		YEAR-TO-DATE	
		Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 RM'000
Revenue	A9	36,835	30,388	36,835	30,388
Cost of sales		(37,032)	(27,096)	(37,032)	(27,096)
Gross (loss)/profit		(197)	3,292	(197)	3,292
Other income		175	168	175	168
Administrative expenses		(1,594)	(2,049)	(1,594)	(2,049)
Fair value loss on investment in quoted shares		(120)	-	(120)	-
Other expenses		(118)	(650)	(118)	(650)
(Loss)/Profit from operations		(1,854)	761	(1,854)	761
Finance income		120	115	120	115
Finance costs		(575)	(319)	(575)	(319)
(Loss)/Profit before tax ("LBT/PBT")	B11	(2,309)	557	(2,309)	557
Taxation	B6	(23)	(440)	(23)	(440)
(Loss)/Profit after tax and other comprehensive income ("LAT/PAT")		(2,332)	117	(2,332)	117
(Loss)/Profit and other comprehensive income for the financial period attributable to:					
• Owners of the Company		(2,332)	117	(2,332)	117
• Non-controlling interests		-	-	-	-
		(2,332)	117	(2,332)	117
(Loss)/Earnings per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B10	(0.48)	0.02	(0.48)	0.02
• Diluted (sen) ⁽²⁾	B10	(0.48)	0.02	(0.48)	0.02

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 share capital of 489,634,083 shares in issue as at 31 March 2022 and as at 31 March 2023. There are no dilutive instruments as at the end of the current quarter.

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

	Unaudited As at 31.03.2023 RM'000	Unaudited As at 31.03.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	11,730	5,729
Right-of-use assets	4,530	68
Investment properties	5,323	5,432
Other investments	774	881
Deferred tax assets	3,632	-
Total non-current assets	25,989	12,110
Current Assets		
Trade and other receivables	70,132	75,837
Contract assets	47,555	48,846
Current tax assets	1,423	595
Investment in quoted shares	2,277	-
Cash and cash equivalents	20,721	34,427
Total current assets	142,108	159,705
TOTAL ASSETS	168,097	171,815
EQUITY AND LIABILITIES		
Equity		
Share capital	72,336	72,336
Merger reserve	(35,723)	(35,723)
Retained earnings	15,494	37,212
Total equity attributable to owners of the Group	52,107	73,825
Liabilities		
Non-current liabilities		
Loans and borrowings	19,179	7,855
Deferred tax liabilities	281	484
Total non-current liabilities	19,460	8,339
Current liabilities		
Trade and other payables	68,345	69,130
Contract liabilities	6,046	-
Loans and borrowings	22,139	20,435
Lease liabilities	-	86
Total current liabilities	96,530	89,651
TOTAL LIABILITIES	115,990	97,990
TOTAL EQUITY AND LIABILITIES	168,097	171,815
Number of shares in issue (*000)⁽²⁾	489,634	489,634
NET ASSETS PER SHARE (RM)	0.11	0.15

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 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 March 2023 and as at 31 March 2022 is calculated based on the share capital of 489,634,083 shares in issue as at 31 March 2023 and as at 31 March 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 FIRST QUARTER ENDED 31 MARCH 2023⁽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 (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 period	-	-	(2,332)	(2,332)	(2,332)
As at 31 March 2023 (Unaudited)	72,336	(35,723)	15,494	52,107	52,107

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 FIRST QUARTER ENDED 31 MARCH 2023⁽¹⁾

	YEAR-TO-DATE	
	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 RM'000
Cash Flows from operating activities		
(Loss)/Profit before tax	(2,309)	556
Adjustments for:		
Depreciation of property, plant and equipment	438	188
Depreciation of right-of-use assets	6	73
Depreciation of investment properties	27	27
Finance income	(119)	(114)
Finance costs	575	319
Fair value loss on investment in quoted shares	120	-
Gain on disposal of property, plant and equipment	(75)	-
Change in fair value of other investments	(16)	(17)
Operating (loss)/profit before working capital changes	<u>(1,353)</u>	<u>1,032</u>
Change in working capital		
Change in trade and other receivables and prepayments	10,971	(3,257)
Change in trade and other payables	(4,944)	(12,617)
Change in contract assets	(5,912)	(2,268)
Change in contract liabilities	(826)	-
Cash used in operations	<u>(2,064)</u>	<u>(17,110)</u>
Income tax paid	(880)	(691)
Interest paid	(575)	(319)
Net cash used in operating activities	<u>(3,519)</u>	<u>(18,120)</u>
Cash Flows from investing activities		
Acquisition of property, plant and equipment	(12)	-
Acquisition of right-of-use assets	(4,504)	-
Interest income received	120	114
Proceeds from disposal of property, plant and equipment	75	-
Net cash (used in)/from investing activities	<u>(4,321)</u>	<u>114</u>
Cash Flows from financing activities		
Change in deposits pledged	2,613	(1,533)
Net repayments of loans and borrowings	(1,432)	7,962
Payment of lease liabilities	-	(51)
Net proceed from issuance of shares	-	35,613
Net cash from financing activities	<u>1,181</u>	<u>41,991</u>
Net decrease in cash and cash equivalents	(6,659)	(23,985)
Cash and cash equivalents at the beginning of the financial period	10,284	(4,759)
Cash and cash equivalents at the end of the financial period	<u>3,625</u>	<u>19,226</u>

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

	YEAR-TO-DATE	
	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	16,060	33,194
Cash and bank balances	4,661	1,233
	<u>20,721</u>	<u>34,427</u>
Less: Pledged deposits	(8,994)	(9,607)
	<u>11,727</u>	<u>24,820</u>
Bank overdrafts	(8,102)	(5,594)
Cash and cash equivalents in the consolidated statement of cash flows	<u>3,625</u>	<u>19,226</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 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 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, except for the adoption of the following:

Malaysian Financial Reporting Standards (“MFRSs”), interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The application of these MFRSs and amendments to MFRSs is not expected to have any material financial impacts to the financial statements of the Group and of the Company.

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

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.

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Construction and civil engineering	36,830	30,388	36,830	30,388
ICT solutions and services	5	-	5	-
Total	36,835	30,388	36,835	30,388

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

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.

[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 financial quarter

The Group recorded a revenue of RM36.84 million for the first financial quarter ended 31 March 2023. The Group's revenue was mainly derived from the construction and civil engineering segment for the current financial quarter ended 31 March 2023, with the Malaysian market as the sole market to the Group's revenue.

The Group registered a LBT and LAT of RM2.31 million and RM2.33 million, respectively, in the current financial quarter under review. As compared to the preceding year's corresponding quarter, the Group had reported PBT of RM0.56 million and PAT of RM0.12 million.

Results for financial year-to-date

For the current financial year-to-date, the Group registered a LBT and LAT of RM2.31 million and RM2.33 million, respectively as compared to preceding year-to-date where the Group had reported PBT of RM0.56 million and PAT of RM0.12 million respectively.

The loss for the current quarter and current financial year to-date is mainly attributable to lower profitability from on-going projects due to elevated cost of construction materials and higher defect rectification cost incurred for completed projects.

B2. Comparison with immediate preceding quarter's results

For the current financial quarter, the Group recorded revenue of RM36.84 million as compared to revenue of RM38.57 million in the immediate preceding quarter. In the same current quarter, the Group recorded a LBT and LAT of RM2.31 million and RM2.33 million respectively as compared to LBT and LAT of RM10.81 million and RM9.06 million in the immediate preceding quarter.

As compared to immediate preceding quarter, the revenue for current quarter has decreased minimally by RM1.73 million while the LAT reported for the current quarter has also decreased by RM6.73 million.

The loss registered in the immediate preceding 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 while the loss registered for current quarter is mainly due to lower profitability from on-going projects due to elevated cost of construction materials and higher defect rectification cost incurred for completed projects.

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

B3. Prospects and outlook

According to Department of Statistics Malaysia, the construction sector sustained its positive momentum in the first quarter of financial year 2023 with the value of work done expanded by 9.4%.

The expansion of value of work done was supported by a double-digit increase in civil engineering of 17.2%, followed by non-residential buildings sub-sectors and special trade activities which increased by 9.6% and 9.0% respectively.

The Economic & Fiscal Outlook and Revenue Estimates 2023 report noted that the implementation of new projects, such as the upgrade of the Klang Valley Double Track (KDVT) Phase 2 and acceleration of ongoing projects, such as the East Coast Rail Link would spearhead the civil engineering subsector. The domestic construction sector is expected to increase by 6.1% this year 2023.

As at 31 March 2022, our order book stands at RM280.53 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.

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

Acceptance of proposed settlement arrangement

On 19 April 2023, Siab (M) Sdn. Bhd. has accepted the proposed settlement arrangement with YTB Development Sdn Bhd whereby outstanding balances owing by YTB Development Sdn Bhd to the Siab Group are to be offset with properties.

The outstanding amount owing to Siab Group of RM3.37 million are to be offset with properties of amounting to RM2.98 million, consisting of two units of condominium from Impressions U-Thant Project located at Jalan U Thant, Kuala Lumpur and one unit of serviced apartment from Amber Cove located at Impression City, Malacca.

The settlement arrangement is estimated to be completed within 30 days from the date of acceptance of the Settlement whereby the sales and purchase agreement(s) for acquiring the properties are intended to be entered.

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

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

B6. Income tax expenses

	3-MONTH ENDED		YEAR-TO-DATE	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense	23	440	23	440
Deferred tax expense	-	-	-	-
Total tax expense⁽²⁾	23	440	23	440
Effective tax rate (%) ⁽¹⁾	N/A	78.99	N/A	78.99
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. The Group's effective tax rate for the corresponding quarter of preceding year was higher than the statutory income tax rate is mainly due to expenses incurred related to initial public offering ("IPO") exercise, such as professional fees which are not tax deductible.
- (2) Income tax expense is recognised based on management's best estimate.

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

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 RM0.26 per share in conjunction with the IPO exercise. The listing exercise was completed on 28 February 2022. On 22 May 2023, the Board had decided to vary the intended utilisation of the proceeds raised from the IPO exercise.

Details of utilisation of proceeds	IPO Proceeds as disclosed in the Prospectus	Deviation	Amount utilised	Balance of IPO proceeds	Variation ⁽³⁾	Revised IPO Proceeds after the variation	Estimated timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
	(A)	(B)	(C)	(A+B+C) = (D)	(E)	(D+E)	
Purchase of land and construction of storage facility	6,098	-	(4,331)	1,767	-	1,767	Within 24 months
Purchase of machinery and equipment	13,125	-	(6,570)	6,555	(2,934)	3,621	Within 24 months
Purchase of BIM system software	3,066	-	-	3,066	(3,066)	-	Within 24 months
Upgrade software and systems	810	-	(649)	161	-	161	Within 18 months
Working capital	9,300	473	(9,773)	-	-	-	Within 12 months
Office expansion ⁽¹⁾	300	(37)	(263)	-	-	-	Within 24 months
Estimated listing expenses ⁽²⁾	4,023	(436)	(3,587)	-	-	-	Within 3 months
Repayment of bank borrowings and suppliers	-	-	-	-	-	6,000	Within 3 months
Total	36,722	-	(25,173)	11,549	(6,000)	11,549	

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.
- (2) The actual listing expenses were lower than the estimated amount, hence the excess of RM0.44 million was re-allocated for working capital purposes.
- (3) 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)

B8. Bank borrowings

The Group's bank borrowings were as follows:

	Unaudited As at 31.03.2023 RM'000	Unaudited As at 31.03.2022 RM'000
Current:		
Hire purchase liabilities	1,266	484
Term loans	3,372	5,857
Bank overdrafts	8,102	5,594
Revolving credit	5,000	5,000
Recourse factoring	4,399	3,500
	<u>22,139</u>	<u>20,435</u>
Non-current:		
Hire purchase liabilities	2,180	555
Term loans	16,999	7,300
	<u>19,179</u>	<u>7,855</u>
Total bank borrowings	<u>41,318</u>	<u>28,290</u>

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

B9. Dividend

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

B10. (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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
(Loss)/Profit attributable to ordinary owners of the Company (RM'000)	<u>(2,332)</u>	<u>117</u>	<u>(2,332)</u>	<u>117</u>
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>(0.48)</u>	<u>0.02</u>	<u>(0.48)</u>	<u>0.02</u>

Note:

- (1) Diluted (loss)/earnings per share for the preceding corresponding quarter, preceding year-to-date, current quarter and current financial year-to-date is calculated based on the share capital of 489,634,083 in issue as at 31 March 2023 and as at 31 March 2022. 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)/Profit before tax is arrived after charging/(crediting):

	3-MONTH ENDED		YEAR-TO-DATE	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	438	188	438	188
Depreciation of investment properties	27	27	27	27
Depreciation of right-of-use assets	6	73	6	73
Fair value loss on investment in quoted shares	120	-	120	-
Interest expense	575	319	575	319
Interest income	(119)	(114)	(119)	(114)
Rental income	(26)	(77)	(26)	(77)
Gain in fair value change of other investments	(16)	(17)	(16)	(17)
Gain on disposal of property, plant and equipment	(75)	-	(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

29 May 2023