



SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)

Interim Financial Report
For The First Quarter Ended
31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾

	Notes	3-MONTH ENDED		YEAR-TO-DATE	
		Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000
Revenue	A9	26,261	36,835	26,261	36,835
Cost of sales		(24,090)	(37,032)	(24,090)	(37,032)
Gross profit/(loss)		2,171	(197)	2,171	(197)
Other income		133	175	133	175
Administrative expenses		(1,696)	(1,594)	(1,696)	(1,594)
Fair value loss on investment in quoted shares		-	(120)	-	(120)
Other expenses		(137)	(118)	(137)	(118)
Profit/(Loss) from operations		471	(1,854)	471	(1,854)
Finance income		111	120	111	120
Finance costs		(473)	(575)	(473)	(575)
Profit/(Loss) before tax ("PBT/LBT")	B11	109	(2,309)	109	(2,309)
Taxation	B6	-	(23)	-	(23)
Profit/(Loss) after tax and other comprehensive income ("PAT/LAT")		109	(2,332)	109	(2,332)
Profit/(Loss) and other comprehensive income for the financial period attributable to:					
• Owners of the Company		109	(2,332)	109	(2,332)
• Non-controlling interests		-	-	-	-
		<u>109</u>	<u>(2,332)</u>	<u>109</u>	<u>(2,332)</u>
Profit/(Loss) per share attributable to owners of the Company					
• Basic (sen) ⁽²⁾	B10	0.02	(0.48)	0.02	(0.48)
• Diluted (sen) ⁽²⁾	B10	0.02	(0.48)	0.02	(0.48)

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 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic and diluted profit/(loss) per share is calculated based on share capital of 489,634,083 ordinary shares in issue as at 31 March 2023 and 589,634,083 ordinary shares in issue as at 31 March 2024. There are no dilutive instruments as at the end of the current quarter.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽¹⁾

	Unaudited As at 31.03.2024 RM'000	Unaudited As at 31.03.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	11,322	11,730
Right-of-use assets	4,462	4,530
Investment properties	5,214	5,323
Other investments	-	774
Deferred tax assets	3,538	3,632
Total non-current assets	24,536	25,989
Current Assets		
Trade and other receivables	69,609	70,132
Contract assets	50,387	47,555
Current tax assets	1,621	1,423
Investment in quoted shares	-	2,277
Cash and cash equivalents	16,972	20,721
Total current assets	138,589	142,108
TOTAL ASSETS	163,125	168,097
EQUITY AND LIABILITIES		
Equity		
Share capital	84,036	72,336
Merger reserve	(35,723)	(35,723)
(Accumulated Losses)/Retained earnings	(4,715)	15,494
Total equity attributable to owners of the Group	43,598	52,107
Liabilities		
Non-current liabilities		
Loans and borrowings	14,476	19,179
Deferred tax liabilities	270	281
Total non-current liabilities	14,746	19,460
Current liabilities		
Trade and other payables	90,710	68,345
Loans and borrowings	13,438	22,139
Contract liabilities	633	6,046
Total current liabilities	104,781	96,530
TOTAL LIABILITIES	119,527	115,990
TOTAL EQUITY AND LIABILITIES	163,125	168,097
Number of shares in issue ('000) ⁽²⁾	589,634	489,634
NET ASSETS PER SHARE (RM)	0.07	0.11

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽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 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share as at 31 March 2024 and as at 31 March 2023 is calculated based on the share capital of 589,634,083 shares in issue as at 31 March 2024 and share capital of 489,634,083 shares in issue as at 31 March 2023. There are no dilutive instruments as at the end of the current quarter.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽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 2023 (Audited)	72,336	(35,723)	17,826	54,439	54,439
Loss and total comprehensive expense for the financial year	-	-	(22,650)	(22,650)	(22,650)
Transaction with owners:					
Issuance of shares pursuant to private placement	12,000	-	-	12,000	12,000
Share issuance expenses	(300)	-	-	(300)	(300)
As at 31 December 2023 / 1 January 2024 (Audited)	84,036	(35,723)	(4,824)	43,489	43,489
Profit and total comprehensive income for the financial year	-	-	109	109	109
As at 31 March 2024 (Unaudited)	84,036	(35,723)	(4,715)	43,598	43,598

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 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾

	YEAR-TO-DATE	
	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000
Cash Flows from operating activities		
Profit/(Loss) before tax	109	(2,309)
Adjustments for:		
Depreciation of property, plant and equipment	515	438
Depreciation of right-of-use assets	17	6
Depreciation of investment properties	27	27
Finance income	(110)	(119)
Finance costs	473	575
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)
Operating profit/(loss) before working capital changes	<u>1,031</u>	<u>(1,353)</u>
Change in working capital		
Change in trade and other receivables and prepayments	1,756	10,971
Change in trade and other payables	4,707	(4,944)
Change in contract assets	(6,965)	(5,912)
Change in contract liabilities	(1,069)	(826)
Cash used in operations	<u>(540)</u>	<u>(2,064)</u>
Income tax paid	(29)	(880)
Interest paid	(473)	(575)
Net cash used in operating activities	<u>(1,042)</u>	<u>(3,519)</u>
Cash Flows from investing activities		
Acquisition of property, plant and equipment	(32)	(12)
Acquisition of right-of-use assets	-	(4,504)
Acquisition of investment properties	(16)	-
Interest income received	110	120
Proceeds from disposal of property, plant and equipment	-	75
Net cash from/(used in) investing activities	<u>62</u>	<u>(4,321)</u>
Cash Flows from financing activities		
Change in deposits pledged	(1,113)	2,613
Net repayments of loans and borrowings	(1,513)	(1,432)
Net cash (used in)/from financing activities	<u>(2,626)</u>	<u>1,181</u>
Net decrease in cash and cash equivalents	(3,606)	(6,659)
Cash and cash equivalents at the beginning of the financial period	<u>7,050</u>	<u>10,284</u>
Cash and cash equivalents at the end of the financial period	<u>3,444</u>	<u>3,625</u>

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾ (CONT'D)

	YEAR-TO-DATE	
	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	11,773	16,060
Cash and bank balances	5,199	4,661
	<u>16,972</u>	<u>20,721</u>
Less: Pledged deposits	(11,773)	(8,994)
	5,199	11,727
Bank overdrafts	(1,755)	(8,102)
Cash and cash equivalents in the consolidated statement of cash flows	<u>3,444</u>	<u>3,625</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 2023 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 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 2023 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 2023, except for the adoption of the following:

Malaysian Financial Reporting Standards (“MFRS”), interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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 Group and the Company plan to apply the abovementioned accounting standard, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024; and
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

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

A2. Summary of Significant Accounting Policies (Continued)

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

A3. Auditors' report on preceding annual financial statements

The audited financial statements of the Group for the financial year ended 31 December 2023 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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Construction and civil engineering	26,239	36,830	26,239	36,830
ICT solutions and services	22	5	22	5
Total	26,261	36,835	26,261	36,835

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 and financial year-to-date

For the first financial quarter ended 31 March 2024, the Group recorded a revenue of RM26.26 million, decreasing by of RM10.57 million as compared to preceding year's corresponding quarter's revenue of RM36.84 million. The decrease in revenue for the current financial quarter is mainly due to ongoing projects registering lower level of construction activities.

The Group's revenue is mainly derived from the construction and civil engineering segment, with the Malaysian market being the sole contributor. Meanwhile, the ICT solutions and services segment recorded revenue of RM22,000 for the current financial quarter, an increase of RM17,000 as compared to RM5,000 recorded for the corresponding quarter of the preceding year.

In the current financial quarter under review, despite registering lower revenue, the Group recorded a gross profit of RM2.17 million as compared to a gross loss of RM0.20 million in the corresponding quarter's of the preceding year.

For the current quarter, the Group recorded a PBT and PAT of RM0.11 million, as compared to an LBT and LAT of RM2.31 million and RM2.33 million, respectively, in the corresponding quarter of the preceding year. The loss recorded in the corresponding quarter of the preceding year was mainly attributable to lower profitability from ongoing projects due to elevated construction material costs and higher defect rectification cost incurred for completed projects.

B2. Comparison with the immediate preceding quarter's results

In the first quarter of the financial year ending 2024, the Group recorded a revenue of RM26.26 million, a decreased of 51.14% or RM27.82 million compared to the last quarter of the financial year ended 2023, where the Group recorded of RM54.08 million. The higher revenue in the immediate preceding quarter was mainly attributable to increased revenue recognition following the completion of two projects during that quarter.

Despite the higher revenue recognised in the immediate preceding quarter, the Group recorded a gross loss of RM5.54 million, whereas in the current quarter, there was a gross profit of RM2.17 million. Additionally, the Group recorded an LBT and LAT of RM14.44 million and RM14.22 million, respectively, in the immediate preceding quarter, compared to current quarter's PBT and PAT of RM0.11 million.

The loss in the immediate preceding quarter was mainly due to lower profitability from ongoing projects resulting from elevated construction materials costs and rising labour costs. Furthermore, a provision of liquidated ascertained damages amounted to RM4.23 million, and a one-off loss on impairments of contract asset balance and receivable balances amounted to RM6.29 million, also contributed to the loss reported in the immediate preceding quarter.

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

B3. Prospects and outlook

The Malaysian economy is projected to grow between 4.0% to 5.0% in 2024. Growth in 2024 is expected to be driven by resilient domestic expenditure and improvement in external demand. On the external front, the International Monetary Fund is projecting a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024. On the domestic front, household spending will be supported by continued employment and wage growth.

The construction industry in Malaysia expanded by 6.3% from RM53.44 billion in 2022 to RM56.69 billion in 2023. For current financial year 2024, the construction industry in Malaysia is expected to expand by 6.8% to RM60.49 billion, supported by broad-based growth across all subsectors. 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 of 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 at 31 March 2024, the Group’s order book stands at RM314.48 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

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”).

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)

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”);
- (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”).

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)

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, 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.

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”).

On 8 March 2024, an application was submitted to Bursa Securities to seek an extension of time of up to 25 July 2024 to complete the implementation of the Rights Issue with Warrants and issuance of the Consideration Shares in relation to the Acquisition. Subsequently, on 19 March 2024, Bursa Securities approved the said application.

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

B5. Status of corporate proposals (Continued)

On 7 May 2024, in relation to the Rights Issue with Warrants, the Group entered into an underwriting agreement with M & A Securities and NewParadigm Securities Sdn Bhd (formerly known as PM Securities Sdn Bhd) ("Joint Underwriters"), whereby the Joint Underwriters will underwrite the entire portion of 766,524,307 Rights Shares for an aggregate amount of RM91.98 million to achieve a full subscription basis. On the same date, the Board announced the important relevant dates in relation to the Rights Issue with Warrants.

On 8 May 2024, the Group has executed the Deed Poll constituting the Warrants and announced the notice of rights entitlement.

On 23 May 2024, the abridged prospectus in relation to the Rights Issue with Warrants was duly registered by Bursa Securities and lodged with the Registrar of Companies.

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposals are expected to be completed by the third 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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense	-	23	-	23
Deferred tax expense	-	-	-	-
Total tax expense⁽²⁾	-	23	-	23
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 March 2024 and the preceding year's financial year to date of 31 March 2023 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 initial public offering (“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.

Details of utilisation of proceeds	Proposed utilisation	Deviation⁽¹⁾	Variations⁽²⁾	Actual utilisation	Balance unutilised	Revised timeframe for utilisation⁽³⁾
	RM'000	RM'000	RM'000	RM'000	RM'000	
	(A)	(B)	(C)	(D)	(A+B+C+D) = (E)	
Purchase of land and construction of storage facility	6,098	-	-	(4,504)	1,594	Within 24 months
Purchase of machinery and equipment	13,125	-	(5,234)	(7,426)	465	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	2,300	(12,073)	-	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	-	-	(34,663)	2,059	

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. The initial IPO Proceeds of RM2.30 million to purchase 3 units of concrete placing boom, scaffoldings and 2 units of truck crane have been re-allocated for working capital purpose.
- (3) The revised timeframe for utilisation is from 29 February 2024, the expiry date of the initial timeframe for the utilisation of IPO Proceeds.

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 22 May 2023, the Board had decided to vary the intended utilisation of the proceeds raised from the IPO exercise. On 27 February 2024, the Board had further varied the intended utilisation of the proceeds raised from the IPO exercise of RM2.30 million and has extended 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 March 2024, 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 31.03.2024 RM'000	Unaudited As at 31.03.2023 RM'000
Current:		
Hire purchase liabilities	1,228	1,266
Term loans	3,428	3,372
Bank overdrafts	1,755	8,102
Revolving credit	5,000	5,000
Recourse factoring	2,027	4,399
	<u>13,438</u>	<u>22,139</u>
Non-current:		
Hire purchase liabilities	1,003	2,180
Term loans	13,473	16,999
	<u>14,476</u>	<u>19,179</u>
Total bank borrowings	<u>27,914</u>	<u>41,318</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.

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

B10. Profit/(Loss) per share

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

	3-MONTH ENDED		YEAR-TO-DATE	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit/(Loss) attributable to ordinary owners of the Company (RM'000)	109	(2,332)	109	(2,332)
Number of ordinary shares ('000)	589,634	489,634	589,634	489,634
Basic loss per share (sen) ⁽¹⁾	0.02	(0.48)	0.02	(0.48)

Note:

- (1) Basic loss per share for the preceding corresponding quarter and preceding year-to-date is calculated based on the share capital of 489,634,083 ordinary shares in issue as at 31 March 2023. Basic profit per share for the current quarter and current year-to-date is calculated based on the share capital of 589,634,083 ordinary shares in issue as at 31 March 2024. The diluted profit/(loss) per share is identical with basic loss per share as there are no dilutive instruments as at the end of the current quarter.

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

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

	3-MONTH ENDED		YEAR-TO-DATE	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	515	438	515	438
Depreciation of investment properties	27	27	27	27
Depreciation of right-of-use assets	17	6	17	6
Interest expense	473	575	473	575
Interest income	(110)	(119)	(110)	(119)
Rental income	-	(26)	-	(26)
Fair value loss on investment in quoted shares	-	120	-	120
Gain in fair value change of other investments	-	(16)	-	(16)
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

27 May 2024