

**NOTES TO THE INTERIM FINANCIAL REPORT****1. Basis of Preparation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting issued by Malaysian Accounting Standard Board. They do not include all the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2022.

2. Changes in significant Accounting Policies

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies applied in the year ended 31 January 2022 financial statements except for the adoption of the amendments to MFRSs that are applicable to the Group for the financial period beginning 1 February 2022. The adoption of these amendments to MFRSs does not have any material impact on the financial statements of the Group.

3. Auditors' report on preceding annual financial statements

The Group's audited financial statements for the financial year ended 31 January 2022 were reported on by its external auditors, Ernst & Young without any qualifications.

4. Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical factors during the financial period under review.

5. Unusual items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual due to their nature, size and incidence.

6. Debt and equity securities

During the quarter under review and current financial year-to-date, there were no issuances and repayment of debt and equity securities.



7. Dividends paid

No dividend was paid in the current quarter and financial year to date.

8. Segmental reporting

The segment information for business segments predominantly conducted in Malaysia for the current financial year to date were as follows:

3 months ended 30 April 2022	Manufacturing RM '000	Trading RM '000	Property development & Construction RM '000	Quarry operation RM '000	Investment & mgt services RM '000	Eliminations /Adjustment RM '000	Total RM '000
REVENUE							
External sales	15,588	534	35,960	-	-	-	52,083
Inter-segment sales	486	3,719	6,225	-	-	(48,204)	(37,774)
Total revenue	16,074	4,253	42,185	-	-	(48,204)	14,309
RESULTS							
Operating profit	(78)	109	3,954	(13)	(125)		3,848
Share of associate results						(48)	(48)
Financing cost	(221)	(50)	(392)	(8)	(48)	-	(717)
Income taxes	-	-	(830)	-	-	159	(671)
Net profit/(loss)	(299)	59	2,732	(21)	(173)	111	2,412

3 months ended 30 April 2021	Manufacturing RM '000	Trading RM '000	Property development & construction RM '000	Quarry operation RM '000	Investment & mgt services RM '000	Eliminations /Adjustment RM '000	Total RM '000
REVENUE							
External sales	20,896	392	38,161	6	-	-	59,456
Inter-segment sales	493	3,514	7,562	99	-	(11,668)	-
Total revenue	21,389	3,906	45,723	105	-	(11,668)	59,456
RESULTS							
Operating profit	571	81	4,998	14	(119)	-	5,545
Share of associate results						204	204
Financing cost	(294)	(37)	(667)	(8)	(82)	-	(1,090)
Income taxes	(117)	-	(1,017)	-	-	-	(1,134)
Net profit/(loss)	277	44	4,331	6	(201)	204	4,659

9. Subsequent events

No material events have arisen during the interval between the end of the current quarter and the date of this announcement which have not been reflected in the current quarterly report.

10. Changes in the composition of the Group

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


11. Capital commitments

There were no material capital commitments for the current quarter under review.

12. Related Party Transactions

	3 months ended		3 months ended	
	30.04.22	30.04.21	30.04.22	30.04.21
	RM'000	RM'000	RM'000	RM'000
Income				
Sale of construction materials to:				
-Lee Ling Construction & Development Sdn. Bhd.	51	7	51	7
-Limba Jaya Timber Sdn. Bhd.	-	-	-	-
-Lee Ling Timber Sdn. Bhd.	3	9	3	9
-Metro 360 Hotel Sdn. Bhd.	-	-	-	-
-Multi Brilliance Sdn. Bhd.	561	-	561	-
Rental of barge				
-Lee Ling Timber Sdn. Bhd.	60	9	60	9
Expenditure				
Purchase of sawn timber				
-Lee Ling Timber Sdn. Bhd.	1,270	2,139	1,270	2,139
Sea freight charges				
-Lee Ling Timber Sdn. Bhd.	164	60	164	60
PVC Pipes and raw material				
-ABTP Marketing Sdn. Bhd.	-	-	-	-
Rental of dumptruck				
-Lee Ling Timber Sdn. Bhd.	11	11	11	11
Rental of office				
-BMK Development Sdn. Bhd.	39	39	39	39

**13. Review of performance of the Group**

The Group's revenue for the quarter ended 30 April 2022 stood at RM52.1 million representing 12.4% or RM7.4 million lower as compared to the corresponding period of last financial year. The Manufacturing Segment has recorded revenue of RM16 million in the current quarter which is RM5.3 million lower than RM21.4 million recorded in the corresponding period of last financial year. The Manufacturing Segment has recorded a drop in revenue in Pipes and Timber Products divisions which recorded decrease of RM3.1 million and RM1.7 million respectively. The main reason of decrease in revenue from Pipes Division is lesser water infrastructure projects being awarded by government whereas Timber Products division was due to shortage of raw material supply.

The Property Development & Construction Segment has also recorded a lower revenue of RM1.6 million in Road Maintenance division with a recorded revenue of RM7.4 million against RM9 million recorded in the corresponding period of last financial year. The drop is caused by reduction of road length for maintenance.

14. Comment on material change in profit/loss before taxation ("PBT/LBT")

The Group has recorded a PBT of RM3.1 million for the current quarter ended 30 April 2022 as compared to PBT of RM4.7 million recorded in the corresponding period of last financial year. The Manufacturing Segment has recorded LBT of RM0.3 million as compared to PBT of RM0.3 million in the corresponding period of last financial year. The Property Development and Construction Segment has recorded a lower PBT of RM0.9 million.

15. Prospect for the year ending 31 January 2023

From 1 April 2022 onwards, the Government has announced that the country will enter into endemic phase with traveling and business operating hours restrictions lifted. It is with the hope that businesses will gradually back to pre-pandemic level with a more relaxed COVID-19 rules and Standard Operating Procedures (SOP). However, while thing seems to be improving, the sudden erupt of geopolitical war between Russia and Ukraine has caused a sharp surge in oil prices and material cost. This posed a new set of challenges to our Group's operation and the management is currently monitoring closely to ensure that the overall Group performance will not be severely affected.


16. (a) Variance of actual profit from forecast profit

Not applicable as no profit forecast was published.

(b) Shortfall in the profit guarantee

There was no profit guarantee for the current year under review.

17. Taxation

	3 months ended 30/4/2022 RM'000	3 months ended 30/4/2021 RM'000
- Current period taxation	671	1,134
-(Over)/Under provision of taxation	-	-
- Deferred taxation	-	-
	<u>671</u>	<u>1,134</u>

18. Status of corporate proposals announced but not completed

There were no corporate proposals which have been announced but not yet been completed as at the date of this announcement.


19. Group borrowings and debt securities

	As At 30/04/22 Total RM'000
Secured:	
Term loans	19,954
Bank overdrafts	9,975
Revolving credits	5,500
Bankers' acceptance	45,837
Invoice financing	7,277
Hire purchase	10,495
Lease liabilities	2,609
	101,647
Repayable within twelve months	78,846
Repayable after twelve months	22,801
	101,647

The above borrowings are denominated in Ringgit Malaysia


QUALITY CONCRETE HOLDINGS BERHAD
20. Earnings per share

	Individual quarter ended	
	30/4/2022	30/4/2021
	RM'000	RM'000
Net profit/(loss) attributable to owners of the parent	<u>2,063</u>	<u>2,735</u>
Weighted average number of ordinary shares	Individual quarter ended	
	30/4/2022	30/4/2021
	'000	'000
Issued and fully paid share capital at beginning of the financial period	57,962	57,962
Effect of shares issued during the 3 months period ended 31 January 2021 / 2020	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares	57,962	57,962
Effect of ESOS share options	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares (diluted)	<u>57,962</u>	<u>57,962</u>
Basic (sen)	3.56	4.72
Fully diluted (sen)	3.56	4.72
	Cumulative year to date	
	30/4/2022	30/4/2021
	RM'000	RM'000
Net profit/(loss) attributable to owners of the parent	<u>2,063</u>	<u>2,735</u>
Weighted average number of ordinary shares	Cumulative year to date	
	30/4/2022	30/4/2021
	'000	'000
Issued and fully paid share capital at beginning of the financial year	57,962	57,962
Effect of shares issued during the 12 months period ended 31 January 2021 / 2020	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares	57,962	57,962
Effect of ESOS share options	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares (diluted)	<u>57,962</u>	<u>57,962</u>
Basic (sen)	3.56	4.72
Fully diluted (sen)	3.56	4.72


21. Material litigation

There were no pending material litigations for the current financial quarter under review.

22. Comprehensive Income Disclosures

Profit for the year is arrived at after charging/(crediting) the following:

	Individual Quarter		Cumulative Quarter	
	30/04/2022	30/04/2021	30/04/2022	30/04/2021
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease	78	81	78	81
Bad debts written back	(2)	(15)	(2)	(15)
Depreciation of property, plant & equipment	1,795	1,486	1,795	1,486
(Gain)/Loss on disposal of other investment	-	-	-	-
Interest expenses	717	1,089	717	1,089
Interest income	(91)	(70)	(91)	(70)
Impairment loss on receivables	-	-	-	-
Inventory written off	-	126	-	126
Net fair value changes in investment securities	-	-	-	-
Property, plant & equipment written off	1	-	1	-

23. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 June 2022.