

**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.


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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:

12 months ended 31 January 2023	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	60,483	1,841	146,704	-	-	-	209,029
Inter-segment sales	3,148	15,382	27,884	-	-	(46,416)	-
Total revenue	63,631	17,223	174,588	-	-	(46,416)	209,029
RESULTS							
Operating profit	(8,476)	427	19,003	47	10,068	(13,936)	7,132
Share of associate results						(212)	(212)
Financing cost	(902)	(230)	(3,624)	(36)	(353)	-	(5,144)
Income taxes	71	(54)	(4,072)	(19)	(42)	159	(3,956)
Net profit/(loss)	(9,307)	143	11,308	(8)	9,673	(13,989)	(2,180)

12 months ended 31 January 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	65,639	1,053	135,937	6	-	-	202,635
Inter-segment sales	3,954	12,553	32,000	117	3,050	(51,674)	-
Total revenue	69,593	13,606	167,937	123	-	(51,674)	202,635
RESULTS							
Operating profit	(3,386)	349	20,418	12	1,974	(4,791)	14,576
Share of associate results						117	117
Financing cost	(1,119)	(132)	(3,506)	(32)	(524)	555	(4,759)
Income taxes	(116)	(58)	(3,571)	-	(26)	-	(3,771)
Net profit/(loss)	(4,621)	159	13,342	(20)	1,424	(4,119)	6,163

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		12 months ended	
	31.01.23	31.01.22	31.01.23	31.01.22
	RM'000	RM'000	0RM'000	RM'000
Income				
Sale of construction materials to:				
-Lee Ling Construction & Development Sdn. Bhd.	33	32	33	117
-Limba Jaya Timber Sdn. Bhd.	-	-	-	-
-Lee Ling Timber Sdn. Bhd.	-	28	52	142
-Metro 360 Hotel Sdn. Bhd.	-	-	-	-
-Multi Brilliance Sdn. Bhd.	33	65	678	423
Rental of barge				
-Lee Ling Timber Sdn. Bhd.	60	60	240	240
Expenditure				
Purchase of sawn timber				
-Lee Ling Timber Sdn. Bhd.	1,132	1,492	7,566	6,211
Sea freight charges				
-Lee Ling Timber Sdn. Bhd.	319	347	1,640	1,700
PVC Pipes and raw material				
-ABTP Marketing Sdn. Bhd.	-	823	-	823
Rental of dumptruck				
-Lee Ling Timber Sdn. Bhd.	11	-	43	-
Rental of office				
-BMK Development Sdn. Bhd.	39	156	39	156



13. Review of performance of the Group

The Group's revenue for the 12 months ended 31 January 2023 stood at RM209 million representing 3.2% or RM6.4million higher as compared to the corresponding period of last financial year. The Manufacturing Segment has recorded revenue of RM63.6 million in the current period which represents a decrease in revenue of RM5.9 million recorded in last financial year. This is mainly due to the revenue from Pipes and Timber Products divisions has recorded lower revenue of RM5.7 million and RM4.6 million respectively while the Ready Mixed Concrete Products division recorded increase in revenue of RM4.8 million. The decrease in revenue from Pipes Division was due to lower demand for its products as fewer water infrastructure projects were being rolled out by government whereas Timber Products division was facing shrinkage in exports due to rising freight costs worldwide. The increase in revenue of Ready Mixed division was supported by the increase in the demand from private developments projects and internal infrastructure project.

While the Property Development & Construction Segment recorded a higher revenue of RM146.7 million as compared to RM135.9 million recorded in last financial year. This has contributed to an overall increase in the Group's revenue.

In the current quarter under reviewed, the Group recorded RM37.6 million in revenue which is 4.4% lower than RM36 million recorded in the corresponding quarter of last financial year. The Construction & Property Development Segment has recorded a revenue of RM43.7 million as compared to RM39 million in the corresponding quarter of last financial year. The increase in revenue recognized was due to the Group was able to resolve the labour shortage issue that affected the work progress in the last financial year.

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

The Group has recorded a PBT of RM1.8 million in this financial year, a drop of RM8.2 million compared to the PBT recorded in last financial year. This is attributable to reduction of RM0.8 million and RM1.9 million in Construction Division and Manufacturing Division due to price hike in material and fuel costs. Furthermore, the management decided to provide impairment of RM2.5 million in stock and RM3 million in Property, Plant & Equipment as a prudent measure in view of the market uncertainties and interruption in material supplies chain which has affected manufacturing activities.

For the current quarter ended 31 January 2023, the Group has recorded a LBT of RM5.3million as compared to PBT of RM2.5 million recorded in the same quarter of last financial year. The current quarter's Group LBT consists of LBT of RM2.6 million arising from the Manufacturing Segment and an impairment of RM5.5 million as mentioned above whereas the Property Development & Construction Segment has recorded a PBT of RM2.8 million.


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15. Prospect for the year ending 31 January 2023

The Group will continue its exiting construction work orders in hand while at the same time taking measures to control costs from escalating. The management will shrink or close down unprofitable operation or business segment while exploring other revenue stream to strengthen the Group's financial standing. In the coming financial year, the Group aims to achieve a positive result barring any unexpected event.

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

	12 months ended 31/1/2023 RM'000	12 months ended 31/1/2022 RM'000
- Current period taxation	3,990	3,877
-(Over)/Under provision of taxation	87	14
- Deferred taxation	38	(120)
	<u>4,115</u>	<u>3,771</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 31/01/23 Total RM'000
Secured:	
Term loans	13,098
Bank overdrafts	14,063
Revolving credits	5,500
Bankers' acceptance	42,868
Invoice financing	10,062
Hire purchase	8,908
Lease liabilities	1,917
	96,416
Repayable within twelve months	85,419
Repayable after twelve months	10,997
	96,416

The above borrowings are denominated in Ringgit Malaysia


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20. Earnings per share

	Individual quarter ended	
	31/1/2023	31/1/2022
	RM'000	RM'000
Net profit/(loss) attributable to owners of the parent	<u>(6,585)</u>	<u>882</u>
Weighted average number of ordinary shares	Individual quarter ended	
	31/1/2023	31/1/2022
	'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)	(11.36)	1.52
Fully diluted (sen)	(11.36)	1.52
	Cumulative year to date	
	31/1/2023	31/1/2022
	RM'000	RM'000
Net profit/(loss) attributable to owners of the parent	<u>(2,444)</u>	<u>4,447</u>
Weighted average number of ordinary shares	Cumulative year to date	
	31/1/2023	31/1/2022
	'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)	(4.22)	7.67
Fully diluted (sen)	(4.22)	7.67


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	
	31/01/2023	31/01/2022	31/01/2023	31/01/2022
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease	87	94	321	322
Bad debts written back	(304)	(2)	(308)	(17)
Depreciation of property, plant & equipment	3,196	2,281	7,942	7,027
(Gain)/Loss on disposal of other investment	-	-	-	-
Interest expenses	96	772	3,849	4,534
Interest income	(121)	(94)	(384)	(307)
Impairment loss on receivables	-	-	-	-
Inventory written off	2,466	1,050	2,466	1,351
Net fair value changes in investment securities	-	-	-	-
Property, plant & equipment written off	308	3	320	106

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 30 March 2023.