



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 2023.

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 2023 financial statements except for the adoption of the amendments to MFRSs that are applicable to the Group for the financial period beginning 1 February 2023. 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 2023 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:

12 months ended 31 January 24	Manufacturing	Trading	Property Development & Construction	Quarry Operations	Investment & mgt services	Eliminations/ Adjustments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
External Sales	56,401	1,406	120,068	-	-	-	177,875
Inter-segment Sales	1,815	15,874	25,251	-	-	(42,940)	-
Total Revenue	58,216	17,280	145,319	-	-	(42,940)	177,875
RESULTS							
Operating (loss)/profit	(3,973)	44	(5)	70	(1,125)	346	(4,649)
Share of result of associate	-	-	-	-	-	(141)	(141)
Financing cost	(686)	(248)	(4,175)	(40)	(3)	-	(5,152)
Income taxes	(14)	-	(657)	-	(54)	-	(725)
Other Comprehensive Income	-	-	-	-	-	-	-
Net (loss)/profit	(4,673)	(204)	(4,837)	30	(1,182)	205	(10,667)

12 months ended 31 January 23	Manufacturing	Trading	Property Development & Construction	Quarry Operations	Investment & mgt services	Eliminations/ Adjustments	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
External Sales	59,523	1,1715	147,248	-	-	-	208,486
Inter-segment Sales	4,107	15,508	27,884	-	10,436	(57,936)	-
Total Revenue	63,630	17,223	175,132	-	10,436	(57,936)	208,486
RESULTS							
Operating (loss)/profit	(8,693)	436	19,049	47	(857)	3,514	6,467
Share of result of associate	-	-	-	-	-	(212)	(212)
Financing cost	(927)	(230)	(3,803)	(36)	(353)	404	4,945
Income taxes	-	-	-	-	-	-	(3,784)
Net profit	-	-	-	-	-	-	(2,474)


QUALITY CONCRETE HOLDINGS BERHAD

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	
	31.1.24 RM'000	31.1.24 RM'000	31.1.24 RM'000	31.1.23 RM'000
Income				
Sale of construction materials to:				
-Lee Ling Construction & Development Sdn. Bhd.	-	-	340	-
-Lee Ling Timber Sdn. Bhd.	1,048	-	2,074	-
-Metro 360 Hotel Sdn. Bhd.	-	-	-	-
Sale of aggregates				
-Lee Ling Timber Sdn. Bhd.	85	-	218	-
Sale of limestone				
-Lee Ling Timber Sdn. Bhd.	405	-	1,260	-
Sale of Concrete Barrier				
-Lee Ling Timber Sdn. Bhd.	26	-	26	-
Vessel rental				
-Lee Ling Timber Sdn. Bhd.	60	-	200	-
Sale of mask				
-Lee Ling Timber Sdn. Bhd.	1	-	1	-
Sale of pipes				
-Multi Brilliance Resources Sdn. Bhd.	5	33	402	678
Rental of barge				
-Lee Ling Timber Sdn. Bhd.	60	60	240	240

12. Related Party Transactions (cont'd)
Expenditure

Purchase of sawn timber				
-Lee Ling Timber Sdn. Bhd	1,638	1,132	3,967	7,566
Sea freight charges				
-Lee Ling Timber Sdn. Bhd.	-	302	838	1,624
Purchase of Steel bar & Point joint				
-Lee Ling Timber Sdn. Bhd.	-	-	479	-
Rental of dumptruck				
-Lee Ling Timber Sdn. Bhd.	11	11	43	43
Rental of office				
-BMK Development Sdn. Bhd.	87	176	278	215
Rental of Sentosa Plant				
-Tiang Ching Kok, Tiang Ching Yew	60	60	60	60
Photocopy Rental				
-Lee Ling Timber Sdn. Bhd.	7	-	7	-
Purchase of Raw Material				
-ABTP Marketing Sdn Bhd	1	-	1	-
Freight Charges				
-Lee Ling Timber Sdn. Bhd.	-	16	-	16

13. Review of performance of the Group

The Group's revenue for the 12 months ended 31 January 2024 stood at RM177.9 million representing 14.7% or RM30.6 million lower as compared to the corresponding period of last financial year. The Property Development & Construction Segment has recorded a drop in revenue of RM27.0 million from RM147.2 million to RM120.2 million. This is in tandem with the completion of 2 projects in the last financial year and also slower progress recorded from the existing ongoing projects.

Meanwhile, the Manufacturing Segment also recorded lower revenue of RM58.2 million in the current period compared to RM63.6 million in the same period of last financial year. The drop in revenue were resulted from lower revenue recorded in both ready mixed division and pipes division. The two divisions have recorded drop in revenue of RM2.2 million and RM2.3 million respectively in the current period as compared to the corresponding period of last year. The Ready Mixed recorded a decrease in sales as the demand for concrete products from existing customers was slower in the current period. Meanwhile pipes product division also seen the demand decreased owing to fewer water infrastructure projects being rolled out by the government.

The Group registered a revenue of RM41.6 million in the current quarter, which is RM5.0 million lower than RM46.6 million recorded in the corresponding quarter of last financial year. The Property Development & Construction Segment registered a lower revenue of RM28.1 million as compared to RM38.2 million recorded in the corresponding quarter of last financial year. The Manufacturing Segment registered revenue of RM13.3 million which is an increase of RM2.6 million as compared to the corresponding quarter of last financial year.

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

The Group has recorded LBT of RM9.9 million for the 12 months ended 31 January 2024 as compared to PBT of RM1.3 million recorded in the corresponding period of last financial year. The Property Development and Construction Segment has recorded LBT of RM4.2 million in the current year as compared to PBT of RM12.8 million recorded in the corresponding year. This is partly due to PBT for Road Maintenance Division has reduced from RM8.8 million to RM3.4 million in the last financial year due to the material cost escalation. The Construction Division has registered LBT of RM7.3 million as compared to PBT of RM3.0 million recorded in the corresponding financial year after accounted a provision of foreseeable losses and reversal of profit over estimation in the previous financial year. In addition a one off cost of RM1.0 million incurred for securing new financing facility during the year. The Manufacturing Segment manage to reduce the LBT to RM4.7 million as compared to LBT of RM9.6 million recorded in the corresponding period of last year

For the quarter under review, the Group registered a LBT of RM3.2 million compared to LBT of RM5.8 million recorded in the corresponding quarter of last year. The Road Maintenance Division recorded PBT of RM1.7 million against PBT of RM2.1 million recorded in the corresponding quarter. Meanwhile, the Construction division recorded LBT of RM3.3 million compared to PBT of RM1.0 million in the corresponding quarter of last year mainly due to slower progress of project on hand coupled with rising cost of materials.

15. Prospect for the year ending 31 January 2025

In the last financial year the Group was adversely affected by weakening Ringgit which led to higher material prices and operation costs.

The Group is hopeful that with the onset of Federal Reserve of America to cut the interest rate in the coming months will help to strengthen our currency and provide a favourable environment for our businesses to be more competitive.

The management will endeavor to secure more construction projects and at the same time exploring more revenue streams to improve the financial performance of the Group.

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 31/1/2024 RM'000	12 months ended 31/1/2023 RM'000
Current period taxation	<u>725</u>	<u>3,784</u>
	<u>725</u>	<u>3,784</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 31/1/24 Total RM'000	
Secured:		
Term loans	9,901	
Bank overdrafts	20,691	
Revolving credits/Bankers' acceptance/Invoice financing	65,726	
Hire purchase	8,362	
Lease liabilities	1,206	
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105,886		
Repayable within twelve months	93,786	
Repayable after twelve months	12,100	
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The above borrowings are denominated in Ringgit Malaysia.


20. Earnings per share

	Individual quarter ended	
	31/1/2024	31/1/2023
	RM'000	RM'000
Net loss attributable to owners of the parent	(4,194)	(6,377)
Weighted average number of ordinary shares	Individual quarter ended	
	31/1/2024	31/1/2023
	'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 2024/2023	-	-
Weighted average number of ordinary shares	57,962	57,962
Effect of ESOS share options	-	-
Weighted average number of ordinary shares (diluted)	57,962	57,962
Basic (sen)	(7.24)	(11.00)
Fully diluted (sen)	(7.24)	(11.00)
	Cumulative year to date	
	31/1/2024	31/1/2023
	RM'000	RM'000
Net loss attributable to owners of the parent	(10,886)	(2,235)
Weighted average number of ordinary shares	Cumulative year to date	
	31/1/2024	31/1/2023
	'000	'000
Issued and fully paid share capital at beginning of the financial year	57,962	57,962
Effect of shares issued during the 6 months period ended 31 January 2024/2023	-	-
Weighted average number of ordinary shares	57,962	57,962
Effect of ESOS share options	-	-
Weighted average number of ordinary shares (diluted)	57,962	57,962
Basic (sen)	(18.78)	(3.86)
Fully diluted (sen)	(18.78)	(3.86)

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	
	31/1/2024	31/1/2023	31/1/2024	31/1/2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease	78	37	312	271
Bad debts written back	4	315	4	319
Depreciation of property, plant & equipment	2,797	2,727	7,624	7,473
Interest expenses	1,490	1,026	5,285	4,779
Interest income	(382)	(180)	-	(443)
Property, plant & equipment written off	-	1	2	13

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 March 2024.