

**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 2024.

**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 2024 financial statements except for the adoption of the amendments to MFRSs that are applicable to the Group for the financial period beginning 1 February 2024. 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 2024 were reported on by its external auditors, KPMG 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 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
<b>REVENUE</b>							
External Sales	13,738	319	25,003	-	-	-	39,060
Inter-segment Sales	463	3,226	5,975	-	-	(9,664)	-
Total Revenue	14,201	3,545	30,978	-	-	(9,664)	39,060
<b>RESULTS</b>							
Operating (loss)/profit	(415)	105	1,818	(1)	(98)	-	1,403
Share of result of associate	-	-	-	-	-	(34)	(34)
Financing cost	(159)	(50)	(1,031)	(3)	-	-	(1,243)
Income taxes	-	-	(515)	-	-	-	(515)
Net (loss)/profit	(574)	55	272	(4)	(98)	(34)	(389)

3 months ended 30 April 2023	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
<b>REVENUE</b>							
External Sales	13,107	268	23,666	-	-	-	37,041
Inter-segment Sales	388	3,762	5,255	-	-	(9,405)	-
Total Revenue	13,495	4,030	28,921	-	-	(9,405)	37,041
<b>RESULTS</b>							
Operating (loss)/profit	(1,549)	49	(599)	(2)	(189)	-	(2,290)
Share of result of associate	-	-	-	-	-	(68)	(68)
Financing cost	(180)	(51)	(965)	(10)	(1)	-	(1,207)
Income taxes	-	-	(253)	-	-	-	(253)
Net profit	(1,729)	(2)	(1,817)	(12)	(190)	(68)	(3,818)


**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	
	30.4.24	30.4.23	30.4.24	30.4.23
	RM'000	RM'000	RM'000	RM'000
<b>Income</b>				
Sale of construction materials to:				
-Lee Ling Construction & Development Sdn. Bhd.	-	340	-	340
-Lee Ling Timber Sdn. Bhd.	1,048	1,185	1,048	1,185
-Metro 360 Hotel Sdn. Bhd.	-	-	-	-
Sale of aggregates				
-Lee Ling Timber Sdn. Bhd.	85	-	85	-
Sale of limestone				
-Lee Ling Timber Sdn. Bhd.	405	-	405	-
Sale of Concrete Barrier				
-Lee Ling Timber Sdn. Bhd.	26	-	26	-
Vessel rental				
-Lee Ling Timber Sdn. Bhd.	60	20	60	20
Sale of mask				
-Lee Ling Timber Sdn. Bhd.	1	-	1	-
Sale of pipes				
-Multi Brilliance Resources Sdn. Bhd.	1	271	1	271
Rental of barge				
-Lee Ling Timber Sdn. Bhd.	60	60	60	60



**12. Related Party Transactions (cont'd)**

**Expenditure**

Purchase of sawn timber				
-Lee Ling Timber Sdn. Bhd.	329	1,907	329	1,907
Sea freight charges				
-Lee Ling Timber Sdn. Bhd.	156	273	156	273
Purchase of Steel bar & Point joint				
-Lee Ling Timber Sdn. Bhd.	-	-	-	-
Rental of dumptruck				
-Lee Ling Timber Sdn. Bhd.	11	11	11	11
Rental of office				
-BMK Development Sdn. Bhd.	63	66	63	66
Rental of Sentosa Plant				
-Tiang Ching Kok, Tiang Ching Yew	15	15	15	-

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

The Group has recorded RM39.0 million revenue for the quarter ended 30 April 2024, which is RM2.0 million or 5.5% higher as compared to RM37 million recorded in the corresponding quarter of last financial year. The Manufacturing Segment as recorded a marginally higher revenue of RM14.2 million in the current quarter as compared to RM13.5 million in the corresponding quarter of last financial year. The increase was buoyed by higher demand for Pipes products which recorded RM2.3 million increase in revenue. However, the higher revenue recorded from the Pipes division was offsetted by the lower revenue recorded from Ready Mixed Concrete division and Timber products division which recorded a RM0.8 million lower revenue respectively as compared to corresponding quarter of last financial year.

The Property Development & Construction Segment has also recorded a higher revenue of RM25.0 million in the current quarter as compared to RM23.7 million recorded in the corresponding quarter of last year. The increase in revenue was attributable to higher revenue recorded from the Road Maintenance Division which recorded revenue of RM8.7 million in the current quarter as compared to RM7.5 million in the corresponding quarter. Meanwhile, the Construction Division has recorded a RM16.3 million revenue in the current quarter which is similar to RM16.1 million recorded in the corresponding quarter of last financial year.

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

The Group has recorded PBT of RM0.1 million in the quarter under review as compared to LBT recorded LBT of RM3.7 million recorded in the corresponding quarter of last year. The improved result recorded mainly attributable to the Property Development & Construction Segment which has recorded PBT of RM0.8 million in the current quarter against LBT of RM1.5 million recorded in the corresponding quarter. The Road Maintenance Division in this segment has recorded PBT of RM2.1 million against LBT of RM0.1 million recorded in the corresponding quarter of last year in tandem with higher revenue recorded in the current quarter coupled with lower material cost incurred in the current quarter. Meanwhile, the Construction Division remain in the red with LBT of RM1.2 million recorded in the current quarter as compared to LBT of RM1.5 million recorded in the corresponding quarter of last year owing to slower progress of project in hand.

The Manufacturing Segment has also seen its losses reduced by RM1.2 million from LBT of 1.7 million recorded in the corresponding quarter of last year to LBT RM0.6 million in the current quarter. Lower losses recorded as a result of Improved Sales of Pipes products and also lower cost recorded in the Ready Mixed Concrete division as a result of cost rationalization measures undertaken in the previous financial year.

**15. Prospect for the year ending 31 January 2025**

The Group is mindful that the coming financial year will continue to be challenging and clouded with uncertainties. The geopolitical tensions and trade protectionism has serious impact on the business environment. The Group will continue to stay competitive and exploring new business opportunities and secure more projects to replenish the depleting order book in the coming year.

The management is optimistic that barring any unforeseen circumstances, the Group will be able to deliver a favourable results in the coming quarters.

**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**

	<b>3 months ended 30/4/2024 RM'000</b>	<b>3 months ended 30/4/2023 RM'000</b>
Current period taxation	<u>515</u>	<u>253</u>
	<u>515</u>	<u>253</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**

	<b>As At 30/4/24 Total RM'000</b>
<b>Secured:</b>	
Term loans	7,855
Bank overdrafts	21,965
Revolving credits/Bankers' acceptance/Invoice financing	71,220
Hire purchase	7,673
Lease liabilities	16
	<b>108,729</b>
Repayable within twelve months	98,907
Repayable after twelve months	9,822
	<b>108,729</b>

The above borrowings are denominated in Ringgit Malaysia.


**20. Earnings per share**

	<b>Individual quarter ended</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Net loss attributable to owners of the parent	(4,194)	3,562
Weighted average number of ordinary shares	<b>Individual quarter ended</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>'000</b>	<b>'000</b>
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)	(1.25)	(6.15)
Fully diluted (sen)	(1.25)	(6.15)
	<b>Cumulative year to date</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Net loss attributable to owners of the parent	(723)	(3,562)
Weighted average number of ordinary shares	<b>Cumulative year to date</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>'000</b>	<b>'000</b>
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)	(1.25)	(6.15)
Fully diluted (sen)	(1.25)	(6.15)


**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	
	30/04/2024	30/04/2023	30/04/2024	30/04/2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease	78	78	78	78
Depreciation of property, plant & equipment	1,832	1,978	1,832	1,978
Interest expenses	1,301	1,086	1,301	1,086
Interest income	(134)	(57)	(134)	(57)
Property, plant & equipment written off	97	-	97	-

**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 27 June 2024.