

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:

9 months ended 31 October 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	43,631	1,002	70,451	-	-	-	115,084
Inter-segment Sales	990	10,714	18,579	-	-	(30,283)	-
Total Revenue	44,621	11,716	89,030	-	-	(30,283)	115,084
RESULTS							
Operating (loss)/profit	(888)	338	1,051	(7)	(261)	-	(1,869)
Share of result of associate	-	-	-	-	-	(115)	(115)
Financing cost	(398)	(176)	(3,495)	(3)	-	-	(4,072)
Income taxes	-	-	(741)	-	-	-	(741)
Net (loss)/profit	(1,286)	162	(5,287)	(10)	(261)	(115)	(6,797)

9 months ended 31 October 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
REVENUE							
External Sales	43,347	903	92,070	-	-	-	136,320
Inter-segment Sales	1,537	11,781	19,873	-	-	(33,191)	-
Total Revenue	44,884	12,684	111,943	-	-	(33,191)	136,320
RESULTS							
Operating (loss)/profit	(3,172)	209	471	(33)	(506)	-	(3,031)
Share of result of associate	-	-	-	-	-	(68)	(68)
Financing cost	(486)	(184)	(2,929)	(30)	(3)	-	(3,632)
Income taxes	-	-	(328)	-	-	-	(328)
Net profit	(3,658)	25	(2,786)	(63)	(509)	(68)	(7,059)


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		9 months ended	
	31.10.24	31.10.23	31.10.24	31.10.23
	RM'000	RM'000	RM'000	RM'000
Income				
Sale of construction materials to:				
-Lee Ling Construction & Development Sdn. Bhd.	-	950	-	1,290
-Lee Ling Timber Sdn. Bhd.	-	-	1,048	1,026
-Metro 360 Hotel Sdn. Bhd.	-	-	-	-
Sale of aggregates				
-Lee Ling Timber Sdn. Bhd.	-	-	85	133
Sale of limestone				
-Lee Ling Timber Sdn. Bhd.	-	855	405	855
Sale of Concrete Barrier				
-Lee Ling Timber Sdn. Bhd.	-	26	26	26
Vessel rental				
-Lee Ling Timber Sdn. Bhd.	60	120	180	140
Sale of mask				
-Lee Ling Timber Sdn. Bhd.	1	-	3	-
Sale of pipes				
-Multi Brilliance Resources Sdn. Bhd.	171	124	181	397
Rental of barge				
-Lee Ling Timber Sdn. Bhd.	60	60	180	180

12. Related Party Transactions (cont'd)
Expenditure

Purchase of sawn timber				
-Lee Ling Timber Sdn. Bhd	947	-	2,622	2,329
Sea freight charges				
-Lee Ling Timber Sdn. Bhd.	149	254	511	838
Rental of				
-Lee Ling Timber Sdn. Bhd.	14	-	14	-
Purchase of Steel bar & Point joint				
-Lee Ling Timber Sdn. Bhd.	-	158	-	479
Rental of dumptruck				
-Lee Ling Timber Sdn. Bhd.	11	14	32	32
Rental of office				
-BMK Development Sdn. Bhd.	62	82	150	191
Rental of Sentosa Plant				
-Tiang Ching Kok, Tiang Ching Yew	15	-	45	-

13. Review of performance of the Group

The Group's revenue for the 9 months ended 31 October 2024 stood at RM115.1 million representing 15.6% or RM21.2 million lower as compared to the corresponding period of last financial year. The Property Development & Construction Segment has recorded a drop in revenue of RM21.6 million from RM92.1 million to RM70.5 million. The lower revenue recorded in the current period was mainly due to lower progress of projects in hand in the Construction Division which recorded a lower revenue of RM37.7 million as compared to RM63.2 million recorded in the corresponding period of last year. The Road Maintenance Division has seen its revenue increased by RM0.6 million compared to the same period of last year attributable to higher instructed work order received during the period.

Meanwhile, the Manufacturing Segment also recorded slightly lower revenue of RM44.6 million in the current period compared to RM44.9 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 timber division. The two division has recorded a drop in revenue of RM3.2 million and RM2.6 million respectively in the current period as compared to the corresponding period of last year. The pipes division has registered an increase in revenue of RM6.0 million in the current period.

The Group registered a revenue of RM38.1 million in the current quarter, which is RM14.3 million lower than RM52.4 million recorded in the corresponding quarter of last financial year. The Property Development & Construction Segment registered a lower revenue of RM21.9 million as compared to RM38.7 million recorded in the corresponding quarter of last financial year due to the lower progress on construction projects on hand. The Manufacturing Segment registered higher revenue of RM16.1 million which is increase of RM2.0 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 a LBT of RM6.1 million for the 9 months ended 31 October 2024 as compared to LBT of RM6.7 million recorded in the corresponding period of last financial year. The Property Development and Construction Segment has recorded LBT of RM4.5 million in the 9 months ended 31 October 2024 as compared to LBT of RM2.5 million recorded in the corresponding quarter of last year. The higher losses recorded was due to the cost overrun in one of the construction projects in the Construction Division. As a result, the Construction Division recorded a higher LBT of RM8.6 million in the current 9 months period as compared to loss of RM4.1 million in the same period of last year. Meanwhile the Road Maintenance Division has registered PBT of RM4.3 million in the current period as compared to PBT of RM1.7 million in the corresponding period of last financial year. The better results were attributable higher revenue recorded and lower material cost incurred in the current period. The Manufacturing Segment has also registered a lower LBT of RM1.3 million as compared to LBT of RM3.7 million recorded in the corresponding period of last financial year. The lower LBT were resulted from higher revenue recorded in the pipes division.

For the quarter under review, the Group registered a LBT of RM5.7 million compared to PBT of RM0.8 million recorded in the corresponding quarter of last year. The Construction & Property Development Segment has recorded LBT of RM5.2 million as compared to PBT of RM1.9 million in the corresponding quarter of last financial year. The Construction Division recorded a LBT of RM7.5 million as compared to LBT of RM2.3 million in the same quarter of previous year as a result of much lower revenue recognized for the project in hand in the current quarter. The Manufacturing Segment has also registered lower LBT of RM0.5 million in the current quarter as compared to LBT of RM1.0 million recorded in the corresponding quarter mainly due to the improved better demand for pipes products in the current quarter.

15. Prospect for the year ending 31 January 2025

The Group is mindful that the current 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.

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

	9 months ended 31/10/2024 RM'000	9 months ended 31/10/2023 RM'000
Current period taxation	<u>741</u>	<u>327</u>
	<u>741</u>	<u>327</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 31/10/24 Total RM'000
Secured:	
Term loans	9,247
Bank overdrafts	22,337
Revolving credits/Bankers' acceptance/Invoice financing	72,654
Hire purchase	6,141
Lease liabilities	1,594
	111,973
Repayable within twelve months	97,026
Repayable after twelve months	14,947
	111,973

The above borrowings are denominated in Ringgit Malaysia.

20. Earnings per share

	Individual quarter ended	
	31/10/2024	31/10/2023
	RM'000	RM'000
Net loss attributable to owners of the parent	(6,588)	(61)
Weighted average number of ordinary shares	Individual quarter ended	
	31/7/2024	31/7/2023
	'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)	(11.37)	(0.11)
Fully diluted (sen)	(11.37)	(0.11)
	Cumulative year to date	
	31/10/2024	31/10/2023
	RM'000	RM'000
Net loss attributable to owners of the parent	(7,594)	(6,692)
Weighted average number of ordinary shares	Cumulative year to date	
	31/10/2024	31/10/2023
	'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)	(13.10)	(11.55)
Fully diluted (sen)	(13.10)	(11.55)

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	
	31/10/2024	31/10/2023	31/10/2024	31/10/2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease	87	78	234	234
Depreciation of property, plant & equipment	2,325	1,554	5,498	4,827
Interest expenses	1,564	1,689	4,066	3,795
Interest income	(89)	(153)	(344)	(382)
Property, plant & equipment written off	97	1,505	460	1,505

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 17 December 2024.