



**CONCRETE ENGINEERING PRODUCTS BERHAD**

Registration No.: 198201008420 (88143-P)

# 40TH ANNUAL REPORT



# 2024



# 40th Annual General Meeting



## Broadcast Venue

22nd Floor, Menara KH,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur



## Date

15 January 2025



## Time

10.00 a.m.

### REVENUE

RM  
**103.97**  
million (FYE2024)

FYE 2023: RM132.68 mil

### EARNINGS PER SHARE (SEN)

**(5.19)**  
(FYE2024)

FYE 2023: 1.44

### TOTAL ASSETS

RM  
**126.69**  
million (FYE2024)

FYE 2023: RM136.76 mil

### SHAREHOLDER EQUITY

RM  
**59.34**  
million (FYE2024)

FYE 2023: RM63.21 mil

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Form of Proxy

# Corporate Information

## Directors

**Abdul Rahman bin Haji Siraj**  
*Independent Non-Executive Chairman*

**Leong Kway Wah**  
*Managing Director*

**Dato' Ir Dr Abdul Aziz bin Arshad**  
*Independent Non-Executive Director*

**Datin Sabrina Ainie**  
*Independent Non-Executive Director*

**Datuk Seri TPr. Haji Mahadi bin C. Ngah**  
*Independent Non-Executive Director*

**Dato' Azulita binti Salim**  
*Independent Non-Executive Director*

## SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Ir Dr Abdul Aziz bin Arshad  
*Independent Non-Executive Director*

## AUDIT COMMITTEE

Dato' Ir Dr Abdul Aziz bin Arshad  
Chairman

Datin Sabrina Ainie  
Member

Dato' Azulita binti Salim  
Member

## NOMINATING AND REMUNERATION COMMITTEE

Datin Sabrina Ainie  
Chairman

Dato' Ir Dr Abdul Aziz bin Arshad  
Member

Datuk Seri TPr. Haji Mahadi bin  
C. Ngah  
Member

## RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Datuk Seri TPr. Haji Mahadi bin C. Ngah  
Chairman

Dato' Ir Dr Abdul Aziz bin Arshad  
Member

Datin Sabrina Ainie  
Member

## COMPANY SECRETARIES

Norakhmar binti Baharom  
LS 0001698  
PC No. 201908003114

Lee Thai Thye  
LS 0000737  
PC No. 201908002929



# Corporate Information (Cont'd)

## SHARE REGISTRAR

Mestika Projek (M) Sdn Bhd  
 Registration No. 199101015233 (225545-V)  
 26<sup>th</sup> Floor Menara KH  
 Jalan Sultan Ismail  
 50250 Kuala Lumpur  
 Tel: 603-2144 4446  
 Fax: 603-2141 8463

## REGISTERED AND HEAD OFFICE

22<sup>nd</sup> Floor Menara KH  
 Jalan Sultan Ismail  
 50250 Kuala Lumpur  
 Tel: 603-2144 1066  
 Fax: 603-2144 4885

## AUDITORS

TGS TW PLT (AF: 002345)  
 Registration No. 202106000004 (LLP0026851-LCA)  
 Unit E-16-2B  
 Level 16 Icon Tower (East)  
 No. 1 Jalan 1/68F  
 Jalan Tun Razak  
 50400 Kuala Lumpur

## PRINCIPAL BANKERS

Hong Leong Bank Berhad  
 RHB Bank Berhad  
 Maybank Islamic Berhad

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
 Main Market  
 Stock Name : CEPCO  
 Stock Code : 8435

**WEBSITE:** [www.cepco.com.my](http://www.cepco.com.my)

## SALES OFFICE

### East Region

No. 11, 2nd Floor  
 Eastmore Commercial Centre  
 2 ½ Miles Rock Road  
 93200 Kuching  
 Sarawak  
 Tel: 6082-414 188  
 Fax: 6082-414 088

## FACTORIES

### Central Region

PT643 Batu 20 Jalan Ipoh  
 48000 Rawang  
 Selangor  
 Tel: 603-6091 4201  
 Fax: 603-6091 4287

Lot A3  
 Kawasan Perindustrian MIEL  
 44300 Batang Kali  
 Selangor  
 Tel: 603-6057 1811  
 Fax: 603-6057 1817

Lot 7106  
 Kawasan Perindustrian Nilai  
 71800 Nilai  
 Negeri Sembilan  
 Tel: 606-7992 841  
 Fax: 606-7992 839

### Southern Region

PLO 337 Jalan Suasa  
 Pasir Gudang Industrial Estate  
 81700 Pasir Gudang  
 Johor  
 Tel: 607-2511 048  
 Fax: 607-2514 066

### Northern Region

Lot 63  
 Bakar Arang Industrial Estate  
 08000 Sungai Petani  
 Kedah  
 Tel: 604-4210 891  
 Fax: 604-4221 263

# Company's Profile

The Company was incorporated under the name of Speed-Kon Sdn Bhd in August 1982, before changing its name to Concrete Engineering Products Sdn Bhd in January 1983. Its main objective is to produce high quality concrete engineering products to meet the needs of the rapidly developing Malaysia and other ASEAN countries.

In May 1991, the Company assumed the name of Concrete Engineering Products Berhad ("CEPCO") when it was converted into a public listed company. In January 1992, CEPCO was officially listed on the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia) Second Board and was transferred to the Main Board in 2009.

The Company currently operates with three factories which are strategically located in Peninsular Malaysia and has sales office at Kuching, Sarawak. All factories are fully certified with both the requirements of SIRIM QAS International's MS ISO 9001: 2015 (Quality Management Systems for the Manufacture of Pretensioned Spun Concrete Piles and Poles), and IKRAM QA Services' MS 1314: Part 4: 2004 (Product Certification for Class A, B and C of Precast Pretensioned Spun Concrete Piles from 250mm to 1,000mm diameters).

In September 2021, to enhance the environmental, health and safety performance; the Company have been certified by ISO 14001: 2015 (Environment Management System) and ISO 45001:2018 (Occupational Health and Safety Management Systems). The said ISOs are intended to manage the Company's environmental, health and safety responsibilities in a systematic manner that contributes to the environmental, health and safety pillar of sustainability.

Since its founding, the Company has been constantly striving for product excellence and today enjoys the reputation of being one of the market leaders in this region for prestressed concrete piles and poles. The Company currently exports its products to the overseas markets covering Asia, Africa, the Oceania and Gulf Region.

In January 2019, the Company has earned a spot in the Malaysia Book of Records for completing the longest prestressed spun concrete pile which has a total of 50 metres in length.

**In March 2023, the Company has been awarded as Excellent Supplier of the East Coast Rail Link Project for Year 2023 by China Communications Construction (ECRL) Sdn. Bhd. for the Company's excellent performance and great support on the supply work. This is the second time for CEPCO to receive such honour from our major customer.**



# Profile of Directors



## ABDUL RAHMAN BIN HAJI SIRAJ

Chairman, Independent Non-Executive Director

Nationality



Age

65

Gender



### BOARD COMMITTEE MEMBERSHIP

- None

### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

**Appointed to the Board on 30 December 2021.**

Encik Abdul Rahman bin Haji Siraj is a qualified Accountant with more than 35 years in Corporate Planning, Strategic Management and Business Development.

He graduated from University Kebangsaan Malaysia in 1983, then pursued his professional accounting degree and formally was a member of American Institute of Certified Public Accountant (AICPA) in 1990, and certified from Institute of Internal Auditors (US Chapter) in the same year.

He has served Texaco Exploration Inc. (Texas) as Chief Accountant from 1983 to 1994. While in Texaco, he served in various countries both in Latin America and Asia and was given the task of overseeing the entire offshore and exploration accounting system. His last appointment in Texaco was in Tashkent, Uzbekistan. He subsequently joined Khazanah Nasional Bhd as General Manager in 1995 and was given the task of overseeing Khazanah's new investment programme both locally and overseas. He served Khazanah for two (2) years and later joined Intria Bhd as its Director in Business Development. In 1997, he was appointed as the Chief Executive Officer of KBI (Malaysia) Bhd, a position he held for three (3) years until September 2000. Thereafter, he was appointed as the Chief Executive Officer of Taliworks Corporation Berhad, a position he held until 2009.

Previously, he was the Senior General Manager of Strategic Management Division in-charge of IJN strategic business direction and corporate advisory matters. He pursued various IJN expansion projects in the Southern, Central and Northern regions. He was actively engaged in providing strategic inputs to the company and the man responsible to draw-up the IJN Group's Strategic Blue- Print for 2021-2030. He also led various negotiation efforts with IJN potential partners.

Encik Abdul Rahman bin Haji Siraj has no family relationship with any Director and/or major shareholder of the Company or its subsidiaries. He has no conflict of interest with the Company or its subsidiaries and has no conviction for any offences within the past five (5) years (other than traffic offences, if any). There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year

He attended all five (5) Board Meetings held during the financial year ended 31 August 2024.

# Profile of Directors (Cont'd)



## LEONG KWAY WAH

Managing Director

Nationality 

Age 

Gender 

### BOARD COMMITTEE MEMBERSHIP

- None

### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

**Appointed as Managing Director on 17 March 2005.**

Mr Leong Kway Wah graduated from the School of Business Studies, Kolej Tunku Abdul Rahman, Kuala Lumpur. He is a member of The Institute of Chartered Secretaries and Administrators, United Kingdom.

He had worked with several commercial and merchant banks, and his last posting was Senior Vice President with Southern Investment Bank. He has extensive experience in capital markets, corporate finance and restructuring, and investment banking through his past involvements in the banking industry.

Mr Leong Kway Wah has no family relationship with any Director and/or major shareholder of the Company or its subsidiaries. He has no conflict of interest with the Company or its subsidiaries and has no conviction for any offences within the past five (5) years (other than traffic offences, if any). There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He attended all five (5) Board Meetings held during the financial year ended 31 August 2024.



## Profile of Directors (Cont'd)



### DATO' IR DR ABDUL AZIZ BIN ARSHAD

Independent Non-Executive Director

Nationality



Age

69

Gender



#### BOARD COMMITTEE MEMBERSHIP

- Chairman of Audit Committee
- Member of Nominating and Remuneration Committee
- Member of Risk Management Committee
- Member of Sustainability Committee

#### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

Appointed to the Board on 14 April 2017.

Dato' Ir Dr Abdul Aziz bin Arshad is a professional engineer and registered with Board of Engineers, Malaysia. His particular expertise is in the development and design aspect of continuous and integral bridges. He had designed numerous bridges around the country.

He had been working with JKR Malaysia for nearly 35 years, since 1979 until February 2015. He started his career as a Project Engineer and District Engineer. After completing his M.Sc. and Ph.D., he primarily worked as Bridge Designer, attached to the Bridge Unit, Road Division. He was the Head of the Structural Section of East Coast Expressway Phase 2, leading the design team for all structures and supervising the project's construction. He was also the Director of JKR Selangor State.

In his last posting as Senior Director to Civil, Structural and Bridge Engineering Branch, JKR Headquarters, he was responsible for heading and managing the designs and forensic activities for all civil engineering works, structures and bridges throughout the country.

Dato' Ir Dr Abdul Aziz bin Arshad has no family relationship with any Director and/or major shareholder of the Company or its subsidiaries. He has no conflict of interest with the Company or its subsidiaries and has no conviction for any offences within the past five (5) years (other than traffic offences, if any). There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He attended all five (5) Board Meetings held during the financial year ended 31 August 2024.

# Profile of Directors (Cont'd)



## DATIN SABRINA AINIE

Independent Non-Executive Director

**Nationality** 

**Age** 

**Gender** 

### BOARD COMMITTEE MEMBERSHIP

- Chairman of Nominating and Remuneration Committee
- Member of Audit Committee
- Member of Risk Management Committee
- Member of Sustainability Committee

### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

**Appointed to the Board on 30 December 2021.**

Datin Sabrina Ainie is an Advocate & Solicitor. She graduated with a Master of Law in 1996 from University of Malaya and prior to that, Bachelor in Laws in 1991 from the University of Melbourne, Australia.

Her area of work had given her extensive exposure and invaluable experience in diverse and complicated areas of law in particular corporate ventures, mergers and acquisitions, restructuring, corporate finance advisory work and documentation, investment structure and joint-ventures, establishment of foreign companies from various countries including advisory on regulatory matters and compliance, property matters, venture capital investments and their fund raisings, dealing with authorities on licensing and compliance requirements, oil and gas ventures and manufacturing sectors (trading, LMW, bonded warehouses, representative office, etc). Besides that, she was also a Legal Manager and Company Secretary of a government-owned public company.

Datin Sabrina Ainie has no family relationship with any Director and/or major shareholder of the Company or its subsidiaries. She has no conflict of interest with the Company or its subsidiaries and has no conviction of any offences within the past five (5) years (other than traffic offences, if any). There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She attended four (4) Board Meetings held during the financial year ended 31 August 2024.

## Profile of Directors (Cont'd)



### DATUK SERI TPr. HAJI MAHADI BIN C. NGAH

Independent Non-Executive Director

**Nationality** 

**Age** 

**Gender** 

#### BOARD COMMITTEE MEMBERSHIP

- Chairman of Risk Committee and Sustainability Committee
- Member of Nominating and Remuneration Committee

#### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Titijaya Land Berhad

**Appointed to the Board on 1 March 2024.**

Datuk Seri TPr. Haji Mahadi bin C. Ngah graduated with a Bachelor's in Urban and Regional Planning from Universiti Teknologi Malaysia in 1983 and later obtained a Master's in Urban Development from the University of Strathclyde, Glasgow in 1990.

He started his 40-year career with the Kuala Lumpur City Hall (DBKL) in April 1983 as a town planner and has vast experience in Urban and Rural Planning, before rising up the ranks to eventually become executive director (planning) until his retirement in 2019.

He left his retirement in 2020 to take on the mantle of mayor of the country's capital city for two years and six months. He was elected as the 13th Mayor of Kuala Lumpur, serving from October 2020 until his retirement in March 2023. He is currently the vice-chairman of Yayasan Wilayah Persekutuan and a board member of MRT Lingkaran Sdn Bhd, a unit of Mass Rapid Transit Corp Sdn Bhd (MRT Corp) which will undertake the delivery of the MRT Circle Line (MRT3) project. He was appointed as the Chairman and Independent Non-Executive Director of Titijaya Land Berhad on 24 February 2024.

Datuk Seri TPr. Haji Mahadi bin C. Ngah has no family relationship with any Director and/or major shareholder of the Company or its subsidiaries. He has no conflict of interest with the Company or its subsidiaries and has no conviction of any offences within the past five (5) years (other than traffic offences, if any). There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He only attended two (2) Board Meetings held during the financial year ended 31 August 2024.

# Profile of Directors (Cont'd)



## DATO' AZULITA BINTI SALIM

Independent Non-Executive Director

**Nationality** 

**Age**  58

**Gender** 

### BOARD COMMITTEE MEMBERSHIP

- Member of Audit Committee

### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

**Appointed to the Board on 1 August 2024.**

Dato' Azulita binti Salim graduated with Bachelor's in Accountancy from Universiti Pertanian Malaysia in 1989 and later obtained Chartered Accountant from Malaysian Institute of Accountants in 1993. In 2011, she completed a Public Policy Program in Agriculture Economics from the University of Cambridge, England.

She started her career as an auditor with Ernst & Young from 1989 to 1992. Subsequently, she joined Lembaga Pertubuhan Peladang (LPP) in 1992 as a Deputy Director until she became a Director of Finance, LPP from 2004 to 2013. In 2014, she became the State Director of LPP Negeri Sembilan. She was appointed as the Minister Counselor (Agriculture) for The Embassy of Malaysia in Rome, Italy from 2015 until 2017 representing Malaysia at the United Nations, Food and Agriculture Organization. She was later appointed as the Director General of LPP from 2019 until her retirement in 2024.

Dato' Azulita binti Salim has no family relationship with any Director and/or major shareholder of the Company or its subsidiaries. She has no conflict of interest with the Company or its subsidiaries and has no conviction of any offences within the past five (5) years (other than traffic offences, if any). There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended.

Since she was appointed on 1 August 2024, she did not attend any Board Meetings held during the financial year ended 31 August 2024.

# Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors ("Board") of Concrete Engineering Products Berhad ("CEPCO"), it is my privilege to present to you the Fortieth Annual Report and Audited Financial Statements of the Group for the financial year ended 31 August 2024 ("FYE 2024").

**ABDUL RAHMAN BIN HAJI SIRAJ**

Chairman, Independent Non-Executive Director



## Economic Landscape

During the year under review, the global economic landscape was marked by a widespread slowdown, soaring inflation, persistent geopolitical tensions and supply chain disruptions. Despite these hurdles, the Malaysia economy registered a moderate growth of 5.1% for year of 2024, driven by stronger private consumption, export recovery, global tech upcycles, higher capital investment and construction activities.

Looking ahead to 2025, Malaysia's economy has strengthened with a projected gross domestic product ("GDP") growth of 4.0%-5.0% as the economy enters a more stable growth phase after the turbulent few years. However, private consumption may face headwinds from the potential rollout of RON95 subsidy retargeting by second half of 2025. On the global front, we remain cautious of escalating geopolitical conflicts, heightened US-China tensions and potential global trade or supply-chain disruptions.

The cost of raw materials and labour are expected to increase significantly with the increase of minimum wages from 1 February 2025 making it harder for manufacturers to manage their rising costs. Although, the Malaysia's construction industry is expected to register an annual average growth rate of 5.6% during 2025-2028, supported by investment in large-scale transport, manufacturing facilities and renewable energy project but with the affordability inflation, difficulty in securing bank loans, and rising interest rates remain the key concerns among developers. As a result, fragile market sentiments have affected the pace of the construction market recovery.

During the year, CEPCO remained cautiously optimistic over the recovery of the construction industry. In response to the market environment, CEPCO continued to refine and implement business strategies towards strengthening its financial and operational performance. Strategies included cost and operational efficiencies, sales acceleration of ongoing and new projects, development of new products, and digitalisation. CEPCO also reduced nonessential expenses and renegotiated contracts with suppliers.

# Chairman's Statement (Cont'd)

## Embedding Our ESG Commitment

As part of our long-term growth strategy, we have made a concerted effort to prioritise sustainability practices. We have integrated various environmental, social and governance initiatives into our business strategy, decision-making, and operational processes.

Sustainability is a key driver of our value creation aspirations. By embedding sustainable practices into our operations and offering products and solutions that improve our customers' sustainability performance, we aim to drive positive impacts across our value chain and be recognized as an industry leader in ESG practices. These achievements represent a significant step towards enhancing our bottom line and ensuring sustainable growth for the years to come.

FYE 2024 has been a challenging year for CEPCO's financial standing. Despite setbacks, it has streamlined our operations and executed our products' delivery successfully. Further details of CEPCO's operational reviews and financial performance are covered in this Annual Report's Management Discussion and Analysis section.

## Moving Forward

With the challenging global environment coupled with the Madani economy initiative, the Malaysian economy is expected to expand within 4.0% to 5.0% range in 2025 as forecasted. Growth will continue to be supported by domestic demand amid improving inflation rate, unemployment rate and income.

The economy will require several mega projects to kickstart the recovery of the construction industry which in turn has multiplier effects throughout the economy. The Unity Government must strive to roll out new projects to pump prime the revival of the Malaysian construction industry.

Backed by 42 years of industry experience, we will continue to execute our strategy to ensure the sustainability and growth of CEPCO by implement various measures to recover and ensure sustainable growth i.e. prudent cost control, labour cost and material price escalation to maintain financial and operations stability of our businesses.

CEPCO will be actively sourcing for new business opportunities to strengthen the recurring revenue stream. With these measures in place, CEPCO is committed to delivering satisfactory results to all our stakeholders for the next financial year.

//

**As part of our long-term growth strategy, we have made a concerted effort to prioritise sustainability practices. We have integrated various environmental, social and governance initiatives into our business strategy, decision-making, and operational processes.**

//



# Chairman's Statement (Cont'd)



**Backed by 42 years of industry experience, we will continue to execute our strategy to ensure the sustainability and growth of CEPCO by implement various measures to recover and ensure sustainable growth i.e. prudent cost control, labour cost and material price escalation to maintain financial and operations stability of our businesses.**



## Appreciation

On behalf of the Board, I wish to express our heartfelt appreciation to all our business associates and stakeholders for their unwavering support throughout our journey of achieving excellence. This significant milestone would not have been possible without your strong support, trust, and dedication.

I would also like to take this opportunity to welcome our new Board members, Datuk Seri TPr Haji Mahadi bin C. Ngah and Dato' Azulita binti Salim. Their expertise and experience will be able to bring new perspective to the Group.

Additionally, I would like to extend a special thank you to the Management and employees as you are the backbone of CEPCO. Your hard work, commitment, and passion have propelled us through the past 42 years of growth and innovation. Together, we have overcome challenges and achieved great successes. Your resilience and creativity continue to be our driving force, and I want to express my deepest appreciation for your loyalty.

We shall remain committed in our quest to achieve our long-term objective of CEPCO whilst not losing sight of the welfare of our employees. I trust that the enthusiasm and professionalism in carrying out their duties to CEPCO will enable CEPCO to prosper and generate increasingly better returns and deliver value creation to all our stakeholders.

## Abdul Rahman bin Haji Siraj

Chairman,  
Independent Non-Executive Director  
20 November 2024

# Management Discussion and Analysis

**The following Management Discussion and Analysis (“MD&A”) provides the management’s analytical overview of the Group’s operations and financial performance for the financial year ended 31 August 2024 in supplement of other statements contained in this annual report such as the Chairman’s statement, the Statement on Risk Management and Internal Controls, and the audited Financial Statements. Analytical disclosures made herein are based on available management information which may not have been specifically audited and are made to the extent that these do not compromise competitively sensitive information. This section may contain opinions, judgement, and forward-looking views, and as such readers’ discretion is advised.**

## A

### Overview of the Group’s Business and Operations

CEPCO was incorporated under the name of Speed-Kon Sdn Bhd in August 1982, before changing its name to Concrete Engineering Products Sdn Bhd in January 1983. Its main objective is to produce high quality concrete engineering products to meet the needs of the rapidly developing Malaysia and other ASEAN countries.

CEPCO was listed on Bursa Malaysia in January 1992 after converting into public limited company, with its present corporate head office in Menara KH, Kuala Lumpur. The Company currently operates three plants which are strategically situated in Peninsular Malaysia and are fully certified with both requirements of SIRIM QAS International MS ISO 9001: 2015 (Quality Management Systems for the Manufacture of Prestressed Spun Concrete Piles and Poles), and the IKRAM QA Services MS 1314 : Part 4 : 2004 (Product Certification for Class A, B and C of Precast Prestressed Spun Concrete Piles from 250mm to 1,000mm diameters).

CEPCO have been certified by ISO 14001: 2015 (Environment Management System) and ISO 45001:2018 (Occupational Health and Safety Management Systems). The said ISOs are intended to manage the Group’s environmental, health and safety responsibilities in a systematic manner that contributes to the environmental, health and safety pillar of sustainability.

The prestressed spun concrete piles are used mainly as foundation piles for buildings, pile embankments, bridges, ports and marine structures, and the poles are used for telecommunication lines, electric power transmission and distribution lines, traffic signal equipment and street lightings.

Since its founding, CEPCO has been constantly striving for product excellence and today enjoys the reputation of being one of the market leaders in this region on prestressed spun concrete piles and poles. The Group currently exports substantial quantities of its products to the overseas markets covering Asia, Africa, the Oceania and Gulf region.



# Management Discussion and Analysis (Cont'd)

## B

### Business Objectives and Strategies



CEPCO's primary objective is to maximise profitability and at the same time committed to create long term value for our shareholders, environment and society through best practices, compliance, innovation and overall operation's excellency.

The major strategy of CEPCO is to look beyond its traditional market like Indonesia, Brunei and Singapore, while developing new ties in Sri Lanka, Maldives, Seychelles, Papua New Guinea, Mauritius, Vietnam and Nigeria to mitigate the shortfall in its local orders in anticipation of a slowdown in the construction industry.

To sustain and improve the Group's profit margin and operational efficiency, CEPCO, as far as it is commercially viable and financially possible, invests and upgrades its plants and machineries to reduce the dependency of foreign workers, machines' downtime, and implements various systems and processes to increase productivity, efficiency and cost saving. CEPCO understands the importance of human capital and have undertaken various training programs to strengthen the Group's human resources.

We will continuously review the risk management and business sustainability framework which includes processes and policies aimed at addressing and mitigating risks and at the same time sustaining growth to achieve the Group's business objectives.

# Management Discussion and Analysis (Cont'd)

## C

## Financial Review

The table below shows the financial highlights of the Company for the past two (2) years:

	Financial Year Ended 31 August	
	2024	2023
	RM'000	RM'000
Revenue	<b>103,973</b>	132,680
Operating (loss)/profit before provision for decrease in fair value of quoted investment	<b>(4,031)</b>	3,768
Provision for decrease in fair value of quoted investment through profit and loss	<b>(581)</b>	(2,614)
(Loss)/Profit before taxation	<b>(4,612)</b>	1,154
(Loss)/Profit after taxation	<b>(4,615)</b>	1,078
Net profit/(loss) attributable to equity holders	<b>(4,615)</b>	1,078
Total assets	<b>126,694</b>	136,757
Total borrowings	<b>11,362</b>	4,878
Total liabilities	<b>67,355</b>	73,543
Total shareholders' equity	<b>59,338</b>	63,214
Gearing ratio (times)	<b>0.19</b>	0.08
Earnings per share (EPS)	<b>(5.19)</b>	1.44
Net asset per share (RM)	<b>0.80</b>	0.85

## Revenue

The Group registered a total revenue of RM103.97 million for the financial year ended 31 August 2024. The decrease of the revenue as compared to the previous financial year of 2023 ("FYE 2023") is mainly due to slow take-off by customer due to limited budget, cancellation of purchase order due to construction projects which has been put on-hold and delays in delivery.

CEPCO operated principally in Malaysia and generated revenues from both local (59.02%) and export (40.98%) markets to countries in Asia, Africa, the Oceania and Gulf region.

## Other Income

The other income of CEPCO derived from rental received, sales of scrap and pile repair services.

# Management Discussion and Analysis (Cont'd)

## C

### Financial Review (Cont'd)



#### Administrative and Other Operating Expenses

The administrative expenses showed an increase of 4.87% as compared to FYE 2023 mainly due to increase in salary and wages, and professional fees.

#### Finance Cost

The finance cost had reduced by 45.89% as compared to FYE 2023 mainly due to lower utilisation of trade facilities and gradual repayment of bank borrowings.

#### Loss Before Taxation

The Group's recorded a loss before taxation of RM4.62 million in FYE 2024 as compared to RM1.08 million profit before tax in FYE 2023. The loss before taxation derived mainly due to lower revenue attributed by customer slow take-off due to limited budget, cancellation of purchase order due to construction project on-hold and lapse in delivery. The increase in administrative and other expenses offset by the finance cost also increase the loss before taxation of the Company

The rise in price of raw material, fuel charges and transportation continued to compress our margin, but CEPCO managed to partially pass on the price increase to the customers.

#### Taxes

There is a provision of income tax amounted RM0.004 million for FYE 2024. Under the current year review, there is no any over or under provision of tax derived from previous financial year.

#### Financial Position and Liquidity

Total assets of the Group stood at RM126.69 million at FYE 2024, a decrease of RM10.06 million from FYE 2023 mainly due to decrease in trade receivables and offset by the increase in inventories.

Total liabilities of the Group decrease by RM6.18 million to RM67.36 million in FYE 2024 mainly due to decrease in trade payables and offset by increase in bank borrowing.

Equity attributable to equity holders of the Group was RM59.34 million at FYE 2024 with net assets per share at RM0.80. The Group's cash and cash equivalents decrease by RM2.36 million in FYE2024 as compared to FYE 2023. This was mainly due to late payment by overseas customer.

#### Dividend

Dividend payout will be dependent on the Group's level of cash and sufficiency of retained earnings, its prospects of financial performance as well as projected obligations. As at the date of this report, there was no dividend proposed, declared or paid by the Group. The Board of Directors does not recommend any dividend in respect of FYE 2024.

# Management Discussion and Analysis (Cont'd)

## D

### Risk and Uncertainties

#### Slowdown in Economy

Our business has generally been depending on local and ASEAN market. In view of the reported local economic outlook in foreseeable future and the speed at which the risk evolved, CEPCO is now looking beyond its traditional market and developing new ties in Papua New Guinea, Maldives, Seychelles, Mauritius, Vietnam and Nigeria. We are also trying to venture into markets in Bangladesh and Sri Lanka.

#### Competition from Existing Players

Rivalry among industry players could affect industry profits through downward pressure on prices and declining profit margin. To improve the Group's market position, CEPCO constantly seeks to uphold and further improve our products' qualities and standards of services to our customers. We are confident our technology, knowhow and ingenuity would enable us to provide world class products to meet customers' requirements. This has undoubtedly increased our competitiveness in the industry. We will continue to participate in both domestic and international trade expo to market our products.

#### Increasing Cost of Goods Sold

The fluctuation costs of our raw materials and wages will directly impact our cost of goods sold. Any increase in cost that does not flow through to our products prices is due to various reasons such as the time lag which will also leave an impact on our gross profit margin. We therefore monitor our cost of materials by working closely with our suppliers to secure a more stable supplies with reasonable prices which is crucial to our profitability.

CEPCO continuing effort to negotiate with customer to pass on the price increase to end user and as a compensation, CEPCO ensure to provide more value, benefits, and quality products to our customer.

We further strive to increase the productivity of the employees via trainings and workshop activities. Our investment in machineries with more advanced technologies have enabled us to reduce processes and utilities costs.

#### Supply Chain Risk

Risk of unethical business practices/compliances through the supply chain management or processes and the disruption arising from material shortages/global shipment congestion may resulted to delay in product delivery, resulting in higher costs than budgeted, inability to meet customer satisfaction and may expose to lose of potential business opportunities, and loss of competitive advantage.

To mitigate the risk, CEPCO is actively sourcing alternative materials or suppliers to ensure smooth supply of materials and reduce dependencies. All new supplier to undergo a pre-qualification process prior to being included in the panel of approved suppliers, yearly evaluation is conducted on existing suppliers and sub-contractors to assess their performance in areas including service delivery, quality of products and price competitiveness.

#### Credit Risk

Slow payment and bad debt due to the deterioration in the economic conditions of our country will have an impact on our cash flows and losses with regards to credit provided to customers. The management has a system in place on the approval of customers credit applications and actively monitor the outstanding receivables to minimise the potential of debt turning bad.

#### Recall of Bank Facilities

The weak market sentiment has caused heighten anxiety amongst credit providers due to the uncertainties and serious potential economic impact. The banks went into total risk avoidance mode and were negative bias on all funded credit. The management took necessary steps to connect with all its credit providers to allay concerns and where necessary rescheduled timeline for near-term debt service. The Group is looking into the refinancing of some of the banking lines which has been substantially reduced.

# Management Discussion and Analysis (Cont'd)

## D Risk and Uncertainties (Cont'd)

### Foreign Currency Fluctuation Risk

The Group is exposed to foreign currency exchange losses or gains arising from any appreciation or depreciation of the denominated foreign currencies against the Group's reporting currency as most of the Group's export revenue is derived in USD.

To alleviate the risk of foreign currency exchange fluctuations, the Group implements procurement and purchasing strategies to include local and foreign suppliers and import in other currencies to provide flexibility and ensure a continuous supply of materials.

### Integrity Risk

Inability to manage actions that could facilitate integrity breaches such as conflict of interests, corruption/briberies, etc., which carries serious consequences for business and employees such as fines, civil penalties, criminal charges, etc. This may disrupt operations, resulting in loss of sales and cash flow, significant fines and/or imprisonment from breaching the applicable laws and regulations and reputation damage to the Group resulting to inability to attract capital from banks and investors.

To mitigate the risk, CEPCO formulate, disseminate, implement and enforce applicable policies/guidelines such as Code of Ethics and Conduct ("COEC"), Anti-Bribery & Anti-Corruption Policy ("ABAC"), Whistleblowing Policy, etc. to all level of employee and business associates. The Group instills employees' education/participation/understanding of integrity via acknowledgements of COEC, ABAC declarations, etc. CEPCO also conducted periodic campaigns to promote, raise and sustain integrity awareness and culture within the Group.



# Management Discussion and Analysis (Cont'd)

## D Risk and Uncertainties (Cont'd)

### Sustainability Risk

Inability to account for and manage uncertain or changing social or environmental events or conditions during its occurrence, may or can cause significant negative impact and conversely, opportunities, on or for the Group and impacted disruptions to business operations, resulting in loss of sales and cash flow, additional time and cost incurred due to inability/delay in re-activation of business activities, possible legal consequences from breaching environmental laws and regulations and reputational damage affects ability to attract future capital from bank and investors.

To mitigate the risk, periodic campaigns to promote, raise and sustain ESG awareness and culture within the Group, such as recycling campaigns, tree planting exercises, etc. The Group's Risk and Sustainability Committee holds periodic meetings to discuss sustainability issues and matters relating to government policies.

### Technological Risk

Technological changes affecting the industry, such as substitution of existing products and services with lower emissions options, unsuccessful investment in new technologies, and cost to transition to lower emission technology.

Potential risk impact to CEPCO are major time and cost investment to stay abreast of the latest advancements in technology development to remain competitive and meet evolving customer expectations. Disruption to operational capability due to breakdown of critical ICT systems and equipment, resulting in loss of profitability and cash flow further on non-compliance with regulatory developments related to technology and leads to fines and legal consequences, affecting financial value and Cybersecurity threats can result in financial losses, regulatory penalties and damage to company's reputation, impacting its financial value.

To mitigate the risk, CEPCO has identified the impact of risks such as technology obsolescence, compatibility issues, data security, or vendor lock-in and develop contingency plans to address identified risks.



### Human Capital Risk

Inability to effectively manage succession planning, attract new talents, retain top talents in competitive market and adequately promote diversity and inclusion.

The risk will result to higher turnover rates and difficulties in attracting and retaining talent results in increased recruitment and training costs, decreased productivity and suboptimal performance from lack of skills and inadequate training, impact operations and ultimate financial results, operational disruptions due to ineffective staffing processes affecting productivity and reduction in profitability and financial cost from remediation, possible litigation and complaints to Industrial Court.

To mitigate the risk, competitive salary packages, attractive performance-based rewards and positive working environment, also a proactive succession and workforce planning to identify skill gaps and talent development needs.

# Management Discussion and Analysis (Cont'd)

## D Risk and Uncertainties (Cont'd)

### Health, Safety, Security and Environment Risk

Potential threats or dangers that can impact individual well-being, the protection of property and the preservation of the environment resulted to increased operating costs (e.g. higher compliance costs or increased insurance premiums), increased production costs due to changing input prices (e.g. energy or water) and output requirements (e.g. waste treatment), change in revenue mix and sources, resulting in decreased revenues, research and development ("R&D") expenditures in new and alternative technologies, significant fines and/or imprisonment from breaching the applicable legal or regulatory requirements and reputational damage affects ability to attract future capital from bank and investors.

To mitigate the risk, well-defined health and safety policies and procedures are in place. Constantly raise awareness of health and safety via training. Audits and inspections are conducted periodically to ensure effective implementation and compliance. Pro-actively monitor and update relevant SOPs to be in line with the government's policies, frequent communication to employees on the development and precautions needed and improve work environment conditions. Provide and enforce the use of appropriate PPE and ensure the usage of PPE is in compliance with relevant regulations and standards. Develop and regularly practice emergency response plans to ensure a swift and effective response in case of accidents.

## E Prospect

The outlook for the FYE 2025 remains challenging due to uncertainty for both domestic and overseas market. The slowdown of the global recovery further with the on-going trade wars between China and the United States and Russia – Ukraine war 2022 has dealt a major shock to commodity markets and disrupted the world production and trade. This in turn may affect the demand for the Group's products and increase in the cost of goods sold correspondingly assert a downward pressure on the Group's revenue and margins.

CEPCO will continue to be vigilant on its capital expenditure and cash conservation measures in its business and will focus on securing sales in both local and overseas market. The Board will take the necessary measures to manage and mitigate these uncertainties to optimise the Group performance and will continue to implement any necessary action plans to maximise the Group profits and improve the cash flows to mitigate the adverse impact on the Group performance.

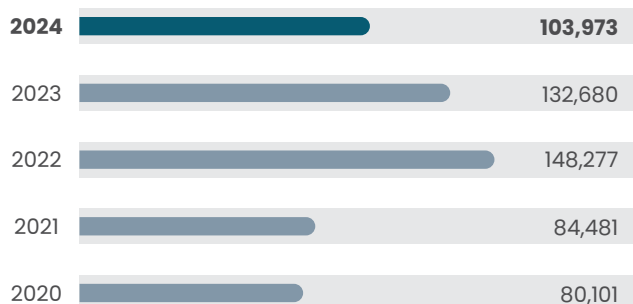
**Leong Kway Wah**  
Managing Director  
20 November 2024



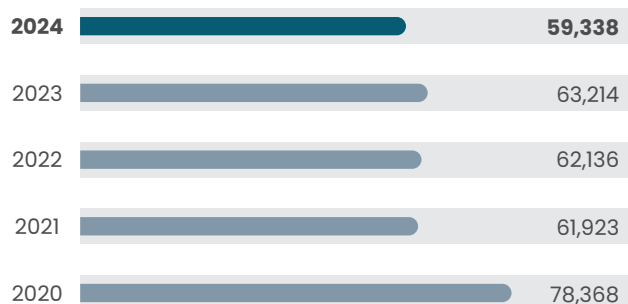
# Financial Highlights

	2024 RM'000	2023 RM'000	Restated 2022 RM'000	Restated 2021 RM'000	2020 RM'000
Revenue	103,973	132,680	148,277	84,481	80,101
Profit/(Loss) Before Taxation	(4,612)	1,154	344	(16,816)	(18,061)
Profit/(Loss) After Taxation	(4,615)	1,078	213	(16,841)	(18,061)
Profit/(Loss) for the Year Attributable to Owners of the Parent	(4,615)	1,078	213	(16,841)	(18,061)
Total Shareholders' Equity	59,338	63,214	62,136	61,923	78,368
Total Assets	126,694	136,757	142,013	139,869	151,663
Earnings/(Loss) per Share (sen)	(5.19)	1.44	0.29	(22.57)	(24.20)
Dividend per Share (sen)	-	-	-	-	-
Net Assets Per Share	0.80	0.85	0.83	0.83	1.05

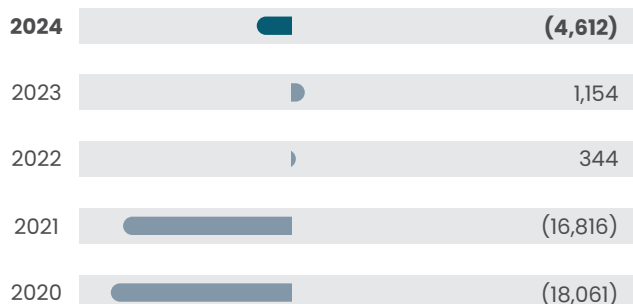
## REVENUE (RM'000)



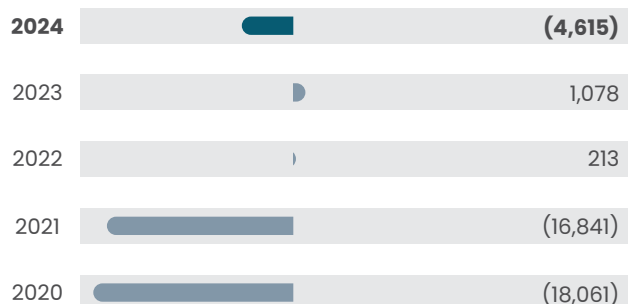
## TOTAL SHAREHOLDERS' EQUITY (RM'000)



## PROFIT/(LOSS) BEFORE TAXATION (RM'000)



## PROFIT/(LOSS) AFTER TAXATION (RM'000)





# Sustainability Statement

## Reporting Period and Cycle

From 1 September 2023 to 31 August 2024.

## Scope and Boundary of Reporting

This Sustainability Statement covers the Group's sustainability-related performance. Our reporting scope is determined by our business and operations unless otherwise specified. Throughout the reporting period, there have been no significant changes to our structure, ownership, or supply chain.

## Accessibility

This Sustainability Statement is available in PDF format and is accessible at our corporate website at [www.cepco.com.my](http://www.cepco.com.my).

## Assurance of the Sustainability Statement

Under the Main Market Listing Requirement, assurance is not mandatory for this statement. Therefore, the common sustainability matters, and the performance data discussed and disclosed in this statement were not reviewed by any independent reviewer or auditor to form any independence assurance in accordance with the recognised assurance standards.

## Feedback

For any concerns or feedback on our sustainability approaches and disclosures in this Sustainability Statement, please contact us at [cepccc@cepco.com.my](mailto:cepccc@cepco.com.my).



# Sustainability Statement (Cont'd)

## Introduction

**Corporate sustainability is an integral part of our organisation. The Group aims to maintain positive relations with all stakeholders through long-term sustainable returns. The existing and continuing development of the Group is guided by the philosophy of development which “meets the needs of the present, without compromising its ability to provide for the needs of future generation”. CEPCO’s sustainable development aims at improving the economy, while preserving the environment and the social wellbeing of the people.**

To achieve these objectives, the Group needs to comply with regulatory laws throughout its business activities. This Sustainability Statement outlines our Group’s efforts in upholding regulatory compliance, adopting best practices and human resource development. These values are intrinsic in helping us to avoid or mitigate risks that may have material and financial impacts on our business.

Moving forward, it is the Company’s intention to cascade down ESG Key Performance Indicators (“KPIs”) to the senior management level to strengthen accountability and embed sustainability across the organisation. In this report, we will share on the Company’s initiatives to support our sustainability agenda and disclose our targets and performance levels to showcase our progress and achievements and promote data and information reporting transparency.

## Sustainability Maturity

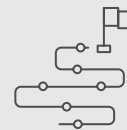
Our core area of sustainability is Compliance and Risk Management with emphasis on value protection in relation to operation and reputation risks and regulatory compliance. However, this does not limit our views on the justified level of sustainability as it is the core of our organisation’s way of carrying out our operations and the driver of our business decisions.

### Sustainable Vision



**Our constant vision is to be the preferred world class commercial manufacturer and supplier of prestressed spun concrete piles and poles in Malaysia.**

### Sustainable Mission



**We are committed to being a successful and responsible corporate citizen in delivering quality products and services, and generating an attractive environment, economic and social returns to all our stakeholders.**

# Sustainability Statement (Cont'd)

## Risk Management

Risk management is firmly embedded in the Group’s Management System as the Board firmly believes it is critical to the Group’s sustainability. Key management employees and department heads are delegated with the responsibilities to manage sustainability risks. However, our main justification of sustainability risks does not lie solely in the top-down approach, but also on all employees from various operations and functions. Thus, our risk management is a two-way flow approach. In addition, our outsourced independent Internal Auditor plays a part as second line of defense on the risk management issues.

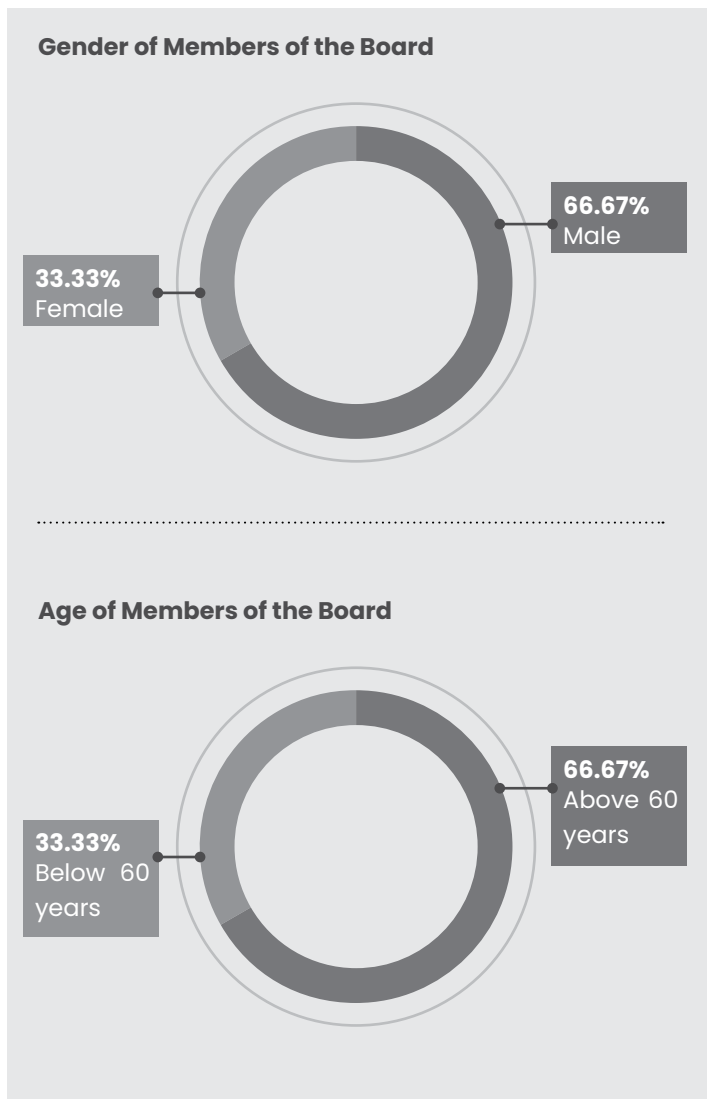
Further information on the Group’s risk management is disclosed in the Statement on Risk Management and Internal Control on pages 60 to 64 of this Annual Report.

## Governance

Our Board of Directors is the highest governing body of CEPCO and is responsible for determining the strategic direction of the Group. The Board has Directors with unique skills and knowledge of our type of business and other skills and qualifications such as legal, engineering, town planning, banking, finance and accounting.

Currently, the Board consists of six (6) members, comprising of one (1) Independent Non-Executive Chairman, a Group Managing Director/Non-Independent Executive Director, and four (4) Independent Non-Executive Directors. 66.67% of the board is male directors and 33.33% is female directors. 66.67% of the Board above 60 years old and 33.33% below 60 years old.

The Board has taken steps to integrate sustainability issues as core of its strategic formulation. The Board is supported by general managers, who enable it to assess and ensure that sustainability governance is structured and functioning through the various levels of management. Further information on the Group’s Corporate Governance practices is detailed in the Statement on Corporate Governance on pages 40 to 54 of this Annual Report.











# Sustainability Statement (Cont'd)

## Materiality Process

CEPCO has adopted the Materiality Assessment Process, which is guided by Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

## Stakeholder Engagement

The Company carries out the following engagements with the respective stakeholders where communication methods are regularly assessed through information requests to ensure they are transparent and effective.

<b>Stakeholder's group</b> 	<b>Type of engagement</b> 	<b>Key topic</b> 
Customers 	<ul style="list-style-type: none"> <li>• Site visit</li> <li>• One-to-one meeting</li> <li>• Annual review</li> </ul>	<ul style="list-style-type: none"> <li>• Improve customer service and satisfaction.</li> <li>• Feedback on products and services for quality improvement.</li> </ul>
Employees 	<ul style="list-style-type: none"> <li>• Operations and environment management.</li> <li>• Occupational safety and health awareness.</li> <li>• Internal and external training.</li> <li>• Annual appraisal and feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve employee engagement and performance.</li> <li>• Enhance employee career advancement.</li> <li>• Company strategies and performance.</li> </ul>
Government agencies 	<ul style="list-style-type: none"> <li>• One-to-one meeting as and when required.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to local laws and regulations.</li> </ul>
Vendors 	<ul style="list-style-type: none"> <li>• Site visit.</li> <li>• One-to-one meeting.</li> <li>• Annual review.</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of goods and services provided by vendors.</li> </ul>
Shareholders 	<ul style="list-style-type: none"> <li>• One-to-one meeting as and when required.</li> <li>• Annual General Meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback on the Group's performance.</li> </ul>

Based on the Stakeholders engagement, CEPCO gains better understanding on which sustainability factor matters to each stakeholder, its significance and impact.

# Sustainability Statement (Cont'd)

## Materiality Assessment

CEPCO has a view on sustainability matters prior to Stakeholders Engagement and has identified a list of sustainability matters relating to Environmental, Economic and Social that matters to the Group’s business. The Company has considered, amongst others, the followings:



the nature of CEPCO’s business




statutory laws and regulations



both local and global industrial trends





Stakeholders Engagement enables CEPCO to appreciate each stakeholder’s sustainability concern. Materiality Assessment allows CEPCO to prioritise these concerns. This will be aided by analysis of internal documents and our Risk Register. We also take consideration of the indicators stated in the Bursa Securities Sustainability Reporting Guide and the Global Reporting Initiative G4 Sustainability Reporting Guidelines to better understand the scope and potential topics that may involve.

Based on this exercise, CEPCO comes out with material theme topics on Environmental, Economic and Social Analysis that matters to the Group.

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2022	2023	2024
1	 Anti-corruption	% of employees who have received training on anti-corruption by employee category.	Annual training to all employee	100%	100%	100%
		% of operations assessed for corruption-related risks.	Zero assess	Nil	Nil	Nil
		Confirmed incidents of corruption and action taken.	Zero incident	Nil	Nil	Nil





# Sustainability Statement (Cont'd)

## Materiality Assessment (Cont'd)

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2022	2023	2024
2	 Community/Society	Total amount invested in the community where the target beneficiaries are external to CEPCO.	As and when required	RM4,500	RM10,000	RM100
		Total number of beneficiaries of the investment in communities.		2	5	1
3	 Diversity	% of employees by gender and age group for each employee category.	Zero employment of child labour	90.96% is male and 9.04% is female employees, 98.40% at the age from 19-59 & 1.60% at the age 60 and above	91.58% is male and 8.42% is female employees, 98.10% at the age from 19-59 & 1.90% at the age 60 and above	91.39% is male and 8.61% is female employees, 97.63% at the age from 19-59 & 2.37% at the age 60 and above
		% of directors by gender and age group.	30% is female directors	80% is male and 20% is female. 80% above 60 years old & 20% below 60 years old.	80% is male and 20% is female. 80% above 60 years old & 20% below 60 years old.	66.67% is male and 33.33% is female. 66.67% above 60 years old & 33.33% below 60 years old.
		Total energy consumption - Electricity.	To reduce 50% consumption by year 2030 (Base line set at year 2022).	4.233 million kWh	3.915 million kWh	3.450 million kWh
4	 Energy management	Total energy consumption - Diesel/Fuel Oil.		N/A	N/A	3.54 L per MT
		No. of work-related fatalities.	Zero case	0	0	0
5	 Health & Safety	Lost time incident rate.	Less than 5 incidents per million hours worked	0	0	3.77 incidents per million hours worked
		No. of employees trained on health & safety standards.	Annually training to cover as many employees as possible	88 staffs	19 staffs	139 staffs



# Sustainability Statement (Cont'd)

## Materiality Assessment (Cont'd)

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2022	2023	2024
6	 Labour Practices and Standards	Total hours of training by employee category.	Minimum 1,500 hours p.a. of overall category	1,691 hours	702 hours	3,131 hours
		% of employees that are contractors or temporary staff.	Employ as and when required	There are no contractors/ temporary staffs	There are no contractors/ temporary staffs	There are no contractors/ temporary staffs
		Total number of employee turnover by employee category.	Not more than 5% of overall category	Total Number 80 (2.02%)	Total Number 62 (1.36%)	Total Number 86 (1.86%)
		No. of substantiate complaints concerning human rights violations.	Zero complaint	None	None	None
7	 Supply Chain Management	Proportion on spending on local suppliers.	Above 75% of total purchase	76.00%	87.88%	92.37%
8	 Data Privacy & Security	Substantial complains on breaches of customer privacy and losses of customer Data.	Zero complaint	Nil	Nil	Nil
9	 Water	Total volume of water used.	To reduce 50% consumption by year 2030 (Base line set at year 2022).	130,348 M3	122,485 M3	99,793 M3

# Sustainability Statement (Cont'd)

## Materiality Assessment (Cont'd)

No.	Common Sustainability Matters	Indicators	Target	Performance Data		
				2022	2023	2024
10	 Waste Management	Total waste diverted from disposal.	50% of total waste will be diverted	Nil	Nil	Nil
		Total solid waste direct to disposal	from disposal by year 2030	41,959.48 MT	34,669.40 MT	40,424.40 MT
		Total waste directed to disposal – Scheduled Waste.	To reduce 50% of scheduled waste by year 2030	0.74 metric tons	Nil	1.68 metric tons
11	 Emissions	Scope 1: Emissions in tonnes of CO <sub>2</sub> e – From sources owned or controlled by CEPCO, i.e. Petrol/ diesel/fuel oil consumption.				2245 tCO <sub>2</sub> e
		Scope 2: Emissions in tonnes of CO <sub>2</sub> e – From the generation of electricity, heat or steams purchased by CEPCO but the equipment is not owned by CEPCO, i.e. Electricity consumption.	Net zero of Greenhouse Gas Emission by year 2050	N/A (CEPCO only start collect the emission data from 1 September 2023)	N/A (CEPCO only start collect the emission data from 1 September 2023)	1,913,246 tCO <sub>2</sub> e
		Scope 3: Emissions in tonnes of CO <sub>2</sub> e – From sources not owned or directly controlled by CEPCO but resulting from the organisation's value chain and related to CEPCO activities, i.e. Business Travel, Employee Commuting, and Goods Delivery.				541,156 tCO <sub>2</sub> e



# Sustainability Statement (Cont'd)

## Environmental

Everyone is responsible for healthy and quality ecosystems without pollution and there is no exception for CEPCO. We are serious about making sure our business will have a positive impact to the environmental, economic, and social wellbeing.

CEPCO holds certification for the ISO 14001 Environmental Management System, and we maintain 100% compliance across our business operations with Malaysia's Department of Environment ("DOE") and all relevant local government regulations. Various environmental factors, including waste management, raw material used, air quality and noise management are monitored annually in accordance with the environmental monitoring plan.

CEPCO adheres to Standard Operating Procedures ("SOP") which result to low environmental impacts and in compliance with the legal requirements to manufacture the best quality products that are accredited by SIRIM QAS International MS ISO 9001: 2015 and IKRAM QA Services MS 1314.

Our spun piles can be installed by hydraulic jacking method, which is environmentally friendly with low noise and vibration and less air pollution. Throughout the year, monitoring services such as noise monitoring, health risks and Chemical Hazardous Risk Assessment have been conducted with satisfactory results and CEPCO has complied with prevailing rules and regulations

We are continuously working on finding ways to reduce our carbon footprint. As part of our green initiative, we used eco-friendly material in our production to ensure the sustainability of green environment for prosperity of the nations.

The application of the dust collector in our factories helps remove dirt, dust, debris, gases, and chemicals from the air and improves the safety of our employees and the public surroundings.

A system to collect rainwater for general outdoor cleaning has been practiced in our factories to ensure sustainable consumption and efficiency of water usage for production processes. For the year under review, the total volume of water mainly used for production is 99,793M<sup>3</sup>.

The Group's electricity consumption for the year under review amounted to 3.45 million kWh is mainly used for production and operating offices and 976 thousand liters of petrol, diesel and fuel oil mainly used for burning fuel for production. CEPCO implemented various measures to enhance energy efficiency and actively exploring and increasing the adoption of renewable energy sources to reduce total energy consumption in the long run.

In our offices, the employees have developed a culture of efficient consumption of electricity and recycling materials. Paper usage had been reduced by recycling paper from renewable sources and adopting a paperless system for selected processes. This is to ensure we can minimise our energy consumption and waste products.

**CEPCO holds certification for the ISO 14001 Environmental Management System, and we maintain 100% compliance across our business operations with Malaysia's Department of Environment ("DOE") and all relevant local government regulations.**

# Sustainability Statement (Cont'd)

## Net Zero Emission Goal

In March 2024, CEPCO appointed People Prowess Sdn Bhd to conduct a Green House Gas (GHG) Assessment. The assessment report has been presented to the Board and uses as foundation to set for the emission goal for CEPCO.

The long-term target is to reduce Group's carbon emission intensity to 50% by 2030 and achieve Net Zero carbon emission by 2050.

The GHG Emission measures in tCo2e for FY2024 is 2.46 million derived from:

**Scope 1** Direct emissions from sources that are owned or controlled by CEPCO i.e. Petrol, Diesel, and Fuel Oil amounted to 0.002 million tCO<sub>2</sub>e.

**Scope 2** Indirect emissions from purchased energy consumed by CEPCO i.e. Electricity amounted to 1.91 million tCO<sub>2</sub>e.









**Scope 3** Indirect emissions from business travel and employee commuting, water consumption, and downstream transportation and distribution amounted to 0.54 million tCO<sub>2</sub>e.



# Sustainability Statement (Cont'd)

## Net Zero Emission Goal (Cont'd)

CEPCO have set a long-term execution plan to achieve the net zero emission goals via:

 <p>Transition to renewable energy sources</p>	 <p>Improved energy efficiency</p>
 <p>Adopt advance manufacturing techniques</p>	 <p>Value chain management and collaborate with key shareholders to reducing carbon emissions</p>
 <p>Reduce waste and recycle</p>	 <p>Integrate sustainable design and innovation on our products</p>
 <p>Trees adoption or plantation.</p>	 <p>Carbon offsets</p>

For the year under review, CEPCO generates 1.68 metric tons of scheduled waste during the production process and 33,628 metric tons of solid waste. Based on CEPCO's responsibility is committed to managing the waste in accordance with the guidelines set by the Department of Environment and local council.

With more stringent laws, regulations, standards, and requirements of local government as well as the international bodies enacted to protect the environment, CEPCO have been continuously keeping ourselves updated on the changes to comply with any regulatory requirements and standards in force.

In our supply chain, we assess and monitor our top supplier by Vendor Self-Regulation Assessment to identify their environmental impacts on resources used, waste management and biodiversity among others.

Our voluntary contributions have also enhanced and created a positive impact on our environment. This year our Corporate Social Responsibilities are focusing on trees adoption by making contribution to Taman Tugu Forest Trail.



# Sustainability Statement (Cont'd)



## Economic

With the accreditation of ISO 9001: 2015, this sets out the criteria for a quality management system based on several quality management principles including a strong customer focus, motivation and implication of top management, the approach process and continuous improvement. This is to ensure our customers get consistent quality products and services.

CEPCO's products can be customised to suit any construction projects' requirements. Our spinning process compacts the concrete resulting in a denser mixture, giving a strong, durable, and high resistance to corrosion. This provides a higher capacity for an economical solution for our customers. With higher quality end products, they would stay competitive in the market.

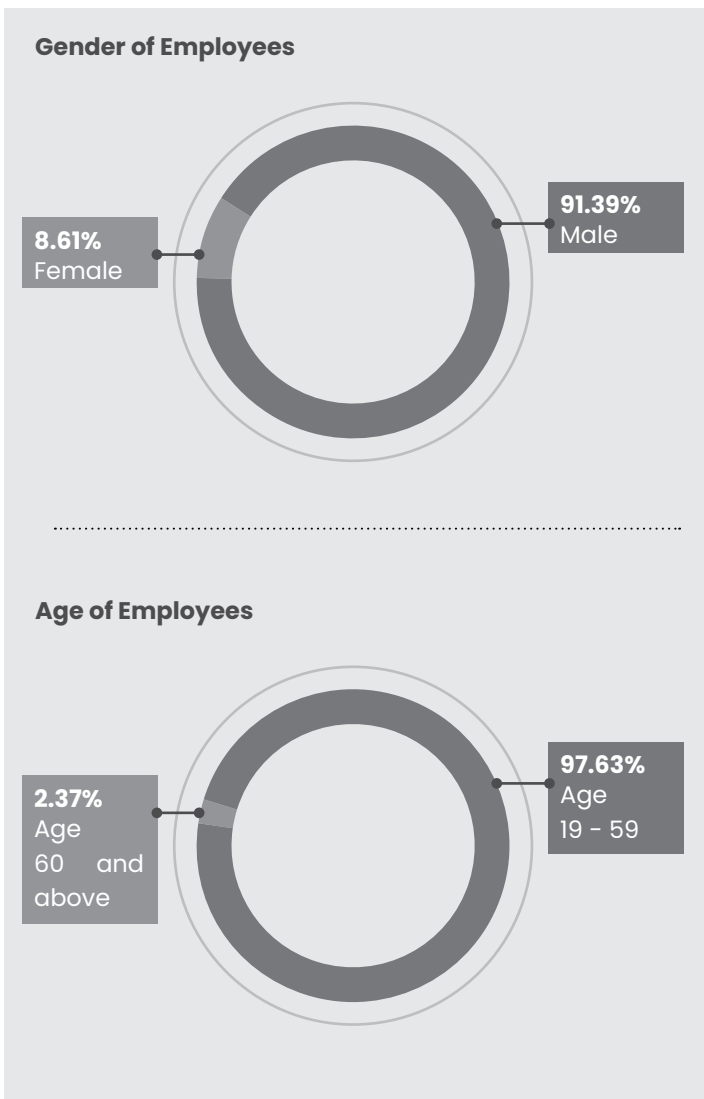
The current export rate of our products is 40.98 of the total revenue. This has positively contributed to foreign exchange inflows to the country. The Group intends to enhance its product offerings to more overseas markets, which is expected to generate better sales and profitability.

Our spending on local suppliers is significant in developing the domestic economy. Currently 92.37% of our total purchases are sourced locally.

## Social

The Group is committed to a meritocracy system, and we treat each employee regardless of race, age, gender, ethnicity, nationality, physical abilities, and religion with respect. For the year under review, 91.39% of CEPCO's employee is male and 8.61% is female, 97.63% at the age from 19-59 and 2.37% at the age 60 and above. The employee turnover rate for the year is 2.21%

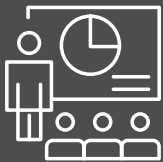
All employees are fairly paid according to their skills, performance, and local market conditions. There is no substantiated complaints concerning human rights violations and CEPCO has zero tolerance for harassment of any kind in the workplace.



# Sustainability Statement (Cont'd)

## Social (Cont'd)

Employees are vital components to CEPCO, as their performance and commitments are not only the key elements of survival but also for achieving the Group's objectives of sustainability and returns in the long run. We aim to be the employer of choice in the industry we operate in. We believe that a dedicated and competent workforce is paramount to the success of the Group's business. CEPCO subscribes to the idea of a knowledgeable and constantly learning workforce. Therefore, we will continue to invest in human resource development by providing periodic training and opportunities for professional development. For the year under review, the total training hours for CEPCO's employees are 3,131 hours.



“ For the year under review, the total training hours for CEPCO's employees are 3,131 hours. ”

Our Annual Training Plan for FYE 2024 covered the following areas:



### ESG related training:

- i. ESG Enhancement
- ii. Climate Finance Summit
- iii. Accelerating Malaysia's Industry Commitment Toward Sustainability Goals
- iv. Steering Climate Risk and ESG Roadmap for Corporate
- v. Innovation for Sustainable Growth and Future Leadership
- vi. Shares Responsibility, Shared Future



### Digitalisation related training:

- i. Microsoft 365
- ii. Sage 300 - Financial, Distribution and Operational Module
- iii. Sage 300 - Financial Module
- iv. Sage 300 - Manufacturing and Resources Module
- v. EasyPay - Payroll, E-Portal Leave Application, E-Portal Claims and Time Management Systems
- vi. E-Invoicing and Transformation Journey
- vii. Harnessing Digital Disruption






### Finance and Reporting related training:




- i. Taxation on Capital Gains in Malaysia
- ii. Preparing Sustainability Report
- iii. Understanding on IFRS S1 and IFRS S2
- iv. Mastery of Sustainability: GHG Accounting and Reporting

# Sustainability Statement (Cont'd)

## Social (Cont'd)

 <b>Human Resources related training:</b>	 <b>Safety related training:</b>	 <b>Work application related training:</b>
<ul style="list-style-type: none"> <li>i. Managing Problematic Employee and How to Conduct Domestic Inquiry</li> <li>ii. Simposium Pendidikan Pemburuan Peringkat Negeri WKL</li> <li>iii. Tanggungjawab Majikan Terhadap Pekerja</li> <li>iv. JTK Labour Act</li> </ul>	<ul style="list-style-type: none"> <li>i. Noise Conservation</li> <li>ii. Pengurusan Bahan Kimia Berbahaya Kepada Kesihatan</li> <li>iii. Seminar Pencegahan Kebakaran</li> <li>iv. Seminar Hebahan Kehendak Akta OSH 1994</li> <li>v. OSHA: Amendment 2022 and its implementation</li> <li>vi. Fire Fighting</li> <li>vii. Emergency First Aid</li> <li>viii. Emergency Response Team</li> </ul>	<ul style="list-style-type: none"> <li>i. Microsoft Excel 2019–2021 (Beginner to Immediate)</li> <li>ii. Paperwork for Controlled Documents</li> <li>iii. Ready Mix Concrete &amp; In House Batching Plant</li> <li>iv. Environmental Professional in Bag Filter Operation</li> <li>v. Workforce Planning to Enhance Export Management Capabilities</li> <li>vi. Concrete Field-Testing</li> <li>vii. Revolutionise on Business Recovered</li> <li>viii. How to Control Key Materials In and Out</li> <li>ix. US- China Trade War: Strategies for Malaysian Manufacturers to Grow Market Share</li> </ul>

CEPCO also continuously strives to provide competitive benefits and organise well-being activities for our employees beyond regulatory requirements. Among the benefits provided for our employees are:

 <b>Medical Benefits</b>	 <b>Safety Benefits</b>	 <b>Rewards and Recognition</b>
<ul style="list-style-type: none"> <li>i. Outpatient and hospitalisation medical treatment</li> <li>ii. Hospitalisation and surgical insurance</li> </ul>	<ul style="list-style-type: none"> <li>i. Personal accidents insurance</li> </ul>	<ul style="list-style-type: none"> <li>i. Annual dinner</li> <li>ii. Long service award</li> </ul>

# Sustainability Statement (Cont'd)

## Social (Cont'd)

CEPCO committed to providing a safer and healthier environment for our employees and minimise any preventable accidents and health hazards that may occur at our business premises. From time to time our Safety, Health and Environmental Department improves employee safety, reduces workplace risks, and creates a safer working environment for all employees. They are continuously trained and updated with safety procedures while business operations are subjected to regular safety and health reviews to further embed a safety culture within the Group.

The Company has been certified by ISO 45001:2018 (Occupational Health and Safety Management Systems). The said ISOs are intended to manage the Company's health and safety responsibilities in a systematic manner to enhance health and safety performance.

Our Safety, Health and Environmental Department is responsible for creating awareness and promoting good working practices for employees to ensure CEPCO complies with environmental legislation regarding safety in the workplaces. All our employees are educated to express their discomfort in their working environment where its effectiveness and quality are consistently monitored.

For the year under review, there is no work-related fatalities, the lost time incident rate is 3.77 incidents per million hours worked and 139 employees trained on health and safety standards.

Health and safety have become the top priority sustainability matter with the pandemic outbreak over the current financial year. The authority had set stringent SOP related to health and safety protocol as preconditions for business resumption.

CEPCO focuses on the wellbeing of society, including personal health and safety. We also assess and monitor our top suppliers by Vendor Self-Regulation Assessment to identify their existing or potential negative social impacts as well as human right policies and practices.



**For the year under review, there is no work-related fatalities, the lost time incident rate is 3.77 incidents per million hours worked and 139 employees trained on health and safety standards.**

We hold ourselves accountable to our stakeholders and are dedicated to delivering value to them while conducting our operations in a conscientious manner.

We aim to add value to community growth and wellness by playing the role as a socially responsible corporate citizen and creating business sustainability. CEPCO believes in giving back to the community and employees are the main driving force of its business.

## Anti-Corruption

CEPCO is fully committed toward eradicating corruption. The Group maintains a strict, zero-tolerance position against corruption, bribery, or any kind of abuse of power. Aligned with this, the Group adopted its Anti-Corruption Framework and Policy on 1 June 2020. The Group expects its directors, senior officers, employees, and business associates to be acknowledged and operate in full compliance with the Company's policy with the highest standard of ethical conduct, integrity, and professionalism. The full version of the policy is available on the corporate's website at [www.cepcocom.my](http://www.cepcocom.my).

CEPCO is committed to maintaining a proper framework to ensure that the business is run in an efficient and transparent manner in the interest of all its stakeholders. We ensure that the business is conducted in a fair, transparent, sustainable, and professional manner, without affecting consumer's choice, pricing, and market efficiency.

# Sustainability Statement (Cont'd)



## Anti-Corruption (Cont'd)

Our business imperative is to carry out our activities responsibly and with integrity. Our employees are expected to behave in an honest and ethical manner in accordance with our policies, business rules and guidelines. CEPCO promotes transparency and guards against various forms of misconduct including corruption, bribery, and fraud.

The implementation of corporate liability provision under Section 17A Malaysian Anti-Corruption Commission (MACC) Act 2009, comes enforced on 1 June 2020 in which a commercial organisation can be considered guilty if any of its employees or associates commit corruption for whatsoever benefit to the organisation. CEPCO takes note of the cruciality of the provision towards the Group and hence enforced its commitment with the circulation of anti-corruption and anti-bribery policy among every employee; in which can also be referred to on CEPCO's website.

The policy creates employees' awareness and responsibility to always comply with the provision to ensure the Group's businesses and engagement are conducted with high professionalism, integrity and stay clear from corruption or bribery. CEPCO's directors, employees and associates are adequately alerted to the Group's policy adherence requirement and shall require undertaking anti-corruption and anti-bribery assessment yearly to ensure a zero-tolerance approach is met. In overall, CEPCO will

not tolerate to any acts in regards of corruption and bribery as its commitment in the ethically business practices.

100% of CEPCO employees received training on anti-corruption on a yearly basis. We do not have ongoing assessment on our business associates, but each new supplier/customer must sign acknowledgement on our Anti Bribery letter. Gifts received by employees must also be declared and reported. For the financial year under review, there is no any confirmed incidents of corruption and action taken.



**100% of CEPCO employees received training on anti-corruption on a yearly basis.**



**For the financial year under review, there is no any confirmed incidents of corruption and action taken.**



# Sustainability Statement (Cont'd)

## Data Privacy & Security

The Group places utmost importance on safeguarding the confidentiality of personal information belonging to our stakeholders, in strict compliance with the provisions outlined in the Personal Data Protection Act 2010. To protect customer privacy effectively, robust firewall and several cybersecurity measures are in place to ensure optimal protection of our stakeholders' information. We continue to uphold our track record of zero incidents or substantiated complaints concerning breaches of customer privacy and losses of customer data.

As a result, corporate sustainability has become an even more pressing imperative for CEPCO as it will continue to live and work in the new normal and gained more ground in the sustainability drive to improve the triple bottom line of the Group.



**For the financial year under review, there is no substantial complaints on breaches of customer privacy and losses of customer data.**



# Statement on Corporate Governance



**The Board of Directors of Concrete Engineering Products Berhad remains committed to upholding and emphasis on ensuring that the Group has in place a robust and transparent corporate governance framework, appropriate for its size, operations, and organisational structure. It is our strong belief that corporate governance plays a key role in delivering long term success to the Group and its stakeholders.**

The Board continues to develop and enhance suitable and appropriate corporate governance practices and policies to match the dynamic landscape of our business.

This report aims to give shareholders and other stakeholders insight into the approach that the Board takes for corporate governance during financial year ended 31 August 2024, including the manner in which it implements the principles of the Malaysian Code of Corporate Governance (“MCCG”). This report should be read together with our Corporate Governance Report 2024 (“CG Report FYE 2024”), which is available on our Company’s website.

## **PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES**

### **Roles and Responsibilities of the Board and Management**

The Board has the collective responsibility for the overall conduct and performance of the Group’s business by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board Charter provides guidance to the Board in discharging its roles, duties and responsibilities in line with the principles of good governance.

# Statement on Corporate Governance (Cont'd)

## **PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)**

### **Roles and Responsibilities of the Board and Management (Cont'd)**

The Board is responsible for the oversight and overall management of the Group. The principle responsibilities are as follows:

- 1) Reviews and adopts a strategic plan for the Company and addresses the sustainability of the Group's business.
- 2) Oversees the conduct of the Group's business and evaluates whether its business is being properly managed.
- 3) Identifies principal risks faced by the Group and ensures the implementation of appropriate internal controls and mitigates measures to address such risks.
- 4) Applies successive planning to ensure all candidates appointed to senior management positions are of sufficient calibre.
- 5) Oversees the development and implementation of a shareholder's communication policy.
- 6) Reviews the adequacy and the integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- 7) Ensure that Senior Management has the necessary skills and experience.
- 8) Oversee and monitor work health and safety processes, performance and issues.
- 9) Promote ethical values and standards in the workplace.
- 10) Carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.

The Managing Director is responsible for ensuring the management adheres to the guidelines and policies set by the Board.

The Directors have full access to information pertaining to all matters requiring the Board's decision. Prior to any Board meeting, all Directors shall be furnished with proper Board papers, which contain the necessary information for each of the meeting agendas in advance to enable the Directors to obtain further explanations, where necessary, to be properly briefed before the meeting. Matters to be discussed are not limited to financial performance of the Group but also to address major investment decisions as well as operational issues and problems encountered by the Group.

To assist in the discharge of its stewardship role, the Board has delegated specific responsibilities to four (4) established Board Committees, namely Audit Committee, Remuneration and Nominating Committee and Risk Management and Sustainability Committee. These Committees examine particular issues within their respective terms of reference as approved by the Board, and report to the Board with their recommendations, if any. The ultimate responsibility for decision making, however, lies with the Board.

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

### OUR COMPLIANCE

<p><b>Integrity and Ethics</b></p> 	<p>The Board strives to adhere to the highest ethical standards in discharging its responsibilities and continues to promote integrity and ethical conduct among its employees in all aspects of the Group's business operations, including confidentiality of information, conflicts of interest, as well as Health, Safety and Environment ("HSE") performance, amongst others.</p>
<p><b>Code of Ethics</b></p> 	<p>The Board has adopted a Code of Ethics for Company Directors. The Code of Ethics provides good guidance for a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted and uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company.</p> <p> <b>The Code of Ethics is available on the Company's website at <a href="http://www.cepco.com.my">www.cepco.com.my</a>.</b></p>
<p><b>Whistleblowing Policy</b></p> 	<p>The Board has also adopted Whistleblowing Policies and Procedures, which outline when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employees, management or Directors in the Group. The Board is aware of the need for adherence to the Code of Conduct and Employees' Handbook by Directors of the Company and employees in the Group, respectively, and will take measures to put in place a process to ensure its compliance.</p> <p> <b>The Whistleblowing Policy is available on the Company's website at <a href="http://www.cepco.com.my">www.cepco.com.my</a>.</b></p>
<p><b>Anti-Bribery and Corruption Policy Statement</b></p> 	<p>The Group conducts all its business in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. The Group is also committed in upholding all laws relevant to countering bribery and corruptions in Malaysia and all other jurisdictions in which it operates. This is accessible to the employees or other stakeholders at <a href="http://www.cepco.com.my">www.cepco.com.my</a>.</p>
<p><b>Sustainability</b></p> 	<p>The Board recognises the importance of sustainability and its increasing significance in the business. The Board is committed to understanding and implementing sustainable practices, and exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economics success.</p> <p>The Group has no immediate plan to implement a diversity policy for its workforce in terms of gender, ethnicity and age as in its view, employment is depended on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. However, the Group is committed to diversify and apply equal employment for its development and improvement as a whole.</p>

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

### OUR COMPLIANCE (CONT'D)

<p><b>Board Access to Information and Advice</b></p> 	<p>All Directors are provided with an agenda and a set of Board papers prior to each Board Meeting to be convened. Board papers are required to be circulated at least seven (7) days prior to the date of each Board Meeting to enable Directors to obtain further explanation, if necessary, in order to be properly briefed before each meeting. Board members are supplied with full and timely information required to enable them to discharge their responsibilities. Senior management staff are also invited to attend Board Meetings when necessary to provide the Board with further explanation and clarification on matters being tabled for consideration by the Board.</p> <p>The Board convenes at least five (5) Board Meetings a year to consider the quarterly financial results and review operational performance. Additional meetings are convened as and when necessary.</p> <p>All Directors have access to the advice and services of the Company Secretary and are updated on new statutory or regulatory requirements concerning their duties and responsibilities.</p>
<p><b>Company Secretary</b></p> 	<p>The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, the Board's policies and procedures, and the compliance with relevant regulatory requirements, codes or guidance, and legislation. The Company Secretary is suitably qualified, competent and capable of carrying out the duties required and has attended training and seminars conducted by relevant regulatory bodies to keep abreast with the significant updates on statutory and regulatory requirements and updates on the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Companies Act 2016, Malaysia (the "Act").</p> <p>Deliberations during the Board Meetings were properly minuted and documented by the Company Secretary.</p>
<p><b>Board Charter</b></p> 	<p>The Board has adopted a Board Charter which provides guidance for Directors and management regarding the responsibilities of the Board, its Committee and management. The Board Charter is reviewed regularly to ensure it complies with legislation and best practices and remains relevant and effective in the light of the Board's objective.</p> <p> <b>The Board Charter is available on the Company's website at <a href="http://www.cepco.com.my">www.cepco.com.my</a>.</b></p>

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 2: STRENGTHEN COMPOSITION

### Board Composition and Balance

The Board currently has six (6) members comprising of:

1)	Abdul Rahman bin Haji Siraj	Independent Non-Executive Chairman
2)	Leong Kway Wah	Managing Director
3)	Dato' Ir Dr Abdul Aziz bin Arshad	Independent Non-Executive Director
4)	Datin Sabrina Ainie	Independent Non-Executive Director
5)	Datuk Seri TPr Haji Mahadi bin C. Ngah	Independent Non-Executive Director
6)	Dato' Azulita binti Salim	Independent Non-Executive Director

This composition fulfils the requirements as set out under the Listing Requirements of Bursa Securities which stipulate that at least two (2) Directors or one-third of the Board, whichever is the higher, to be Independent Directors. Directors' Independence is determined based on the Main Market Listing Requirements ("MMLR") definition of an Independent Director:

- Presently not a Company employee and is independent of any business relationship or dealings with the Group.
- Continued ability to exercise independent judgment at all times on all matters brought forward for Board deliberation.

No independent director has been engaged in the day-to-day management of the Company, has participated in any business dealings or has involved in any other relationship with the Company (other than in situations permitted by the applicable regulations).

The Company's Constitution provides that all the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. In the event of any vacancy in the Board, the Company must fill the vacancy within three (3) months pursuant to Paragraph 15.02(3) of Bursa Securities Listing Requirements.

The profile of each Director is presented on pages 5 to 10 of this Annual Report. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering, finance, taxation, accounting and audit, legal and economics.

The presence of the Independent Directors shall provide unbiased and independent views and judgements in the decision-making process at the Board level and to ensure that no significant decisions and policies are made by any individual, and that the interest of minority shareholders are safeguarded.

All the Directors have given their undertaking to comply with the Listing Requirements of Bursa Securities.

### Conflict of Interest

The Board has established clear processes for declaring and monitoring actual and potential conflicts of interests.

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

### Senior Independent Non-Executive Director

Dato' Ir Dr Abdul Aziz bin Arshad is the Senior Independent Non-Executive Director of the Company effective 12 January 2022.

The Senior Independent Non-Executive Director is committed in discharging his roles and responsibilities as recommended under the Corporate Governance Guide by Bursa Malaysia Berhad.

### Remuneration and Nominating Committee

The Remuneration and Nominating Committee ("RNC") was established on 30 May 2002 which comprises the following members:

1)	Datin Sabrina Ainie	Chairman
2)	Dato' Ir Dr Abdul Aziz bin Arshad	Member
3)	Datuk Seri TPr Haji Mahadi bin C. Ngah (Appointed w.e.f 1 March 2024)	Member

The Company Secretary is the secretary to the Remuneration and Nominating Committee.

The Remuneration and Nominating Committee's terms of reference include the authority delegated by the Board to oversee the selection and assessment of Directors. The Remuneration and Nominating Committee shall:

- 1) Recommend to the Board for the appointment of new Director in accordance to the nomination and selection policies.
- 2) Assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each existing individual Director, in terms of the appropriate size and skills, the balance between Executive, Non-Executive and Independent Directors, the mixture of skills and other core competencies required.
- 3) Assess the independence of Independent Directors to consider whether the Director can continue to bring independent and objective judgement to Board deliberations.
- 4) To recommend to the Board if an Independent Director who serves the Board for more than nine (9) years is justifiable to remain as an Independent Director on the Board.

# Statement on Corporate Governance (Cont'd)

## **PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)**

### **Remuneration and Nominating Committee (Cont'd)**

The Remuneration and Nominating Committee is responsible for recommending to the Board for the appointment of new Directors in accordance to the nomination and selection policies. The Company Secretary ensures that all appointments are properly made upon obtaining all necessary information from the Director. During the financial year under review, and as at the date of this Statement, the Remuneration and Nominating Committee has carried out the following activities within its terms of reference and reported the outcome to the Board:

- 1) Reviewed training undertaken by Directors as well as those training that are available for Directors for the ensuing year.
- 2) Following the assessment of the Board by each Director, the Committee recommended for the Board's consideration to move for shareholders' approval the re-appointment and/or re-election of those Directors retiring at the forthcoming Annual General Meeting ("AGM").

The Nominating Committee has met six (6) times during the financial year ended 31 August 2024 to review the Directors who are due for re-election and re-appointment at the Company's AGM, appointment of new Directors and redesignation of Director, and to nominate Directors to attend seminars.

The Remuneration Committee has met once to deliberate on the annual payment of Directors' fees.

The Board currently does not have any gender, ethnicity and age policy or target. The criteria to be used by the Remuneration and Nominating Committee in the selection and appointment process is mainly to ensure the Board comprises of Directors with a good mix of skills and experience to discharge its responsibilities in an effective and competent manner, as well as the candidates' competencies and ability to commit sufficient time to Company's matters.

Nevertheless, the Board is supportive of gender diversity in the boardroom as recommended by the MCCG to promote the representation of women in the composition of the Board. The Board will continue to look to emphasis gender diversity, going forward towards achieving at least 30% of its directors to comprise women. The Board will endeavour to ensure that gender, ethnicity and age diversity will be taken into account in nominating and selecting new Directors to be appointed on the Board. Presently, Datin Sabrina Ainie and Dato' Azulita binti Salim, are the female Directors comprised in the Board of six (6) Directors.



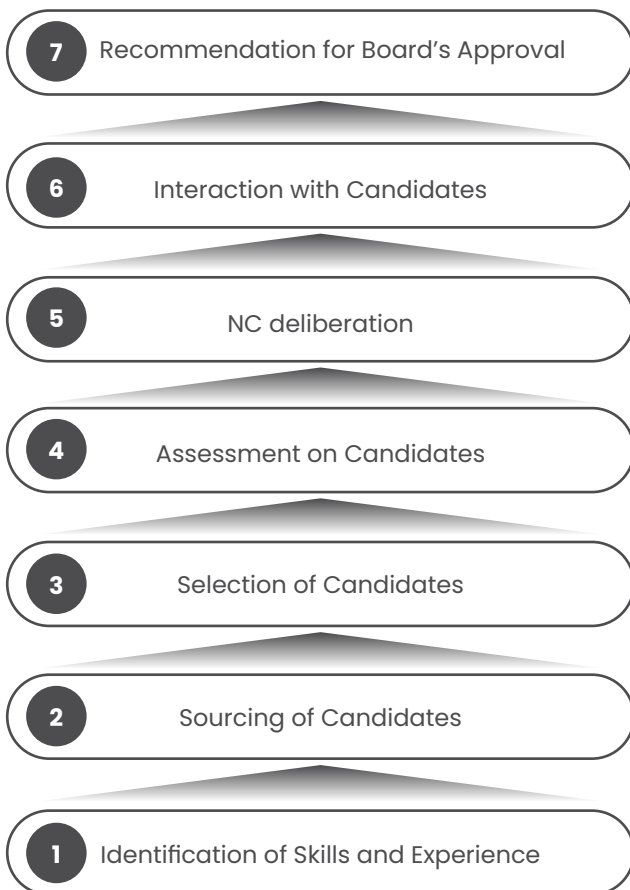
# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

### Board Appointment Process

The Board appointments with recommendations provided by the RNC will source suitable candidates with the right skills and experiences to complement and support the existing Board composition based on business needs, strategic direction of the Company and good governance.

The appointment of a new Board member is subject to the following process:



All shortlisted candidates would be assessed by RNC which includes assessment on skills competency matrix (relating to skills and experience) independency test for independent directors and integrity test under Malaysia Anti-Corruption Commission ("MACC") for all candidates.

RNC or representative of RNC would also have an interaction session with the potential candidates to review the suitability of the candidates against the following values of the Company, before recommending for approval on the appointment to the Board:

1. Safe;
2. Honest;
3. Agile;
4. Respectful;
5. Professional; and
6. Trust.

### Board Assessment

The results of the assessment conducted for FYE 2024 indicated that the Board, Board Committees and the individual Directors had performed within expectations and were able to discharge their functions and duties effectively.

From the assessment conducted, the key strengths of the Board are:-

1. Independence of the Board of Directors
2. Board and Board Committees Quality and Performance
3. Chairman's Responsibilities
4. Group Dynamics

Moving forward, the key focus areas will cover the following:-

1. Improvement in Board governance of Management execution to ensure value creation for all stakeholders
2. Strategic matters and internal controls
3. Transparency, quality information and engagement with Management
4. Directors' development, Board composition and succession planning
5. Management competency, performance appraisal, development programme and succession planning

The Board is also satisfied with the results of the assessment on the Independent Directors and is of the view that all Independent Directors are independent of management and free of any interest, position, association or other relationship that might materially influence the Independent Director's capacity to bring an independent judgement and to act in the best interest of the Group and its stakeholders.

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

### Re-election

The RNC is also responsible for recommending Directors for re-election at the Fortieth Annual General Meeting. In accordance with the Constitution of the Company, all newly appointed Directors are subject to re-election by the shareholders at the first annual general meeting following their appointments. Additionally, at least one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall be subject to retirement by rotation at least once every three (3) years, and shall be eligible for re-election. The retiring Directors would be those who have been longest in office since their last election. This provides shareholders the opportunity to evaluate the performance of the Directors and promote effective Board members.

Directors subject to retirement by rotation pursuant to the Constitution are initially considered by the RNC and recommended to the Board, taking into consideration their required mix of skills, competencies, experience and other qualities required before they are recommended for re-election by shareholders.

### Directors' Remuneration Policies and Procedures

The level of Directors' remuneration is comparable in order to attract and retain Directors of such calibre to provide the necessary skills and experience as required and to commensurate with the responsibilities for the effective management and operations of the Group. All Non-Executive Directors ("NEDs") are paid meeting allowance for attending Board and Board Committee meetings as well as additional fees for added responsibilities undertaken.

The remuneration of the NEDs, which is subject to the approval of shareholders at the annual general meeting, is recommended by RNC to the Board as a whole to ensure that it is aligned to the market and to the Directors duties and responsibilities.

The Board through the RNC, annually reviews the performance of the Executive Director as a prelude to determining his annual remuneration, bonus and other benefits, in discharging this duty, the NC evaluates the performance of the Executive Director against the objectives and KPIs approved by the Board, thereby linking their remuneration to performance.

The aggregate remuneration of Directors for the financial year ended 31 August 2024 was as follows:

Name of Directors	Fee/Salaries and Other Emoluments (RM)
<b>Executive Directors</b>	
Leong Kway Wah	611,532
<b>Non-Executive Directors</b>	
Abdul Rahman bin Haji Siraj	44,459
Dato' Ir Dr Abdul Aziz bin Arshad	25,000
Datin Sabrina Ainie	25,000
Datuk Seri TPr Haji Mahadi bin C. Ngah (Appointed w.e.f 1 March 2024)	12,500
Dato' Azulita binti Salim (Appointed w.e.f 1 August 2024)	2,083
Abdul Khudus bin Mohd Naaim (retired w.e.f 18 January 2024)	29,583

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 2: STRENGTHEN COMPOSITION (CONT'D)

### Directors' Remuneration Policies and Procedures (Cont'd)

The number of Directors whose total remuneration fell within the following bands was as follows:

Band of Remuneration (RM)	Executive Directors	Non-Executive Directors
1 - 50,000	-	6
50,001 - 100,000	-	-
100,001 - 150,000	-	-
200,001 - 250,000	-	-
500,001 - 550,000	-	-
550,001 - 600,000	-	-
600,001 - 650,000	1	-

## PRINCIPLE 3: REINFORCE INDEPENDENCE

### Independent Director

During Financial Year ended 31 August 2024, the Board comprised five (5) Independent Directors. The Board has a set of criteria in assessing the independence and performance of Directors. The RNC annually reviews and assess the level of Independence Directors of the Board in line with the MMLR. The RNC will also consider the individual Director's ability to exercise independent judgement and to demonstrate the values and principle associated with independence such as impartially, objectively and consideration of all stakeholders' interest.

### Tenure of Independent Director

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, Independent Directors may continue to serve on the Board as a Non-Independent Directors. In the event the Board wishes to retain such Director as an Independent, the Board will seek shareholders' approval.

For the period under review, RNC has assessed and concluded that all the Independent Directors continue to demonstrate, conduct and behave in manner indicative of independence, and that each of them is dependent of the Company's management and free from any business or other relationship which could materially interfere with the exercise of independent judgement, objectivity or ability to act in the best interest of the Company.

### Division of Roles and Responsibilities between the Chairman and the Managing Director

The positions of Chairman and Managing Director ("MD") of the Company are held by different individuals. The distinct and separate roles of the Chairman, who heads the Board and MD leading the Senior Management and operations, ensure a balance power and authority, which in turn ensures that no one individual can influence Board's discussions and decision-making. During FYE 2024, Mr Leong Kway Wah was the Managing Director.

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 3: REINFORCE INDEPENDENCE (CONT'D)

### Division of Roles and Responsibilities between the Chairman and the Managing Director (Cont'd)

The Chairman carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. The Chairman's responsibilities is to ensure effective conduct of the Board through the execution of the following key roles:-

1. To build a high-performance Board by leading the evaluation of the Board's performance and ensuring that succession planning is considered on an on-going basis;
2. To manage Board meetings in order to achieve robust decision making by ensuring that accurate, timely and clear information is provided to all Directors. The Chairman encourages participation and deliberation by the Board to tap the wisdom of all members and to promote consensus building as much as possible; and
3. To facilitate the Board and Management interface as the conduit between two parties.

The Chairman, who is Independent Non-Executive was supported by the Senior Independent Non- Executive Director to ensure objective and independent deliberation, review and decision making by the Board and to have more effective oversight of management. The Chairman has never assumed any executive position in the Group.

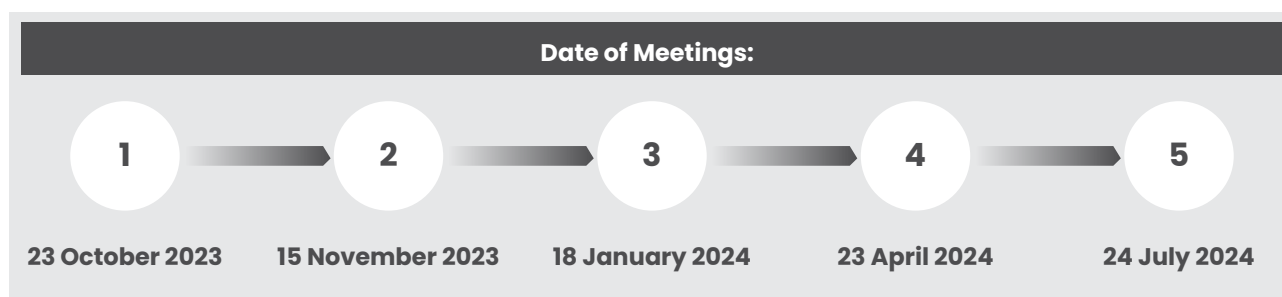
The MD has overall responsibility for the Group's operational, business units and support services, organisational effectiveness and implementation of the Board's policies, directives, strategies and decisions. In addition, the MD also functions as the intermediary between the Board and Management.

## PRINCIPLE 4: FOSTER COMMITMENTS

### Time Commitment

The Board convenes at least five (5) Board Meetings a year to consider the quarterly financial results and review operational performance. Additional meetings are convened as and when necessary.

During the financial year ended 31 August 2024, the Board met five (5) times and the composition and attendance records of the Board members were as follows:



# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 4: FOSTER COMMITMENTS (CONT'D)

### Time Commitment (Cont'd)

Attendance record of the Board members:

Directors	Meetings Attendance
Abdul Rahman bin Haji Siraj	5/5
Leong Kway Wah	5/5
Dato' Ir Dr Abdul Aziz bin Arshad	5/5
Datin Sabrina Ainie	4/5
Datuk Seri TPr Haji Mahadi bin C. Ngah (Appointed w.e.f 1 March 2024)	2/2
Dato' Azulita binti Salim (Appointed w.e.f 1 August 2024)	Nil
Abdul Khudus bin Mohd Naaim (Retired w.e.f 18 January 2024)	2/3

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by their attendance of all five (5) Board Meetings convened during the financial year ended 31 August 2024.

### Directors' Training

The Board encourages its Directors to attend talks, seminars, workshops and in-house conferences to update and enhance their skills and knowledge and to keep abreast with developments in regulatory and corporate governance issues.

All the Directors of the Company have attended the Mandatory Accreditation Programme within the stipulated time frame required by the Listing Requirements of Bursa Securities.

During the financial year under review, the Board members attended the following training programmes:



The Directors are notified periodically by the Company Secretary on the types of training courses available in the market which the Directors may consider attending in order to enhance their skills and knowledge in the discharge of their stewardship role.

# Statement on Corporate Governance (Cont'd)

## PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

### Directors' Responsibility in financial reporting

The Board is responsible for ensuring the quarterly and annual audited financial statements of the Company present a true and fair view and assessment of the Company's financial position, performance and prospects and comply with applicable financial reporting standards.

The Audit Committee assists the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards. The Audit Committee members reviewed the quarterly and annual audited financial statements of the Company prior to the recommendation of the same to the Board for approval and submission to Bursa Securities and/or shareholders.

### External Auditors

The Company's independent External Auditors fill an essential role by enhancing the reliability of the Company's annual audited financial statements and giving assurance to stakeholders of the reliability of the annual audited financial statements.

The External Auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of the Management, and if necessary, to the Audit Committee and the Board.

The Audit Committee also meets with the External Auditors at least twice during each financial year to exchange free and honest views on issues which the External Auditors may wish to discuss in relation to their audit and findings.

The Audit Committee also monitors the independence and qualification of External Auditors and obtains written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The suitability and independence of External Auditors are assessed annually based on the following key factors in order for the Audit Committee to recommend to the Board on the proposal of the External Auditors' re-appointment for the ensuing year:

- 1) The adequacy of the experience and resources of the audit firm.
- 2) The level and nature of review procedures, the approach to audit judgements and issues, independent quality control reviews and approach to risk.
- 3) The adequacy of the scope of the audit plan.
- 4) The External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the audit plan.
- 5) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the External Auditors.
- 6) Whether there are professional and open dialogues between the External Auditors and the Audit Committee.

The Audit Committee is of the view that Messrs TGS TW PLT ("TGS") is suitable and independent to be re-appointed for the ensuing year and has recommended the same to the Board of Directors. The Board of Directors, having considered the Audit Committee's recommendation and feedback, is satisfied with the suitability and independence of TGS as the External Auditors and had recommended their re-appointment to the shareholders for approval at the forthcoming AGM.

# Statement on Corporate Governance (Cont'd)

## **PRINCIPLE 6: RECOGNISE AND MANAGE RISKS**

### **Establish a Sound Framework to Manage Risks**

The Board is committed to determine the Company's level of risk tolerance and to actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets by monitoring the internal controls in place with the assistance of the Audit Committee, the external and internal auditors, who will report on the effectiveness and efficiency of the internal control processes and procedures periodically to ensure that the system is viable and robust. Information on the Company's risk management framework and internal control system is presented in the Statement on Risk Management and Internal Control on pages 60 to 64 of this Annual Report.

### **Internal Control**

The internal audit function is outsourced to a professional firm, Messrs Crowe Horwath, and is reported directly to the Audit Committee. The head of the internal audit function or his representatives attends the Audit Committee meetings quarterly to report to the Audit Committee on their findings of the effectiveness of the governance, risk management and internal control processes within the Company. The information on the Internal Control is presented in the Statement on Risk Management and Internal Control on pages 60 to 64 of this Annual Report.

## **PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

### **Ensure the Company Has Appropriate Corporate Disclosure Policies and Procedures**

The Board ensures that all material information and corporate disclosure are discussed with the Management prior to dissemination to ensure compliance with the Listing Requirements of Bursa Securities. In deciding on the necessary disclosures and announcements, the Board is also guided by the corporate disclosure guides as published by Bursa Securities from time to time.

### **Encourage the Company to Leverage on Information Technology for Effective Dissemination of Information**

The Board acknowledges the use of information technology to communicate with its stakeholders. Timely announcements are made through Bursa Link online with regard to the Company's quarterly results, corporate proposals and other required announcements. The same are also available on the Company's website at [www.cepco.com.my](http://www.cepco.com.my) to ensure effective dissemination of information relating to the Company and that accurate information are provided to the public at large.

# Statement on Corporate Governance (Cont'd)

## **PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND STAKEHOLDERS**

### **Shareholders Participation at General Meetings**

Notice of the AGM, annual reports and circulars are sent out with sufficient time before the date of the meeting to enable the shareholders to have full information about the meeting to facilitate informed decision-making. The explanatory notes on the proposed resolutions under Special Business are given to help the shareholders vote on the resolutions.

All notices of general meetings are served within the minimum prescribed notice period as the Board is of the view that serving of such notices earlier than the minimum notice period does not tantamount to the encouragement of shareholders participation. All resolutions set out in the notice of the last AGM were put to vote and duly passed. The outcome of the AGM was announced to Bursa Securities on the same day of the meeting.

### **Communication and Engagement with Shareholders**

The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Company's business and reports. During the AGM, the Chairman will open the floor to questions shareholders may have for the Board before receiving the annual audited financial statements. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. The Board will respond to any questions raised during general meetings and also share with the shareholders the Company's responses to question submitted in advance of the AGM by the Minority Shareholder Watchdog Group, if any.

### **Encourage Poll Voting**

Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.



# Additional Compliance Information

## 1) Share Buy-Backs

During the year, there were no share buy-backs by the Company.

## 2) Options or Convertible Securities

There were no exercises of options, warrants or convertible securities during the year.

## 3) Depository Receipt Programme

The Company did not sponsor any depository programme during the year.

## 4) Non-Audit Fees

The amount of non-audit fees paid/payable to the External Auditors and their affiliated companies by the Company for the financial year ended 31 August 2024 is set out in Note 21 on page 111.

## 5) Profit Estimate, Forecast, Projections and Variations in Results

There were no variations of 10% or more between the audited results for the financial year ended 31 August 2024 and the unaudited results for the quarter ended 31 August 2024 of the Group previously announced. The Company did not make any release on the profit estimate, forecast and projections for the year.

## 6) Profit Guarantee

The Company did not give any profit guarantee during the year.

## 7) Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

## 8) Contract Relating to Loans

There were no contracts relating to loans by the Company and its subsidiaries involving Directors' and shareholders' interests.

## 9) Revaluation Policy on Landed Properties

The Group's policy on Revaluation on Landed Properties is set out in Notes 5 (a) on page 102. The Investment Properties were adjusted to reflect their fair values as enumerated in Note 5 on pages 101 to 102.

## 10) Recurrent Related Party Transactions

There were no recurrent transactions with related parties undertaken by the Group during the year under review.

## 11) Imposition of Fines and/or Penalties

None of the Directors or the Key Senior Management has convicted offences (other than traffic offences, if any) or public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 August 2024.

# Audit Committee Report



**The Audit Committee is committed to assist the Board in ensuring the integrity of the Group's financial procedures and internal control systems for safeguarding assets, managing risks and promoting sound and profitable business operations.**

## COMPOSITION

The Audit Committee ("AC") comprises the following members, all of whom are Non-Executive Directors:

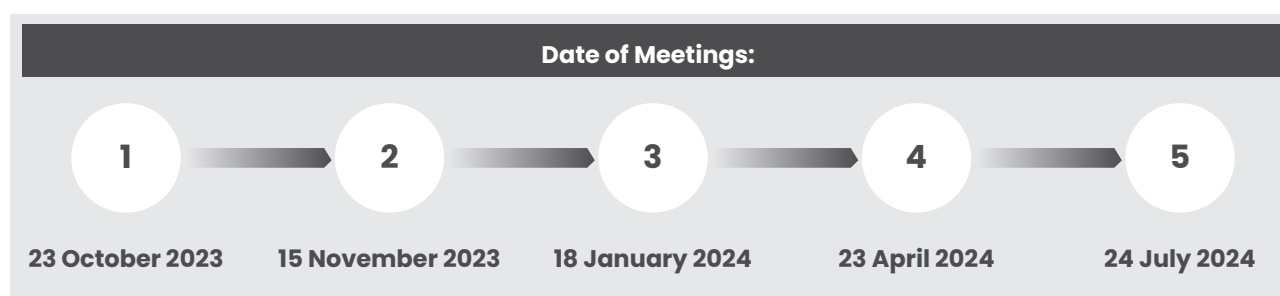
1) Dato' Ir Dr Abdul Aziz bin Arshad	Independent Non-Executive Director/Chairman
2) Datin Sabrina Ainie	Independent Non-Executive Director
3) Dato' Azulita binti Salim (Appointed w.e.f 1 August 2024)	Independent Non- Executive Director

The composition of the AC complies the requirements of Paragraph 15.09(1)(a) and (b) of Bursa Securities Listing Requirements.

Dato' Azulita binti Salim is a member of the Malaysian Institute of Accountants (MIA), thereby complying with paragraph 15.09(1)(c)(i) of the Bursa Securities' Listing Requirements that requires at least one (1) of the AC members fulfilling the financial expertise requisite.

## MEETINGS

During the financial year ended 31 August 2024, the AC met five (5) times and the composition and attendance records of its members were as follows:



# Audit Committee Report (Cont'd)

## MEETINGS (CONT'D)

Attendance record of the AC members:

Audit Committee Members	Meetings Attendance
<b>Chairman</b> Dato' Ir Dr Abdul Aziz bin Arshad Independent Non-Executive Director	5/5
<b>Members</b> Datin Sabrina Ainie Independent Non-Executive Director	5/5
Dato' Azulita binti Salim (Appointed w.e.f 1 August 2024) Independent Non-Executive Director	Nil
Abdul Rahman bin Haji Siraj (resigned w.e.f 23 April 2024) Independent Non-Executive Director	4/4

The Committee meets at least five (5) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the quarterly reports and annual financial statements are held prior to such quarterly reports and annual financial statements being presented to the Board for approval.

The head of finance, head of internal audit, Managing Director and senior management may attend Committee meetings, on the invitation of the Committee, to provide information and clarification required for items on the agenda. Representatives of the External Auditors are also invited to attend the Committee meetings to present their audit scope and plan, audit report and findings, together with management's response thereto, and to brief the Committee members on significant audit and accounting areas which they have noted in the course of their audit.

Issues raised, discussion, deliberations, decisions and conclusion made at the Committee meetings are recorded in the minutes of the meetings.

After each Committee meeting, the Chairman of the Committee shall update and report to the Board on significant issues and concern discussed during the meeting and to convey the recommendations on the quarterly reports and annual financial statements with or without amendments as the case may be, to be approved and adopted by the Board for release to Bursa Securities.

## TERMS OF REFERENCE

Terms of Reference of the AC comprise mainly the constitution, membership, authority and duties and responsibilities of the Committee.

## Objectives

The primary objective of the Committee is to assist the Board in discharging its statutory duties and responsibilities for corporate governance, timely and accurate financial reporting and adequacy of internal controls within the Company and its subsidiaries.

# Audit Committee Report (Cont'd)

## Constitution

The Board of Directors shall establish a Committee of the Board to be known as Audit Committee.

## Membership and Meetings

The Committee shall be appointed by the Directors and shall comprise not less than three (3) members of whom the majority shall be Non-Executive Directors. The Chairman of the Committee must be an Independent Non-Executive Director and shall be appointed by the Committee members. The Company Secretary shall act as the Secretary to the Committee. There shall be at least four (4) meetings per year.

## Authority

The AC has the authority to investigate any activity within its terms of reference and shall obtain the cooperation of other Board members, employees and External Auditors, and any other external professional bodies, which it considers necessary.

## Duties and Responsibilities

- 1) Reviews with the External Auditors on the audit plan.
- 2) Reviews with the External Auditors on the adequacy and effectiveness of the accounting and internal control system.
- 3) Acts upon problems and reservations arising from interim and final audits.
- 4) Reviews the financial statements prior to the Directors' approval to ensure a fair and full presentation of the financial affairs of the Company.
- 5) Assists in establishing appropriate control procedures.
- 6) Assists in the conducting of management audit or other sensitive matters.
- 7) Recommends to retain or replace the firm of External Auditors and the audit fee for the ensuing year.

## SUMMARY OF ACTIVITIES

During the financial year, the following activities were carried out by the AC in discharging its duties and functions:

- 1) Reviewed the External Auditors' scope of work and audit plan for the financial year and made recommendations to the Board on their re-appointment and remuneration.
- 2) Reviewed the quarterly and audited financial reports of the Company and the Group prior to submission to the Board for approval and subsequent release to Bursa Securities.
- 3) Reviewed any related party transactions and ensured that they were not favourable to the related parties than those generally available to the public and complied with Bursa Securities Listing Requirements.

# Audit Committee Report (Cont'd)

## SUMMARY OF ACTIVITIES (CONT'D)

- 4) Reviewed the internal audit plans for the financial year for the Company and Group as prepared by the Internal Auditors.
- 5) Reviewed the internal audit reports, audit recommendations made and management's responses to these recommendations for the Company and Group as prepared by the Internal Auditors.
- 6) Reviewed the AC Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.
- 7) Reviewed and recommended the proposed final audit fees for the External and Internal Auditors in respect of their audit of the Company and the Group.
- 8) Tabled the minutes of each Committee Meeting to the Board for information and further direction by the Board, where necessary.

## TRAINING

During the financial year, the AC members have attended training, the details of which are listed in the Statement on Corporate Governance on page 51 of this Annual Report.

## INTERNAL AUDIT FUNCTION

In discharging its function, the AC is supported by an internal audit function whose primary responsibility is to evaluate and report on the adequacy and effectiveness of the overall system of internal control of the Group.

The scope of internal audit works is conducted on a rotation basis and as and when directed by the Management. The internal audit reports generated were reviewed and discussed at each of the AC meetings.

The activities of the Internal Auditors during the financial year ended 31 August 2024 were as follows:

- 1) Conducted discussions with the management in identifying significant concerns and risk areas perceived by the management for inclusion in Internal Audit Plan for the Group.
- 2) Developed and proposed an Internal Audit Plan for the year, which was discussed and accepted by the AC and the Board.
- 3) Conducted periodic audits on internal controls relating to the operating system and standard operating procedures to monitor compliance and assess the adequacy and effectiveness of controls implemented by the Group.
- 4) Attended and reported to the AC at all the meetings held during the financial year.
- 5) Highlighted areas of concern to the AC and ensuring that recommendations provided by the Internal Auditors were duly attended to and adhered by the management within the stipulated time frame. In the Internal Audit Progress Reports, the Internal Auditors had reported their findings in their subsequent follow-up reviews to the AC.

# Statement on Risk Management and Internal Control



## INTRODUCTION

**The Board of Directors is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The Board recognises the importance of good corporate governance and is committed in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. In doing so, the Board acknowledges its responsibility to identify major risks faced by the Group and ensure that relevant internal controls are in place in order to manage these risks.**

In view of the above, the Board is pleased to provide the following Statement on Risk Management and Internal Control which outlines the nature and scope of internal controls of the Group during the year pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Securities.

## BOARD RESPONSIBILITY

The Board acknowledges its responsibility in establishing a sound risk management and internal control system as well as adequacy and effectiveness of those systems to safeguard shareholders' interests and the Group's assets.

The Group's system of risk management and internal control is designed as a tool to manage rather than eliminate the risks completely. In view of the limitation inherent in any system of risk management and internal control, the actions taken in managing the risks could only provide reasonable but not absolute assurance against risks of material mismanagement, fraud or losses from occurring in achieving the Group's objectives.

The Board has received assurance from the Managing Director and the Financial Controller that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. The Board is of the view that the risk management and internal control system in the Group are satisfactory and have been successful in their functions with no significant problems noted during the period under review.

# Statement on Risk Management and Internal Control (Cont'd)

## AUDIT COMMITTEE

The Audit Committee is assisted by an outsourced independent Internal Audit which performs regular independent reviews. It monitors and ensures compliance with the Group's policies, procedures and systems of risk management and internal control. In each of its meetings, the Committee reviews the internal audit reports for the Group prepared by the Internal Auditor. It will consider major findings of the Internal Auditor's and management's responses thereto. Monitoring on the corrective actions of any outstanding audit issues are ongoing to ensure that all the risks and control lapses have been addressed.

## THE RISK MANAGEMENT PROCESS

The Board has endeavoured to identify the relevant major risks faced by the Group on a regular basis and in order to prevent the occurrence of the identified risks or mitigate the impact of these risks so as to ensure that the Group achieves its business goals.

In managing the major risks, the Board has always carried out necessary preliminary studies and evaluation on various projects which will be undertaken by the Group. This entails proper delegation of duties and responsibilities from the Board to the Managing Director and Senior Management ("Management") in running the main operating functions of the Group within its strategic business plans.

In this respect, the Management comprises personnel with many years of hands-on experience who are able to identify business risks relevant to the Group and design the appropriate internal controls to manage these risks.

At the same time, the Management also attends various management and operation meetings in order to discuss matters of concern in relation to various projects undertaken by the Group as well as any obstacles in achieving the Group's strategic business plans.

The Management has also adopted the open discussion approach in the day-to-day running of the Group. This has enabled various major business risks being identified easily and dealt with in a prompt manner.

## KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROLS

The Group has incorporated various key elements into its system of internal control in order to safeguard shareholders' investment and the Group's assets by:

- 1) Giving authority to the Board Committee members to investigate and report on any areas of improvement for the betterment of the Group.
- 2) Performing an in-depth study on major variances and deliberating irregularities in the Board Meetings and AC Meetings so as to identify the causes of the problems and formulate solutions to resolve them.
- 3) Arranging regular interactive meetings with the External Auditors, Internal Auditors and/or other consultants to identify and rectify any weaknesses in the system of internal control. The Board would also be informed on the matters brought up at the AC Meetings on a timely basis.

# Statement on Risk Management and Internal Control (Cont'd)

## KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROLS (CONT'D)

- 4) Delegating necessary authority to the Managing Director in order for him to play a major role as the link between the Board and the Management in implementing the Board's expectation of an effective system of internal control and managing the Group's various operations.
- 5) Determining proactive actions to create awareness on the importance of employees' and line management's involvements in the system of internal control as well as risk management by providing various training courses, seminars and workshops conducted by the external consultants.
- 6) Keeping the Management informed on the development of action plans for enhancing the system of internal control and allowing various management personnel to have access to important information for better decision making.
- 7) Making frequent on-site visits to the business and operations premises by the management personnel so as to acquire a first-hand view on various operational matters and addressing the issues accordingly.
- 8) Monitoring key commercial, operational and financial risks through reviewing the system of internal control and other operational structures so as to ensure that reasonable assurance on the effectiveness and efficiency of the same will mitigate the various risks faced by the Group to an appropriate level acceptable to the Board.

## ANTI-BRIBERY AND CORRUPTION POLICY

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2007, it has been established that a commercial organisation has a criminal liability ("Corporate Liability") for the corrupt activities of its employees and/ or persons associated with the commercial organisation where such corrupt activities are carried out for the commercial organisation's benefits or advantages.

In connection to this, the Group adopts a zero-tolerance policy against all forms of bribery and corruption. The Group is committed to conduct businesses professionally, fairly and with integrity and transparency in compliance with all applicable anti-bribery and corruption laws in all jurisdictions in which we operate.

Any breach of the Anti-Bribery and Corruption Policy or applicable local law could result in disciplinary action being taken and ultimately could result in dismissal and/ or termination of the business dealing. Further legal action may also be taken in the event that the Group's reputation/ interests have been harmed as a result of non-compliance and/or misconduct.



The Anti-Bribery and Corruption Policy is available at the Group's website  
[www.cepco.com.my](http://www.cepco.com.my)



# Statement on Risk Management and Internal Control (Cont'd)

## **INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROL**

The Group's internal audit function is outsourced to an independent audit firm, Messrs Crowe Horwath. The duty of the internal audit is to examine and evaluate major processes of operations of the Group in order to assist the Board in the effective discharge of the Board's responsibilities. The total cost incurred for the outsourced internal audit functions in respect of the financial year ended 31 August 2024 amounted to RM75,000.00.

During the financial year under review, the Internal Auditors carried out reviews on the core areas based on the approved internal audit plan to assess the adequacy and effectiveness of internal controls within the Group.

The Internal Auditor will report directly to the AC. Being an independent third party, the Internal Auditor is able to perform the internal audit function with impartiality, proficiency and due professional care.

The internal audit function facilitates the Board in carrying out its responsibility to review and evaluate the adequacy and integrity of the Group's internal control system. The full Board, through the AC, will meet to review, discuss and direct actions on matters pertaining to the Internal Auditor's report, which among other matters, include findings relating to the adequacy and integrity of the internal control system of the Group. Internal audit will be carried out annually to provide independent assessments on the sufficiency, efficiency and effectiveness of the Group's internal control system in anticipating potential risk exposures over key business systems and processes and in controlling the proper conduct of business within the Group.

The Internal Auditor adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group. The audit plan will be presented to the AC for approval annually. The resulting reports from the audits undertaken will be reviewed by the Committee and then forwarded to the operational management for attention and necessary corrective actions. The operational management is responsible for ensuring the corrective actions on reported weaknesses are taken within the required time frame.

## **REVIEW OF EFFECTIVENESS**

The Board is satisfied with the procedures outlined above and believes, with assurance from the Managing Director and Head of Finance that the risk management and system of internal controls had continued to operate adequately and effectively in the financial year under review.

The Board also relies on the assessment by internal auditor to evaluate the state of internal controls and risks management at each operating unit. The Board is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its business objectives.

## **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

Pursuant to Paragraph 15.23 of the Bursa Securities' Listing Requirements, the External Auditors have reviewed the Statement on Risk and Internal Control for inclusion in the 2024 Annual Report and reported to the Board that nothing has come to the attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group.

# Statement on Risk Management and Internal Control (Cont'd)

## **ADDITIONAL INFORMATION**

Apart from the internal audit, the Board has put in place an organisation structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established, which provides for a documented and auditable trail of accountability. The monitoring and management of the Group are delegated to the Managing Director and senior operational management. The Managing Director, through his involvement in the business operations and attendance at the management level meetings, manages and monitors the Group's financial performance, key business indicators, operational effectiveness and efficiency. The Managing Director also discusses and resolves significant business issues and ensures compliance with applicable laws, regulations, rules, directives and guidelines. The management meetings serve as a two-way platform for the Board, through the Managing Director, to communicate and address significant matters in relation to the Group's business and financial affairs, and provide an update on significant changes in the business and the external environment that may result in any significant risks.

Internal control procedures have been set out in a series of standard operating practice manuals and business process manuals to serve as guidance for proper measures to be undertaken and are subject to regular review, enhancement and improvement.

## **CONCLUSION**

The Board is of the opinion that the system of risk management and internal control that has been instituted throughout the Group is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report 2024. The Board will continue to review and take measures to strengthen the internal control environment from time to time based on the recommendations proposed by the Internal Auditors.

The Board recognises that the development of the system of internal control is an ongoing process as part of its efforts in managing the risk faced by the Group. Consequently, the Board maintains a continuing commitment to further strengthen the control environment within the Group.

This Statement is made on behalf of the Board in accordance with a resolution of the Directors dated 20 November 2024.

# Statement of Directors' Responsibilities in Relation to the Financial Statements

The Board acknowledges their responsibilities to ensure that the financial statements of the Company and the Group are prepared in accordance with the provisions of the Act, the Listing Requirements of Bursa Securities and approved accounting standards in Malaysia.

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its result and cash flow for the year then ended.

The Directors consider that in preparing the financial statements, the Group has:

- 1) Adopted suitable accounting policies and applying them consistently.
- 2) Made judgement and estimates that are prudent and reasonable.
- 3) Ensured applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure that the financial statements comply with the Act.

The Directors are also responsible for safeguarding the assets of the Company, and to take reasonable steps for the prevention and detection of fraud and other irregularities.



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# Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2024.

## Principal activities

The principal activities of the Company consist of manufacturing and distribution of prestressed spun concrete piles and poles. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## Financial results

	Group RM	Company RM
Loss for the financial year	4,615,365	4,621,602

## Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

## Dividend

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

## Issue of shares and debentures

There was no issuance of shares or debentures during the financial year.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

# Directors' Report (Cont'd)

## Directors

The Directors in office during the financial year until the date of this report are:

Abdul Rahman Bin Haji Siraj (Independent non-executive Chairman)  
 Datin Sabrina Ainie (Independent non-executive Director)  
 Dato' Ir Dr Abdul Aziz Bin Arshad (Independent non-executive Director)  
 Leong Kway Wah\* (Managing Director)  
 Datuk Seri TPR Haji Mahadi Bin C. Ngah (Independent non-executive Director) (Appointed on 1 March 2024)  
 Dato' Azulita Binti Salim (Independent non-executive Director) (Appointed on 1 August 2024)  
 Abdul Khudus Bin Mohd Naaim (Independent non-executive Chairman) (Retired on 18 January 2024)

\*Director of the Company and subsidiaries

The Director who held office in the subsidiaries (excluding Director who is also Director of the Company) during the financial year up to the date of this report is:

Mohd Izanee Bin Ismail

## Directors' interests

According to the Register of Directors' Shareholdings, there is no Director who is in office at the end of the financial year held any interest in the shares of the Company and its related corporations.

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' fees and remuneration for the financial year ended 31 August 2024 are set out below:

	<b>Group and Company</b>
	<b>RM</b>
Fees	137,625
Salaries and other emoluments	556,000
Defined contribution plans	56,532
	750,157

# Directors' Report (Cont'd)

## Directors' benefits (Cont'd)

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Indemnity and insurance costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM1,000,000 and RM1,275 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

## Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

# Directors' Report (Cont'd)

## Other statutory information (Cont'd)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## Subsidiaries

The details of the subsidiaries are disclosed in Note 6 to the financial statements.



# Directors' Report (Cont'd)

## Auditors

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and of the Company as set out in Note 21 to the financial statements are RM190,000 and RM187,000 respectively.

## On Behalf of the Board

### **ABDUL RAHMAN BIN HAJI SIRAJ**

Independent Non-Executive Director

### **LEONG KWAY WAH**

Managing Director

KUALA LUMPUR  
20 NOVEMBER 2024

# Statement by Directors

## Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 81 to 128 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2024 and of their financial performance and cash flows for the financial year then ended.

**On Behalf of the Board**

**ABDUL RAHMAN BIN HAJI SIRAJ**  
Independent Non-Executive Director

**LEONG KWAY WAH**  
Managing Director

KUALA LUMPUR  
20 NOVEMBER 2024

# Statutory Declaration

## Pursuant to Section 251(1) of the Companies Act 2016

I, Dr. Lilian Au Yong, being the officer primarily responsible for the financial management of **Concrete Engineering Products Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 81 to 128 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by        )  
the abovenamed at Kuala Lumpur in        )  
the Federal Territory on 20 November 2024    )

DR. LILIAN AU YONG  
(MIA Membership No. 27630)

Before me,

**Shi'aratul Akmar Binti Sahari (W788)**  
Commissioner for Oaths

# Independent Auditors' Report to the Members of Concrete Engineering Products Berhad

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Concrete Engineering Products Berhad, which comprise the statements of financial position as at 31 August 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 81 to 128.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

# Independent Auditors' Report to the Members of Concrete Engineering Products Berhad (Cont'd)

## Report on the audit of the financial statements (Cont'd)

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters.

Key audit matters	How we addressed the key audit matters
<p><b>Recoverability of trade receivables</b></p> <p>Referring to Note 9 to the financial statements. The Group's and the Company's trade receivables amounted to RM7.8 million, representing approximately 16% of the Group's and the Company's total current assets as at 31 August 2024.</p> <p>The assessment of recoverability of the receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.</p>	<p>We obtained the understanding of the Group's and the Company's credit risk policy, and tested the processes used by management to assess credit exposure.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss, which include consideration of the current economic.</p> <p>We tested the accuracy and completeness of the data used by the management.</p> <p>We reviewed the adequacy of the amount of impairment loss and inquired the management regarding the recoverability of a sample of trade receivables that are past due but not impaired accounts and review of customers' correspondence.</p> <p>We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 <i>Financial Instruments</i>.</p>

# Independent Auditors' Report to the Members of Concrete Engineering Products Berhad (Cont'd)

## Report on the audit of the financial statements (Cont'd)

### Key audit matters (Cont'd)

Key audit matters	How we addressed the key audit matters
<p><b>Inventories valuation</b></p> <p>Referring to Note 8 to the financial statements. The Group's and the Company's held inventories amounted to RM35.3 million, representing approximately 74% of the Group's and the Company's total current assets as at 31 August 2024.</p> <p>The finished goods in inventories are carried at the lower of cost and net realisable value. The costs of production comprises the cost of purchase of raw materials, labour costs, plus conversion costs such as variable and fixed overhead costs. Significant estimates are involved in determining the basis of allocating the costs of production to the products produced by the Group and the Company. Due to the significant estimation involved in the valuation of finished goods in inventories, we considered this a key area of audit focus.</p>	<p>We reviewed the Group's and the Company's policy on inventory valuation that are in accordance with MFRS 102 <i>Inventories</i>. We evaluated the operating effectiveness of the key controls over the inventory system in recording the cost of inventory.</p> <p>We obtained an understanding of the Group's and the Company's current inventories costing policy, production processes and the types of costs included in the valuation of finished goods in inventories.</p> <p>We agreed, on a sampling basis, the costs of purchase of raw materials to suppliers' invoices and tested other components of costs of production to the underlying supporting documentation.</p> <p>We assessed the appropriateness of the basis used by management in allocating the costs of production to the products produced by the Group and the Company and tested the relevant application controls surrounding the allocation.</p> <p>We assessed the adequacy of the disclosures made in the financial statements.</p>

# Independent Auditors' Report to the Members of Concrete Engineering Products Berhad (Cont'd)

## **Report on the audit of the financial statements (Cont'd)**

### **Information other than the financial statements and auditors' report thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we concluded that there is a material misstatement of the other information, we are required to report the fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the financial statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

# Independent Auditors' Report to the Members of Concrete Engineering Products Berhad (Cont'd)

## **Report on the audit of the financial statements (Cont'd)**

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the Company's abilities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern. •



# Independent Auditors' Report to the Members of Concrete Engineering Products Berhad (Cont'd)

## Report on the audit of the financial statements (Cont'd)

### Auditors' responsibilities for the audit of the financial statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Independent Auditors' Report to the Members of Concrete Engineering Products Berhad (Cont'd)

## Other matters

1. The financial statements of the Group and of the Company for the financial year ended 31 August 2023 were audited by another firm of Chartered Accountants who expressed an unmodified opinion on those financial statements dated 15 November 2023.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TGS TW PLT  
202106000004 (LLP0026851-LCA) & AF002345  
Chartered Accountants

TEOH CHEY YEAT  
03447/08/2025 J  
Chartered Accountant

KUALA LUMPUR  
20 November 2024

# Statements of Financial Position

as at 31 August 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	22,895,032	24,005,312	22,895,032	24,005,312
Right-of-use assets	4	15,184,268	15,119,329	15,184,268	15,119,329
Investment properties	5	15,544,800	14,574,800	15,544,800	14,574,800
Investment in subsidiaries	6	-	-	4	4
Other investment	7	25,558,720	26,139,600	25,558,720	26,139,600
		79,182,820	79,839,041	79,182,824	79,839,045
<b>Current assets</b>					
Inventories	8	35,268,414	31,694,597	35,268,414	31,694,597
Trade receivables	9	7,837,353	18,984,234	7,837,353	18,984,234
Other receivables	10	2,476,857	3,257,500	2,476,857	3,257,500
Tax recoverable		1,330,962	1,334,553	1,330,962	1,334,553
Fixed deposit with licensed bank	11	200,000	-	200,000	-
Cash and bank balances		397,172	1,646,639	397,172	1,646,639
		47,510,758	56,917,523	47,510,758	56,917,523
<b>Total assets</b>		126,693,578	136,756,564	126,693,582	136,756,568
<b>EQUITY</b>					
Share capital	12	75,344,833	75,344,833	75,344,833	75,344,833
Accumulated losses		(16,746,184)	(12,130,819)	(16,743,180)	(12,121,578)
Revaluation reserve	13	739,471	-	739,471	-
<b>Total equity</b>		59,338,120	63,214,014	59,341,124	63,223,255
<b>LIABILITIES</b>					
<b>Non-current liability</b>					
Lease liabilities	14	632,276	388,050	632,276	388,050

# Statements of Financial Position (Cont'd)

as at 31 August 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>LIABILITIES (CONT'D)</b>					
<b>Current liabilities</b>					
Lease liabilities	14	919,738	1,728,362	919,738	1,728,362
Loans and borrowings	15	11,361,595	4,877,501	11,361,595	4,877,501
Trade payables	16	28,267,577	40,969,269	28,267,577	40,969,269
Contract liabilities	17	542,540	2,991,040	542,540	2,991,040
Other payables	18	25,631,732	22,588,328	25,628,732	22,579,091
		66,723,182	73,154,500	66,720,182	73,145,263
<b>Total liabilities</b>		67,355,458	73,542,550	67,352,458	73,533,313
<b>Total equity and liabilities</b>		126,693,578	136,756,564	126,693,582	136,756,568

The accompanying notes form an integral part of the financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

for the Financial Year Ended 31 August 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	19	103,972,836	132,680,356	103,972,836	132,680,356
Cost of sales		(79,887,343)	(102,445,889)	(79,887,343)	(102,445,889)
Gross profit		24,085,493	30,234,467	24,085,493	30,234,467
Other income		1,263,908	2,547,096	1,263,908	2,547,096
Administrative expenses		(12,772,980)	(12,179,257)	(12,768,980)	(12,248,138)
Selling and distribution costs		(15,635,912)	(16,217,133)	(15,635,912)	(16,217,133)
Net (loss)/reversal of impairment on financial assets		(266,955)	550,727	(266,955)	550,727
Other expenses		(776,986)	(2,841,997)	(787,223)	(2,841,997)
<b>(Loss)/Profit from operation</b>		<b>(4,103,432)</b>	<b>2,093,903</b>	<b>(4,109,669)</b>	<b>2,025,022</b>
Finance costs	20	(508,342)	(939,448)	(508,342)	(939,448)
<b>(Loss)/Profit before tax</b>	21	<b>(4,611,774)</b>	<b>1,154,455</b>	<b>(4,618,011)</b>	<b>1,085,574</b>
Taxation	22	(3,591)	(76,627)	(3,591)	(76,627)
<b>(Loss)/Profit for the financial year</b>		<b>(4,615,365)</b>	<b>1,077,828</b>	<b>(4,621,602)</b>	<b>1,008,947</b>
<b>Other comprehensive income</b>					
<u>Item that will not be reclassified subsequently to profit or loss</u>					
Revaluation of land and buildings		739,471	-	739,471	-
<b>Total comprehensive (loss)/ profit for the financial year</b>		<b>(3,875,894)</b>	<b>1,077,828</b>	<b>(3,882,131)</b>	<b>1,008,947</b>
<b>(Loss)/Earnings per share</b>					
Basic (sen)	23	(5.19)	1.44		
Diluted (sen)	23	(5.19)	1.44		

The accompanying notes form an integral part of the financial statements.

# Statements of Changes in Equity

for the Financial Year Ended 31 August 2024

Group	Share capital RM	Accumulated losses RM	Revaluation reserve RM	Total equity RM
<b>At 1 September 2022</b>	75,344,833	(13,208,647)	-	62,136,186
Profit for the financial year, representing total comprehensive income for the financial year	-	1,077,828	-	1,077,828
<b>At 31 August 2023</b>	75,344,833	(12,130,819)	-	63,214,014
<b>At 1 September 2023</b>	75,344,833	(12,130,819)	-	63,214,014
Loss for the financial year	-	(4,615,365)	-	(4,615,365)
Other comprehensive income for the financial year	-	-	739,471	739,471
Total comprehensive income/(loss) for the financial year	-	(4,615,365)	739,471	(3,875,894)
<b>At 31 August 2024</b>	75,344,833	(16,746,184)	739,471	59,338,120

# Statements of Changes in Equity (Cont'd)

for the Financial Year Ended 31 August 2024

Company	Share capital RM	Accumulated losses RM	Revaluation reserve RM	Total equity RM
<b>At 1 September 2022</b>	75,344,833	(13,130,525)	-	62,214,308
Profit for the financial year, representing total comprehensive income for the financial year	-	1,008,947	-	1,008,947
<b>At 31 August 2023</b>	75,344,833	(12,121,578)	-	63,223,255
<b>At 1 September 2023</b>	75,344,833	(12,121,578)	-	63,223,255
Loss for the financial year	-	(4,621,602)	-	(4,621,602)
Other comprehensive income for the financial year	-	-	739,471	739,471
Total comprehensive income/(loss) for the financial year	-	(4,621,602)	739,471	(3,882,131)
<b>At 31 August 2024</b>	75,344,833	(16,743,180)	739,471	59,341,124

The accompanying notes form an integral part of the financial statements.

# Statements of Cash Flows

for the Financial Year Ended 31 August 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows from operating activities</b>					
(Loss)/Profit before tax		(4,611,774)	1,154,455	(4,618,011)	1,085,574
Adjustments for:					
Allowance/(Reversal) for expected credit losses on trade receivables		266,955	(550,727)	266,955	(550,727)
Amount due from subsidiaries written off		-	-	10,237	71,881
Depreciation of property, plant and equipment		1,893,030	1,749,344	1,893,030	1,749,344
Depreciation of right-of-use assets		1,645,223	1,405,310	1,645,223	1,405,310
Dividend received from investment in quoted shares		(14,491)	-	(14,491)	-
Fair value loss on other investments		580,880	2,613,960	580,880	2,613,960
Fair value gain on investment properties		-	(260,000)	-	(260,000)
Gain on disposal of property, plant and equipment		(45,400)	-	(45,400)	-
Gain on lease modification		(1,793)	-	(1,793)	-
Interest expenses		508,342	939,448	508,342	939,448
Interest income		(7,802)	(629)	(7,802)	(629)
Inventories written down		-	146,511	-	146,511
Property, plant and equipment written off		298	125	298	125
Unrealised loss on foreign exchange		149,511	9,520	149,511	9,520
Operating profit before working capital changes		362,979	7,207,317	366,979	7,210,317
Changes in working capital:					
Contract balances		(2,448,500)	2,991,040	(2,448,500)	2,991,040
Inventories		(3,573,817)	2,783,158	(3,573,817)	2,783,158
Receivables		11,511,058	(2,022,971)	11,511,058	(2,022,971)
Payables		(9,658,288)	5,822,405	(9,652,051)	5,819,405
Cash (used in)/generated from operations		(3,806,568)	16,780,949	(3,796,331)	16,780,949
Tax paid		-	(123,088)	-	(123,088)
Net cash (used in)/from operating activities		(3,806,568)	16,657,861	(3,796,331)	16,657,861



# Statements of Cash Flows (Cont'd)

for the Financial Year Ended 31 August 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows from investing activities</b>					
Acquisition of right-of-use assets	A	(706,741)	-	(706,741)	-
Advance to subsidiaries		-	-	(10,237)	-
Placement of fixed deposit with licensed bank		(200,000)	-	(200,000)	-
Proceed from disposal property, plant and equipment		45,400	-	45,400	-
Purchase of property, plant and equipment		(832,008)	(1,576,476)	(832,008)	(1,576,476)
Net cash used in investing activities		(1,693,349)	(1,576,476)	(1,703,586)	(1,576,476)
<b>Cash flows from financing activities</b>					
Dividend received		14,491	-	14,491	-
Interest paid		(508,342)	(939,448)	(508,342)	(939,448)
Interest received		7,802	629	7,802	629
Net drawdown/(repayment) of banking facilities		5,560,135	(11,353,000)	5,560,135	(11,353,000)
Net repayment of term loan		(184,360)	(2,129,495)	(184,360)	(2,129,495)
Net repayment of lease liabilities	B	(1,747,595)	(995,578)	(1,747,595)	(995,578)
Net cash from/(used in) financing activities		3,142,131	(15,416,892)	3,142,131	(15,416,892)
Net decrease in cash and cash equivalents		(2,357,786)	(335,507)	(2,357,786)	(335,507)
Cash and cash equivalents at the beginning of the financial year		1,646,639	1,982,146	1,646,639	1,982,146
Cash and cash equivalents at the end of the financial year		(711,147)	1,646,639	(711,147)	1,646,639

# Statements of Cash Flows (Cont'd)

for the Financial Year Ended 31 August 2024

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
<b>Cash and cash equivalents at the end of the financial year comprise:</b>					
Cash and bank balances		397,172	1,646,639	397,172	1,646,639
Fixed deposits with licensed banks		200,000	-	200,000	-
Bank overdrafts	15	(1,108,319)	-	(1,108,319)	-
		(511,147)	1,646,639	(511,147)	1,646,639
Less: Fixed deposits pledged with licensed banks	11	(200,000)	-	(200,000)	-
		(711,147)	1,646,639	(711,147)	1,646,639

## NOTES TO THE STATEMENTS OF CASH FLOWS

### A. Acquisitions of right-of-use assets

	Note	Group and Company 2024 RM	2023 RM
Total additions	4	1,942,085	1,683,393
Less: Purchase through lease liabilities		(1,235,344)	(1,683,393)
Cash payment		706,741	-

### B. Cash outflows for leases as a lessee

	Note	Group and Company 2024 RM	2023 RM
<b>Included in net cash (used in)/from operating activities</b>			
Payment relating to short-term leases	21	516,107	330,374
Payment relating to low value assets	21	1,180	6,840
		517,287	337,214
<b>Included in net cash from/(used in) financing activities</b>			
Repayment of lease liabilities		1,747,595	995,578
Payment on interest of lease liabilities	20	101,411	78,947
		1,849,006	1,074,525
		2,366,293	1,411,739

The accompanying notes form an integral part of the financial statements.

# Notes

## to the Financial Statements

31 August 2024

### 1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 22nd Floor Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal activities of the Company consist of manufacturing and distribution of prestressed spun concrete piles and poles. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The Group and the Company have consistently applied the accounting policies throughout all periods presented in the financial statements unless otherwise stated.

# Notes to the Financial Statements (Cont'd)

## 31 August 2024

### 2. Basis of preparation (Cont'd)

#### (a) Statement of compliance (Cont'd)

##### (i) Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new and amendments to MFRSs issued by the MASB that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for the following:

#### Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies

The amendments require the disclosure of “material”, rather than “significant”, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s and to the Company’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 2. Basis of preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

#### (ii) Standard issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements – Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountabilities: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

# Notes to the Financial Statements (Cont'd)

## 31 August 2024

### 2. Basis of preparation (Cont'd)

#### (a) Statement of compliance (Cont'd)

##### (ii) Standard issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial application of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

#### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

#### (c) Going concern

As at 31 August 2024, the Group's and the Company's current liabilities exceeded current assets by RM19,212,424 and RM19,209,424 respectively.

The Directors are of the view that the Group and the Company will have sufficient cash flows for the next twelve months from the reporting date to meet their cash flow requirements. The Directors believe that the Group and the Company are able to realise their assets and discharge their liabilities in the normal course of business and that the financial position will be improved through operating profits. In addition, the Group and the Company have sufficient unutilised banking facilities for their working capital purposes for the next twelve months. Thus, the Directors believe that it is appropriate to prepare the financial statements of the Group and the Company on a going concern basis.

#### (d) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

##### Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 2. Basis of preparation (Cont'd)

### (d) Significant accounting judgements, estimates and assumptions (Cont'd)

#### Judgements (Cont'd)

##### Determining the lease term of contracts with renewal and termination options – Group and Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company include the renewal period as part of the lease term for leases of office, buildings and stockyard with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

##### Classification between investment properties and property, plant and equipment

The Group and the Company have developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

# Notes to the Financial Statements (Cont'd)

## 31 August 2024

### 2. Basis of preparation (Cont'd)

#### (d) Significant accounting judgements, estimates and assumptions (Cont'd)

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below.

##### Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 3 and 4 to the financial statements respectively.

##### Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group and the Company estimated the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing completion could change from time to time. If such factors result in an adverse effect on the Group's and the Company's products, the Group and the Company might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8 to the financial statements.

##### Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's and Company's past history and existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.



# Notes to the Financial Statements (Cont'd)

31 August 2024

## 2. Basis of preparation (Cont'd)

### (d) Significant accounting judgements, estimates and assumptions (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### Provision for expected credit loss of financial assets at amortised cost (Cont'd)

The provision matrix is initially based on the Group's and on the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate.

The carrying amounts at the reporting date for receivables are disclosed in Notes 9 and 10 to the financial statements.

##### Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### Deferred tax assets

Deferred tax assets are recognised for all unabsorbed business losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unabsorbed business losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of unrecognised deferred tax assets are disclosed in Note 22 to the financial statements.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 2. Basis of preparation (Cont'd)

### (d) Significant accounting judgements, estimates and assumptions (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group and the Company assess the impact of any variable consideration in the contract due to discounts or penalties in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

##### Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

# Notes to the Financial Statements (Cont'd)

31 August 2024

### 3. Property, plant and equipment

Group and Company Cost	Buildings		Plant and machinery		Motor vehicles		Office, factory and laboratory equipment		Furniture, fixtures and fittings		Capital work-in- progress		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 September 2022	27,012,445	71,641,377	2,062,004	1,797,897	1,494,509	2,209,017	106,217,249						
Additions	-	975,194	-	73,076	-	528,206	1,576,476						
Written off	-	(11,215,241)	(177,080)	(46,677)	-	-	(11,438,998)						
At 31 August 2023	27,012,445	61,401,330	1,884,924	1,824,296	1,494,509	2,737,223	96,354,727						
Additions	157,611	-	-	173,865	2,430	498,102	832,008						
Disposals	-	-	(927,787)	(3,050)	-	-	(930,837)						
Written off	-	-	-	(193,384)	-	-	(193,384)						
Reclassification	3,017,223	-	-	-	-	(3,017,223)	-						
Increase resulting from revaluation	171,040	-	-	-	-	-	171,040						
Transfer to investment property (Note 5)	(243,040)	-	-	-	-	-	(243,040)						
At 31 August 2024	30,115,279	61,401,330	957,137	1,801,727	1,496,939	218,102	95,990,514						

# Notes to the Financial Statements (Cont'd)

31 August 2024

### 3. Property, plant and equipment (Cont'd)

	Buildings	Plant and machinery	Motor vehicles	Office, factory and laboratory equipment	Furniture, fixtures and fittings	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM
<b>Group and Company (Cont'd)</b>							
<b>Accumulated depreciation</b>							
At 1 September 2022	12,785,765	64,231,140	2,052,644	1,525,444	1,443,951	-	82,038,944
Charge for the financial year	460,548	1,184,976	9,337	78,541	15,942	-	1,749,344
Written off	-	(11,215,121)	(177,080)	(46,672)	-	-	(11,438,873)
At 31 August 2023	13,246,313	54,200,995	1,884,901	1,557,313	1,459,893	-	72,349,415
Charge for the financial year	461,469	1,287,706	-	131,008	12,847	-	1,893,030
Disposals	-	-	(927,787)	(3,050)	-	-	(930,837)
Written off	-	-	-	(193,086)	-	-	(193,086)
Transfer to investment property (Note 5)	(23,040)	-	-	-	-	-	(23,040)
At 31 August 2024	13,684,742	55,488,701	957,114	1,492,185	1,472,740	-	73,095,482
<b>Carrying amount</b>							
At 31 August 2024	16,430,537	5,912,629	23	309,542	24,199	218,102	22,895,032
At 31 August 2023	13,766,132	7,200,335	23	266,983	34,616	2,737,223	24,005,312

# Notes to the Financial Statements (Cont'd)

31 August 2024

### 3. Property, plant and equipment (Cont'd)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimate useful life. Capital work-in-progress is not depreciated as they are not available for use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	25 – 50 years
Plant and machinery	5 – 15 years
Motor vehicles	5 years
Office, factory and laboratory equipment	5 – 7 years
Furniture, fixtures and fittings	5 – 7 years

During the financial year, there was a change in use for a property which lead to a transfer to investment property. The Group and the Company have accounted for such property in the same way up to the date of change in use and treat any difference at that date between the carrying amount of the property and its fair value as a revaluation surplus.

The net carrying amount of property, plant and equipment of the Group and of the Company pledged as securities for the bank borrowings as disclosed in Note 15 to the financial statements are:

	Group and Company	
	2024	2023
	RM	RM
Buildings	5,950,641	6,108,076

# Notes to the Financial Statements (Cont'd)

31 August 2024

4. **Right-of-use assets**

	Leasehold land RM	Offices RM	Buildings RM	Stockyard RM	Plant and machinery RM	Motor vehicles RM	Total RM
<b>Group and Company</b>							
<b>Cost</b>							
At 1 September 2022	21,787,972	2,700,855	529,182	125,619	-	-	25,143,628
Additions	-	711,339	89,476	192,897	689,681	-	1,683,393
Expiration of lease contracts	-	(2,651,490)	(162,375)	(125,619)	-	-	(2,939,484)
At 31 August 2023	21,787,972	760,704	456,283	192,897	689,681	-	23,887,537
Additions	-	-	34,384	-	1,096,109	811,592	1,942,085
Expiration of lease contracts	-	(711,339)	(375,977)	-	-	-	(1,087,316)
Modification of lease contracts	-	-	-	(50,354)	-	-	(50,354)
Increase resulting from revaluation	568,431	-	-	-	-	-	568,431
Transfer to investment properties (Note 5)	(852,422)	-	-	-	-	-	(852,422)
At 31 August 2024	21,503,981	49,365	114,690	142,543	1,785,790	811,592	24,407,961
<b>Accumulated depreciation</b>							
At 1 September 2022	7,999,158	1,999,588	226,331	77,305	-	-	10,302,382
Charge for the financial year	444,685	679,328	129,098	107,023	45,176	-	1,405,310
Expiration of lease contracts	-	(2,651,491)	(162,374)	(125,619)	-	-	(2,939,484)
At 31 August 2023	8,443,843	27,425	193,055	58,709	45,176	-	8,768,208
Charge for the financial year	447,789	727,794	232,942	74,371	51,884	110,443	1,645,223
Expiration of lease contracts	-	(711,339)	(375,977)	-	-	-	(1,087,316)
Transfer to investment properties (Note 5)	(102,422)	-	-	-	-	-	(102,422)
At 31 August 2024	8,789,210	43,880	50,020	133,080	97,060	110,443	9,223,693
<b>Carrying amount</b>							
At 31 August 2024	12,714,771	5,485	64,670	9,463	1,688,730	701,149	15,184,268
At 31 August 2023	13,344,129	733,279	263,228	134,188	644,505	-	15,119,329

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 4. Right-of-use assets (Cont'd)

ROU assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of ROU assets are recognised in the profit or loss on straight-line method from the commencement date to the earlier of the end of the useful life at the ROU assets or the end of the lease term.

The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	Over lease period of 29 – 68 years
Offices	Over the lease term
Buildings	Over the lease term
Stockyard	Over the lease term
Plant and machinery	5 – 15 years
Motor vehicles	5 years

During the financial year, there was a change in use for a property which lead to a transfer to investment property. The Group and the Company have accounted for such property in the same way up to the date of change in use and treat any difference at that date between the carrying amount of the property and its fair value as a revaluation surplus.

## 5. Investment properties

	Lands and buildings RM	Investment property under construction RM	Total RM
<b>Group and Company</b>			
<b>At fair value</b>			
At 1 September 2022	13,005,000	1,309,800	14,314,800
Fair value adjustment	260,000	-	260,000
At 31 August 2023	13,265,000	1,309,800	14,574,800
Transfer from property, plant and equipment (Note 3)	220,000	-	220,000
Transfer from right-of-use assets (Note 4)	750,000	-	750,000
At 31 August 2024	14,235,000	1,309,800	15,544,800

# Notes to the Financial Statements (Cont'd)

## 31 August 2024

### 5. Investment properties (Cont'd)

#### (a) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by independent qualified valuers amounting to RM15,544,800 (2023: RM14,574,800). The independent professionally qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There were no transfers between levels during current and previous financial year.

The increase in the fair values of RMNil (2023: RM260,000) has been recognised in the profit or loss during the financial year.

#### (b) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group and Company	
	2024	2023
	RM	RM
Rental income	330,930	314,450
Direct operating expenses	(29,931)	(28,986)

#### (c) Investment properties of the Group and of the Company amounting to RM10,200,000 (2023: RM7,000,000) have been pledged to secure banking facilities granted to the Group and the Company as disclosed in Note 15 to the financial statements.

#### (d) Material accounting policy information

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date.

Transfers are made to (or from) investment property only when there is a change in use. For an owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment and right-of-use assets up to the date of change in use.



# Notes to the Financial Statements (Cont'd)

31 August 2024

## 6. Investment in subsidiaries

	Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	4	4

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2024	2023	
Concrete Engineering Products Management Sdn. Bhd.	Malaysia	100	100	Dormant
Concrete Engineering Products Marketing Sdn. Bhd.	Malaysia	100	100	Dormant

## 7. Other investment

	Group and Company	
	2024	2023
	RM	RM
<b>At fair value through profit or loss ("FVTPL")</b>		
Quoted shares in Malaysia	25,558,720	26,139,600

Other investment relates to investment in quoted shares of Inch Kenneth Kajang Rubber Public Limited Company ("IKKR"), a corporate shareholder. This represents 15% (2023: 15%) of the issued and fully paid up capital of IKKR. Out of the total units of 58,088,000 quoted shares, 40,000,000 units (2023: 40,000,000 units) are pledged as security for bank facilities as disclosed in Note 15.

As at the reporting date, the fair values of Group's and the Company's other investment are classified as Level 1 in the fair value hierarchy.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 8. Inventories

	Group and Company	
	2024	2023
	RM	RM
<b>At cost</b>		
Raw materials	15,298,275	16,953,840
Finished goods	19,970,139	14,649,141
	35,268,414	31,602,981
<b>At net realisable value</b>		
Finished goods	-	91,616
	35,268,414	31,694,597
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	3,573,818	2,929,669
Inventories written off	-	146,511

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on weighted average method.

## 9. Trade receivables

	Group and Company	
	2024	2023
	RM	RM
Trade receivables	8,309,435	19,287,029
Less: Allowance for expected credit losses ("ECLs")	(472,082)	(302,795)
	7,837,353	18,984,234

Trade receivables are non-interest bearing and ranged from cash term to 90 to 120 days (2023: 90 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 9. Trade receivables (Cont'd)

Movements in the allowance for ECLs are as follows:

	Group and Company	
	2024 RM	2023 RM
At the beginning of the financial year	302,795	2,514,633
Charge for the financial year	300,095	303,474
Reversal for the financial year	(33,140)	(854,201)
Written off during the financial year	(97,668)	(1,661,111)
At the end of the financial year	472,082	302,795

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
<b>Group and Company</b>			
<b>2024</b>			
Not past due	3,650,996	(73,105)	3,577,891
Past due:			
Less than 30 days	2,964,511	(118,719)	2,845,792
31 to 60 days	525,152	(31,546)	493,606
61 to 90 days	879,384	(70,433)	808,951
More than 90 days	289,392	(178,279)	111,113
	8,309,435	(472,082)	7,837,353
<b>2023</b>			
Not past due	6,612,839	-	6,612,839
Past due:			
Less than 30 days	9,011,192	-	9,011,192
31 to 60 days	1,548,035	-	1,548,035
61 to 90 days	922,503	-	922,503
More than 90 days	1,192,460	(302,795)	889,665
	19,287,029	(302,795)	18,984,234

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 10. Other receivables

	Group and Company	
	2024	2023
	RM	RM
Non-trade receivables	514,982	597,090
Deposits	349,851	1,012,084
Prepayments	1,612,024	1,648,326
	2,476,857	3,257,500

## 11. Fixed deposits with licensed bank

- (a) The fixed deposits with licensed bank of the Group and the Company at the end of the reporting period bore interest rates of 2.80% (2023: Nil%) per annum. The fixed deposits with licensed banks have maturity periods with 12 (2023: Nil) months for the Group and for the Company.
- (b) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period of RM200,000 (2023: RMNil) which have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 15 to the financial statements.

## 12. Share capital

	Group and Company	
	Number of ordinary shares Units	Amount RM
Issued and fully paid:		
At 1 September 2022/31 August 2023/31 August 2024	74,624,608	75,344,833

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 13. Revaluation reserve

The revaluation reserve represents increases in the fair value of land and buildings, and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

## 14. Lease liabilities

	Group and Company	
	2024	2023
	RM	RM
Non-current	632,276	388,050
Current	919,738	1,728,362
	1,552,014	2,116,412

The maturity analysis of lease liabilities at the end of the reporting period are as follows:

	Group and Company	
	2024	2023
	RM	RM
Within 1 year	982,199	1,762,852
Between 2 to 5 years	669,117	440,214
	1,651,316	2,203,066
Less: Future finance charges	(99,302)	(86,654)
Present value of lease liabilities	1,552,014	2,116,412

The Group and the Company lease various motor vehicles, plant and machinery, buildings, offices and stockyard. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 15. Loans and borrowings

	Group and Company	
	2024	2023
	RM	RM
<b>Secured</b>		
Bankers' acceptances	9,250,135	772,000
Invoice financing	770,000	182,000
Term loan	233,141	417,501
Bank overdrafts	1,108,319	-
	11,361,595	1,371,501
<b>Unsecured</b>		
Bankers' acceptances	-	3,506,000
	11,361,595	4,877,501
<b>Current</b>		
Bankers' acceptances	9,250,135	4,278,000
Invoice financing	770,000	182,000
Term loan	233,141	417,501
Bank overdrafts	1,108,319	-
	11,361,595	4,877,501

The borrowings are secured by the following:

- (i) First party legal charge over the leasehold land, factory building and investment properties as disclosed in Notes 3, 4 and 5 to the financial statements respectively; and
- (ii) Pledge of other investment and fixed deposits with licensed banks as disclosed in Notes 7 and 11 to the financial statements.

The repayment terms of loans and borrowings are as follows:

- (i) Term loan is repayable by 16 (2023: 20) monthly instalments;
- (ii) Bankers' acceptances and invoice financing are repayable within 150 days (2023: 150 days); and
- (iii) Bank overdraft is repayable on demand.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 16. Trade payables

	Group and Company	
	2024	2023
	RM	RM
Third parties	28,243,808	40,390,033
Accruals	23,769	579,236
	28,267,577	40,969,269

The normal trade credit terms granted to the Group and to the Company range from 90 to 120 days (2023: 90 to 120 days) depending on the terms of contracts.

## 17. Contract liabilities

	Group and Company	
	2024	2023
	RM	RM
Advances from customers	542,540	2,991,040

Revenue expected to be recognised in future relating to performance obligations that are unsatisfied (or partially satisfied) at the reporting date is within one year.

The revenue recognised in the current financial year that was included in the contract liabilities balance at the beginning of the financial year is RM2,991,040 (2023: RMNil).

## 18. Other payables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-trade payables	23,339,653	20,582,041	23,339,653	20,582,041
Deposits received	2,340	-	2,340	-
Accruals	2,289,739	2,006,287	2,286,739	1,997,050
	25,631,732	22,588,328	25,628,732	22,579,091

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 19. Revenue

	Group and Company	
	2024	2023
	RM	RM
Revenue from contracts with customers:		
Sales of goods	103,972,836	132,680,356
Timing of revenue recognition:		
At a point in time	103,972,836	132,680,356

Sales of goods

Revenue from manufactures and sales of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 90 to 120 days, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Where consideration is collected from customer in advance for sale of goods, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of goods to the customer.

## 20. Finance costs

	Group and Company	
	2024	2023
	RM	RM
Interest expenses on:		
- Bank overdrafts	18,725	69,706
- Revolving credit	-	137,685
- Bankers' acceptances	362,001	547,213
- Invoice financing	6,254	6,712
- Letter of credit	-	21,884
- Lease liabilities	101,411	78,947
- Term loan	19,951	77,301
	508,342	939,448



# Notes to the Financial Statements (Cont'd)

31 August 2024

## 21. (Loss)/Profit before tax

(Loss)/Profit before tax is determined after charging/(crediting), amongst others, the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- current year	180,000	253,000	177,000	250,000
- under provision in prior financial year	27,000	-	26,000	-
- non-audit fee	10,000	12,500	10,000	12,500
Allowance/(Reversal) for expected credit losses on trade receivables	266,955	(550,727)	266,955	(550,727)
Amount due from subsidiaries written off	-	-	10,237	71,881
Depreciation of property, plant and equipment	1,893,030	1,794,344	1,893,030	1,794,344
Depreciation of right-of-use assets	1,645,223	1,405,310	1,645,223	1,405,310
Dividend received from investment in quoted shares	(14,491)	-	(14,491)	-
Fair value loss on other investments	580,880	2,613,960	580,880	2,613,960
Fair value gain on investment properties	-	(260,000)	-	(260,000)
Gain on disposal of property, plant and equipment	(45,000)	-	(45,400)	-
Gain on lease modification	(1,793)	-	(1,793)	-
Interest income	(7,802)	(629)	(7,802)	(629)
Inventories written down	-	146,511	-	146,511
Property, plant and equipment written off	298	125	298	125
Unrealised loss on foreign exchange	149,511	9,520	149,511	9,520
Lease expenses				
- short-term lease (a)	516,107	330,374	516,107	330,374
- low value assets (a)	1,180	6,840	1,180	6,840
Realised loss/(gain) on foreign exchange	46,297	(37,330)	46,297	(37,330)
Rental income	(330,930)	(314,450)	(330,930)	(314,450)
Directors' fee				
- Executive Directors	30,000	20,000	30,000	20,000
- Non-executive Directors	107,625	70,000	107,625	70,000

- (a) The Group and the Company lease various properties and machinery with contract terms of not more than one year or value of the asset not more than RM20,000 when it is new. These leases are short-term leases and leases of low-value assets. The Group and the Company have elected not to recognise right-of-use assets and leases liabilities for these leases.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 22. Taxation

	Group and Company	
	2024	2023
	RM	RM
<b>Tax expense recognised in profit or loss</b>		
<b>Current tax</b>		
Current financial year	-	75,619
Under provision in prior financial year	3,591	1,008
	3,591	76,627

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory tax rate to income tax expense at the effective income tax of the Group and of the Company is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
(Loss)/Profit before tax	(4,611,774)	1,154,455	(4,618,011)	1,085,574
At Malaysian statutory tax rate of 24% (2023: 24%)	(1,106,826)	277,069	(1,108,323)	260,538
Expenses not deductible for tax purposes	575,665	1,001,135	577,162	1,017,666
Movement of deferred tax assets not recognised	542,487	(1,166,185)	542,487	(1,166,185)
Income not subject to tax	(11,326)	(36,400)	(11,326)	(36,400)
Under provision of current tax expense in prior financial year	3,591	1,008	3,591	1,008
	3,591	76,627	3,591	76,627

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 22. Taxation (Cont'd)

The Group and the Company have estimated unutilised allowances for increased exports, unutilised capital allowances and unabsorbed tax losses for carry forward to offset against future taxable profit as follows:

	Group and Company	
	2024	2023
	RM	RM
Unutilised allowances for increased exports	9,100,801	9,100,801
Unutilised capital allowances	9,859,349	7,574,380
Unabsorbed business losses	26,117,310	26,023,127
	45,077,460	42,698,308

Based on the current legislation, any unabsorbed business losses shall be carried forward for a maximum period of ten consecutive years of assessment immediately following that year of assessment, whereas the unutilised allowances for increased exports and unutilised capital allowances are allowed to be carried forward indefinitely.

### Unrecognised deferred tax assets

Deferred tax assets (stated at gross) have not been recognised in respect of the following items:

	Group and Company	
	2024	2023
	RM	RM
Unutilised allowances for increased exports	9,100,801	9,100,801
Unutilised capital allowances	9,859,349	7,574,380
Unabsorbed business losses	26,117,310	26,023,127
Property, plant and equipment	(17,997,212)	(17,878,419)
Investment properties	(3,992,996)	(3,992,996)
	23,087,252	20,826,893

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 23. (Loss)/Earnings per share

### (a) (Loss)/Earnings per share

The basic (loss)/earnings per share is calculated based on the consolidated (loss)/profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follow:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
(Loss)/Profit attributable to owners of Company	(3,875,894)	1,077,828
Weighted average number of ordinary shares (unit)	74,624,608	74,624,608
Basic (loss)/earnings per ordinary shares (sen)	(5.19)	1.44

### (b) Diluted earnings per share

There is no dilution in earnings per share as the Company does not have any convertible financial instruments as at the reporting date.

## 24. Staff costs

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Salaries, wages and other emoluments	19,589,426	21,784,484
Defined contribution plans	677,987	698,420
Social security contributions	162,787	163,323
	20,430,200	22,646,227

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 25. Reconciliation of liabilities arising from financing activities

The table below shows the detailed changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	<b>At 1.9.2023 RM</b>	<b>New lease RM</b>	<b>Financing cash flows RM</b>	<b>Lease modification RM</b>	<b>At 31.8.2024 RM</b>
<b>Group and Company</b>					
Bankers' acceptances	4,278,000	-	4,972,135	-	9,250,135
Invoice financing	182,000	-	588,000	-	770,000
Term loan	417,501	-	(184,360)	-	233,141
Lease liabilities	2,116,412	1,235,344	(1,747,595)	(52,147)	1,552,014
	6,993,913	1,235,344	3,628,180	(52,147)	11,805,290

	<b>At 1.9.2022 RM</b>	<b>New lease RM</b>	<b>Financing cash flows RM</b>	<b>At 31.8.2023 RM</b>
<b>Group and Company</b>				
Revolving credit	3,500,000	-	(3,500,000)	-
Bankers' acceptances	11,739,000	-	(7,461,000)	4,278,000
Invoice financing	574,000	-	(392,000)	182,000
Term loans	2,546,996	-	(2,129,495)	417,501
Lease liabilities	1,428,597	1,683,393	(995,578)	2,116,412
	19,788,593	1,683,393	(14,478,073)	6,993,913

## 26. Related party disclosures

### (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 26. Related party disclosures (Cont'd)

### (a) Identifying related parties (Cont'd)

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

### (b) Significant related party transactions

Other than related party balances disclosed elsewhere in the financial statements, the Group and Company do not have any related party transactions during the financial year.

### (c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Executive Directors of the Company</b>		
Fees	30,000	20,000
Salaries and other emoluments	556,000	519,113
Defined contribution plans	56,532	55,836
	<b>642,532</b>	<b>594,949</b>
<b>Non-executive Directors of the Company</b>		
Fees	107,625	70,000
Salaries and other emoluments	-	36,000
	<b>107,625</b>	<b>106,000</b>
	<b>750,157</b>	<b>700,949</b>

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 27. Segment reporting

### (a) Business segment

Segmental reporting is not presented as the Group is principally engaged in the manufacturing and distribution of prestressed spun concrete piles and poles and are conducted predominantly in Malaysia, which is substantially within a single business segment.

### (b) Geographic information

Revenue based on geographical location of customers are as follow:

	Group and Company	
	2024	2023
	RM	RM
Malaysia	61,364,923	79,779,679
Southeast Asia	42,607,913	52,900,677
	103,972,836	132,680,356

### (c) Major customers

Revenue from one major customer amount to RM16,881,523 (2023: RM41,139,277).

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised costs.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Financial assets</b>				
<u>At FVTPL</u>				
Other investments	25,558,720	26,139,600	25,558,720	26,139,600
<u>At amortised cost</u>				
Trade receivables	7,837,353	18,984,234	7,837,353	18,984,234
Other receivables	864,833	1,609,174	864,833	1,609,174
Fixed deposit with licensed bank	200,000	-	200,000	-
Cash and bank balances	397,172	1,646,639	397,172	1,646,639
	9,299,358	22,240,047	9,299,358	22,240,047
<b>Financial liabilities</b>				
<u>At amortised cost</u>				
Lease liabilities	1,552,014	2,116,412	1,552,014	2,116,412
Loans and borrowings	11,361,595	4,877,501	11,361,595	4,877,501
Trade payables	28,267,577	40,969,269	28,267,577	40,969,269
Other payables	25,631,732	22,588,328	25,628,732	22,579,091
	66,812,918	70,551,510	66,809,918	70,542,273

### (b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing its credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.



# Notes to the Financial Statements (Cont'd)

## 31 August 2024

### 28. Financial instruments (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

#### (i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the trade receivables, other receivables, fixed deposit with licensed bank and cash and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statement of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk.

There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group and the Company have 4 customers (2023: 1) that owed the Group and the Company more than 10% each and accounted for approximately 69% (2023: 42%)

#### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments (Cont'd)

(a) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Group</b>				
<b>2024</b>				
<u>Non-derivative financial liabilities</u>				
Loans and borrowings	11,366,124	-	11,366,124	11,361,595
Lease liabilities	982,199	669,117	1,651,316	1,552,014
Trade payables	28,267,577	-	28,267,577	28,267,577
Other payables	25,631,732	-	25,631,732	25,631,732
	66,247,632	669,117	66,916,749	66,812,918
<b>2023</b>				
<u>Non-derivative financial liabilities</u>				
Loans and borrowings	4,892,752	-	4,892,752	4,877,501
Lease liabilities	1,762,852	440,214	2,203,066	2,116,412
Trade payables	40,969,269	-	40,969,269	40,969,269
Other payables	22,588,328	-	22,588,328	22,588,328
	70,213,201	440,214	70,653,415	70,551,510

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments (Cont'd)

### (a) Financial risk management objectives and policies (Cont'd)

#### (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Company</b>				
<b>2024</b>				
<u>Non-derivative financial liabilities</u>				
Loans and borrowings	11,366,124	-	11,366,124	11,361,595
Lease liabilities	982,199	669,117	1,651,316	1,552,014
Trade payables	28,267,577	-	28,267,577	28,267,577
Other payables	25,628,732	-	25,628,732	25,628,732
	66,244,632	669,117	66,913,749	66,809,918
<b>2023</b>				
<u>Non-derivative financial liabilities</u>				
Loans and borrowings	4,892,752	-	4,892,752	4,877,501
Lease liabilities	1,762,852	440,214	2,203,066	2,116,412
Trade payables	40,969,269	-	40,969,269	40,969,269
Other payables	22,579,091	-	22,579,091	22,579,091
	70,203,964	440,214	70,644,178	70,542,273

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (iii) Market risk

##### (a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk is primarily United States Dollar ("USD") and China Renminbi ("RMB").

The Company have not entered into any derivative instruments for hedging or trading purposes. Where possible, the Company would apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management to ensure that the net exposure is at an acceptable level.

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets at the end of the reporting period are as follows:

	<b>Group and Company</b>	
	<b>USD RM</b>	<b>RMB RM</b>
<b>2024</b>		
<u>Financial assets</u>		
Trade receivables	1,874,848	-
Cash and bank balances	12,390	-
<u>Financial liability</u>		
Trade payables	-	(192,078)
	1,887,238	(192,078)
<b>2023</b>		
<u>Financial assets</u>		
Trade receivables	4,879,740	-
Cash and bank balances	14,188	-
<u>Financial liability</u>		
Trade payables	-	(359,634)
	4,893,928	(359,634)

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (iii) Market risk (Cont'd)

##### (a) Foreign currency risk (Cont'd)

###### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and the Company's (loss)/profit before tax to a reasonably possible change in the USD and RMB against RM, with all other variables held constant.

		Effect on (loss)/profit before tax	
		2024	2023
		RM	RM
<b>Change in currency rate</b>			
USD	Strengthened 1%	18,872	48,939
	Weakened 1%	(18,872)	(48,939)
RMB	Strengthened 1%	(1,921)	(3,596)
	Weakened 1%	1,921	3,596

### (b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to change in interest rates.

The Group and the Company manage their interest rate risk exposure from interest bearing financial instruments by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing their debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
<u>Financial asset</u>		
Fixed deposits with licensed banks	200,000	-
<u>Financial liabilities</u>		
Bankers' acceptances	(9,250,132)	(4,278,000)
Invoice financing	(770,000)	(182,000)
Lease liabilities	(1,552,014)	(2,116,412)
	(11,572,146)	(6,576,412)
	(11,372,146)	(6,576,412)
<b>Floating rate instruments</b>		
<u>Financial liabilities</u>		
Bank overdrafts	(1,108,319)	-
Term loans	(233,141)	(417,501)
	(1,341,460)	(417,501)

### Interest rate risk sensitivity analysis

#### Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

### Interest rate risk sensitivity analysis (Cont'd)

#### Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's and the Company's (loss)/profit before tax by RM13,415 (2023: RM4,175), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instrument will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from their investment in quoted instruments. These investments are listed on Bursa Malaysia and are classified as financial assets at FVTPL.

Management of the Group and the Company monitor investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group and the Company.

#### Market price risk sensitivity analysis

At the reporting date, if the various stock indices had been 5% higher/lower, with all other variables held constant, The Group's and the Company's (loss)/profit before tax would have been RM1,277,936 (2023: RM1,306,980) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

# Notes to the Financial Statements (Cont'd)

31 August 2024

## 28. Financial instruments (Cont'd)

### (c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

#### (i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during current and previous financial year.

#### (ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### (iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

#### Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

#### (iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.



# Notes to the Financial Statements (Cont'd)

## 31 August 2024

### 29. Fair value measurement

The following table summarises the methods used in determining the fair value of financial asset and non-financial asset on recurring basis as at 31 August 2024 and 31 August 2023.

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair values
	2024 RM	2023 RM				
<b>Financial asset</b>						
Other investment	25,558,720	26,139,600	Level 1	Quoted price	-	-
<b>Non-financial asset</b>						
Investment properties	15,544,800	14,574,800	Level 2	Comparison approach which reflects recent market transactions for similar properties.	Adjustment for factors such as plot size, location, encumbrances and current use.	The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as starting point for valuation.

### 30. Capital management

The Group's and the Company's objective when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# Notes to the Financial Statements (Cont'd)

## 31 August 2024

### 30. Capital management (Cont'd)

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratio at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total lease liabilities	1,552,014	2,116,412	1,552,014	2,116,412
Total loans and borrowings	11,361,595	4,877,501	11,361,595	4,877,501
Less: Fixed deposits with licensed bank	(200,000)	-	(200,000)	-
Less: Cash and bank balances	(397,172)	(1,646,639)	(397,172)	(1,646,639)
Net debts	12,316,437	5,347,274	12,316,437	5,347,274
Total equity	59,338,120	63,214,014	59,341,124	63,223,255
Gearing ratio (times)	0.21	0.08	0.21	0.08

There were no changes in the Group's and the Company's approach to capital management during the financial year.

### 31. Comparative information

The financial statements of the Group and of the Company for the financial year ended 31 August 2023 were audited by another firm of Chartered Accountants.

### 32. Date of authorisation for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 November 2024.

# Analysis of Shareholdings

As at 15 November 2024

No. of Shares Issued	:	74,624,608
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per Ordinary Share
No. of Shareholders	:	1,052

## A. Distribution of Shareholders

	No. of Holders	%	No. of Shares	%
Less than 100	86	8.17	3,706	0.00
100 - 1,000	86	8.17	46,908	0.06
1,001 - 10,000	725	68.92	2,363,173	3.17
10,001 - 100,000	112	10.65	3,381,747	4.53
100,001 - less than 5% of issued shares	40	3.80	38,511,677	51.61
5% and above of issued shares	3	0.29	30,317,397	40.63
<b>Total</b>	<b>1,052</b>	<b>100.00</b>	<b>74,624,608</b>	<b>100.00</b>

## B. Substantial Shareholders

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Inch Kenneth Kajang Rubber Public Limited Company	16,215,265	21.73	502,999 <sup>(a)</sup>	0.67
2. FA Securities Sdn Bhd	8,806,132	11.80	-	-
3. Progressive Metal Works Sdn Bhd	6,965,000	9.33	-	-

Notes:-

(a) Deemed interest through Motel Desa Sdn Bhd, Inch Kenneth Development (M) Sdn Bhd and Perhentian Island Resort Sdn Bhd

## C. Directors' Shareholdings

Based on the Register of Directors' Shareholdings as at 15 November 2024, none of the Directors have any shareholding in the Company either directly or indirectly.

# Analysis of Shareholdings (Cont'd)

As at 15 November 2024

## D. Thirty (30) Largest Registered Holders

Name	No. of Shares	%
1. Inch Kenneth Kajang Rubber Public Limited Company	14,546,265	19.49%
2. FA Securities Sdn Bhd	8,806,132	11.80%
3. Progressive Metal Works Sdn Bhd	6,965,000	9.33%
4. Khatijah Binti Lebar	3,428,333	4.59%
5. Md Rushdi bin Taib	3,370,450	4.52%
6. SJ Securities Nominees (Tempatan) Sdn Bhd for Zuraini binti Alias	2,890,083	3.87%
7. Ahmad Hamzah bin Mohd Anuar	2,715,916	3.64%
8. Norazlina binti Awang	2,417,332	3.24%
9. General Growth Sdn Bhd	1,937,333	2.60%
10. Inch Kenneth Kajang Rubber Public Limited Company	1,669,000	2.24%
11. Good Health Pharmacy Sdn Bhd	1,493,333	2.00%
12. Masmanis Sdn Bhd	1,427,700	1.91%
13. Masmanis Sdn Bhd	1,300,166	1.74%
14. Phillip Nominees (Tempatan) Sdn Bhd for Norazlina binti Awang	1,184,916	1.59%
15. Usaki Sdn Bhd	1,166,666	1.56%
16. Phillip Nominees (Tempatan) Sdn Bhd for Mohd Dzaki @ Mohd Zaki bin Jaafar	1,088,583	1.46%
17. TA Nominees (Tempatan) Sdn Bhd for Hassan bin Haji Hussin	993,166	1.33%
18. Phillip Nominees (Tempatan) Sdn Bhd for Latifah binti Abdul Hamid	991,333	1.33%
19. Amsec Nominees (Tempatan) Sdn Bhd for Mohd Dzaki @ Mohd Zaki bin Jaafar	886,666	1.19%
20. Muhammad Firdaus bin Muhamad Fasri	851,140	1.14%
21. Che Yam @ Rusnah binti Hussin	841,833	1.13%
22. Deal Trekker (M) Sdn Bhd	841,333	1.13%
23. TA Nominees (Tempatan) Sdn Bhd for Chin Kok Leong	810,000	1.09%
24. General Growth Sdn Bhd	605,166	0.81%
25. Amsec Nominees (Tempatan) Sdn Bhd Ambank (M) Berhad for Ng Ah Chai		
26. Temenggong Hotel Sdn Bhd	518,083	0.69%
27. Perhentian Island Resort Sdn Bhd	482,166	0.65%
28. Zuraini Binti Alias	472,083	0.63%
29. Ahmad Fauzi Bin Anuar @ Mohd Anuar	416,666	0.56%
30. Apex Nominees (Tempatan) Sdn Bhd Chee Chik Eng	400,833	0.54%
<b>TOTAL</b>	<b>66,044,342</b>	<b>88.50%</b>

# List of Properties

As at 31 August 2024

	Location	Tenure	Residual Lease (Years)	Approximate Area	Description	Property Usage	Net Book Value 31-Aug-24 RM	Date of Acquisition (A) / Revaluation (R)
1	Lot 63, Bakar Arang Industrial Estate, Sg Petani, Kedah	Leasehold expiring in 2083	59	Land: 13.2 acres Built-up: 5,180 sqm	Single-storey office, an open sided single storey factory, canteen, laboratory, store and stockyard	Plant	2,937,775	31 August 1995 (A)
2	PLO 337, Jln Suasa, Pasir Gudang Industrial Estate, Pasir Gudang, Johor.	Leasehold expiring in 2050	26	Land: 7.5 acres Built-up: 7,000 sqm	Single-storey office, two single- storey factory buildings, boiler house, canteen, stockyard and jetty	Plant	6,878,600	31 August 1995 (A)
3	PLO 461, Jln Suasa, Pasir Gudang Industrial Estate, Pasir Gudang, Johor.	Leasehold expiring in 2053	29	Land: 2.5 acres	Stockyard	Stockyard	2,245,559	31 August 1995 (A)
4	PT 643, Batu 20, Jalan Ipoh, Rawang, Selangor.	Leasehold expiring in 2057	33	Land: 11.344 acres Built-up: 16,630 sqm	Double- storey office, canteen, store, laboratory, single-storey factory and stockyard	Plant	9,616,652	23 June 1993 (A)
<i>*Property is currently charged for financing facilities</i>								
5	Lot 7106, Kawasan Perindustrian Nilai, Nilai, Negeri Sembilan.	Leasehold expiring in 2089	65	Land: 6.707 acres Built-up: 6,370 sqm	Single-storey factory and office, canteen and stockyard	Plant	3,401,848	16 March 2007 (A)

# List of Properties (Cont'd)

As at 31 August 2024

	<b>Location</b>	<b>Tenure</b>	<b>Residual Lease (Years)</b>	<b>Approximate Area</b>	<b>Description</b>	<b>Property Usage</b>	<b>Net Book Value 31-Aug-24 RM</b>	<b>Date of Acquisition (A) / Revaluation (R)</b>
6	HS(M) 1653, PT2100, Mukim Batang Kali, District of Hulu Selangor, Selangor.	Leasehold expiring in 2052	28	Land: 7.981 acres Built-up: 4,842 sqm	Single-storey factory and office, canteen, stockyard, boiler room, generator room and compressor room	Plant	4,176,638	25 August 2010 (A)
7	No. 11, Jalan 10/11, Perjiranan 10, Pasir Gudang, Johor.	Leasehold expiring in 2082	58	Land: 0.035 acres Built-up: 150 sqm	Residential double- storey house	Rental property - Vacant	250,000	27 August 2024 (R)
8	No. 31, Jalan 10/11, Perjiranan 10, Pasir Gudang, Johor.	Leasehold expiring in 2082	58	Land: 0.035 acres Built-up: 150 sqm	Residential double- storey house	Rental property - Vacant	250,000	27 August 2024 (R)
9	No. 42, Jalan 10/11, Perjiranan 10, Pasir Gudang, Johor.	Leasehold expiring in 2082	58	Land: 0.035 acres Built-up: 150 sqm	Residential double- storey house	Rental property - Vacant	250,000	27 August 2024 (R)
10	No. 8, Jalan 2/11, Jalan Bukit Rawang Jaya, Rawang, Selangor.	Freehold		Land: 0.030 acres Built-up: 90 sqm	Single-storey terrace house	Hostel	30,240	28 April 1994 (A)
11	A-3-3, Block A, Taman Nilai Perdana, Nilai, Negeri Sembilan.	Freehold		Built-up: 60.7 sqm	Apartment	Rental property	70,000	27 August 2024 (R)
12	A-1-6, Block A, Taman Nilai Perdana, Nilai, Negeri Sembilan.	Freehold		Built-up: 60.7 sqm	Apartment	Rental property - Vacant	80,000	27 August 2024 (R)

# List of Properties (Cont'd)

As at 31 August 2024

	<b>Location</b>	<b>Tenure</b>	<b>Residual Lease (Years)</b>	<b>Approximate Area</b>	<b>Description</b>	<b>Property Usage</b>	<b>Net Book Value 31-Aug-24 RM</b>	<b>Date of Acquisition (A) / Revaluation (R)</b>
13	LA-3-2, Block LA, Taman Nilai Perdana, Nilai, Negeri Sembilan.	Freehold		Built-up: 60.7 sqm	Apartment	Rental property	70,000	27 August 2024 (R)
14	No. I-G-02, Jalan PPK 2, Bandar Kinrara, Section 3, Puchong, Selangor	Leasehold expiring in 2099	78	Built-up: 114 sqm	Ground Floor Shop lot	Rental property	350,000	27 August 2024 (R)
15	Danau Putra Apartments Jalan Putra Perdana 5F, Taman Putra, Sepang, Selangor. Unit 48-2A Unit 48-2B Unit 49-2A Unit 49-2B Unit 52-1B Unit 52-1C Unit 52-1D Unit 53-2D Unit 53-3B	Leasehold expiring in 2092	71	Built-up: 76 sqm 73 sqm 69 sqm 66 sqm 66 sqm 44 sqm 73 sqm 61 sqm 66 sqm	Apartments	Rental property - Vacant	122,000 117,000 111,000 106,000 110,000 79,000 123,000 98,000 100,000	27 August 2024 (R)
16	Unit B1-5-6, Pandan Mewah Heights, Jalan Mewah Utara, Taman Pandan Mewah, Ampang, Selangor.	Leasehold expiring in 2086	65	Built-up: 90 sqm	Condominium	Rental property	330,000	27 August 2024 (R)

# List of Properties (Cont'd)

As at 31 August 2024

	<b>Location</b>	<b>Tenure</b>	<b>Residual Lease (Years)</b>	<b>Approximate Area</b>	<b>Description</b>	<b>Property Usage</b>	<b>Net Book Value 31-Aug-24 RM</b>	<b>Date of Acquisition (A) / Revaluation (R)</b>
17	Unit B1-5-7, Pandan Mewah Heights, Jalan Mewah Utara, Taman Pandan Mewah, Ampang, Selangor.	Leasehold expiring in 2086	66	Built-up: 90 sqm	Condominium	Rental property - Vacant	330,000	27 August 2024 (R)
18	No. 2, Jalan Chamar 1B/2, Lembah Beringin, Kuala Kubu Baru, Selangor.	Freehold		Built-up: 151 sqm	Residential one and half- storey terrace house	Rental property - Vacant	90,000	27 August 2024 (R)
19	44 & 44A, Jalan Telawi 5, Bangsar Baru, Kuala Lumpur.	Freehold		Built-up: 332 sqm 37 years	Double- storey shop office	Rental property	7,000,000	30 August 2023 (R)
<i>*Property is currently charged for financing facilities</i>								
20	8 plots of vacant detached house lots, Pekan Lukut, District of Port Dickson, Negeri Sembilan. Lot No. 7354 Lot No. 7759 Lot No. 7760 Lot No. 7765 Lot No. 7766 Lot No. 7769 Lot No. 7783 Lot No. 7784	Freehold		Built-up: 280 sqm 661 sqm 697 sqm 720 sqm 570 sqm 748 sqm 353 sqm 334 sqm	Vacant detached residential plot	Rental property - Vacant	849,000	27 August 2024 (R)



# List of Properties (Cont'd)

As at 31 August 2024

	<b>Location</b>	<b>Tenure</b>	<b>Residual Lease (Years)</b>	<b>Approximate Area</b>	<b>Description</b>	<b>Property Usage</b>	<b>Net Book Value 31-Aug-24 RM</b>	<b>Date of Acquisition (A) / Revaluation (R)</b>
21	No. 1-4B, Block C, Jalan SP 5/4, Taman Serdang Perdana, Seksyen 5, Seri Kembangan, Selangor.	Freehold		Built up: 60 sqm	Residential apartment	Rental property - Vacant	150,000	27 August 2024 (R)
22	No. 2, Jalan Ecohill 3/2B, Setia Ecohill, Semenyih, Selangor.	Freehold		Built up: 198 sqm	Residential semi-detached house	Rental property - Vacant	1,200,000	27 August 2024 (R)
23	Unit No. 4A-10-04, Bungaraya Condominium, Persiaran Golf, Saujana Resort, Section U2, Shah Alam, Selangor.	Freehold		Built up: 372 sqm	Residential duplex condominium	Rental property - Vacant	2,000,000	27 August 2024 (R)
24	No. B-C-06-05, Impression U-Thant, U-Thant, Taman U-Thant, Kuala Lumpur.	Freehold		Built up: 117 sqm	Residential condominium	Construction in progress	1,309,800 (progress billing)	30 August 2021 (PC)

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting (“40th AGM”)** of Concrete Engineering Products Berhad (“CEPCO” or the “Company”) will be held fully virtual and entirely via remote participation and voting at Broadcast Venue: 22nd Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, on Wednesday, 15 January 2025 at 10:00 a.m. for the following purposes:

## AGENDA

### ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 August 2024 together with the Reports of the Directors and the Auditors thereon.
2. **Resolution 1**  
To approve the payment of Directors’ fees in respect to the financial year ended 31 August 2024.
3. **Resolution 2**  
To re-elect Datuk Seri TPr Haji Mahadi bin C. Ngah who retires pursuant to Article 90 of the Company’s Constitution, and being eligible, offers himself for re-election.
4. **Resolution 3**  
To re-elect Dato’ Azulita binti Salim who retires pursuant to Article 90 of the Company’s Constitution, and being eligible, offers herself for re-election.
5. **Resolution 4**  
To re-elect Datin Sabrina Ainie who retires by rotation pursuant to Article 96 of the Company’s Constitution, and being eligible, offers herself for re-election.
6. **Resolution 5**  
To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

### SPECIAL BUSINESS

7. **Resolution 6**  
**Authority to Allot and Issue Shares pursuant to the Section 75 and 76 of the Malaysian Companies Act 2016**

“THAT subject to the Malaysian Companies Act 2016 (the “Act”), the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Constitution and approval of the relevant government regulatory authorities, if required, the Directors be and hereby empowered pursuant to Sections 75 and 76 of the Act, to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares allotted on Bursa Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company.”

# Notice of Annual General Meeting (Cont'd)

## OTHER BUSINESS

8. To transact any other business of which due notice shall have been given.

## By order of the Board

**NORAKHMAR BINTI BAHAROM**

**LS 0001698**

**PC No. 201908003114**

**LEE THAI THYE**

**LS 0000737**

**PC No. 201908002929**

Secretaries

Kuala Lumpur

12 December 2024

## NOTES:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxies from the public will be physically present at the meeting. Shareholders who wish to participate the AGM will therefore have to register via the link, <https://vps.megacorp.com.my/FxhZGV>. Kindly refer to the annexure of the Administrative Notes for further information.
2. The AGM will be conducted on fully virtual and entirely via remote participation and voting at Broadcast Venue, the Members are advised to refer to the Administrative Notes for the procedures to register and participate and vote in the virtual 40th AGM.
3. A member whose name appears in the Record of Depositors as at 8 January 2025 shall be regarded as Member of the Company entitled to attend the 40th AGM or appoint a proxy to attend and vote on his/her behalf.
4. A member may appoint up to two (2) proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney duly authorised.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Registrar's office at 26th Floor Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur or email: [AGM-support.CEP@megacorp.com.my](mailto:AGM-support.CEP@megacorp.com.my), not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
7. Any alteration in the Form of Proxy must be initialled.
8. All the Resolutions set out in the Notice of the 40th AGM will be put to a vote by poll pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities.

# Notice of Annual General Meeting (Cont'd)

## EXPLANATORY NOTES ON ORDINARY BUSINESS

### 1. Audited Financial Statements

The Audited Financial Statements for the financial year ended 31 August 2024 and the Reports of the Directors and Auditors thereon are for discussion only and hence no shareholders' approval is required under Section 340(1)(a) of the Act.

### 2. Resolution 1 – Directors' Fees

Section 230(1) of the Act provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. The Board agreed that the shareholders' approval shall be sought at the 40th AGM on the Directors' fees.

### 3. Resolution 2 – Re-appointment of Datuk Seri TPr Haji Mahadi bin C. Ngah

Pursuant to Article 90 of the Company's Constitution provides that the Director shall retire from office by rotation, and be eligible for re-election.

The Board has through the Nominating Committee, consider the assessment of Datuk Seri TPr Haji Mahadi bin C. Ngah, and are agreeable to his re-appointment as Director of the Company.

### 4. Resolution 3 – Re-appointment of Dato' Azulita binti Salim

Pursuant to Article 90 of the Company's Constitution provides that the Director shall retire from office by rotation, and be eligible for re-election.

The Board has through the Nominating Committee, consider the recommendation and are agreeable to re-appoint Dato' Azulita binti Salim as Director of the Company.

### 5. Resolution 4 – Re-appointment of Datin Sabrina Ainie

Pursuant to Article 96 of the Company's Constitution provides that the Director shall retire from office by rotation, and be eligible for re-election.

The Board has through the Nominating Committee, consider the assessment of Datin Sabrina Ainie, and are agreeable to her re-appointment as Director of the Company.

### 6. Resolution 5 – Re-appointment of Auditors

The Board has recommended that Messrs TGS TW PLT be re-appointed as Auditors of the Company and to authorise the Directors to fix their remuneration.

# Notice of Annual General Meeting (Cont'd)

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### 7. **Resolution 6 – Authority to Allot and Issue Shares pursuant to the Section 75 and 76 of the Malaysian Companies Act 2016**

The proposed Resolution 6, if passed, will give a renewed mandate to the Directors of the Company to issue ordinary shares of the Company from time to time provided the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being (“Renewed Mandate”). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As of the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 18 January 2024 and which will lapse at the conclusion of the 40th AGM.

The Renewed Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises, or in the event of business opportunities, or other arising circumstances which involve the issue of new shares, and to avoid delay and cost in convening general meetings to approve such issue of shares.

# Statement Accompanying Notice of Annual General Meeting

Pursuant to 8.27(2) of the Listing Requirements of Bursa Securities

1. The Directors standing for re-election at the 40th AGM of the Company are:
  - a. Pursuant to Article 90 of the Company's Constitution
    - Datuk Seri TPr Haji Mahadi bin C. Ngah
    - Dato' Azulita binti Salim
  - b. Pursuant to Article 96 of the Company's Constitution
    - Datin Sabrina Ainie
2. The profiles of the Directors who are standing for re-election are set out on page 5 to 10 of this Annual Report.
3. The abovenamed Directors do not hold any interest in the securities of the Company or its subsidiaries. None of their family members have a direct or indirect relationship with any Director and/or major shareholder of the Company. They have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. They have not been convicted for any criminal offences other than traffic offences, if any, within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. Statement relating to the general mandate for the issue of securities is in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities.

Details of general mandate to issue and allot securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 7 of the Notice of the 40th AGM.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and complication of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purpose and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



CONCRETE ENGINEERING PRODUCTS BERHAD  
Registration No.: 198201008420 (88143-P)

CDS AC NO	
NO OF SHARES HELD	

### FORM OF PROXY

\*I/We \_\_\_\_\_ (NRIC/Company No. \_\_\_\_\_)  
(Full name in block)

of \_\_\_\_\_  
(Address)

with email address \_\_\_\_\_ mobile phone no. \_\_\_\_\_

being a member/members of **Concrete Engineering Products Berhad** hereby appoint the following person(s): -

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (%)
Address		
Email Address		
Mobile Phone No.		

and / or\*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (%)
Address		
Email Address		
Mobile Phone No.		

as \*my/our proxy to vote for \*my/our behalf at the 40th Annual General Meeting of the Company to be held at Broadcast Venue: 22nd Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 15 January 2025 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS	FIRST PROXY		SECOND PROXY	
	For	Against	For	Against
1) To approve the payment of Directors' fees				
2) To re-elect Datuk Seri TPr Mahadi bin C. Ngah				
3) To re-elect Dato' Azulita binti Salim				
4) To re-elect Datin Sabrina Ainie				
5) To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration				
6) <b>Special Business:</b> Authority to Allot and Issue Shares pursuant to the Section 75 and 76 of the Malaysian Companies Act 2016				

(Please indicate with an "X" in the appropriate spaces provided how you wish to vote your cast. If no instruction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion.)

\_\_\_\_\_  
Signature/Seal of Shareholder(s)

Dated this day \_\_\_\_\_

#### NOTE:

- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxies from the public will be physically present at the meeting. Shareholders who wish to participate the AGM will therefore have to register via the link, <https://vps.megacorp.com.my/FxhZGV>. Kindly refer to the annexure of the Administrative Notes for further information.
- The AGM will be conducted on fully virtual and entirely via remote participation and voting at Broadcast Venue, the Members are advised to refer to the Administrative Notes for the procedures to register and participate and vote in the virtual 40th AGM.
- A member whose name appears in the Record of Depositors as at 8 January 2025 shall be regarded as Member of the Company entitled to attend the 40th AGM or appoint a proxy to attend and vote on his/her behalf.
- A member may appoint up to two (2) proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Registrar's office at 26th Floor Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur or email: AGM-support.CEP@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- Any alteration in the Form of Proxy must be initialled.
- All the Resolutions set out in the Notice of the 40th AGM will be put to a vote by poll pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities.

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**Affix Stamp  
Here**

**CONCRETE ENGINEERING PRODUCTS BERHAD**  
**c/o MESTIKA PROJEK (M) SDN BHD**  
Registration No. 199101015233 (225545-V)  
26th Floor Menara KH  
Jalan Sultan Ismail  
50250 Kuala Lumpur

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**CONCRETE ENGINEERING PRODUCTS BERHAD**  
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22nd Floor Menara KH  
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50250 Kuala Lumpur  
Malaysia

**Tel: 603-2144 1066**

**Fax: 603-2144 4885**



**CONCRETE ENGINEERING PRODUCTS BERHAD**

Registration No. 198201008420 (88143-P)

**ERRATA TO ANNUAL REPORT 2024**

Dear Valued Shareholders of **CONCRETE ENGINEERING PRODUCTS BERHAD** (“**CEPCO**” or “**the Company**”)

Reference is made to the Annual Report for the financial year ended 31 August 2024 which was submitted to Bursa Malaysia Securities Berhad on 12 December 2024.

We wish to inform that the following amendments are made to the information below to rectify the inadvertent errors:-

<b>NO</b>	<b>SECTION</b>	<b>PAGE</b>	<b>CURRENT</b>	<b>AMENDMENT</b>
1	Directors' Report	67	The principal activities of the Company consist of export and import of precast concrete, cement or artificial stone articles for the use in construction. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.	The principal activities of the Company consist of manufacturing and distribution of prestressed spun concrete piles and poles. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.
2	Notes to the Financial Statements	89	The principal activities of the Company consist of export and import of precast concrete, cement or artificial stone articles for the use in construction. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.	The principal activities of the Company consist of manufacturing and distribution of prestressed spun concrete piles and poles. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

Save for the abovementioned amendments, all other information in the Company's Annual Report 2024 remains unchanged. We regret for any inconvenience caused.

For and on behalf of the Board of Directors of  
**CONCRETE ENGINEERING PRODUCTS BERHAD**

**ABDUL RAHMAN BIN HAJI SIRAJ**  
CHAIRMAN

This errata is dated 20 December 2024.