



**CONCRETE ENGINEERING PRODUCTS BERHAD**

Registration No.: 198201008420 (88143-P)

# 39TH ANNUAL REPORT



2



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3



39<sup>th</sup>

# ANNUAL GENERAL MEETING

## VENUE



Bilik Perdana, Dewan Perdana  
Felda, Jalan Maktab, Off Jalan  
Semarak, 50400 Kuala Lumpur

## DATE



18 JANUARY 2024

## TIME



10.00 A.M.

## Revenue

**RM 132.68**  
million  
(FYE 2023)

FYE 2022: 148.28 mil

## Earnings per Share (sen)

**1.44**  
(FYE 2023)

FYE 2022: 0.29

## Total Assets

**RM 136.76**  
million  
(FYE 2023)

FYE 2022: 142.01 mil



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# CORPORATE INFORMATION

## DIRECTORS



**Abdul Khudus bin Mohd Naaim** |  
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

**Abdul Rahman bin Haji Siraj** |  
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  
**Abdul Rahman bin Haji Siraj** | Member  
**Datin Sabrina Ainie** | Member

## NOMINATING & REMUNERATION COMMITTEE

**Datin Sabrina Ainie** | Chairman  
**Dato' Ir Dr Abdul Aziz bin Arshad** | Member  
**Abdul Rahman bin Haji Siraj** | Member

## RISK MANAGEMENT COMMITTEE

**Abdul Rahman bin Haji Siraj** | Chairman  
**Dato' Ir Dr Abdul Aziz bin Arshad** | Member  
**Datin Sabrina Ainie** | Member

## COMPANY SECRETARY

**Norakhmar binti Baharom**  
LS 0001698  
PC No. 201908003114

## SHARE REGISTRAR

**Mestika Projek (M) Sdn Bhd**  
Registration No. 199101015233  
(225545-V)  
22nd Floor Menara KH (Promet)  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 603-2144 4446  
Fax: 603-2141 8463

## REGISTERED AND HEAD OFFICE

22nd Floor Menara KH (Promet)  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 603-2144 1066  
Fax: 603-2144 4885

## AUDITORS

**Ernst & Young PLT** (AF: 0039)  
Registration No. 202006000003  
(LLP0022760-LCA)  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 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

## 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 Suas  
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

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





## 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 have five factories which are strategically located in Peninsular Malaysia and also 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 February 2022, the Company has been awarded as Excellent Supplier of the East Coast Rail Link Project for Year 2021 by China Communications Construction (ECRL) Sdn. Bhd. for the Company's excellent performance and great support on the supply work.

## CURRENT PROJECTS UNDERTAKEN BY THE COMPANY



Condominium Housing Development at Bukit Timah, Singapore



East Coast Rail Link (ECRL), Kota Bahru, Kelantan





## CURRENT PROJECTS UNDERTAKEN BY THE COMPANY (CONT'D)



Loading at Westport to Port Harcourt, Nigeria



Waste to Energy Project at Thilafushi Island, Maldives





**ABDUL KHUDUS BIN  
MOHD NAAIM**

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



**ABDUL RAHMAN BIN HAJI  
SIRAJ**

Independent Non-Executive  
Director



**NORAKHMAR BINTI  
BAHAROM**  
Company Secretary



## PROFILE OF DIRECTORS



**ABDUL KHUDUS BIN MOHD NAAIM**

**Independent Non-Executive Chairman**



Malaysian



69



Male

Appointed to the Board on 15 July 2013

### BOARD COMMITTEE MEMBERSHIP

- None

### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

Encik Abdul Khudus bin Mohd Naa'im is a Chartered Accountant in the Malaysian Institute of Accountants, a Fellow in the Association of Chartered Certified Accountants (ACCA), United Kingdom, an Associate in the Chartered Tax Institute of Malaysia, and an Associate in the Institute of Co-operative & Management Auditors, Malaysia. He holds a Diploma in Accountancy from Mara Institute of Technology, Shah Alam.

His career started as an Audit Junior at Arthur Young & Co, Public Accountants, Kuala Lumpur, from January to December 1976, and he later served as Audit Senior at Ramoss Jassen & Partners, Chartered Accountants, London, from July 1980 to December 1984. He was appointed as Accountant at Islamic Finance House PLC, London, from January to December 1985. He joined Syarikat Takaful Malaysia Berhad in January 1986 until August 1993 with the last position as Senior Finance Manager. From September 1993 to December 1996, he was the Director of Corporate Affairs at Emile Woolf Group of Colleges, Kuala Lumpur. He later joined SKMN Associates, Chartered Accountants, Malaysia, from January 1997 until September 1999 as a Partner.

He has been a Partner at Citi Partners, Chartered Accountants, Malaysia, since October 1999, which has since merged with AKN Arif, Chartered Accountants, in August 2008. He also sits on the Board of Ingress Industrial Thailand Public Limited Company and several private limited companies.

Encik Abdul Khudus bin Mohd Naa'im 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 four (4) out of the five (5) Board Meetings held during the financial year ended 31 August 2023.

## PROFILE OF DIRECTORS (CONT'D)



### LEONG KWAY WAH

#### Managing Director



Malaysian



70



Male

Appointed as Managing Director on 17 March 2005

#### BOARD COMMITTEE MEMBERSHIP

- None

#### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

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 2023.

## PROFILE OF DIRECTORS (CONT'D)



### DATO' IR DR ABDUL AZIZ BIN ARSHAD

#### Independent Non-Executive Director



Malaysian



69



Male

Appointed to the Board on 14 April 2017

#### BOARD COMMITTEE MEMBERSHIP

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

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.

Dato' Ir Dr Abdul Aziz bin Arshad 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.

#### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

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 2023.



## PROFILE OF DIRECTORS (CONT'D)



### DATIN SABRINA AINIE

#### Independent Non-Executive Director



Malaysian



58



Female

Appointed to the Board on  
30 December 2021

#### BOARD COMMITTEE MEMBERSHIP

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

Datin Sabrina Ainie, aged 56, is an Advocate & Solicitor. She graduated with a Master of Law in 1996 from University of Malaya and prior to that, Bachelor of 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.

#### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

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 all five (5) Board Meetings held during the financial year ended 31 August 2023.

## PROFILE OF DIRECTORS (CONT'D)



**ABDUL RAHMAN BIN  
HAJI SIRAJ**

**Independent Non-Executive  
Director**



Malaysian



63



Male

Appointed to the Board on  
30 December 2021

### BOARD COMMITTEE MEMBERSHIP

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

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

### OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

(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.

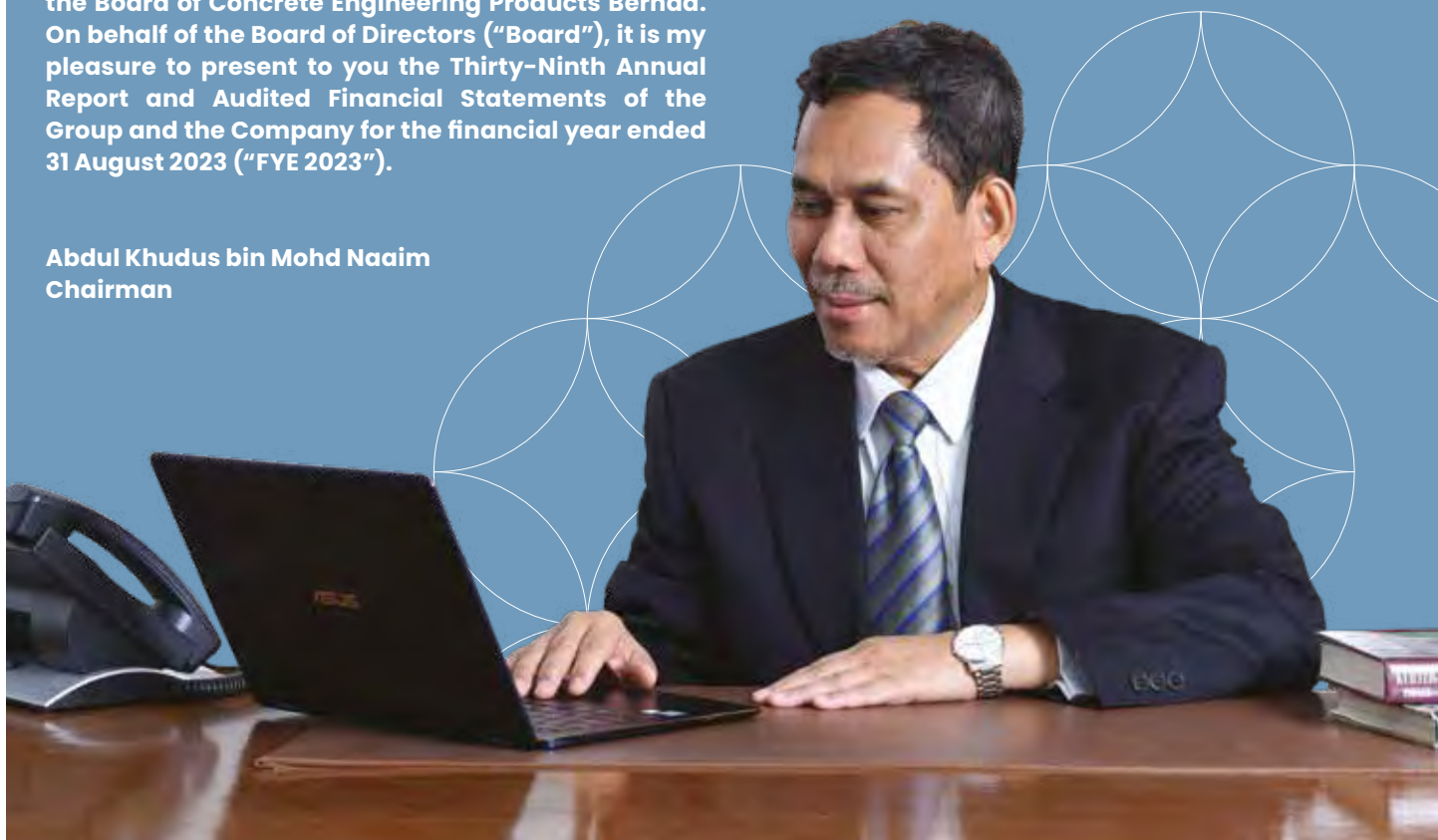
He attended all five (5) Board Meetings held during the financial year ended 31 August 2023.

# CHAIRMAN'S STATEMENT

## Dear Shareholders,

It is a privilege to write to you as the Chairman of the Board of Concrete Engineering Products Berhad. On behalf of the Board of Directors ("Board"), it is my pleasure to present to you the Thirty-Ninth Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 August 2023 ("FYE 2023").

**Abdul Khudus bin Mohd Naaim**  
Chairman



### Economic Landscape

FYE 2023 marked a pivotal shift as the world transitioned from the pandemic to the endemic phase of COVID-19. The global economy continues to traverse through an environment filled with challenges since the pandemic. Deepened geopolitical tensions and persistent tightening of monetary policies to address inflation have increased the risk of a worldwide slowdown. Malaysia is not immune from these global developments, given the degree of openness in our economy and financial system. As the nation continued to recover from the effects of COVID-19 pandemic, Malaysia's economy has strengthened with a projected gross domestic product ("GDP") growth of 3.9% in 2023, as an anticipated global recovery offset a slowdown in China, according to the World Bank Malaysia Economic Monitor.

The economic rebound was mainly contributed by a strong pick-up in domestic demand, underpinned by improving labour market conditions as well as continued Government policy support. Despite the uptick from the economic recovery, the construction industry in the country started to ease at the beginning of 2023. The circumstances were aggravated by uncertainties with the war in Ukraine and the downturn in China's economic growth, impacting developing nations as well as weakening trade dynamism against a backdrop of supply chain disruptions and ongoing trade tensions.

The cost of raw materials and labour has increased significantly, and the Malaysian ringgit fell to its lowest since the Asian Financial Crisis making harder for manufacturers to manage their rising costs. Furthermore, the increase in interest rates caused a decline in global consumer demand, subsequently affecting Malaysia. During the review period, Bank



## CHAIRMAN'S STATEMENT (CONT'D)

Negara Malaysia raised the overnight policy rate ("OPR") by 25 basis points throughout 2022. The OPR increased to 3.0% as of 3 May 2023 in response to rising inflationary pressures. Buying trends appeared more conservative due to inflation and higher borrowing costs. According to the Malaysian Department of Statistics, Malaysia's inflation rate came in at 2.4% in June 2023. 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, the Group 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. The Group also reduced non-essential expenses and renegotiated contracts with suppliers. 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.



“

**Strategies included cost and operational efficiencies, sales acceleration of ongoing and new projects, development of new products, and digitalisation. ”**

These achievements represent a significant step towards enhancing our bottom line and ensuring sustainable growth for the years to come. FYE 2023 has been a challenging year for the Group's financial standing. Despite setbacks, it has streamlined our operations and executed our products' delivery successfully.

Further details of the Group's operational reviews and financial performance are covered in this Annual Report's Management Discussion and Analysis section.



## CHAIRMAN'S STATEMENT (CONT'D)

### 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 2024 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. The Group continues to implement various measures i.e. prudent cost control, labour cost and material price escalation in order to maintain financial and operations stability of our businesses. Backed by the Group's close to 40-year experience, we will continue to execute our strategy to ensure the sustainability and growth of the Company. The Group will be actively sourcing for new business opportunities to strengthen the recurring revenue stream. With these measures in place, the Group is committed to delivering satisfactory results to all our stakeholders for the next financial year.

### Acknowledgement

On behalf of the Board, I wish to take this opportunity to express my gratitude to our shareholders, customers, financiers, business associates, stakeholders and relevant authorities for their continuous patience, support, trust, and co-operation throughout our business journey and despite the challenges faced. I would also like to extend my heartfelt appreciation to thank my fellow Directors, the Management, and employees of the Group for their unwavering commitment to performing your duties, especially during difficult times.

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

**Abdul Khudus bin Mohd Naaim**

Chairman

15 November 2023



# MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“MD&A”) provides the management’s analytical overview of the Company’s operations and financial performance for the financial year ended 31 August 2023 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

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.

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 four 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).

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.

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, the Company 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 Company currently exports substantial quantities of its products to the overseas markets covering Asia, Africa, the Oceania and Gulf region.



**ISO 14001: 2015**  
(Environment Management System)



**ISO 45001:2018**  
(Occupational Health and Safety Management Systems)





## 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 looking 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 Company's profit margin and operational efficiency, CEPCO, as far as it is commercially viable and financially possible, invests and upgrades its plants and machineries in order 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.



//

**Invests and upgrades its plants and machineries in order to reduce the dependency of foreign workers, machines' downtime, and implements various systems and processes to increase productivity, efficiency and cost saving. //**

## 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	
	2023 RM'000	2022 (Restated) RM'000
Revenue	132,680	148,276
Operating profit before provision for increase/(decrease) in fair value of quoted investment	3,768	634
Provision for increase/(decrease) in fair value of quoted investment through profit and loss	(2,614)	290
Profit before taxation	1,154	344
Profit after taxation	1,078	213
Net profit attributable to equity holders	1,078	213
Total assets	136,757	142,013
Total borrowings	6,029	20,762
Total liabilities	73,543	79,877
Total shareholders' equity	63,214	62,136
Gearing ratio (times)	0.10	0.33
Earnings per share (EPS)	1.44	0.29
Net asset per share (RM)	0.85	0.83

#### Revenue

The Group registered a total revenue of RM132.68 million for the financial year ended 31 August 2023. The decrease of the revenue as compared to previous financial year of 2022 (FYE 2022) is mainly due to the sales proceed excluding the freight charges whereby majority of the overseas sales are via Free on Board ("FOB") agreements.

CEPCO operated principally in Malaysia and generated revenues from both local (60.00%) and export (40.00%) markets to countries in Asia, Africa, the Oceania and Gulf region. The export sales for FYE 2023 have substantial improvement of 29.35% as compared to FYE 2022.

#### Gross Profit Margin

The gross profit margin has a slight decrease to 19.73% in FYE 2023 from 20.99% in FYE 2022. This is mainly due to the cost of raw materials and labour has increased significantly and offset by part of cost increase able to transfer to customers with new revised contract and quotations.



//

**The export sales for FYE 2023 have substantial improvement of 29.35% as compared to FYE 2022.**

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# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## C. Financial Review (Cont'd)

### Other Income

The other income of CEPCO derived from rental, gain on foreign exchange, gain on increase in fair value of investment properties through profit and loss, reversal of trade debtor impairment, scrap disposal and pile repair services.

### Administrative and Other Operating Expenses

The administrative and other operating expenses showed a decrease of 5.22% as compared to FYE 2022 mainly due to decrease in legal and professional fees.

### Finance Cost

The finance cost had reduced by 28.55% as compared to FYE 2022 mainly due lower utilisation of trade facilities and gradual repayment of bank borrowings.

### Profit Before Taxation

The Group's recorded a profit before taxation of RM1.15 million in FYE 2023 as compared to RM0.34 million in FYE 2022. The increase in profit before taxation derived mainly due to increase in better operating cost control offset by the provision for decrease in fair value of quoted investment.

The rise in price of raw material, wages and the weak RM against USD exchange rate 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 RM0.08 million for FYE 2023. 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 Company stood at RM136.76 million at FYE 2023, a decrease of RM5.25 million from FYE 2022 mainly due to decrease in other investment and inventories and offset by the increase in trade and other receivables.

Total liabilities of the Company decrease by RM6.33 million to RM73.54 million in FYE 2023 mainly due to reduction in utilisation of trade facilities and gradual repayment to bank.

Equity attributable to equity holders of the Group was RM63.21 million at FYE 2023 with net assets per share at RM0.85. The Group's cash and cash equivalents decrease by RM0.34 million in FYE 2023 as compared to FYE 2022. This was mainly due to late payment from local customer and offset by the prompt payment by overseas customers via letter of credit.

### 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 Company. The Board of Directors does not recommend any dividend in respect of FYE 2023.





# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## D. Risk and Uncertainties

### Pandemic Risk

The unprecedented Covid-19 pandemic has undoubtedly resulted in severe challenges in many aspects such as sales, production, collection and human resources. The Group is also likely to be impacted by the impairment in assets as a results of poor market conditions and business uncertainty. The Group has implemented cost cutting and austerity measures across all the divisions to preserve its cash flow and are doing everything possible to overcome this crisis as it continues.

### 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 Company's market position, CEPCO constantly seeks to uphold and further improve our products' qualities and standards of services to our customers. We are confidence 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 negotiated with customer to pass on the price increase to end user and as a compensation, CEPCO ensure provided 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.

### 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 in order to minimise the potential of debt turning bad.



“

**The Group has implemented cost cutting and austerity measures across all the divisions to preserve its cash flow and are doing everything possible to overcome this crisis as it continues.** ”

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## C. Financial Review (Cont'd)

### 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. With the improved financial performance, the Company is looking into the refinancing of some of the banking lines which has been substantially reduced.

### Foreign Currency Fluctuation Risk

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

In order to alleviate the risk of foreign currency exchange fluctuations, the Company 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.

## E. Prospect

The current political climate and the lack of foreign direct investments into Malaysia also have an impact to our revenue. This coupled with the rising steel prices and wages, international inbound charges and the weaken of the Ringgit Malaysia will certainly affected our selling price and profitability of the Company.

The outlook for the FYE 2024 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 in order to optimise the Company performance and will continue to implement any necessary action plans to maximise the Company profits and improve the cash flows to mitigate the adverse impact on the Company performance.

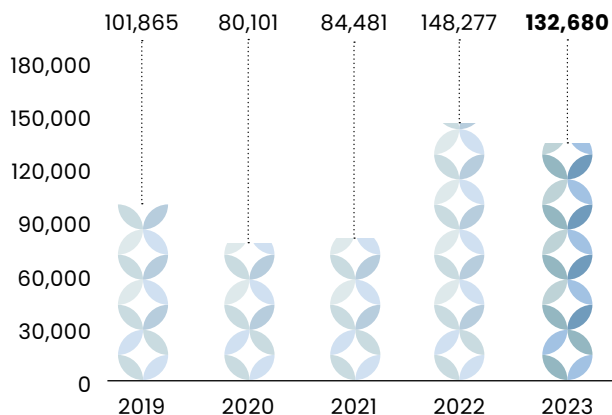
**Leong Kway Wah**  
Managing Director



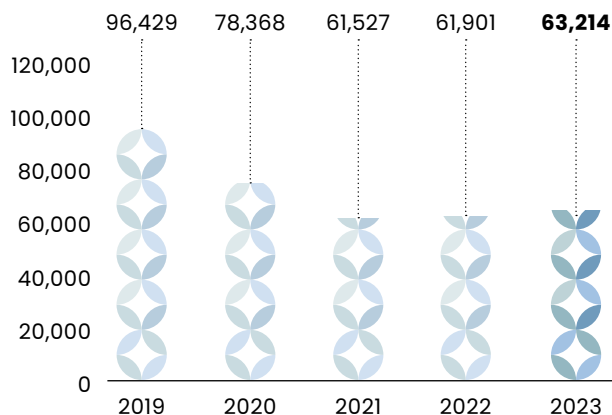
# FINANCIAL HIGHLIGHTS

	2023 RM'000	Restated 2022 RM'000	Restated 2021 RM'000	2020 RM'000	2019 RM'000
Revenue	132,680	148,277	84,481	80,101	101,865
Profit/(Loss) Before Taxation	1,154	344	(16,816)	(18,061)	(11,563)
Profit/(Loss) After Taxation	1,078	213	(16,841)	(18,061)	(11,563)
Profit/(Loss) for the Year Attributable to Owners of the Parent	1,078	213	(16,841)	(18,061)	(11,563)
Total Shareholders' Equity	63,214	62,136	61,923	78,368	96,429
Total Assets	136,757	142,013	139,869	151,663	172,829
Earnings/(Loss) per Share (sen)	1.44	0.29	(22.57)	(24.20)	(15.49)
Dividend per Share (sen)	-	-	-	-	-
Net Assets Per Share	0.85	0.83	0.83	1.05	1.29

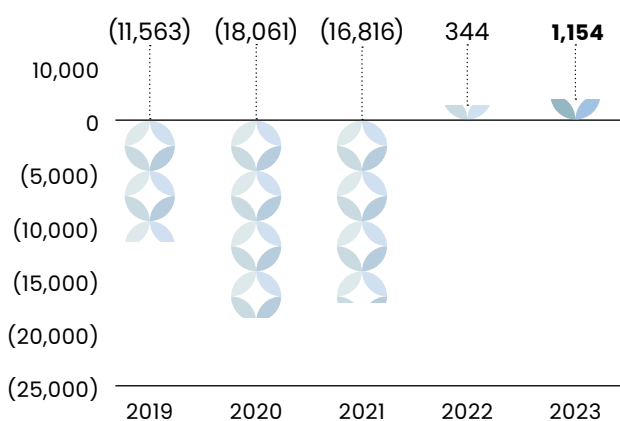
**REVENUE**  
(RM'000)



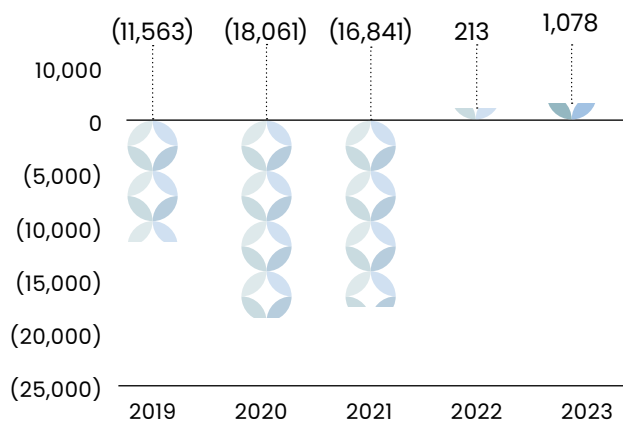
**TOTAL SHAREHOLDERS' EQUITY**  
(RM'000)



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



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





# SUSTAINABILITY STATEMENT

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.



## 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.



## 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.

# 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 48 to 52 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, banking, finance and accounting.

Currently, the Board consists of five (5) members, comprising of one (1) Independent Non-Executive Chairman, a Group Managing Director/Non-Independent Executive Director, and three (3) Independent Non-Executive Directors.



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 30 to 42 of this Annual Report.

## 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.

Stakeholder's group	Type of engagement	Key topic
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>

# SUSTAINABILITY STATEMENT (CONT'D)

## Materiality Process (Cont'd)

Stakeholder's group	Type of engagement	Key topic
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.

## Materiality Assessment

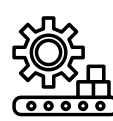
CEPCO has a view on sustainability matters prior to Stakeholders Engagement and has identified a list of sustainability matters relating to Environmental, Economic and Social that matters to the Group's business. The Company has considered, amongst others, the followings:



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.



## 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 in making sure our business will have a positive impact to the environmental, economic, and social wellbeing.

To enhance the environmental performance, the Company has been certified by ISO 14001: 2015 (Environment Management System). The said ISOs are intended to manage the Company's environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

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.

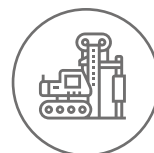
The Group's electricity consumption is mainly used for production and operate offices. CEPCO implemented various measures to enhance energy efficiency and actively exploring and increasing the adoption of renewable energy sources to reduce total energy consumption in the long run.

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.



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**Paper usage had been reduced by recycling paper from renewable sources and adopting a paperless system for selected processes. //**



//

**Our spun piles can be installed by hydraulic jacking method, which is environmentally friendly with low noise and vibration and less air pollution. //**



# SUSTAINABILITY STATEMENT (CONT'D)

## Environmental (Cont'd)

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.

Health and Safety has 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.

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.



“

**The authority had set stringent SOP related to health and safety protocol as preconditions for business resumption.**

”

CEPCO generates scheduled waste during the production process. Based on CEPCO's responsibility is committed to managing this scheduled waste in accordance with the guidelines set by the Department of Environment.

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

## 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 39.87 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 87.88% of our total purchases are sourced locally.

Our voluntary contributions have also enhanced the socio-economic benefits and created a positive social-economic impact in our country. Our Corporate Social Responsibilities focusing on lending a helping hand and reaching out to others through various forms of social aids by making contribution towards the following bodies:



Hospis  
Malaysia



Kiwanis Down  
Syndrome Foundation



Malaysian Association  
for the Blind



Yayasan Prihatin  
Insan



Zero Waste  
Malaysia

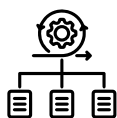
## SUSTAINABILITY STATEMENT (CONT'D)

### 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. All employees are fairly paid according to their skills, performance, and local market conditions. We have zero tolerance for harassment of any kind in the workplace.

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.

Our Annual Training Plan for FYE 2023 covered the following areas:



Bursa Malaysia's Enhanced Sustainability Reporting Framework



CFO'S Business Strategic Consulting and Coaching



Driving Profitability Using the Activity Based Costing



Emerging Risks: A Packaged Solution for Maximum Protection



Go ESG ASEAN 2022 Summit



Going Forward with ESG & Expanding Trade with The Regional Comprehensive Economic Partnership



ISO 9001: 2015 Interpretation



ISO 9001: 2015 Internal Audit Training



ISO 45001: 2018 Internal Audit Training



Malaysian - Japan Industry 4.0 Summit 2023



Managing Challenging/Difficult Issues Facing HR & Industrial Relations Practitioners Today



MIA Conference 2023



# SUSTAINABILITY STATEMENT (CONT'D)

## Social (Cont'd)



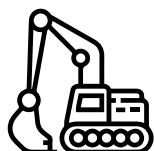
ISO 37001: Anti-Bribery Management System



Program Pendidikan Pemburuan



Sustainability Reporting and Climate Change Series



The Application of Prestressed High-Strength Concrete Pile as Foundation for Marine Structure



The First Step to Digitisation for Manufacturers



UN Global Compact Network Malaysia & Brunei

We are 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.

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 Partners 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 company's website (<https://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.

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.

## SUSTAINABILITY STATEMENT (CONT'D)



//

**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. //**

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.

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.

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.

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, we have implemented a comprehensive range of cybersecurity measures and have invested in optimum data protection systems. 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.

# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("The Board") of Concrete Engineering Products Berhad ("CEPCO" or "the Group") 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 2023 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 2023 ("CG Report FYE 2023"), 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.

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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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

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 three (3) established Board Committees, namely Audit Committee, Remuneration and Nominating Committee and Risk Management 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.

## OUR COMPLIANCE

### Integrity and Ethics

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.

### Code of Ethics

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 administering a company.

The Code of Ethics is available on the Company's website at [www.cepco.com.my](http://www.cepco.com.my).

### Whistleblowing Policy

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.

The Whistleblowing Policy is available on the Company's website at [www.cepco.com.my](http://www.cepco.com.my).

### Anti-Bribery and Corruption Policy Statement

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



# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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

### Sustainability

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.

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.

### Board Access to Information and Advice

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.

The Board convenes at least four (4) Board Meetings a year to consider the quarterly financial results and review operational performance. Additional meetings are convened as and when necessary.

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.

### Company Secretary

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").

Deliberations during the Board Meetings were properly minuted and documented by the Company Secretary.

### Board Charter

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.

The Board Charter is available on the Company's website at [www.cepco.com.my](http://www.cepco.com.my).

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## PRINCIPLE 2: STRENGTHEN COMPOSITION

### Board Composition and Balance

1)	Abdul Khudus bin Mohd Naaim	Independent Non-Executive Chairman
2)	Leong Kway Wah	Managing Director
3)	Dato' Ir Dr Abdul Aziz bin Arshad	Independent Non-Executive Director
4)	Abdul Rahman bin Haji Siraj	Independent Non-Executive Director
5)	Datin Sabrina Ainie	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 7 to 11 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.

### 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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## PRINCIPLE 2: STRENGTHEN COMPOSITION

### 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) | Abdul Rahman bin Haji Siraj       | 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:



Recommend to the Board for the appointment of new Director in accordance to the nomination and selection policies.



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.



Assess the independence of Independent Directors to consider whether the Director can continue to bring independent and objective judgement to Board deliberations.



To recommend to the Board if an Independent Director who serves the Board for more than nine

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, the Remuneration and Nominating Committee met once, attended by all members. During the meeting 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").

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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

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

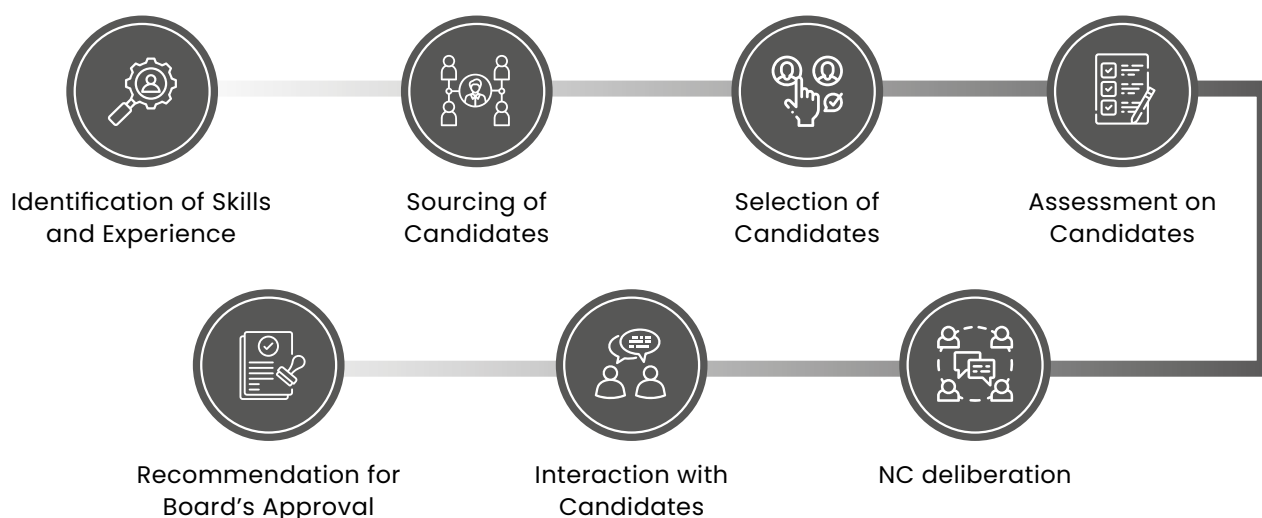
The Board currently does not have any gender, ethnicity and age policy or target. The criteria to be used by the Remuneration and Nominating Committee in the selection and appointment process is mainly to ensure the Board comprises of Directors with a good mix of skills and experience to discharge its 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, is the only female Director comprised in the Board of five (5) Directors.

### 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.



# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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

### Board Assessment

The results of the assessment conducted for FYE 2023 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.

### Re-election

The RNC is also responsible for recommending Directors for re-election at the Thirty Ninth 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 ( $\frac{1}{3}$ ) 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 ( $\frac{1}{3}$ ), 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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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

### 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 2023 was as follows:

Name of Directors	Fee/Salaries and Other Emoluments (RM)
<b>Executive Directors</b>	
Leong Kway Wah	594,949
<b>Non-Executive Directors</b>	
Abdul Khudus bin Mohd Naaim	61,000
Dato' Ir Dr Abdul Aziz bin Arshad	15,000
Datin Sabrina Ainie	15,000
Abdul Rahman bin Haji Siraj	15,000

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	-	3
50,001-100,000	-	1
100,001-150,000	-	-
200,001-250,000	-	-
500,001-550,000	-	-
550,001-600,000	1	-

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## PRINCIPLE 3: REINFORCE INDEPENDENCE

### Independent Director

For FYE 2023, the Board comprised four (4) 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, one (1) Independent Director had served the Board for more than nine (9) years and 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 independent 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.

### Justify and Seek Shareholders' Approval to Retain an Independent Director of More Than Nine (9) Years in the Same Capacity

Abdul Khudus bin Mohd Naaim had served on the Board for more than nine (9) years and had obtained shareholders' approval at last year's AGM to continue to serve as Independent Director of the Company.

The Board, with the assessment of the Remuneration and Nominating Committee, is recommending to the shareholders again at the forthcoming Thirty-Eighth AGM to approve the retention of Abdul Khudus bin Mohd Naaim as Independent Director for the ensuing year. Details of the assessment are disclosed in the Notice of the 39th AGM enclosed on page 134 of this Annual Report.

### 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 2023, Leong Kway Wah was the Managing Director.

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.

# 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, 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 four (4) 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 2023, the Board met five (5) times and the composition and attendance records of the Board members were as follows:

Date of Meetings:

- 1) 27 October 2022
- 2) 17 November 2022
- 3) 11 January 2023
- 4) 18 April 2023
- 5) 25 July 2023

Attendance record of the Board members:

### Directors

Abdul Khudus bin Mohd Naa'im	4/5
Leong Kway Wah	5/5
Dato' Ir Dr Abdul Aziz bin Arshad	5/5
Datin Sabrina Ainie	5/5
Abdul Rahman bin Haji Siraj	5/5

1

2

3

4

5

Meetings Attendance

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 2023.



# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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

### 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:

- 1) MIA Webinar Series – Future Fit Profession: Charting A Better Tomorrow
- 2) Advocacy sessions for Directors and CEOs of Main Market Listed Issuers
- 3) MIA Webinar Series : Audit Quality Enhancement Programme for SMPs
- 4) MIA Webinar Series: Taxation on Foreign Source Income (FSI)
- 5) 5<sup>th</sup> JKR BIM Day 2023
- 6) Securities Commission Malaysia: Audit Oversight Board Conversation with Audit Committees

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.

## 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.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

### External Auditors (Cont'd)

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 re-appointment of Messrs Ernst & Young PLT as the external auditors of the Company for the financial year ended 31 August 2023 until the conclusion of the Company's next AGM was approved by the shareholders of the Company during the 38th AGM held on 11 January 2023. If it becomes necessary to replace the external auditors due to reasons of their performance, disagreement on audit fees and disbursements or independence, the responsibility for the selection, appointment and removal of the external auditors has been delegated to the Audit Committee. The Audit Committee shall thereafter recommend its proposal to the Board for approval.

## 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 48 to 52 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 48 to 52 of this Annual Report.

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## **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.

## **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 year ended 31 August 2023 is set out in Note 5 on page 91.

## 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 2023 and the unaudited results for the quarter ended 31 August 2023 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 2.5(c) on page 78 and Notes 2.6 (iii) on page 89. The Investment Properties were adjusted to reflect their fair values as enumerated in Note 12 on pages 99 to 101.

## 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 2023.



# 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) | Abdul Rahman bin Haji Siraj       | Independent Non-Executive Director          |
| 3) | Datin Sabrina Ainie               | 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.

Abdul Rahman bin Haji Siraj 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 2023, the AC met five (5) times and the composition and attendance records of its members were as follows:

Date of Meetings:

- |    |                  |
|----|------------------|
| 1) | 27 October 2022  |
| 2) | 17 November 2022 |
| 3) | 11 January 2023  |
| 4) | 18 April 2023    |
| 5) | 25 July 2023     |

Attendance record of the AC members:

### Chairman

Dato' Ir Dr Abdul Aziz bin Arshad	5/5
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### Members

Abdul Rahman bin Haji Siraj	5/5
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Datin Sabrina Ainie	5/5
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1	2	3	4	5
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### Meetings Attendance

The Committee meets at least four (4) 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.

# AUDIT COMMITTEE REPORT (CONT'D)

## MEETINGS (CONT'D)

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.

### 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.

# AUDIT COMMITTEE REPORT (CONT'D)

## 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.
- 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 40 of this Annual Report.

# AUDIT COMMITTEE REPORT (CONT'D)

## 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 2023 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.

## 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.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## 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.
- 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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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

- 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).

## 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 2023 amounted to RM57,750.

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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROL (CONT'D)

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 2023 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.

## 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, enhance

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### 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 2023. 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 15 November 2023.

# 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 have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2023.

## Principal activities

The principal activities of the Company consist of manufacturing and distribution of prestressed spun concrete piles and poles. The subsidiary companies are dormant.

There has been no significant change in the nature of the principal activities during the financial year.

## Results

	Group RM	Company RM
Profit for the year, attributable to owners of the parent	1,077,828	1,008,947

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, 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.

## Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend to be paid in respect of the current financial year.

## Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Abdul Khudus bin Mohd Naaim  
Leong Kway Wah\*  
Dato' Ir Dr Abdul Aziz Bin Arshad  
Datin Sabrina Ainie  
Abdul Rahman Bin Siraj

\*This director is also director of the Company's subsidiaries

The list of the director of the Company's subsidiary/(ies) since the beginning of the financial year to the date of this report, excluding directors who are also directors of the Company:

Mohd Izanee bin Ismail

## Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REPORT (CONT'D)

### Directors' benefits (Cont'd)

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

The directors' benefits are as follows:

	Group/Company RM
Executive:	
Salary	519,113
Fees	20,000
Defined contribution plan	55,836
Total executive director's remuneration	594,949
Non-executive:	
Other emoluments	36,000
Fees	70,000
Total non-executive directors' remuneration	106,000
Total directors' remuneration	700,949

### Indemnities to directors and officers

The directors of the Group are covered by Directors Liability Insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of sum insured for the financial year end amounted to RM1 million for the directors of the Group. The insurance premium paid by the Group is RM1,275.

### Directors' interests

None of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

### Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses and satisfied themselves that all known bad debts had been written off and that adequate allowance for expected credit losses had been made for receivables; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

## DIRECTORS' REPORT (CONT'D)

### Other statutory information

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of allowance for expected credit losses in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances 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.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or 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.
- (f) In the opinion of the directors:
  - (i) no contingent 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 or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### Auditors' remuneration

The auditors' remuneration for the Group and the Company for the current financial year are RM253,000 and RM250,000 respectively.

## DIRECTORS' REPORT (CONT'D)

### **Indemnification of auditors**

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 November 2023.

Abdul Khudus Bin Mohd Naaim

Leong Kway Wah



# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Abdul Khudus Bin Mohd Naaim and Leong Kway Wah, being two of the directors of Concrete Engineering Products Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 64 to 124 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 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 November 2023.

Abdul Khudus Bin Mohd Naaim

Leong Kway Wah

# STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) 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 the accompanying financial statements set out on pages 64 to 124 are in my opinion 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 Dr.  
Lilian Au Yong at Kuala Lumpur in  
the Federal Territory on  
15 November 2023.

Dr. Lilian Au Yong  
(MIA Membership No. 27630)

Before me,

**HJ. WAN AZMAN BIN HJ. WAN ABDULLAH (W728)**

Commissioner for Oath  
Kuala Lumpur, Malaysia

# **INDEPENDENT AUDITORS' REPORT TO THE**

## **MEMBERS OF CONCRETE ENGINEERING PRODUCTS BERHAD**

### **(INCORPORATED IN MALAYSIA)**

#### **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 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 124.

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 2023, and of their financial performance and their cash flows for the 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 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.

##### ***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 year. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

##### ***Impairment of trade receivables***

(Refer to Note 2.5(h) and Note 16 to the financial statements)

As at 31 August 2023, the Group and the Company have trade receivables amounted to RM18,984,234 (net of loss allowance of RM302,796) which represents approximately 33% of the total current assets of the Group and of the Company. We focused on this area due to the magnitude of the trade receivables balance and the significant judgement and estimation involved in the recognition and measurement of expected credit losses ("ECL") in accordance with MFRS 9: Financial Instruments.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONCRETE ENGINEERING PRODUCTS BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

## ***Impairment of trade receivables (Cont'd)***

Our audit procedures included, amongst others:

- (i) obtained an understanding of the approaches applied and reviewed the key assumptions and inputs used by management in calculating the impairment allowances;
- (ii) evaluated the reasonableness of loss rates used by management in the estimation of impairment allowances based on the historical default trends and forward-looking adjustments; and
- (iii) tested subsequent collections from customers on a sampling basis.

We also evaluated the adequacy of disclosures on impairment of trade receivables in the financial statements.

## ***Impairment of property, plant, and equipment ("PPE") and right-of-use ("ROU") assets***

(Refer to Note 2.5(f), 10 and 11 to the financial statements)

As at 31 August 2023, the carrying amount of the PPE and ROU assets of the Group and of the Company was RM24,649,817 and RM14,474,824, representing 18% and 11% of the Group's and of the Company's total assets respectively.

In accordance with MFRS 136: Impairment of Assets, the Group and the Company are required to perform impairment test of cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

In the current year, the Group and the Company reported profit before tax ("PBT") of RM1,154,455, representing 0.9% of the Group's revenue ("Group's PBT margin") and RM1,085,574, representing 0.8% of the Company's revenue ("Company's PBT margin") respectively. The Group's and Company's PBT margin being close to break even, indicating that the carrying amount of PPE and ROU assets of the Group and of the Company may be impaired. Accordingly, the Group and the Company engaged a firm of independent valuers to estimate the recoverable amount of CGUs using fair value less costs of disposal ("FVLCD") method.

Due to the significance of the PPE and ROU assets and the complexity of valuation which is based on assumptions that are highly judgemental, we consider this to be an area of audit focus.

In addressing this, we performed, amongst others, the following audit procedures:

- (i) considered the objectivity, independence and expertise of the independent valuer;
- (ii) obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the leasehold lands and buildings and assessed whether such methodology is consistent with those used in the industry; and
- (iii) discussed the valuation with the independent valuer to obtain an understanding of the properties related data used as input to the valuation model.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONCRETE ENGINEERING PRODUCTS BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

## ***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 auditor's report thereon, which is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available 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.

## ***Responsibilities of 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.

## ***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 Company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONCRETE ENGINEERING PRODUCTS BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

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

- 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 or the Company's ability 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 or the Company to cease to continue as a going concern.
- 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 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.

## ***Other matters***

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.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF0039  
Chartered Accountants

Nurida Salwa Binti Mohd Muhili  
No. 03371/06/2024 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
15 November 2023



# STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 AUGUST 2023

		Group		Company	
	Note	2023 RM	2022 RM Restated	2023 RM	2022 RM Restated
Revenue	3	132,680,356	148,276,585	132,680,356	148,276,585
Cost of sales		(106,504,873)	(117,321,303)	(106,504,873)	(117,321,303)
Gross profit		26,175,483	30,955,282	26,175,483	30,955,282
Other operating income		2,287,096	2,687,224	2,287,096	2,687,224
Fair value through profit or loss on other investments		(2,613,960)	290,440	(2,613,960)	290,440
Fair value gain on investment properties	12	260,000	57,000	260,000	57,000
Distribution costs		(16,217,133)	(24,104,609)	(16,217,133)	(24,104,609)
Administrative expenses		(6,535,828)	(6,811,225)	(6,528,070)	(6,811,225)
Other operating expenses		(1,261,755)	(1,415,050)	(1,338,394)	(1,411,014)
Operating income		2,093,903	1,659,062	2,025,022	1,663,098
Finance costs	4	(939,448)	(1,314,908)	(939,448)	(1,314,908)
Profit before tax	5	1,154,455	344,154	1,085,574	348,190
Taxation	8	(76,627)	(130,682)	(76,627)	(130,682)
Profit for the year, representing total comprehensive income for the year		1,077,828	213,472	1,008,947	217,508
Attributable to:					
Owners of the parent		1,077,828	213,472	1,008,947	217,508
Earnings per share - basic (sen)		1.44	0.29		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 AUGUST 2023

		As at 31.8.2023 RM	Group As at 31.8.2022 RM Restated	As at 1.9.2021 RM Restated
Note				
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	24,649,817	24,178,305	22,444,530
Right-of-use assets	11	14,474,824	14,841,246	14,400,272
Investment properties	12	14,574,800	14,314,800	14,039,500
Other investment	14	26,139,600	28,753,560	28,463,120
		79,839,041	82,087,911	79,347,422
<b>Current assets</b>				
Inventories	15	31,694,597	34,624,266	32,632,170
Trade and other receivables	16	22,241,734	20,140,141	18,938,001
Tax recoverable		1,334,553	1,288,092	1,374,552
Cash and bank balances	18	1,646,639	3,872,660	7,577,047
		56,917,523	59,925,159	60,521,770
<b>Total assets</b>		136,756,564	142,013,070	139,869,192
<b>Equity and liabilities</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	19	75,344,833	75,344,833	75,344,833
Accumulated losses		(12,130,819)	(13,208,647)	(13,422,119)
<b>Total equity</b>		63,214,014	62,136,186	61,922,714
<b>Non-current liabilities</b>				
Lease liabilities	20	56,618	49,704	751,994
Long term borrowings	21	331,432	628,359	430,782
		388,050	678,063	1,182,776
<b>Current liabilities</b>				
Trade and other payables	24	63,557,597	58,197,777	47,621,572
Contract liabilities	25	2,991,040	-	-
Lease liabilities	20	908,018	867,364	805,294
Short term borrowings	21	5,697,845	20,133,680	28,336,836
		73,154,500	79,198,821	76,763,702
<b>Total liabilities</b>		73,542,550	79,876,884	77,946,478
<b>Total equity and liabilities</b>		136,756,564	142,013,070	139,869,192

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023 (CONT'D)

			Company	
		As at	As at	As at
	Note	31.8.2023	31.8.2022	1.9.2021
		RM	RM	RM
			Restated	Restated
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	24,649,817	24,178,305	22,444,530
Right-of-use assets	11	14,474,824	14,841,246	14,400,272
Investment properties	12	14,574,800	14,314,800	14,039,500
Investment in subsidiaries	13	4	4	4
Other investment	14	26,139,600	28,753,560	28,463,120
		79,839,045	82,087,915	79,347,426
<b>Current assets</b>				
Inventories	15	31,694,597	34,624,266	32,632,170
Trade and other receivables	16	22,241,734	20,140,141	18,938,001
Amount due from subsidiaries	17	-	68,880	64,123
Tax recoverable		1,334,553	1,288,092	1,374,552
Cash and bank balances	18	1,646,639	3,872,660	7,577,047
		56,917,523	59,994,039	60,585,893
<b>Total assets</b>		136,756,568	142,081,954	139,933,319
<b>Equity and liabilities</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	19	75,344,833	75,344,833	75,344,833
Accumulated losses		(12,121,578)	(13,130,525)	(13,348,033)
<b>Total equity</b>		63,223,255	62,214,308	61,996,800
<b>Non-current liabilities</b>				
Lease liabilities	20	56,618	49,704	751,994
Long term borrowings	21	331,432	628,359	430,782
		388,050	678,063	1,182,776
<b>Current liabilities</b>				
Trade and other payables	24	63,548,360	58,188,539	47,611,613
Contract liabilities	25	2,991,040	-	-
Lease liabilities	20	908,018	867,364	805,294
Short term borrowings	21	5,697,845	20,133,680	28,336,836
		73,145,263	79,189,583	76,753,743
<b>Total liabilities</b>		73,533,313	79,867,646	77,936,519
<b>Total equity and liabilities</b>		136,756,568	142,081,954	139,933,319

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

## AS AT 31 AUGUST 2023

Group	← Attributable to owners of the parent →		
	Share capital RM	Accumulated losses RM	Total equity RM
<b>At 1 September 2021</b>	75,344,833	(13,818,281)	61,526,552
Adjustment on voluntary change in accounting policy (Note 2.4)	-	396,162	396,162
<b>At 1 September 2021 (restated)</b>	75,344,833	(13,422,119)	61,922,714
Total comprehensive income	-	213,472	213,472
<b>At 31 August 2022 (restated)</b>	75,344,833	(13,208,647)	62,136,186
<b>At 1 September 2022</b>	75,344,833	(13,208,647)	62,136,186
Total comprehensive income	-	1,077,828	1,077,828
<b>At 31 August 2023</b>	75,344,833	(12,130,819)	63,214,014

Company	← Attributable to owners of the parent →		
	Share capital RM	Accumulated losses RM	Total equity RM
<b>At 1 September 2021</b>	75,344,833	(13,744,195)	61,600,638
Adjustment on voluntary change in accounting policy (Note 2.4)	-	396,162	396,162
<b>At 1 September 2021 (restated)</b>	75,344,833	(13,348,033)	61,996,800
Total comprehensive income	-	217,508	217,508
<b>At 31 August 2022 (restated)</b>	75,344,833	(13,130,525)	62,214,308
<b>At 1 September 2022</b>	75,344,833	(13,130,525)	62,214,308
Total comprehensive income	-	1,008,947	1,008,947
<b>At 31 August 2023</b>	75,344,833	(12,121,578)	63,223,255

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 AUGUST 2023

	Group		Company	
	2023 RM	2022 RM Restated	2023 RM	2022 RM Restated
<b>Cash flows from operating activities</b>				
Profit before tax	1,154,455	344,154	1,085,574	348,190
Adjustments for:				
Fair value through profit or loss on other investments	2,613,960	(290,440)	2,613,960	(290,440)
Fair value gain on investment properties	(260,000)	(57,000)	(260,000)	(57,000)
Depreciation of property, plant and equipment	1,794,520	1,899,588	1,794,520	1,899,588
Depreciation of right-of-use asset	1,360,134	1,337,779	1,360,134	1,337,779
Allowance for expected credit losses for trade receivables	303,474	498,064	303,474	498,064
Written off of amount due from subsidiaries	-	(107,535)	71,881	-
Reversal of allowance for expected credit losses for trade receivables	(854,201)	-	(854,201)	(107,535)
Loss on disposal for property plant and equipment	-	597	-	597
Written off of property, plant and equipment	125	-	125	-
Interest expense	939,448	1,314,908	939,448	1,314,908
Unrealised foreign exchange loss	9,520	9,340	9,520	9,340
Inventories written down	146,511	-	146,511	-
Interest income	(629)	(186,504)	(629)	(186,504)
Operating income before working capital changes	7,207,317	4,762,951	7,210,317	4,766,987
Working capital changes:				
Decrease/(increase) in inventories	2,783,158	(1,992,096)	2,783,158	(1,992,096)
Increase in receivables	(2,022,971)	(1,820,309)	(2,022,971)	(1,820,309)
Increase in payables	8,813,445	10,875,054	8,810,445	10,875,775
Increase in amount due from subsidiaries	-	-	-	(4,757)
Cash generated from operations	16,780,949	11,825,600	16,780,949	11,825,600
Taxation paid	(123,088)	(53,070)	(123,088)	(53,070)
Interest paid	(906,344)	(1,249,862)	(906,344)	(1,249,862)
Net cash generated from operating activities	15,751,517	10,522,668	15,751,517	10,522,668



## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023 (CONT'D)

	<b>Group</b>		<b>Company</b>	
	<b>2023 RM</b>	<b>2022 RM Restated</b>	<b>2023 RM</b>	<b>2022 RM Restated</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,576,476)	(3,361,246)	(1,576,476)	(3,361,246)
Interest received	629	186,504	629	186,504
Additions of right-of-use asset	-	(1,480,668)	-	(1,480,668)
Net cash used in investing activities	(1,575,847)	(4,655,410)	(1,575,847)	(4,655,410)
<b>Cash flows from financing activities</b>				
Net repayment of banking facilities	(11,353,000)	(6,555,000)	(11,353,000)	(6,555,000)
Net repayment of hire purchase	(49,434)	(195,650)	(49,434)	(195,650)
Net repayment of term loans	(2,129,495)	(1,493,162)	(2,129,495)	(1,493,162)
Payment of principal portion of lease liability	(979,248)	(1,003,351)	(979,248)	(1,003,351)
Net cash used in financing activities	(14,511,177)	(9,247,163)	(14,511,177)	(9,247,163)
<b>Net change in cash and cash equivalents</b>	(335,507)	(3,379,905)	(335,507)	(3,379,905)
<b>Cash and cash equivalents at beginning of year</b>	1,982,146	5,362,051	1,982,146	5,362,051
<b>Cash and cash equivalents at end of year</b>	1,646,639	1,982,146	1,646,639	1,982,146
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	1,646,639	3,872,660	1,646,639	3,872,660
Bank overdrafts	-	(1,890,514)	-	(1,890,514)
	1,646,639	1,982,146	1,646,639	1,982,146

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023

### 1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office and principal place of business of the Company is located at 22nd Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal activities of the Company consist of manufacturing and distribution of prestressed spun concrete piles and poles. The subsidiaries are dormant. There have been no significant changes in the nature of the principal activities during the year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 November 2023.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

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

The financial statements of the Group and of the Company have been prepared on a historical cost basis, unless otherwise disclosed in the significant accounting policies below or other notes to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Group and of the Company.

As at 31 August 2023, the Group's and the Company's current liabilities exceeded current assets by RM16,236,977 (2022: RM19,273,662) and RM16,227,740 (2022: RM19,195,544) 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 12 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

As of 1 September 2022, the Group and the Company adopted the following new and amended MFRSs and IC Interpretations (collectively referred to as "pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB"):

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Business Combinations (Reference to Conceptual Framework)	1 January 2022
Amendments to MFRS 116: Property, plant and equipment	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The initial adoption of abovementioned pronouncements did not have any material impact to the financial statements of the Group and the Company.

#### 2.3 Standard issued but not yet effective

The new and amendments to MFRSs and IC Interpretation that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 112: Income Taxes (Deferred Tax related to Assets and Liabilities from a Single Transaction)	1 January 2023
Amendments to MFRS 112: Income Taxes (International Tax Reform – Pillar Two Model Rules)	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements (Disclosure of Accounting Policies)	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 4: Insurance Contracts – Extensions of the Temporary Exemption from applying MFRS 9	1 January 2023

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements (Non-current liabilities with Covenants)	1 January 2024
Amendments to MFRS 16: Leases – Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows and MFRS 7 Disclosure of Financial Instruments – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial applications of the above are expected to have no significant impact on the financial statements of the Group and the Company in the period of initial application.

#### 2.4 Change in accounting policy for inventories from First-in-First-out method (FIFO) to Weighted Average method (WAC)

The Group and the Company re-assessed their accounting for inventories with respect to valuation of inventories. The Group and the Company had previously measured all inventories using the First-in-First-out (FIFO) method. On 1 September 2022, the Group and the Company elected to voluntarily change the method of valuing inventories to Weighted Average (WAC).

The directors believe that the WAC method would give fairer presentation of the results and financial position of the Group and the Company and provide more relevant and comparable information in enabling users to evaluate financial performance of the Group and the Company than the existing FIFO method. The WAC method is suitable since the inventory units are identical or nearly identical. The WAC method is also widely used by the peer group of companies and it is a prevalent practice within the industry.

The switch from FIFO to WAC method represents a change in accounting policy which must be accounted for retrospectively in the financial statements. Therefore, the change must be applied as if the new accounting policy was always in place.

Consequently, the Group and the Company had adjusted all comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.4 Change in accounting policy for inventories from First-in-First-out method (FIFO) to Weighted Average method (WAC) (Cont'd)

The effects of restatement on the consolidated statement of financial position as at 1 September 2021 are as follows:

	As previously stated RM	Adjustments RM	As restated RM
<b>Current assets</b>			
Inventories	32,236,008	396,162	32,632,170
<b>Equity</b>			
Accumulated losses	(13,818,281)	396,162	(13,422,119)

The effects of restatement on the consolidated statement of financial position as at 31 August 2022 are as follows:

#### Consolidated statement of financial position

	As previously stated RM	Adjustments RM	As restated RM
<b>Current assets</b>			
Inventories	34,389,475	234,791	34,624,266
<b>Equity</b>			
Accumulated losses	(13,443,438)	234,791	(13,208,647)

Reconciliation of the Group's statement of comprehensive income and statement of cash flows for the year ended 31 August 2022 are as follows:

#### Consolidated statement of comprehensive income

	As previously stated RM	Adjustments RM	As restated RM
Cost of sales	(117,159,932)	(161,371)	(117,321,303)

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.4 Change in accounting policy for inventories from First-in-First-out method (FIFO) to Weighted Average method (WAC) (Cont'd)

Reconciliation of the Group's statement of comprehensive income and statement of cash flows for the year ended 31 August 2022 are as follows: (Cont'd.)

##### Consolidated statement of cash flows

	As previously stated RM	Adjustments RM	As restated RM
<b>Cash flows from operating activities</b>			
Profit before taxation	505,525	(161,371)	344,154
Operating income before working capital changes	4,924,322	(161,371)	4,762,951
Working capital changes:			
Increase in inventories	(2,153,467)	161,371	(1,992,096)

The effects of restatement on the Company's statement of financial position as at 1 September 2021 are as follows:

##### Statement of financial position

	As previously stated RM	Adjustments RM	As restated RM
<b>Current assets</b>			
Inventories	32,236,008	396,162	32,632,170
<b>Equity</b>			
Accumulated losses	(13,744,195)	396,162	(13,348,033)

The effects of restatement on the Company's statement of financial position as at 31 August 2022 are as follows:

##### Statement of financial position

	As previously stated RM	Adjustments RM	As restated RM
<b>Current assets</b>			
Inventories	34,389,475	234,791	34,624,266
<b>Equity</b>			
Accumulated losses	(13,365,316)	234,791	(13,130,525)



# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.4 Change in accounting policy for inventories from First-in-First-out method (FIFO) to Weighted Average method (WAC) (Cont'd)

Reconciliation of the Company's statement of comprehensive income and statement of cash flows for the year ended 31 August 2022 are as follows:

##### Statement of comprehensive income

	As previously stated RM	Adjustments RM	As restated RM
Cost of sales	(117,159,932)	(161,371)	(117,321,303)

##### Statement of cash flows

	As previously stated RM	Adjustments RM	As restated RM
<b>Cash flows from operating activities</b>			
Profit before taxation	509,561	(161,371)	348,190
Operating income before working capital changes	4,928,358	(161,371)	4,766,987
Working capital changes:			
Increase in inventories	(2,153,467)	161,371	(1,992,096)

The change in accounting policy for inventories from FIFO to WAC resulting in a increase in inventories of the Group and of the Company by RM103,021 with lower cost of sales of RM103,021 to the consolidated net profit for the current financial year.

#### 2.5 Summary of significant accounting policies

##### (a) Subsidiaries and basis of consolidation

###### (i) Subsidiaries

Subsidiaries are entities controlled by the Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (a) Subsidiaries and basis of consolidation (Cont'd)

###### (ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (a) Subsidiaries and basis of consolidation (Cont'd)

###### (ii) Basis of consolidation (Cont'd)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

##### (b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised with any corresponding gain or loss recognised in profit or loss accordingly. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy of impairment losses is as stated in Note 2.5(f).

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each assets to its residual value over its estimated useful life 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

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Capital work in progress is not depreciated as these are not available for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in income statement.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (c) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. Investment properties under construction (IPUC) are measured at fair value, or where fair value cannot be determined reliably, are measured at cost less impairment.

Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gain or loss arising from changes in the fair values of investment properties is recognised in profit or loss in the year in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year in which it arises.

##### (d) Inventories

Inventories are stated at the lower of cost and net realisable value ("NRV"). Cost of finished goods and raw materials are determined using the weighted average cost method.

Cost includes actual cost of materials and incidentals in bringing inventories into store and in the case of manufactured inventories and work in progress, it also includes direct labour and attributable production overheads.

NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

##### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and of the Company's cash management.

##### (f) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (f) Impairment of non-financial assets (cont'd.)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

##### (g) Financial assets

###### Initial recognition and measurement

Financial assets are classified, at initial recognition, and measured at either amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (g) Financial assets

###### Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in three categories:

##### (i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and the Company's financial assets at amortised cost consists of cash and bank balances, trade and other receivables (excluding prepayment) and amounts due from subsidiaries.

##### (ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("OCI"), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with the net changes in fair value recognised in the statements of profit or loss.

The Group and the Company's financial assets at fair value through profit or loss consist of investment in quoted shares.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (g) Financial assets (Cont'd)

###### Subsequent measurement (Cont'd)

##### (iii) Financial assets at fair value through other comprehensive income (no recycling)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to income statement. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company have not designated any financial assets in this category.

##### (h) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a process to monitor the recoverability of the receivables, based on its historical credit loss experience and adjusted for forward looking factors specific to the debtors and the economic environment, if any.

The Group and the Company consider a financial asset in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (i) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade payables, other payables, lease liabilities and borrowings.

###### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gain or losses on liabilities held for trading are recognised in the statements of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

##### (ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (i) Financial liabilities

##### (ii) Financial liabilities at amortised cost (Cont'd)

###### Subsequent measurement

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

###### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### (j) Foreign currencies

##### (i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

##### (ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (k) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### (l) Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### (i) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	Over lease period of 29 - 68 years
Buildings	2 - 3 years
Offices	2 years
Stockyard	3 years

The right-of-use assets are also subject to impairment as disclosed in Note 2.5 (f).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (l) Leases (Cont'd)

###### (i) As lessee (Cont'd)

###### (b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised, by the Group and the Company, and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company are likely to exercise the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date if the implicit interest rate to the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

###### (c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of hostel (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

###### (ii) As lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Due to its operating nature, rental income arising from an operating lease is accounted for on a straight-line basis over the lease term, and is included in revenue in the statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (m) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

##### (n) Revenue recognition

The Group and the Company are in the business of manufacturing and distribution of prestressed spun concrete piles and poles. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

The Group and the Company have generally concluded that they are the principal in their revenue arrangements because they typically controls the goods or services before transferring them to the customer.

##### (i) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The sale of goods is either on cash terms or on credit terms of up to 90 to 120 days.

##### (ii) Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised in statement of comprehensive income on a straight line basis over the lease terms.

##### (iii) Dividend income

Dividend income is recognised when the shareholders' rights to receive payment is established.

##### (iv) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

##### (o) Employee benefits

##### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (o) Employee benefits (Cont'd.)

###### (ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

##### (p) Income taxes

###### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

###### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (p) Income taxes (Cont'd)

##### (ii) Deferred tax (Cont'd)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

##### (q) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

##### (r) Contract liabilities

A contract liability is the obligation to transfer goods and services to a customer for which the Group and the Company have received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Group and the Company transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and the Company perform services under the contract.

##### (s) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

##### (t) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

##### (i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.5 Summary of significant accounting policies (Cont'd)

##### (t) Fair value measurement

##### (ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

#### 2.6 Significant accounting estimates and judgements

The preparation of the Group's and 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 amount of the asset or liability affected in the future.

##### Key sources of estimation uncertainty

##### (i) Inventories

In determining the costing of inventories, management's judgement is required in determining the basis of finished goods valuation which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

##### (ii) Impairment losses of receivables

For financial assets, the Group applies a simplified approach in calculating an allowances for ECL. Therefore, the Group does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at each reporting date. The Group considers amongst others, its historical credit loss experience, adjusted for forward-looking macroeconomics factors.

The carrying amount of the Group and the Company receivables as at 31 August 2023 is disclosed in Note 16.

##### (iii) Valuation of investment properties

The investment properties of the Group and the Company are measured at fair value. This requires an estimation of the fair values. The fair values of investment properties have been derived using the comparison approach. Estimate is required in selecting any comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, property size and other relevant characteristics.

##### (iv) Impairment of property, plant and equipment and right-of-use assets

The Group and the Company assessed at each reporting date whether there is any indication that the CGU of the property, plant and equipment and right-of-use assets may be impaired. The Group and the Company estimated the recoverable amount of all its CGU based on fair value less costs of disposal method.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 2. Significant accounting policies (Cont'd)

#### 2.6 Significant accounting estimates and judgements (Cont'd)

##### (iv) Impairment of property, plant and equipment and right-of-use assets (Cont'd)

Fair value is obtained from valuation reports performed by independent professional valuer based on best information available. Significant estimate is involved in deriving the fair value as there are possible variations in the basis and assumptions used by the valuer.

### 3. Revenue

	<b>Group/Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Sales of goods	132,680,356	148,276,585
<b>Geographical markets</b>		
Malaysia	79,779,679	132,486,673
Southeast Asia	52,900,677	15,789,912
<b>Total revenue from contracts with customers</b>	<b>132,680,356</b>	<b>148,276,585</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	132,680,356	148,276,585

#### Performance obligation

The Group is in the business of manufacturing and distribution of prestressed spun concrete piles and poles.

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 90 to 120 days (2022: 90 to 120 days).

### 4. Finance costs

	<b>Group/Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Interest expense</b>		
- term loans	77,301	317,580
- bank overdrafts	69,706	176,916
- revolving credit	137,685	193,421
- bankers' acceptances	547,213	518,130
- invoice financing	6,712	12,815
- letter of credit	21,884	17,158
- hire purchase	45,843	13,842
- lease interest	33,104	65,046
	<b>939,448</b>	<b>1,314,908</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 5. Profit before tax

Profit before tax is stated after charging/(crediting):

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Staff costs (Note 6)	23,365,650	22,412,049	23,365,650	22,412,049
Non-executive directors' remuneration (Note 7)	106,000	101,787	106,000	101,787
Auditors' remuneration:				
Statutory audit	253,000	228,000	250,000	225,000
Other services	12,500	12,500	12,500	12,500
Depreciation of property, plant and equipment (Note 10)	1,794,520	1,899,588	1,794,520	1,899,588
Depreciation of right-of-use assets (Note 11)	1,360,134	1,337,779	1,360,134	1,337,779
Allowance for expected credit losses (Note 16)	303,474	498,064	303,474	498,064
Reversal of allowance for expected credit losses for trade receivables (Note 16)	(854,201)	(107,535)	(854,201)	(107,535)
Expenses arising from leases:				
- short term lease	41,100	45,600	41,100	45,600
- low value assets	6,840	6,840	6,840	6,840
Hire of machinery	289,274	386,051	289,274	386,051
Inventories written down	146,511	-	146,511	-
Written off of amount due from subsidiaries	-	-	71,881	-
Realised foreign exchange gain	(37,330)	(183,312)	(37,330)	(183,312)
Unrealised foreign exchange loss	9,520	9,340	9,520	9,340
Rental income	(314,450)	(316,043)	(314,450)	(316,043)
Interest income	(629)	(186,504)	(629)	(186,504)
Gain on fair value for investment properties	(260,000)	(57,000)	(260,000)	(57,000)
Written off of property, plant and equipment	125	-	125	-
Loss on disposal for property, plant and equipment	-	597	-	597

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 6. Staff costs

Profit before tax is stated after charging/(crediting):

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Wages and salaries	21,730,957	21,061,906
Pension costs - defined contribution plan	704,419	677,786
Social security contributions	163,324	160,422
Other staff related expenses	766,950	511,935
	<b>23,365,650</b>	<b>22,412,049</b>

Included in staff costs of the Group and of the Company is Executive Director's remuneration amounting to RM594,949 (2022: RM522,428) as further disclosed in Note 7.

### 7. Directors' remuneration

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
<b>Executive director's remuneration (Note 6)</b>		
Salaries and other emoluments	594,949	522,428
<b>Non-executive directors (Note 5)</b>		
Fees and other emoluments	106,000	101,787
<b>Total Directors' remuneration</b>	<b>700,949</b>	<b>624,215</b>

The details of the remuneration received/receivable by Directors of the Group and the Company during the year are as follows:

	<b>Salary and other emoluments RM</b>	<b>Fees RM</b>	<b>Total RM</b>
<b>At 31 August 2023</b>			
<b>Executive</b>			
- Leong Kway Wah	574,949	20,000	594,949
<b>Non-executive</b>			
- Abdul Khudus Bin Mohd Naaim	36,000	25,000	61,000
- Datin Sabrina Ainie	-	15,000	15,000
- Abdul Rahman Bin Siraj	-	15,000	15,000
- Dato' Ir Dr Abdul Aziz Bin Arshad	-	15,000	15,000
	<b>36,000</b>	<b>70,000</b>	<b>106,000</b>
<b>Total directors' remuneration</b>	<b>610,949</b>	<b>90,000</b>	<b>700,949</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 31 AUGUST 2023 (CONT'D)

#### 7. Directors' remuneration (Cont'd)

	Salary and other emoluments RM	Fees RM	Total RM
<b>At 31 August 2022</b>			
<b>Executive</b>			
- Leong Kway Wah	502,428	20,000	522,428
<b>Non-executive</b>			
- Abdul Khudus Bin Mohd Naaim	36,000	25,000	61,000
- Dennis Xavier	-	5,625	5,625
- Datin Sabrina Ainie	-	10,081	10,081
- Abdul Rahman Bin Siraj	-	10,081	10,081
- Dato' Ir Dr Abdul Aziz Bin Arshad	-	15,000	15,000
	36,000	65,787	101,787
Total directors' remuneration	538,428	85,787	624,215

#### 8. Taxation

	<b>Group</b>		<b>Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>	<b>2023 RM</b>	<b>2022 RM</b>
Malaysian income tax				
- current year	75,619	130,682	75,619	130,682
- underprovision in prior year	1,008	-	1,008	-
	76,627	130,682	76,627	130,682

Domestic current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 8. Taxation (Cont'd)

Reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		<b>Restated</b>
Profit before tax	1,154,455	344,154	1,085,574	348,190
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	277,069	82,597	260,538	83,566
Effect of different tax rate on fair value adjustment on investment properties	(36,400)	(7,980)	(36,400)	(7,980)
Expenses not deductible for tax purposes	1,001,135	456,335	1,017,666	455,366
Utilisation of previously unrecognised deferred tax asset	(1,166,185)	(419,510)	(1,166,185)	(419,510)
Underprovision of income tax in prior year	1,008	-	1,008	-
	76,627	111,442	76,627	111,442
Real Property Gains Tax ("RPGT")	-	(19,240)	-	(19,240)
Income tax expense	(76,627)	(130,682)	(76,627)	(130,682)

### 9. Earnings per share

Earnings per share is calculated by dividing the profit for the year of RM1,077,828 (2022: RM213,472) for the Group on the number of ordinary shares in issue during the year of 74,625,000 (2022: 74,625,000).

Fully diluted earnings per share is not presented as there are no potential dilutive shares.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 10. Property, plant and equipment

Group/Company	Buildings RM	Plant and machinery RM	Motor vehicles RM	Office, factory and laboratory equipment RM	Furniture, fixtures and fittings RM	Capital work in Progress RM	Total RM
<b>Cost</b>							
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	-	1,664,875	-	73,076	-	528,206	2,266,157
Write off	-	(11,215,241)	(177,080)	(46,677)	-	-	(11,438,998)
At 31 August 2023	27,012,445	62,091,011	1,884,924	1,824,296	1,494,509	2,737,223	97,044,408
<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 year (Note 5)	460,548	1,230,152	9,337	78,541	15,942	-	1,794,520
Write off	-	(11,215,121)	(177,080)	(46,672)	-	-	(11,438,873)
At 31 August 2023	13,246,313	54,246,171	1,884,901	1,557,313	1,459,893	-	72,394,591
<b>Net carrying amount</b>	13,766,132	7,844,840	23	266,983	34,616	2,737,223	24,649,817

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

Group/Company	Buildings RM	Plant and machinery RM	Motor vehicles RM	Office, factory and laboratory equipment RM	Furniture, fixtures and fittings RM	Capital work in Progress RM	Total RM
<b>Cost</b>							
At 1 September 2021	27,012,445	70,251,400	2,062,004	1,785,421	1,477,969	-	102,589,239
Additions	-	1,389,977	-	18,426	16,540	2,209,017	3,633,960
Disposal	-	-	-	(5,950)	-	-	(5,950)
At 31 August 2022	27,012,445	71,641,377	2,062,004	1,797,897	1,494,509	2,209,017	106,217,249
<b>Accumulated depreciation</b>							
At 1 September 2021	12,185,215	63,085,635	2,041,445	1,403,596	1,428,818	-	80,144,709
Charge for the year (Note 5)	600,550	1,145,505	11,199	127,201	15,133	-	1,899,588
Disposal	-	-	-	(5,353)	-	-	(5,353)
At 31 August 2022	12,785,765	64,231,140	2,052,644	1,525,444	1,443,951	-	82,038,944
<b>Net carrying amount</b>	14,226,680	7,410,237	9,360	272,453	50,558	2,209,017	24,178,305

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

- (a) Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use as follows:

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Plant and machinery	46,230,952	56,738,102
Factory building	3,985,017	313,978
Motor vehicles	1,884,924	2,006,005
Office, factory and laboratory equipment	1,258,768	1,061,292
Furniture, fixtures and fittings	1,396,945	1,378,553
	54,756,606	61,497,930

- (b) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 21) are as follows:

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Factory buildings	6,108,076	10,184,156

- (c) During the financial year, the Group and the Company acquired property, plant and equipment by the following means:

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Cash	1,576,476	3,361,246
Hire purchase	689,681	272,714
	2,266,157	3,633,960

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 22.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 11. Right-of-use assets

	Leasehold land RM	Offices RM	Buildings RM	Stockyard RM	Total RM
<b>Group/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	993,712
Derecognition	-	(2,651,490)	(162,375)	(125,619)	(2,939,484)
At 31 August 2023	21,787,972	760,704	456,283	192,897	23,197,856
<b>Accumulated depreciation</b>					
At 1 September 2022	7,999,158	1,999,587	226,332	77,305	10,302,382
Charge for the year (Note 5)	444,685	679,328	129,098	107,023	1,360,134
Derecognition	-	(2,651,490)	(162,375)	(125,619)	(2,939,484)
At 31 August 2023	8,443,843	27,425	193,055	58,709	8,723,032
<b>Net carrying amount</b>	13,344,129	733,279	263,228	134,188	14,474,824

	Leasehold land RM	Offices RM	Buildings RM	Stockyard RM	Total RM
<b>Group/Company</b>					
<b>Cost</b>					
At 1 September 2021	20,307,304	2,691,144	549,078	290,420	23,837,946
Additions	1,480,668	49,365	123,101	125,619	1,778,753
Derecognition	-	(39,654)	(142,997)	(290,420)	(473,071)
At 31 August 2022	21,787,972	2,700,855	529,182	125,619	25,143,628
<b>Accumulated depreciation</b>					
At 1 September 2021	7,586,610	1,359,734	242,398	248,932	9,437,674
Charge for the year (Note 5)	412,548	679,507	126,931	118,793	1,337,779
Derecognition	-	(39,654)	(142,997)	(290,420)	(473,071)
At 31 August 2022	7,999,158	1,999,587	226,332	77,305	10,302,382
<b>Net carrying amount</b>	13,788,814	701,268	302,850	48,314	14,841,246



# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use as follows:

	<b>Group/Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Leasehold land	3,826,185	7,940,202

### 12. Investment properties

	<b>Lands and buildings RM</b>	<b>Investment property under construction RM</b>	<b>Total RM</b>
<b>Group/Company</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
At 1 September 2021	12,948,000	1,091,500	14,039,500
Additions	-	218,300	218,300
Fair value adjustment	57,000	-	57,000
At 31 August 2022	13,005,000	1,309,800	14,314,800

The lands and buildings are stated at fair value, which have been determined based on valuation performed by an independent professional valuer.

Included in investment properties are residential properties received in settlement of certain trade receivables and commercial properties leased to third parties.

Investment property under construction is residential property under construction received in settlement of certain trade receivables in prior year.

Investment properties with fair value of RM7,000,000 (2022: RM6,750,000) are pledged as securities for borrowings (Note 21).

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

	<b>Group/Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Rental income derived from investment property	314,450	7,940,202
Direct operating expenses generating rental income (included in other operating expenses)	(28,986)	(44,755)
Profit arising from investment property carried at fair value	285,464	271,288

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### Fair value information

Fair values of investment properties are categorised as follows:

	2023 RM	2022 RM Restated	2023 RM	2022 RM Restated
<b>2023</b>				
- Shoplots	-	-	7,350,000	7,350,000
- Apartments	-	-	3,776,000	3,776,000
- Houses	-	-	1,290,000	1,290,000
- Land	-	-	849,000	849,000
	-	-	13,265,000	13,265,000
<b>2022</b>				
- Shoplots	-	-	7,090,000	7,090,000
- Apartments	-	-	3,776,000	3,776,000
- Houses	-	-	1,290,000	1,290,000
- Land	-	-	849,000	849,000
	-	-	13,005,000	13,005,000

#### Fair value information

##### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Level 3 fair values of investment properties have been generally derived using the sales comparison approach with adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") and are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties are the adjustment factors, ranging between -20% and 23% (2022: -20% and 21%) of the respective comparative prices.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 AUGUST 2023 (CONT'D)

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

##### Fair value information (Cont'd.)

##### Significant unobservable valuation input

	Group/Company	
	2023 RM	2022 RM
Price per square foot		
- Shoplots	285 - 3,889	277 - 3,750
- Apartments	149 - 500	149 - 500
- Houses	29 - 319	29 - 319
- Land	17 - 21	17 - 21

Significant increase/(decrease) in estimated price per square foot would result in a significant higher/(lower) fair value.

#### 13. Investment in subsidiaries

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost	4	4

Details of subsidiary companies are as follows:

	Country of incorporation	Principal activities	Group effective equity interest	
			2023 %	2022 %
Concrete Engineering Products Management Sdn. Bhd.	Malaysia	Dormant	100	100
Concrete Engineering Products Marketing Sdn. Bhd.	Malaysia	Dormant	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 14. Other investment

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Fair value through profit or loss investment:		
Quoted shares in Malaysia	26,139,600	28,753,560

Other investment relate to investment in quoted shares of Inch Kenneth Kajang Rubber Public Limited Company ("IKKR"), a corporate shareholder. This represents 15% (2022: 15%) of the issued and fully paid up capital of IKKR. 40,000,000 units of quoted shares (2022: 40,000,000 units) are pledged as security for bank facilities as disclosed in Note 21.

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.

### 15. Inventories

	<b>Group/Company</b>		
	<b>As at 31.8.2023 RM</b>	<b>As at 31.8.2022 RM Restated</b>	<b>As at 1.9.2021 RM Restated</b>
<b>At cost:</b>			
Finished goods	14,649,141	14,879,970	15,825,767
Raw materials	16,953,840	19,744,296	16,806,403
	31,602,981	34,624,266	32,632,170
<b>At net realisable value:</b>			
Finished goods	91,616	-	-
	31,694,597	34,624,266	32,632,170

During 2023, RM146,511 (2022: nil) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 16. Trade and other receivables

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Trade receivables	19,287,030	20,329,607
Less: Allowance for expected credit losses	(302,796)	(2,514,633)
	18,984,234	17,814,974
Other receivables:		
Deposits	1,012,084	311,537
Prepayments	1,648,326	1,885,792
Sundry receivables	597,090	190,936
Less: Allowance for expected credit losses	-	(63,098)
	3,257,500	2,325,167
<b>Total trade and other receivables</b>	<b>22,241,734</b>	<b>20,140,141</b>

The Group's and the Company's trade credit term ranges from 90 to 120 days (2022: 90 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Group and the Company are amounts of RM7,897,930 (2022: RM4,348,203), arising from one customer which contributed to approximately 42% (2022: 24%) of the total trade receivables as at the reporting date. Other than the above, the Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

The Group has applied a simplified approach in calculating loss allowances for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The Group estimated the loss allowance on trade receivables by applying an ECL rate at each reporting date. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of the counterparty's current financial position.

	<b>Gross amount RM</b>	<b>ECL RM</b>	<b>Net amount RM</b>	<b>ECL Rate</b>
<b>2023</b>				
Current	6,612,839	-	6,612,839	0%
1 to 30 days past due	9,011,192	-	9,011,192	0%
31 to 60 days past due	1,548,035	-	1,548,035	0%
61 to 90 days past due	922,503	-	922,503	0%
91 to 120 days past due	170,745	-	170,745	0%
More than 120 days past due	1,021,716	(302,796)	718,920	30%
	19,287,030	(302,796)	18,984,234	

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 16. Trade and other receivables (Cont'd)

	Gross amount RM	ECL RM	Net amount RM	ECL Rate
<b>2022</b>				
Current	16,800,613	-	16,800,613	0%
1 to 30 days past due	245,789	-	245,789	0%
31 to 60 days past due	81,302	-	81,302	0%
61 to 90 days past due	17,700	-	17,700	0%
More than 90 days past due	3,184,203	(2,514,633)	669,570	79%
	20,329,607	(2,514,633)	17,814,974	

	Group/Company 2023 RM	2022 RM
As at 1 September 2022/2021	2,514,633	2,124,104
Allowance for expected credit losses (Note 5)	303,474	498,064
Reversal of allowance for expected credit losses (Note 5)	(854,201)	(107,535)
Bad debt written off	(1,661,110)	-
As at 31 August	302,796	2,514,633

Movement in the other receivables allowance account:

	Group/Company 2023 RM	2022 RM
As at 1 September 2022/2021	-	63,098
Bad debts written off	-	(63,098)
As at 31 August	-	-

Trade and other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 16. Trade and other receivables (Cont'd)

The currency profile of trade receivables is as follows:

	Group/Company	
	2023 RM	2022 RM
Ringgit Malaysia	14,411,058	18,243,245
United States Dollar	4,875,972	-
Singapore Dollar	-	2,086,362
	19,287,030	20,329,607

### 17. Amount due from subsidiaries

The amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

### 18. Cash and bank balances

	Group/Company	
	2023 RM	2022 RM
Cash at banks and on hand	1,646,639	3,872,660

### 19. Share capital

	Number of ordinary shares		Amount	
	2023	2022	2023 RM	2022 RM
<b>Issued and fully paid:</b>				
1 September/31 August	74,625,000	74,625,000	75,344,833	75,344,833

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 20. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
As at 1 September 2022/2021	917,068	1,557,288
Additions	993,712	298,085
Accretion of interest	33,104	65,046
Payments	(979,248)	(1,003,351)
As at 31 August	964,636	917,068
Current	908,018	867,364
Non-current	56,618	49,704
	964,636	917,068

The following are the amounts recognised in profit or loss:

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Depreciation expense of right-of-use assets	1,360,134	1,337,779
Interest expense on lease liabilities	33,104	65,046
Expense relating to short-term leases	41,100	45,600
Expense relating to leases of low-value-assets	6,840	6,840
	1,441,178	1,455,265

The Group had total cash outflows for leases of RM979,248 (2022: RM1,003,351). The Group also had non-cash additions to right-of-use assets of RM993,712 (2022: RM298,085).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 21. Borrowings

	Group/Company	
	2023 RM	2022 RM
<b>Long term borrowings</b>		
Secured:		
- Hire purchase (Note 22)	331,432	212,184
- Term loans	-	416,175
	331,432	628,359
<b>Short term borrowings</b>		
Secured:		
- Revolving credit facilities	-	3,500,000
- Hire purchase (Note 22)	820,344	299,345
- Bankers' acceptances	772,000	10,259,000
- Invoice financing	182,000	574,000
- Term loans	417,501	2,130,821
- Bank overdrafts	-	1,890,514
	2,191,845	18,653,680
Unsecured:		
- Bankers' acceptances	3,506,000	1,480,000
Total short term borrowings	5,697,845	20,133,680

	Group/Company	
	2023 RM	2022 RM
<b>Total borrowings</b>		
Secured:		
- Revolving credit facilities	-	3,500,000
- Hire purchase (Note 22)	1,151,776	511,529
- Bankers' acceptances	772,000	10,259,000
- Invoice financing	182,000	574,000
- Term loans	417,501	2,546,996
- Bank overdrafts	-	1,890,514
	2,523,277	19,282,039
Unsecured:		
- Bankers' acceptances	3,506,000	1,480,000
	6,029,277	20,762,039
Maturity of total borrowings:		
Not later than 1 year	5,697,845	20,133,680
Later than 1 year and not later than 2 years	331,432	628,359
	6,029,277	20,762,039

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 21. Borrowings (Cont'd)

The range of effective interest rates during the financial year for borrowings were as follows:

	Group/Company	
	2023 %	2022 %
Hire purchase	3.15 – 3.35	3.15 – 3.51
Bankers' acceptances	3.94 – 7.58	3.06 – 5.30
Invoice financing	6.97	6.09 – 8.95
Revolving credit facilities	4.24 – 5.40	3.95 – 5.12
Term loans	6.17 – 6.67	4.81 – 7.67
Bank overdrafts	6.52 – 7.61	5.14 – 7.63

	Note (i) RM	Note (ii) RM	Note (iii) RM	Total secured borrowings RM
<b>Facilities</b>				
<b>31 August 2023</b>				
Bankers acceptance	772,000	-	-	772,000
Invoice financing	182,000	-	-	182,000
Term loans	-	417,501	-	417,501
<b>31 August 2022</b>				
Revolving credit	-	-	3,500,000	3,500,000
Bankers acceptance	921,000	-	9,338,000	10,259,000
Invoice financing	574,000	-	-	574,000
Term loans	401,819	2,145,177	-	2,546,996
Bank overdrafts	-	-	1,890,514	1,890,514

#### Note (i)

The facilities with a licensed bank are secured by way of first legal charge over an investment property in Bangsar with a net book value of RM7,000,000 (2022: RM6,750,000) as disclosed in Note 12.

#### Note (ii)

The facilities with a licensed bank are secured by way of:

	Group/Company	
	2023 RM	2022 RM
First party second legal charge over properties in Rawang:		
- leasehold land (Note 11)	3,826,185	3,961,699
- factory building (Note 10)	6,108,076	6,290,170

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 21. Borrowings (Cont'd)

#### Note (iii)

		Group/Company	
		2023 RM	2022 RM
(a)	First legal charge over properties in Nilai:		
	- leasehold land (Note 11)	-	1,530,211
	- factory building (Note 10)	-	1,975,448
(b)	First legal charge over properties in Batang Kali:		
	- leasehold land (Note 11)	-	2,448,292
	- factory building (Note 10)	-	1,918,538
(c)	Supplemental memorandum of deposit over investment in quoted shares as disclosed in Note 14.		

#### Change in liabilities arising from financing activities

	At 1 September 2022 RM	Net repayment RM	Others RM	At 31 August 2023 RM
<b>Group/Company</b>				
Hire purchase	511,529	(49,434)	689,681	1,151,776
Term loans	2,546,996	(2,129,495)	-	417,501
Revolving credit facilities	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
	18,871,525	(13,531,929)	689,681	6,029,277

	At 1 September 2021 RM	Net repayment RM	Others RM	At 31 August 2022 RM
<b>Group/Company</b>				
Hire purchase	144,464	(195,650)	272,714	511,529
Term loans	4,040,158	(1,493,612)	-	2,546,546
Revolving credit facilities	5,000,000	(1,500,000)	-	3,500,000
Bankers' acceptances	16,053,000	(4,314,000)	-	11,739,000
Invoice financing	1,315,000	(741,000)	-	574,000
	26,552,622	(8,244,262)	272,714	18,871,075

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 22. Hire purchase

#### Note (iii)

The facilities with a licensed bank are secured by way of:

	Group/Company	
	2023 RM	2022 RM
<b>Future minimum lease payments:</b>		
Not later than 1 year	846,044	303,851
Later than 1 year and not later than 2 years	361,516	234,460
Total future minimum lease payments	1,207,560	538,311
Less: Future finance charges	(55,784)	(26,782)
Present value of hire purchase liabilities	1,151,776	511,529
<b>Analysis of present value of hire purchase liabilities:</b>		
Not later than 1 year	820,344	299,345
Later than 1 year and not later than 2 years	331,432	212,184
	1,151,776	511,529
Less: Amount due within 12 months (Note 21)	(820,344)	(299,345)
Amount due after 12 months (Note 21)	331,432	212,184

### 23. Deferred tax liabilities

	Group/Company	
	2023 RM	2022 RM
At 1 September 2022/2021	-	-
Recognised in profit or loss (Note 8)	-	-
At 31 August	-	-
<b>Presented after appropriate offsetting as follows:</b>		
Deferred tax liabilities	3,246,508	2,495,792
Deferred tax assets	(3,246,508)	(2,495,792)
	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 31 AUGUST 2023 (CONT'D)

#### 23. Deferred tax liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets during the year for the Group and the Company were as follows:

##### Deferred tax liabilities

	Property, plant and equipment RM	Fair value adjustment on investment properties RM	Right-of-use assets RM	Total RM
At 1 September 2022	2,069,524	373,300	52,968	2,495,792
Charged to profit or loss	554,979	26,000	169,737	750,716
At 31 August 2023	2,624,503	399,300	222,705	3,246,508
At 1 September 2021	1,831,073	367,600	31,232	2,229,905
Charged to profit or loss	238,451	5,700	21,736	265,887
At 31 August 2022	2,069,524	373,300	52,968	2,495,792

##### Deferred tax assets

	Lease liabilities RM	Provisions RM	Total RM
At 1 September 2022	(69,887)	(2,425,905)	(2,495,792)
Charged to profit or loss	(161,626)	(589,090)	(750,716)
At 31 August 2023	(231,513)	(3,014,995)	(3,246,508)
At 1 September 2021	(54,276)	(2,175,629)	(2,229,905)
Charged to profit or loss	(15,611)	(250,276)	(265,887)
At 31 August 2022	(69,887)	(2,425,905)	(2,495,792)

Deferred tax assets have not been recognised in respect of the following items:

	Group/Company	
	2023 RM	2022 RM
Unutilised tax losses	13,414,921	16,405,671
Unabsorbed capital allowances	9,561,307	11,429,663
Unutilised allowance for increased exports	9,100,801	9,100,801
	32,077,029	36,936,135

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 23. Deferred tax liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits of the Company will be available against which the deductible temporary differences can be utilised.

The unutilised tax losses, unabsorbed capital allowances, and unutilised allowance for increased exports of the Group are available for offsetting against future taxable profits of the respective entities within the Group. The unutilised tax losses can be carried forward for a period of 10 years effective from year of assessment 2019. The unabsorbed capital allowances and unutilised allowance for increased exports can be carried forward indefinitely. All are subject to no substantial changes in the shareholding of the Company under the Income Tax Act, 1967.

The unabsorbed tax losses, unutilised capital allowances, and unutilised allowance for increased exports of the Group are available for offsetting against future taxable profits of the Group as follows:

	<b>Group/Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Utilisation period		
Indefinite	18,662,108	20,530,464
Within 6 years for recognition	3,296,862	-
Within 7 years for recognition	10,118,059	6,287,612
Within 8 years for recognition	-	10,118,059
	<b>32,077,029</b>	<b>36,936,135</b>

### 24. Trade and other payables

	<b>Group</b>		<b>Company</b>	
	<b>2023 RM</b>	<b>2022 RM Restated</b>	<b>2023 RM</b>	<b>2022 RM Restated</b>
<b>Trade payables</b>				
Third parties	40,390,033	32,543,196	40,390,033	32,543,196
Accruals	579,236	641,855	579,236	641,855
	<b>40,969,269</b>	<b>33,185,051</b>	<b>40,969,269</b>	<b>33,185,051</b>
<b>Other payables</b>				
Third parties	20,582,041	23,101,841	20,582,041	23,101,841
Accruals	2,006,287	1,910,885	1,997,050	1,901,647
	<b>22,588,328</b>	<b>25,012,726</b>	<b>22,579,091</b>	<b>25,003,488</b>
<b>Total trade and other payables</b>	<b>63,557,597</b>	<b>58,197,777</b>	<b>63,548,360</b>	<b>58,188,539</b>

The normal trade credit terms granted to the Group and to the Company range from 90 to 120 days (2022: 90 to 120 days).



## NOTES TO THE FINANCIAL STATEMENTS

### 31 AUGUST 2023 (CONT'D)

#### 24. Trade and other payables (Cont'd)

The currency profile of trade payables is as follows:

	Group/Company	
	2023 RM	2022 RM
Ringgit Malaysia	40,609,635	31,199,836
China Renminbi	359,634	1,985,215
	40,969,269	33,185,051

#### 25. Contract liabilities

	Group/Company	
	2023 RM	2022 RM
Deferred income	2,991,040	-

Deferred income relates to advance payments received from customers.

#### 26. Segment reporting

The Group has one operating segment of which the activities comprise principally the manufacturing and distribution of prestressed spun concrete piles and poles and are conducted predominantly in Malaysia.

##### Geographical information

Revenue information based on geographical location of customers' country of incorporation are as follows:

	Group/Company	
	2023 RM	2022 RM
Malaysia	79,779,679	132,486,673
Southeast Asia	52,900,677	15,789,912
	132,680,356	148,276,585

##### Information about a major customer

Revenue from a major customer amounted to RM41,139,227 (2022: RM57,269,671).

#### 27. Key management personnel

The Company defines key management personnel as its Directors whose remunerations are detailed in Note 7.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 28. Financial instruments

#### Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies of the Group described how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analysed the financial assets and liabilities at the reporting date by the classes of financial instruments to which they are assigned, and therefore by the measurement basis.

	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Financial liabilities at amortised cost RM	Amortised cost RM
<b>Group</b>				
<b>31 August 2023</b>				
<b>Assets</b>				
Other investment	-	26,139,600	-	26,139,600
Trade and other receivables	20,593,408	-	-	20,593,408
Cash and bank balances	1,646,639	-	-	1,646,639
Total financial assets	22,240,047	26,139,600	-	48,379,647
Total non-financial assets				88,376,917
Total assets				136,756,564
<b>Liabilities</b>				
Borrowings	-	-	6,029,277	6,029,277
Lease liabilities	-	-	964,636	964,636
Trade and other payables	-	-	63,557,597	63,557,597
Total financial liabilities	-	-	70,551,510	70,551,510
Total non-financial liabilities				2,991,040
Total liabilities				73,542,550

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### Classification of financial instruments (Cont'd)

	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Financial liabilities at amortised cost RM	Amortised cost RM
<b>Group</b>				
<b>31 August 2022</b>				
<b>Assets</b>				
Other investment	-	28,753,560	-	28,753,560
Trade and other receivables	18,254,349	-	-	18,254,349
Cash and bank balances	3,872,660	-	-	3,872,660
Total financial assets	22,127,009	28,753,560	-	50,880,569
Total non-financial assets				91,132,501
Total assets				142,013,070
<b>Liabilities</b>				
Borrowings	-	-	20,762,039	20,762,039
Lease liabilities	-	-	917,068	917,068
Trade and other payables	-	-	58,197,777	58,197,777
Total financial liabilities	-	-	79,876,884	79,876,884
Total non-financial liabilities				-
Total liabilities				79,876,884

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### Classification of financial instruments (Cont'd)

	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Financial liabilities at amortised cost RM	Amortised cost RM
<b>Company</b>				
<b>31 August 2023</b>				
<b>Assets</b>				
Other investment	-	26,139,600	-	26,139,600
Trade and other receivables	20,593,408	-	-	20,593,408
Cash and bank balances	1,646,639	-	-	1,646,639
Total financial assets	22,240,047	26,139,600	-	48,379,647
Total non-financial assets				88,376,921
Total assets				136,756,568
<b>Liabilities</b>				
Borrowings	-	-	6,029,277	6,029,277
Lease liabilities	-	-	964,636	964,636
Trade and other payables	-	-	63,548,360	63,548,360
Total financial liabilities	-	-	70,542,273	70,542,273
Total non-financial liabilities				2,991,040
Total liabilities				73,533,313

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### Classification of financial instruments (Cont'd)

	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Financial liabilities at amortised cost RM	Amortised cost RM
<b>Company</b>				
<b>31 August 2022</b>				
<b>Assets</b>				
Other investment	-	28,753,560	-	28,753,560
Trade and other receivables	18,254,349	-	-	18,254,349
Amount due from subsidiaries	68,880	-	-	68,880
Cash and bank balances	3,872,660	-	-	3,872,660
Total financial assets	22,195,889	28,753,560	-	50,949,449
Total non-financial assets				91,132,505
Total assets				142,081,954
<b>Liabilities</b>				
Borrowings	-	-	20,762,039	20,762,039
Lease liabilities	-	-	917,068	917,068
Trade and other payables	-	-	58,188,539	58,188,539
Total financial liabilities	-	-	79,867,646	79,867,646
Total non-financial liabilities				-
Total liabilities				79,867,646

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 29. Fair value of financial instruments

#### (a) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	Note
Receivables	16
Amount due from subsidiaries	17
Cash and bank balances	18
Borrowings (current and non-current)	21
Payables	24

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to the relatively short term nature of these financial instruments.

The carrying amount of the current portion of borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

The fair value of quoted other investments is determined directly by reference to their published market price at the reporting date.

The fair value of non-current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

	2023		2022	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>Group/Company</b>				
<b>Financial liabilities</b>				
Long term borrowing				
- Hire purchase	331,432	312,406	212,184	200,004
- Term loans	-	-	416,175	370,394
	331,432	312,406	628,359	570,398

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

### 29. Fair value of financial instruments (Cont'd)

#### (b) Fair value hierarchy

The Group's and the Company's financial instruments carried at fair value are analysed as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

As at reporting date, the Group's and the Company's other investments and borrowings are classified as Level 1 and 2 respectively. The Group and the Company do not have any financial instrument classified as Level 3 as at 31 August 2023.

There was no material transfer between Level 1, Level 2 and Level 3 during the financial year.

### 30. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market price risk.

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.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institutions.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. Credit exposure is controlled by credit limits that are reviewed and approved by the Managing Director depending on the threshold of credit limit.

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group do not track changes in credit risk, but instead recognises a provision for impairment based on lifetime ECLs at each reporting date. Management monitors the recoverability of the receivables based on its historical credit loss experience and also considers available forward-looking information, which could indicate whether a customer is experiencing significant financial difficulty or it becomes probable that a customer will enter into bankruptcy or other financial reorganisation.



# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### (a) Credit risk (Cont'd)

The Group and the Company categorise a receivable for potential impairment when the customer fails to make contractual payments more than 120 days past due. The receivable is impaired if there is no reasonable expectation of recovery, such as the customer failing to engage in a repayment plan with the Group or the Company.

##### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position as disclosed in Note 28.

##### Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's net trade receivables at the reporting date are as follows:

	2023		2022	
	RM	% of total	RM	% of total
<b>Group/Company</b>				
<b>By country/region</b>				
Malaysia	14,104,494	74%	15,728,612	88%
Southeast Asia	4,879,740	26%	2,086,362	12%
	18,984,234	100%	17,814,974	100%

Exposure to expected credit losses increases with concentrations of credit risk which may exist when a number of counterparties are involved in similar activities or operate in the same industry sector or geographical area, which may result in their ability to meet contractual obligations being impacted by changes in economic, political or other conditions.

#### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. 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 objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Total RM
<b>2023</b>			
<b>Group</b>			
<b>Financial liabilities:</b>			
Trade and other payables	63,557,597	-	63,557,597
Lease liabilities	942,648	59,450	1,002,098
Borrowings	5,709,956	334,746	6,044,702
<b>Total undiscounted financial liabilities</b>	<b>70,210,201</b>	<b>394,196</b>	<b>70,604,397</b>
<b>Company</b>			
<b>Financial liabilities:</b>			
Trade and other payables	63,548,360	-	63,548,360
Lease liabilities	942,648	59,450	1,002,098
Borrowings	5,709,956	334,746	6,044,702
<b>Total undiscounted financial liabilities</b>	<b>70,200,964</b>	<b>394,196</b>	<b>70,595,160</b>
<b>2022</b>			
<b>Group</b>			
<b>Financial liabilities:</b>			
Trade and other payables	58,197,777	-	58,197,777
Lease liabilities	892,648	51,240	943,888
Borrowings	20,222,789	637,131	20,859,920
<b>Total undiscounted financial liabilities</b>	<b>79,313,214</b>	<b>688,371</b>	<b>80,001,585</b>
<b>Company</b>			
<b>Financial liabilities:</b>			
Trade and other payables	58,188,539	-	58,188,539
Lease liabilities	892,648	51,240	943,888
Borrowings	20,222,789	637,131	20,859,920
<b>Total undiscounted financial liabilities</b>	<b>79,303,976</b>	<b>688,371</b>	<b>79,992,347</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings.

The Group and the Company manage interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing the debt portfolio, taking into account the investment holding period and nature of its assets.

#### Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and the Company's profit before tax (through the impact on floating rate borrowings).

	Group/Company RM
<b>31 August 2023</b>	
Borrowings denominated in Ringgit Malaysia	
Interest rates increase by 0.25%	(15,073)
Interest rates decrease by 0.25%	15,073
<b>31 August 2022</b>	
Borrowings denominated in Ringgit Malaysia	
Interest rates increase by 0.25%	(51,905)
Interest rates decrease by 0.25%	51,905

#### (d) 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 instruments will fluctuate because of changes in market prices.

The Group and the Company are exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on Bursa Malaysia. These instruments are classified as fair value through profit or loss financial assets. The Group and the Company do not have exposure to commodity price risk.

The following table demonstrates the sensitivity to a reasonably possible change in market price, with all other variables held constant, of the Group's and the Company's profit before tax (through the impact on fair value through profit or loss).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### (d) Market price risk

	Group/Company RM
<b>31 August 2023</b>	
Investment in Malaysia	
Market price increase by 5%	1,306,980
Market price decrease by 5%	(1,306,980)
<b>31 August 2022</b>	
Investment in Malaysia	
Market price increase by 5%	1,437,678
Market price decrease by 5%	(1,437,678)

#### (e) Foreign currency risk

The Group and the Company are exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily China Renminbi (CNY), United States Dollar (USD) and Singapore Dollars (SGD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Functional currency of Group/Company	Group/Company RM
<b>31 August 2023</b>	
China Renminbi	(359,634)
United States Dollar	4,875,972
	4,516,338
<b>31 August 2022</b>	
China Renminbi	(1,985,215)
Singapore Dollar	2,086,362
	101,147

# NOTES TO THE FINANCIAL STATEMENTS

## 31 AUGUST 2023 (CONT'D)

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

#### (e) Foreign currency risk (Cont'd.)

With all other variables held constant, the following table demonstrates the sensitivity of the Group's and the Company's profit before taxation to a reasonably possible change in those exchange rates against the functional currency of the Group and the Company:

		<b>Group/Company</b>	
		<b>2023</b>	<b>2022</b>
		<b>RM</b>	<b>RM</b>
SGD/RM	- strengthen 3%	-	62,591
	- weaken 3%	-	(62,591)
CNY/RM	- strengthen 3%	(10,789)	(59,556)
	- weaken 3%	10,789	59,556
USD/RM	- strengthen 3%	146,279	-
	- weaken 3%	(146,279)	-

### 31. Capital management

The primary objective of the Group's and the Company's capital management is to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2023 and 31 August 2022.

The Group and the Company monitor capital using debt to equity ratio, which is total debts divided by total equity.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>Restated</b>		<b>Restated</b>
Total debts	6,993,913	21,679,107	6,993,913	21,679,107
Equity attributable to the owners of the parent	63,214,014	62,136,186	63,223,255	62,214,308
<b>Debt to equity ratio</b>	<b>11%</b>	<b>35%</b>	<b>11%</b>	<b>35%</b>

# ANALYSIS OF SHAREHOLDINGS

AS AT 27 NOVEMBER 2023

Issued Shares	:	74,624,608
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Shareholders	:	1,102 Shareholders

## A. DISTRIBUTION OF SHAREHOLDERS

	No. of Holders	%	No. of Shares	%
Less than 100	81	7.35	3,601	negligible
100 - 1,000	86	7.80	47,456	0.06
1,001 - 10,000	773	70.15	2,559,456	3.43
10,001 - 100,000	118	10.71	3,393,688	4.55
100,001 - less than 5% of issued shares	41	3.72	38,303,010	51.33
5% and above of issued shares	3	0.27	30,317,397	40.63
<b>Total</b>	<b>1,102</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>(i)</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:-

(i) 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 27 November 2023, none of the Directors have any shareholding in the Company either directly or indirectly.

## ANALYSIS OF SHAREHOLDINGS

### AS AT 27 NOVEMBER 2023 (CONT'D)

#### D. THIRTY (30) LARGEST REGISTERED SHAREHOLDERS

	<b>Name</b>	<b>No. of Shares</b>	<b>%</b>
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 Sec 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.	General Growth Sdn Bhd	1,937,333	2.60%
9.	Inch Kenneth Kajang Rubber Public Limited Company	1,669,000	2.24%
10.	Good Health Pharmacy Sdn Bhd	1,493,333	2.00%
11.	Norazlina Binti Awang	1,438,166	1.93%
12.	Masmanis Sdn Bhd	1,428,900	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.	Sumber Berkat Sdn Bhd	990,833	1.33%
20.	Kenanga Nominees (Tempatan) Sdn Bhd for Norazlina Binti Awang	979,166	1.31%
21.	Amsec Nominees (Tempatan) Sdn Bhd for Mohd Dzaki @ Mohd Zaki Bin Jaafar	886,666	1.19%
22.	Che Yam @ Rusnah Binti Hussin	841,833	1.13%
23.	Deal Trekker (M) Sdn Bhd	841,333	1.13%
24.	General Growth Sdn Bhd	605,166	0.81%
25.	Amsec Nominees (Tempatan) Sdn Bhd Ambank (M) Berhad for Ng Ah Chai	526,666	0.71%
26.	Temenggong Hotel Sdn Bhd	518,083	0.69%
27.	Muhammad Firdaus Bin Muhamad Fasri	515,340	0.69%
28.	Perhentian Island Resort Sdn Bhd	482,166	0.65%
29.	Zuraini Binti Alias	472,083	0.63%
30.	Ahmad Fauzi Bin Anuar @ Mohd Anuar	416,666	0.56%
		<b>65,489,742</b>	<b>87.76%</b>



# LIST OF PROPERTIES

	Location	Tenure	Residual Lease (Years)	Approximate Area	Description	Property Usage	Net Book Value 31-Aug-23 RM	Date of Acquisition (A) / Revaluation (R)
1	Lot 63, Bakar Arang Industrial Estate, Sg Petani, Kedah	Leasehold expiring in 2083	60	Land: 13.2 acres Built-up: 5,180 sqm	Single-storey office, an open sided single storey factory, canteen, laboratory, store and stockyard	Plant	3,231,113	31 August 1995 (A)
2	PLO 337, Jln Suasa, Pasir Gudang Industrial Estate, Pasir Gudang, Johor.	Leasehold expiring in 2050	27	Land: 7.5 acres Built-up: 7,000 sqm	Single-storey office, two single-storey factory buildings, boiler house, canteen, stockyard and jetty	Plant	4,262,448	31 August 1995 (A)
3	PLO 461, Jln Suasa, Pasir Gudang Industrial Estate, Pasir Gudang, Johor.	Leasehold expiring in 2053	30	Land: 2.5 acres	Stockyard	Stockyard	2,291,387	31 August 1995 (A)
4	PT 643, Batu 20, Jalan Ipoh, Rawang, Selangor.	Leasehold expiring in 2057	34	Land: 11.344 acres Built-up: 16,630 sqm	Double-storey office, canteen, store, laboratory, single-storey factory and stockyard	Plant	10,251,869	23 June 1993 (A)
*Property is currently charged for financing facilities								
5	Lot 7106, Kawasan Perindustrian Nilai, Nilai, Negeri Sembilan.	Leasehold expiring in 2089	66	Land: 6.707 acres Built-up: 6,370 sqm	Single-storey factory and office, canteen and stockyard	Plant	3,505,659	16 March 2007 (A)

## LIST OF PROPERTIES (CONT'D)

	Location	Tenure	Residual Lease (Years)	Approximate Area	Description	Property Usage	Net Book Value 31-Aug-23 RM	Date of Acquisition (A) / Revaluation (R)
6	HS(M) 1653, PT2100, Mukim Batang Kali, District of Hulu Selangor, Selangor.	Leasehold expiring in 2052	29	Land: 7.981 acres Built-up: 4,842 sqm	Single-storey factory and office, canteen, stockyard, boiler room, generator room and compressor room	Plant	4,366,758	25 August 2010 (A)
*Property is currently charged for financing facilities								
7	No. 11, Jalan 10/11, Perjiranan 10, Pasir Gudang, Johor.	Leasehold expiring in 2082	59	Land: 0.035 acres Built-up: 150 sqm	Residential double-storey house	Hostel	62,592	30 April 1992 (A)
8	No. 31, Jalan 10/11, Perjiranan 10, Pasir Gudang, Johor.	Leasehold expiring in 2082	59	Land: 0.035 acres Built-up: 150 sqm	Residential double-storey house	Hostel	62,592	8 September 1992 (A)
*Property is currently charged for financing facilities								
9	No. 42, Jalan 10/11, Perjiranan 10, Pasir Gudang, Johor.	Leasehold expiring in 2082	59	Land: 0.035 acres Built-up: 150 sqm	Residential double-storey house	Hostel	62,592	30 April 1992 (A)
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	33,120	28 April 1994 (A)
11	A-3-3, Block A, Taman Nilai Perdana, Nilai, Negeri Sembilan.	Freehold		Built-up: 60.7 sqm	Hostel	Hostel	17,280	27 May 2009 (A)

## LIST OF PROPERTIES (CONT'D)

	Location	Tenure	Residual Lease (Years)	Approximate Area	Description	Property Usage	Net Book Value 31-Aug-23 RM	Date of Acquisition (A) / Revaluation (R)
12	A-1-6, Block A, Taman Nilai Perdana, Nilai, Negeri Sembilan.	Freehold		Built-up: 60.7 sqm	Hotel	Hostel	17,280	25 August 2010 (A)
13	LA-3-2, Block LA, Taman Nilai Perdana, Nilai, Negeri Sembilan.	Freehold		Built-up: 60.7 sqm	Apartment	Hostel	17,280	27 May 2009 (A)
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 - Vacant	350,000	30 August 2023 (R)
15	Danau Putra Apartments Jalan Putra Perdana 5F, Taman Putra, Sepang, Selangor.	Leasehold expiring in 2092	71		Apartments	Rental property - Vacant		30 August 2023 (R)
	Unit 48-2A			Built-up: 76 sqm			122,000	
	Unit 48-2B			73 sqm			117,000	
	Unit 49-2A			69 sqm			111,000	
	Unit 49-2B			66 sqm			106,000	
	Unit 52-1B			66 sqm			110,000	
	Unit 52-1C			44 sqm			79,000	
	Unit 52-1D			73 sqm			123,000	
	Unit 53-2D			61 sqm			98,000	
	Unit 53-3B			66 sqm			100,000	
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	30 August 2023 (R)

## LIST OF PROPERTIES (CONT'D)

	Location	Tenure	Residual Lease (Years)	Approximate Area	Description	Property Usage	Net Book Value 31-Aug-23 RM	Date of Acquisition (A) / Revaluation (R)
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	30 August 2023 (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	30 August 2023 (R)
19	44 & 44A, Jalan Telawi 5, Bangsar Baru, Kuala Lumpur.	Freehold		Built-up: 332 sqm	Double-storey shop office	Rental property	7,000,000	30 August 2023 (R)
*Property is currently charged for financing facilities								
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	30 August 2023 (R)

## LIST OF PROPERTIES (CONT'D)

	Location	Tenure	Residual Lease (Years)	Approximate Area	Description	Property Usage	Net Book Value 31-Aug-23 RM	Date of Acquisition (A) / Revaluation (R)
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	30 August 2023 (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	30 August 2023 (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	30 August 2023 (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 2023 (R)

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting ("39th AGM")** of Concrete Engineering Products Berhad ("CEPCO" or the "Company") will be held at Bilik Perdana, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 50400 Kuala Lumpur on Thursday, 18 January 2024 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 2023 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 2023.
3. **Resolution 2**  
To re-elect Abdul Rahman bin Siraj who retires by rotation pursuant to Article 96 of the Company's Constitution, and being eligible, offers himself for re-election.
4. **Resolution 3**  
To appoint TGS TW PLT as the auditors of the company, to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the auditor's remuneration.

### SPECIAL BUSINESS

5. **Approval to Continue in Office as Independent Non-Executive Directors**

#### **Resolution 4**

Abdul Khudus bin Mohd Naaim

"THAT authority be and is hereby given to Abdul Khudus bin Mohd Naaim who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

6. **Resolution 5**

#### **Authority to Allot and Issue Shares pursuant to the Sections 75 and 76 of the 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)

AND THAT pursuant to Section 85 of the Act to be read together with Clause 3 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act."

### OTHER BUSINESS

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

### By order of the Board

**NORAKHMAR BINTI BAHAROM**

**LS 0001698**

**SSM PC NO. 201908003114**

Secretary

Kuala Lumpur

12 December 2023

### NOTES:

1. A member whose name appears in the Record of Depositors as at 11 January 2024 shall be regarded as Member of the Company entitled to attend the 39th AGM or appoint a proxy to attend and vote on his/her behalf.
2. 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.
3. 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.
4. 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 22nd Floor Menara KH (Promet), 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.
5. Any alteration in the Form of Proxy must be initialled.
6. All the Resolutions set out in the Notice of the 39th AGM will be put to a vote by poll pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities.

### EXPLANATORY NOTES ON ORDINARY BUSINESS

#### 1. Audited Financial Statements

The Audited Financial Statements for the financial year ended 31 August 2023 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.



# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## EXPLANATORY NOTES ON ORDINARY BUSINESS (CONT'D)

### 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 39th AGM on the Directors' fees.

### 3. Resolution 2– Re-appointment of Abdul Rahman bin Siraj

Pursuant to Section 205(3)(b) of the Act and in accordance 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 recommended that Abdul Rahman bin Siraj be re-appointed as Director of the Company.

### 4. Resolution 3 – Appointment of TGS TW PLT, as auditors of the Company

The Company's Audit Committee ("AC") conducted an assessment for the appointment of auditors via a Request of Proposal exercise. Following the evaluation of the proposals received from several reputable audit firms, the audit committee recommended to the Board that TGS TW PLT ("TGS TW") be appointed as the auditors of the Company and its subsidiary companies ("the Group") for the financial year ending 31 August 2024, in place of the outgoing auditors which have held office for more than 20 years.

The proposed change of auditors is in line with good governance and enables the Group to benefit from the fresh perspectives of another professional audit firm, thus enhancing the value of the audit of the Group. With the AC's recommendation, the Board has, on 24 November 2023, approved the appointment of TGS TW as the new auditors of the Group. The Board agreed that TGS TW has met the relevant criteria as prescribed under Paragraph 15.21 of the MMLR of Bursa Securities. TGS TW's appointment is subject to the approval of the shareholders at the 39th AGM. Upon approval of the shareholders, TGS TW shall hold office until the conclusion of the next AGM of the Company.

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### 5. Resolution 4 – Continuing in Office as Independent Non-Executive Director

Abdul Khudus bin Mohd Naaim have served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. In line with the Malaysian Code on Corporate Governance, upon assessment and recommendation of Remuneration and Nominating Committee, the rest of the Board members are of the unanimous opinion that Abdul Khudus bin Mohd Naaim should continue to act as Independent Non-Executive Director of the Company based on the following justification:

- a) He fulfills the criteria as Independent Director as defined in the Listing Requirements of Bursa Securities, and are therefore able to bring independent and objective judgement to the Board.
- b) His vast experience and their business and legal background enable him to provide the Board with a diverse set of expertise, skills, and competence.
- c) He understands the Company's business operations, which allow him to participate actively and contribute positively during deliberations or discussions at both the Committee and Board meetings.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## EXPLANATORY NOTES ON ORDINARY BUSINESS (CONT'D)

### 5. **Resolution 4 – Continuing in Office as Independent Non-Executive Director (Cont'd)**

- d) He devotes sufficient time and effort and attend all the Committees and Board Meetings for informed and balanced decision making.
- e) He exercise due care as Independent Directors of the Company and carry out his professional and fiduciary duties in the interest of the Company and its shareholders.

### 6. **Resolution 5 – Authority to Allot and Issue Shares pursuant to the Section 75 and 76 of the Companies Act 2016**

The proposed Resolution 5, 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 11 January 2023 and which will lapse at the conclusion of the 39th 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 Director standing for re-election at the 39th AGM of the Company pursuant to Article 96 of the Company's Constitution is Abdul Rahman bin Siraj
2. The profiles of the Director who are standing for re-election are set out on page 7 to 11 of this Annual Report.
3. The abovenamed Director 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. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. He has 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 6 of the Notice of the 39th 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 \_\_\_\_\_ (Full name in block) (NRIC/Company No. \_\_\_\_\_)

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

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

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

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

and / or\*

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

or failing him/her, the Chairman of the Meeting as \*my/our proxy to attend, speak and vote for me/us and my/our behalf at the 39th Annual General Meeting of the Company to be held at Bilik Perdana, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 50400 Kuala Lumpur on Thursday, 18 January 2024 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:-

ORDINARY RESOLUTIONS		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
1)	To approve the payment of Directors' fees.				
2)	To re-elect Abdul Rahman bin Siraj who retires pursuant to Article 96 of the Company's Constitution.				
3)	Appointment of TGS TW PLT, as auditors of the Company and to authorise the Directors to fix their remuneration.				
4)	<b>Special Business:</b> Approval to continue in office as Independent Non-Executive Director - Abdul Khudus bin Mohd Naa'im.				
5)	<b>Special Business:</b> To empower the Directors of the Company to issue shares pursuant to the Sections 75 and 76 of the 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:

- A member whose name appears in the Record of Depositors as at 11 January 2024 shall be regarded as Member of the Company entitled to attend the 39th 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 22nd Floor Menara KH (Promet), 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 initialed.
- All the Resolutions set out in the Notice of the 39th AGM will be put to a vote by poll pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities.

fold here for sealing



**CONCRETE ENGINEERING PRODUCTS BERHAD**  
**c/o MESTIKA PROJEK (M) SDN BHD**  
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