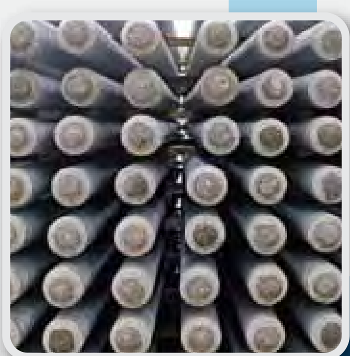
CONCRETE ENGINEERING PRODUCTS BERHAD
(Co. No. 88143-P)

2011

27th annual report

ADVANCING OUR POSITION



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Corporate Information

DIRECTORS

Dato' Syed Md Amin bin Syed Jan Aljeffri
Independent Non-Executive Chairman

Leong Kway Wah
Managing Director

Khoo Kay Ong
Executive Director

Dato' Daud bin Daros
Independent Non-Executive Director

Davinia a/p Rajadurai
Independent Non-Executive Director

Dennis Xavier
Independent Non-Executive Director

To' Puan Seri Hajjah Nur Rahmah bte Mohd Zain
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Syed Md Amin bin Syed Jan Aljeffri
Chairman

Dato' Daud bin Daros
Davinia a/p Rajadurai
Members

COMPANY SECRETARY

Norakhmar binti Baharom
LS 0001698

SHARE REGISTRAR

Mestika Projek (M) Sdn Bhd (225545-V)
22nd Floor Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2144 4446 Fax: 03-2141 8463

AUDITORS

Ernst & Young
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS

Hong Leong Bank Berhad
AmBank Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

22nd Floor Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2144 1066 Fax: 03-2144 4885
Website: http://www.cepco.com.my

HEAD OFFICE

22nd Floor Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2144 1066 Fax: 03-2144 4885

FACTORIES

Central Region
PT643 Batu 20 Jalan Ipoh
48000 Rawang
Selangor
Tel: 03-6091 4201 Fax: 03-6091 4287

Lot 7106 Kawasan Perindustrian Nilai
71800 Nilai
Negeri Sembilan
Tel: 06-7992 841 Fax: 06-7992 839

Lot A3 Kawasan Perindustrian MIEL
44300 Batang Kali
Selangor
Tel: 03-6057 1811 Fax: 03-6057 1817

Northern Region
Lot 63 Bakar Arang Industrial Estate
08000 Sungai Petani
Kedah
Tel: 04-4210 891 Fax: 04-4221 263

Southern Region
PLO 337 Jalan Suasa
Pasir Gudang Industrial Estate
81700 Pasir Gudang
Johor
Tel: 07-2511 048 Fax: 07-2514 066

Board of Directors

From left to right:

Sitting:

Dato' Daud bin Daros

Dato' Syed Md Amin bin Syed Jan Aljeffri

Leong Kway Wah

Standing:

To' Puan Seri Hajjah Nur Rahmah binti Mohd Zain

Khoo Kay Ong

Davinia A/P Rajadurai

Norakhmar binti Baharom
(Company Secretary)

Dennis Xavier

Profile of **Directors**

Dato' Syed Md Amin bin Syed Jan Aljeffri
Independent Non-Executive Chairman and Chairman of Audit Committee
Malaysian, aged 64

Dato' Syed Md Amin bin Syed Jan Aljeffri was appointed to the Board on 28 June 2011 as an Independent Non-Executive Director. He was re-designated to Independent Non-Executive Chairman on 26 July 2011.

He is an Economics graduate from the University of Malaya, a Chartered Accountant with the Malaysian Institute of Accountants and the Canadian Institute of Chartered Accountants, a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants and the Institute of Certified Public Accountants of Singapore, a Fellow Certified Practising Accountant with Certified Practising Accountant Australia, a Fellow Chartered Certified Accountants with the Association of Chartered Certified Accountants UK, a Certified Financial Planner with the Financial Planning Association of Malaysia and a Fellow of the Chartered Tax Institute of Malaysia.

His extensive work experience includes stints with Esso in Malaysia and the United States of America, Touche Ross Canada and his own public accounting and consulting practices, AljeffriDean. He also sits on the board of RAM Holdings Berhad and LBI Capital Berhad and several other private limited companies.

He is a member of the Board of the Islamic Science University of Malaysia, owned by the Malaysian Government. He is currently the President of the Kuala Lumpur Malay Chamber of Commerce and Secretary General of the ASEAN Business Advisory Council. He is also a Council Member of the Malaysia-China Business Council, Malaysia Singapore Business Council, APEC Business Advisory Council (ABAC) - Alternate, the East Asia Business Council, Council Member of Public Complaint Bureau and Working Group Committee Member of Economic Planning Unit. He is the Malaysian Honorary Council for the Federal Democratic Republic of Ethiopia. Formerly he was on the Board of the Small and Medium Industries Development Corporation ("SMIDEC") and Secretary General of the ASEAN Chamber of Commerce and Industry.

He was appointed as Chairman of Audit Committee on 26 July 2011 and he is also a member of Remuneration Committee and Nominating Committee of the Company.

Leong Kway Wah
Managing Director
Malaysian, aged 58

Mr Leong Kway Wah was appointed as Managing Director on 17 March 2005.

He graduated from the School of Business Studies, Kolej Tunku Abdul Rahman. 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 involvement in the banking industry for the past twenty-five years.

Khoo Kay Ong
Executive Director
Malaysian, aged 60

Mr Khoo Kay Ong was appointed as Executive Director on 29 April 2011.

Having graduated in civil engineering from the University of Dundee, Scotland, in 1977, he started his career with the Public Works Department (JKR) and Drainage & Irrigation Department (JPS) in design and site exploratory works. Subsequently, he became a civil and structural consultant, gaining full membership from the Institution of Engineers, Malaysia, and also the Institution of Civil Engineers, United Kingdom, before joining a renowned local property and housing developer for 5 years. He was a General Manager and also a Director of subsidiary of Wah Seong Group until 2007. He is a Professional Engineer by profession and an active member of the Board of Engineers, Malaysia, in the Investigating Committee.

Dato' Daud bin Daros
Independent Non-Executive Director and Member of Audit Committee
Malaysian, aged 64

Dato' Daud bin Daros was appointed to the Board on 1 October 2001.

He started his career in 1969 as Assistant Superintend of Customs Malaysia and rose to the rank of Assistant Director of Customs in 1982. He was involved in legal career from 1984 until 2009. Currently, he is the Group Executive Director for Inteleca Group Berhad, Chairman of ATO Health Sinces Sdn Bhd, Vice President of Kuala Lumpur Malay Chamber of Commerce, Vice President of Venezuela Business Council, Chief Executive Director of INTOKO Sdn Bhd, Executive Chairman of JMT Technology Sdn Bhd, Advisor to Persatuan Pengguna Islam Malaysia and Vice President of Elite Disaster Rescue Malaysia, Executive Counsel Member DPMM Malaysia, Founder Member of Kuala Lumpur Latin America, Business Council (Kasa Malaysia) and Secretary General Malay-China Chamber of Commerce.

He is a member of the Audit Committee and Chairman of the Nominating Committee of the Company.

Davinia a/p Rajadurai
Independent Non-Executive Director and Member of Audit Committee
Malaysian, aged 32

Miss Davinia a/p Rajadurai was appointed to the Board on 6 September 2004.

She graduated from Bond University, Australia, in 1999 and was called to the Malaysian Bar in April 2000. She later obtained a Postgraduate Diploma in International Business Law from University of Staffordshire, United Kingdom, and is currently practicing as an advocate and solicitor.

She is a member of the Audit Committee and Chairman of the Remuneration Committee of the Company.

Dennis Xavier
Independent Non-Executive Director
Malaysian, aged 60

Mr Dennis Xavier was appointed to the Board on 8 July 1996.

He is an advocate and solicitor by profession and was admitted to the Degree of Utter Barrister of the Society of Lincoln's Inn in 1979. He was called to the Malaysian Bar in September 1980. He was a legal assistant with Messrs Nik Hussain, Ibrahim & Abdullah from 1980 to 1981 and then with Messrs Sethu Ghazali & Gomez until 1984. He now has a legal practice of his own.

He is a member of the Remuneration Committee and Nominating Committee of the Company.

To' Puan Seri Hajjah Nur Rahmah binti Mohd Zain
Independent Non-Executive Director
Malaysian, aged 56

To' Puan Seri Hajjah Nur Rahmah binti Mohd Zain was appointed to the Board on 3 November 2008.

She was an Executive Director of Skoga Redimix Sdn Bhd from 1985 to 2004. Currently, she is an Executive Director of Cempaka Anugerah Sdn Bhd, a franchisee of Noor Arfa Batik Sdn Bhd. She has vast experience in the field of marketing, administration, management and strategic planning.

She also sits on the Board of Prinsiptek Corporation Berhad.

All of the above Directors do not hold any securities in the Company or its subsidiaries. None of their family members have direct or indirect relationship with any Director and/or major shareholder of the Company. They have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. They have not been convicted of any criminal offences other than traffic offences, if any, within the past ten (10) years.

DIRECTORS STANDING FOR RE-ELECTION AT THE TWENTY-SEVENTH ANNUAL GENERAL MEETING

The Directors standing for re-election at the Twenty-Seventh Annual General Meeting of the Company are:

Pursuant to Article 90 of the Company's Articles of Association
- Khoo Kay Ong
- Dato' Syed Md Amin bin Syed Jan Aljeffri

Pursuant to Article 96 of the Company's Articles of Association
- Dato' Daud bin Daros

Pursuant to Article 102 of the Company's Articles of Association
- Leong Kway Wah

On behalf of the Board of Directors of Concrete Engineering Products Berhad, I have the pleasure of presenting to you the Annual Report and audited financial statements of the Group and the Company for the financial year ended 31 August 2011.

Economic recovery which started in mid 2009, continues in year 2011. Global economic conditions during the first half of the year under review were somewhat mixed with most emerging Asian economies having recovered whilst advanced Western economies have not recovered completely and continued with efforts to contain their financially strapped economies from deteriorating further.

However, the second half of the year under review was marked by the devastating earthquake and Tsunami in Japan which led to a slowdown in global manufacturing, and dispelled any notions of a sustained global recovery. The situation was exacerbated by rising geo-political tensions in the Middle East during the year under review which led to persistently high oil prices.

Nevertheless, the Malaysian economy continues to expand, albeit at a slower pace of approximately 4.6% in the first quarter of 2011 (2010: 7.2%). The second quarter 2011 GDP edged lower to 4% due to a weaker domestic demand. The construction sector grew marginally by 0.6% in the second quarter of 2011 (Q1 2011: 3.8%) as slower implementation of infrastructure projects contributed to lower activities in the civil engineering sub sector. It was the recovery in residential and non-residential construction that predominantly propped up the construction sector in the first half year.

FINANCIAL REVIEW

In the current financial year, the Group recorded revenue of RM140 million, an increase of 15% over RM121 million in the previous year. Despite registering higher revenue in the financial year 2011, the Net Operational Profit Before Tax has reduced to RM376,000. This was partially due to higher distribution cost and escalating costs such as electricity tariffs and petrol. The first half of the financial year was hampered by slow take-up levels by customers. The total sales for the first 6 months was only RM45.3 million as compared to the second 6 months of RM94.7 million. Except for Singapore, our export sales to traditional Middle East market have slowed down tremendously due to American sanctions.

FUTURE AND PROSPECTS

Recent succession of events which culminated in August this year following the unprecedented downgrading of US debt, erupted in a severe loss of investor confidence and led to the recent rout on the global equity markets. Coupled with worries about the worsening sovereign debt crisis in Eurozone, global markets reacted in the extreme with the resultant volatility now witnessed in the financial and commodities market. These recent events have heightened concerns of a prolonged global economic downturn in the immediate future.

In Malaysia, optimism is high that the construction sector will outperform the 2011's growth rate in the year ahead. This optimism stems from the expected uptake in the large infrastructure projects and the crystallisation of Economic Transformation Programme (ETP) projects that will include petrochemical and heavy industries projects. However, the following year ahead is expected to factor in the full effects of the economic slowdown as Malaysia is unlikely to fully shield itself from any fluctuations in commodity and energy prices.

On a positive note, we see a growing market in East Malaysia where major oil and gas projects and rural electrification are being carried out. The Group is well poised and ready to capitalise on opportunities that will be presented by the positive outlook for the construction industry and remains committed to meet its operational target and conduct its operation in a sustainable manner. Taking cognizance of the imminent slowdown in the global economy, efforts are ongoing to continue, contain and manage the Group's operational cost. However, the Group hopes that the strategic geographical location of our factories will help to maintain our market segment, supported by customer loyalty and demand. Barring any unforeseen circumstances, the Group's performance is expected to remain satisfactory in the coming financial year.

APPRECIATION

The Board of CEPCO would like to record our appreciation to Encik Abdul Khudus bin Mohd Naaim, the former Chairman of CEPCO, who retired from the Board on 26 July 2011. His service, experience and expertise were indeed highly valued by the Board.

We would also take this opportunity to welcome Mr Khoo Kay Ong to the Board. An Engineer by profession in the building foundation industry, Mr Khoo's knowledge and experience is an asset to the Company.

Our sincere appreciation is also extended to valued shareholders, customers, stakeholders, financiers and business associates for their loyal support, confidence and continuous interest in the Group's activities.

My earnest gratitude goes to our Board of Directors for their vision and perseverance in guiding CEPCO forward, and to the Management and staff for their commitment, effort and dedication to the Group in facing the challenges since the beginning of the economic crisis.

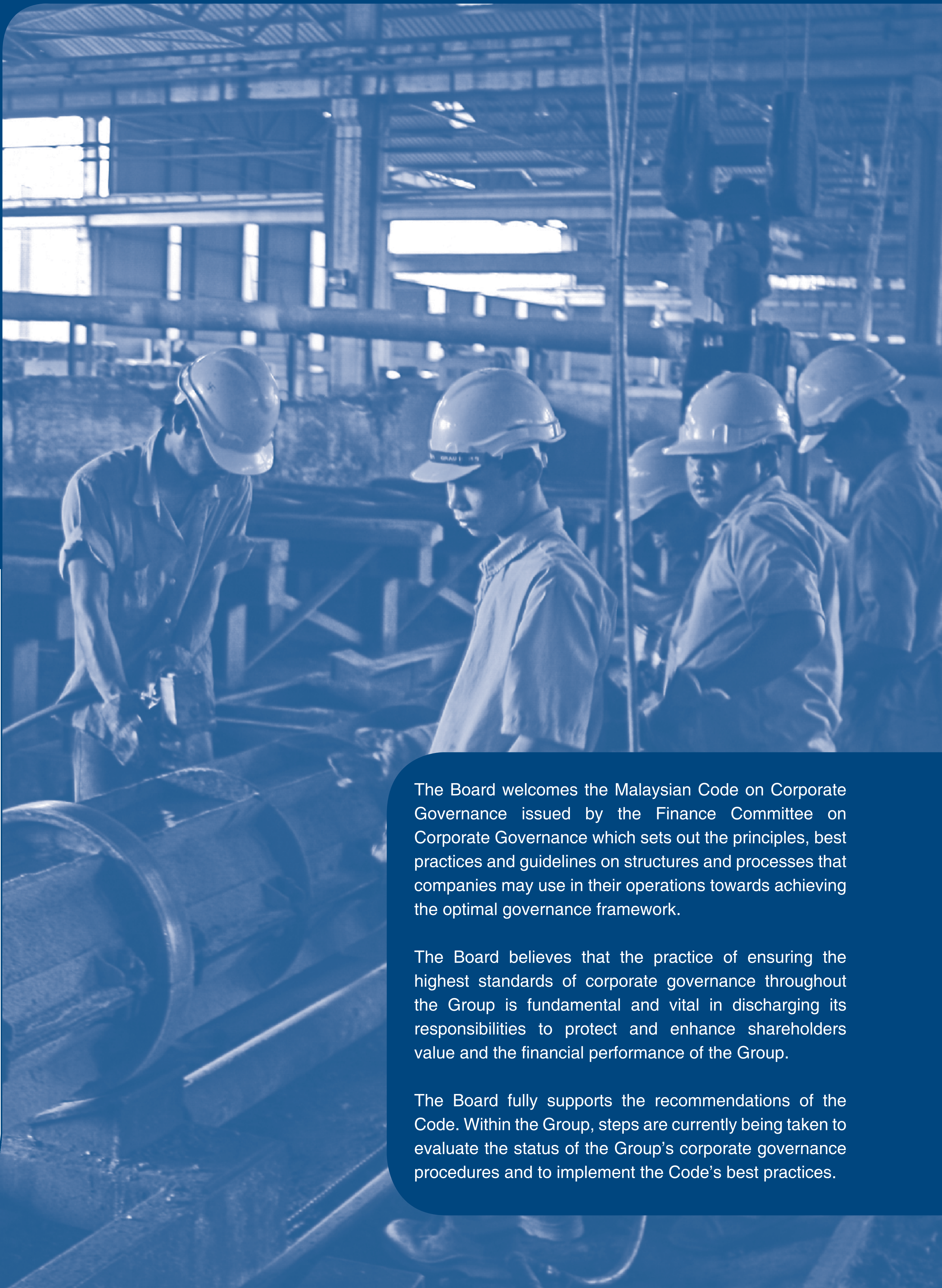
Dato' Syed Md Amin bin Syed Jan Aljeffri
Chairman
18 January 2012

Corporate Social Responsibility (CSR) is an integral part of the Group's practice in carrying out its business activities in a professional, ethical and socially responsible manner. The Group has undertaken a considerable effort in enhancing the wellbeing of its employees as well as that of the community within which we conduct our business.

We recognise that our employees are the essential asset of the Group and that their involvement is vital to the success of the Group. We strive to motivate and retain the best employees by providing them with continuous training. Thus, they have been enrolled in relevant courses to upgrade their knowledge and skills within their job scope.

As an employer, the Group also recognises and accepts its responsibilities for providing and maintaining a safe and healthy workplace for all its employees, suppliers and visitors. Hence, the Group strives to comply with all the standards on health and safety of the Department of Safety and Health Malaysia ("DOSH"). Work place safety initiatives such as fire and evacuation drills, safety tips and training and proper equipment have been provided to the employees to ensure a protected working environment.

Statement on Corporate Governance



The Board welcomes the Malaysian Code on Corporate Governance issued by the Finance Committee on Corporate Governance which sets out the principles, best practices and guidelines on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The Board believes that the practice of ensuring the highest standards of corporate governance throughout the Group is fundamental and vital in discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

The Board fully supports the recommendations of the Code. Within the Group, steps are currently being taken to evaluate the status of the Group's corporate governance procedures and to implement the Code's best practices.

BOARD OF DIRECTORS

Composition of the Board

The composition of the Board reflects a balance with a mix of financial, administrative, legal and business experiences which are vital to the direction of the Group.

Board Balance

The Board is made up of seven Directors; of which two are executives and the other five are non-executives. All five non-executive Directors are independent. The Company has complied with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad, which requires at least two Directors or one-third of the Board, whichever is the higher, to be independent Directors.

The Chairman is responsible for the conduct and the working of the Board whilst the Managing Director ensures and oversees the day-to-day operations of the business.

Role and Responsibilities of the Board

The Board is responsible for the overall performance of the Group and provides the Group's strategic direction to maximise shareholders' value.

The Board meets, as often as required, to approve the annual financial results and any other matters that necessitates its approval. Due notice is given for all scheduled meetings on matters specifically needing its decision. Regular and ad-hoc reports and presentations to the Board and its Committees ensure that the Directors are supplied timely information on financial, operational, legal, regulatory, corporate and strategic matters.

Board Attendance

The Board met a total of five (5) times in the year.

Details of each Director's attendance of the Board meetings are as follows:

Date **Time**	**28/10/2010** **12.00pm**	**17/12/2010** **10.00am**	**26/01/2011** **11.30am**	**26/04/2011** **11.45am**	**26/07/2011** **11.30am**
Dato' Syed Md Amin bin Syed Jan Aljeffri *(Appointed wef 28/06/2011)*	-	-	-	-	✓
Abdul Khudus bin Mohd Naaim *(Resigned wef 26/07/2011)*	✓	✓	✓	✓	-
Leong Kway Wah	✓	✓	✓	✓	✓
Khoo Kay Ong *(Appointed wef 29/04/2011)*	-	-	-	-	✓
Dato' Daud bin Daros	x	✓	✓	✓	✓
Davinia a/p Rajadurai	✓	✓	x	✓	✓
Dennis Xavier	✓	✓	✓	✓	✓
To' Puan Seri Hajjah Nur Rahmah binti Mohd Zain	✓	x	x	✓	✓

All meetings were held at 22nd Floor Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur.

Access to Information and Advice

The Board has full and unrestricted access to all information with regards to the Group. The Board is furnished with all relevant information from the Management prior to the respective Board Meeting to enable the Board to effectively discharge their responsibilities. The Directors also have direct access to the advice and services of the Company Secretary in furtherance of its role and responsibilities.

Directors' Training

The Directors are provided with the opportunity for relevant training programmes on an on-going basis to keep them abreast with the latest issues and developments in relevant fields.

During the year, all the Directors have attended various training programmes under the Continuing Education Programmes pursuant to the requirements of Bursa Malaysia Securities Bhd. The requisite Mandatory Accreditation Programme had been completed by them previously.

BOARD COMMITTEES

The Board has three committees to specifically address their respective responsibilities.

The respective committees have clearly defined terms of reference to assist the Board and to make the respective recommendations to the Board for its consideration and decision.

Audit Committee

The Audit Committee's terms of reference, which outline the Committee's functions and duties, are furnished separately on page 16 of the Annual Report.

During the year, the Audit Committee has, inter alia, performed the following functions:

1. Reviewed the Group's quarterly and annual financial statements
2. Reviewed recurrent related party transactions of the Group
3. Deliberated on the implications and effects of the relevant Financial Reporting Standards which came into effect during the year
4. Reviewed and deliberated on the findings of the Internal Audit Function

The Committee is also apprised on significant risk, control, regulatory and financial matters that may come to the attention of the external auditors in the course of their examination.

The Committee is aware of the risk, management, control and governance processes relating to critical corporate and operational areas. It will closely monitor any recommendations made in order to obtain assurance that all key risk and control concerns have been duly addressed.

The committee met a total of four (4) times in the year.

Details of each member's attendance of the Committee meetings are as follows:

Date Time	28/10/2010 10.00am	26/01/2011 10.00am	26/04/2011 10.00am	26/07/2011 10.00am
Abdul Khudus bin Mohd Naaim	✓	✓	✓	-
Dato' Daud bin Daros	x	✓	✓	✓
Davinia a/p Rajadurai	✓	x	✓	✓

All meetings were held at 22nd Floor Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur.

Remuneration Committee

The Committee was set up on 30 May 2002. A policy framework has been implemented to assess all elements of the remuneration and other terms of employment for the Executive Director. The Executive Director abstains from the deliberations and voting on decisions in respect of their remuneration at the Board level. The remuneration of the Non-Executive Directors will be a matter to be decided by the Board and approved by the shareholders.

The Committee comprises of:

Davinia a/p Rajadurai
Chairman

Dato' Syed Md Amin bin Syed Jan Aljeffri
Member

Dennis Xavier
Member

Nominating Committee

The Committee is responsible for making recommendations to the Board on all new Board and Board Committee appointments. The Committee will review the required mix of skills and experience of the Directors of the Board, in determining the appropriate Board balance and size of non-executive participation.

The Committee comprises of:

Dato' Daud bin Daros
Chairman

Dato' Syed Md Amin bin Syed Jan Aljeffri
Member

Dennis Xavier
Member

Relationship with Shareholders

The Group believes in clear communication with its shareholders. The Annual Report and the quarterly announcements are primary modes of communication to report on the Group's business activities and financial performance to all shareholders. Shareholders also have the opportunity to put questions at the Annual General Meeting where the Directors are available to discuss aspects of the Group's business activities and performance. The Group also has a website (http://www.cepco.com.my) where shareholders can view its products, activities and communicate directly with the management.

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 receipt programme during the year.

4. **Non-Audit Fees**
   The amount of non-audit fees paid/payable to external auditors and their affiliated companies by the Company for the year ended 31 August 2011 is set out in Note 3 on page 47.

5. **Profit Estimate, Forecast, Projections and Variation in Results**
   There were no variations of 10% or more between the audited results for the year ended 31 August 2011 and the unaudited results for the quarter ended 31 August 2011 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' interest.

8. **Contract Relating to Loans**
   There were no contracts relating to loans by the Company and its subsidiaries involving Directors' and shareholders' interest.

9. **Revaluation Policy on Landed Properties**
   The Group's Policy on Revaluation on Landed Properties is set out in Notes 2.2b and 2.2c on pages 36 and 37. The Investment Properties were adjusted to reflect their fair value as enumerated in Note 10 on page 56.

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**
    There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any regulatory bodies during the year.

Audit Committee Report

The Directors are pleased to present the Audit Committee report of the Company in respect of the financial year ended 31 August 2011.

Audit Committee Report

A. COMPOSITION

Composition of the Audit Committee and designation of the Directors are as follows:

Abdul Khudus bin Mohd Naaim
(Resigned on 26 July 2011)

Dato' Syed Md Amin bin Syed Jan Aljeffri
(Appointed as Chairman on 26 July 2011)

Dato' Daud bin Daros
Member (Independent Non-Executive Director)

Davinia a/p Rajadurai
Member (Independent Non-Executive Director)

B. TERMS OF REFERENCE

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

1) Constitution

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

2) Membership and Meetings

The Committee shall be appointed by the Directors and shall comprise not less than three 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 for the Committee. There shall be at least four meetings per year.

3) Authority

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

4) Duties and Responsibilities

a) Review with the external auditors on the audit plan.

b) Review with the external auditors, on the adequacy and effectiveness of the accounting and internal control system.

c) Act upon problems and reservations arising from interim and final audits.

d) Review the financial statements prior to the Directors' approval to ensure a fair and full presentation of the financial affairs of the Company.

e) Assist in establishing appropriate control procedures.

f) Assist in the conducting of management audit or other sensitive matters.

g) Recommendation to retain or replace the firm of external auditors and the audit fee for the ensuing year.

Statement on Internal Control

The Board is pleased to make the following disclosures pursuant to Paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad, which requires the Board of Directors of public listed companies to include in its annual report “a statement about the state of internal control of the listed issuer as a group”.

BOARD'S RESPONSIBILITY

In accordance with principle D II in part 1 of the Malaysian Code on Corporate Governance, the Board recognises the importance of maintaining a sound internal control to safeguard shareholders' investment and the Group's assets. Accordingly, the Board acknowledges its responsibility for the Group's overall system of internal control as well as reviewing its adequacy and integrity. However, due to the limitations that are inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

BOARD'S DISCLOSURE ON RISK MANAGEMENT

The Group's activities expose it to a variety of risks including market risk, credit risk, liquidity and cash flow risks.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, that had been in place for the financial year, and that the process is regularly reviewed by the Board and accords with The Statement on Internal Control-Guidance for Directors of Public Listed Companies.

Other parts of the business entities in the Group also play important roles in ensuring that the risk management process is being carried out on an ongoing basis. These include the Credit Control Department, which is primarily responsible for managing credit risk related activities, and the supervision of funding and liquidity risk activities is under the purview of the Accounts Department.

INTERNAL AUDIT

In view of the size and nature of the Group's operations, it is not cost justifiable for the Group to maintain an in-house function for the review of the Group's internal control system, which forms part of the internal audit function. The cost incurred for the outsourced internal audit function for the financial year was RM18,000.

The Group's internal audit function is outsourced to an independent audit firm. The internal auditor will report directly to the Audit Committee. 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 systems. The full Board, through the Audit Committee, 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 adequacy, efficiency and effectiveness of the Group's internal control systems in anticipating potential risk exposures over key business systems and processes and in controlling the proper conduct of business within the Group.

The internal auditor adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group. The audit plan will be presented to the Audit Committee for approval annually. The resulting reports from the audits undertaken will be reviewed by the Audit 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.

ADDITIONAL INFORMATION

Apart from 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 is delegated to the Executive Director and senior operational management. The Executive Director through his involvement in the business operations and attendance at senior management level meetings, manage and monitor the Group's financial performance, key business indicators, operational effectiveness and efficiency, discuss and resolve significant business issue and ensure compliance with applicable laws, regulations, rules, directives and guidelines. These senior management meetings serve as a two-way platform for the Board, through the Executive Director, to communicate and address significant matters in relation to the Group's business and financial affairs and provide update on significant changes in the business and the external environment that may result in any significant risks.

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

CONCLUSION

The Board is of the opinion that the system of internal control that has been instituted throughout the Group is satisfactory and has not resulted in any material losses that would require disclosure in the Group's annual report. Notwithstanding this, the Board will continue to review the control procedures to ensure the effectiveness and adequacy of the internal control system of the Group. This statement is made in accordance with the resolution of the Board of Directors dated 22 December 2011.

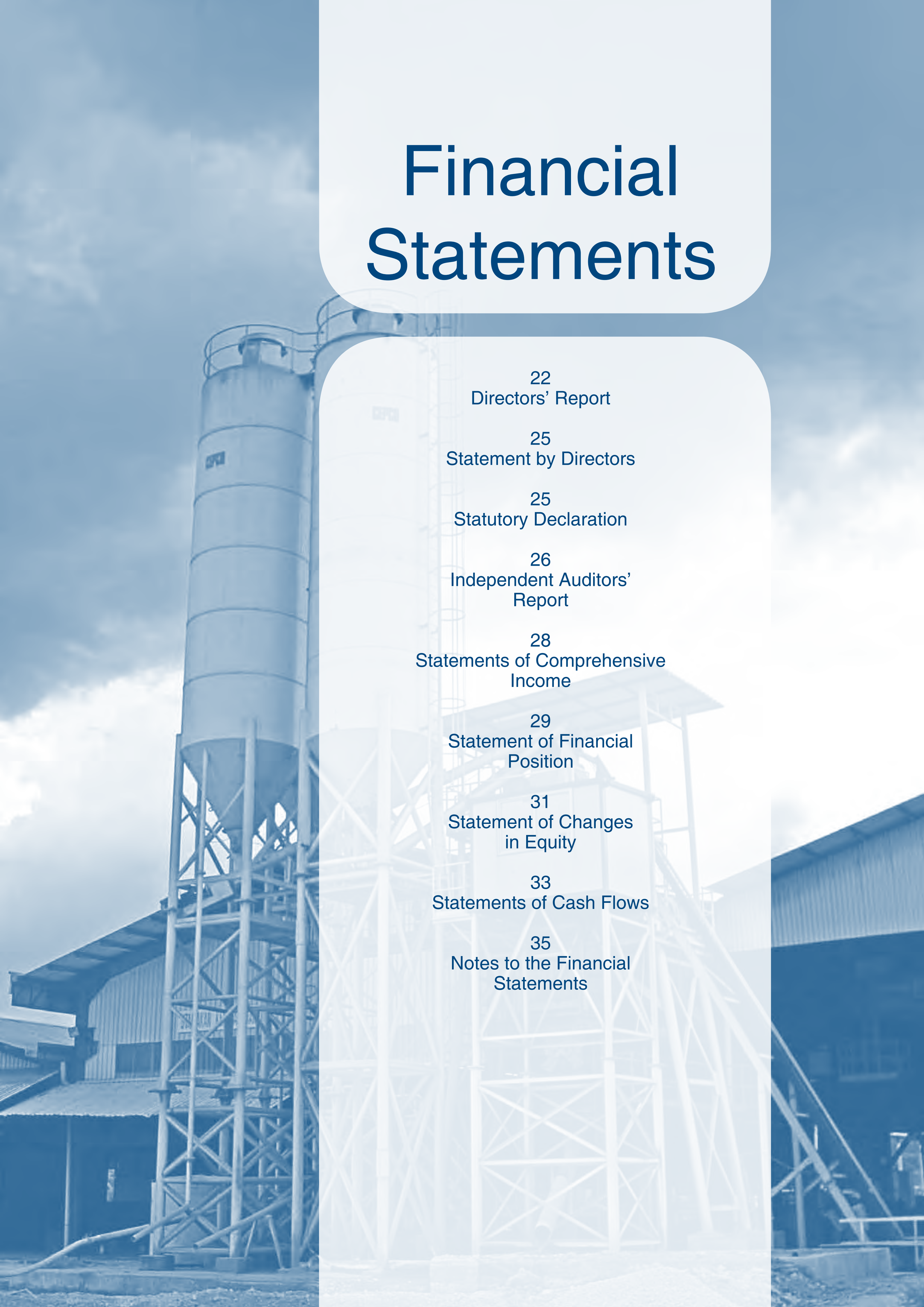
Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on pages 26 and 27, is made pursuant to paragraph 15.27(a) of the Listing Requirements of Bursa Malaysia Securities Berhad, to explain the responsibilities of the Directors in relation to the preparation of the annual financial statements.

The Directors are required by law to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements of the Group and of the Company for the year ended 31 August 2011, the Group and the Company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors also took steps to ensure that the Group and the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.



Financial Statements

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 year ended 31 August 2011.

Principal activities

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

The subsidiary companies are dormant.

There have been no significant changes 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	1,318,651	1,322,936

There were no material transfers to or from reserves or provisions during the financial year.

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 other than the effect arising from the fair value gain through profit and loss from other investment of RM825,486.

Dividend

The amount of dividends declared and paid by the Company since 31 August 2010 were as follows:

	RM
In respect of the financial year ended 31 August 2010	
Interim dividend of 3% less 25% taxation, on 44,775,000 ordinary shares, declared on 4 October 2010 and paid on 19 October 2010.	1,007,738

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Y. Bhg Dato' Daud bin Daros
Y. Bhg To' Puan Seri Hjh Nur Rahmah Mohd Zain
Davinia A/P Rajadurai
Dennis Xavier
Leong Kway Wah
Khoo Kay Ong (Appointed on 29 April 2011)
Y. Bhg Dato' Syed Md Amin bin Syed Jan Aljeffri (Appointed on 28 June 2011)
Abdul Khudus bin Mohd Naaim (Resigned on 26 June 2011)

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.

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 in Notes 4 and 5 to the financial statements) 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 the director has a substantial financial interest.

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 has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts 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.

Other statutory information (cont'd.)

(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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 December 2011.

Y. Bhg Dato' Syed Md Amin bin Syed Jan Aljeffri

Leong Kway Wah

Kuala Lumpur, Malaysia

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Y. Bhg Dato' Syed Md Amin bin Syed Jan Aljeffri 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 28 to 69 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 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 2011 and of the results and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 30 on page 69 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 December 2011.

Y. Bhg Dato' Syed Md Amin bin Syed Jan Aljeffri

Leong Kway Wah

Kuala Lumpur, Malaysia

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Lim Wai Weng, 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 28 to 69 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 Lim Wai Weng
at Kuala Lumpur in the Federal
Territory on 22 December 2011

Lim Wai Weng

Before me,
R. Vasugi Ammal (No: W 480)
Commisioner for Oaths
Kuala Lumpur, Malaysia
22 December 2011

PESURUHJAYA SUMPAH
No: W 480
R. VASUGI AMMAL,
PJK
MALAYSIA

No: 72, Tkt. 3,
Jalan Mega Mendung,
Bandar Kompleks,
58200 Kuala Lumpur.

Independent Auditors' Report

to the members of Concrete Engineering Products Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Concrete Engineering Products Berhad, which comprise the statements of financial position as at 31 August 2011 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 a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 69.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 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 2011 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 30 on page 69 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Ismed Darwis bin Bahatiar
No. 2921/04/12(J)
Chartered Accountant

Kuala Lumpur, Malaysia
22 December 2011

Statements of Comprehensive Income

For the year ended 31 August 2011

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Revenue		140,018,742	121,344,418	140,018,742	121,344,418
Cost of sales		(112,718,229)	(98,249,203)	(112,718,229)	(98,249,203)
Gross profit		27,300,513	23,095,215	27,300,513	23,095,215
Other operating income		1,011,515	2,566,568	1,011,515	2,566,568
Fair value through profit or loss on other investments		825,486	11,556,804	825,486	11,556,804
Fair value gain on investment properties		552,000	479,097	552,000	479,097
Distribution costs		(18,620,218)	(13,037,135)	(18,620,218)	(13,037,135)
Administrative expenses		(5,873,147)	(6,376,445)	(5,868,862)	(6,372,100)
Other operating expenses		(522,960)	(612,674)	(522,960)	(612,674)
Operating profit		4,673,189	17,671,430	4,677,474	17,675,775
Finance costs	6	(2,919,499)	(2,399,168)	(2,919,499)	(2,399,168)
Profit before tax	3	1,753,690	15,272,262	1,757,975	15,276,607
Income tax	7	(435,039)	753,046	(435,039)	753,046
Profit for the year, representing total comprehensive income		1,318,651	16,025,308	1,322,936	16,029,653
Attributable to:					
Owners of the parent		1,318,651	16,025,308	1,322,936	16,029,653
Earnings per share (sen)	8	2.95	35.79		

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

Statement of Financial Position

As at 31 August 2011

	Note	2011 RM	2010 (restated) RM	As at 1.9.2009 (restated) RM
Group				
Assets				
Non-current assets				
Property, plant and equipment	9	41,616,581	41,494,901	35,332,960
Investment properties	10	9,032,000	8,480,000	8,000,903
Other investments	12	32,744,279	31,918,793	20,361,989
Deferred tax assets	22	-	350,359	-
		83,392,860	82,244,053	63,695,852
Current assets				
Inventories	13	22,397,708	29,853,698	29,664,630
Receivables	14	39,500,609	33,289,902	59,527,082
Tax recoverable		4,141,409	2,650,713	-
Deposits with licensed banks	16	14,991,755	8,285,540	7,202,443
Cash and bank balances		2,841,272	357,050	156,665
		83,872,753	74,436,903	96,550,820
Total assets		167,265,613	156,680,956	160,246,672
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	17	44,775,000	44,775,000	44,775,000
Share premium		30,569,833	30,569,833	30,569,833
Asset revaluation reserve		3,917,092	3,917,092	3,917,092
Accumulated profit/(losses)	19	7,184,821	6,873,908	(9,151,400)
Total equity		86,446,746	86,135,833	70,110,525
Non-current liabilities				
Long term borrowings	20	12,918,691	14,962,127	10,716,161
Deferred tax liabilities	22	77,366	-	1,299,403
		12,996,057	14,962,127	12,015,564
Current liabilities				
Payables	23	30,982,637	20,041,407	39,145,738
Tax payable		-	-	2,347,493
Short term borrowings	20	36,840,173	35,541,589	36,627,352
		67,822,810	55,582,996	78,120,583
Total liabilities		80,818,867	70,545,123	90,136,147
Total equity and liabilities		167,265,613	156,680,956	160,246,672

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

Statement of Financial Position

As at 31 August 2011

	Note	2011 RM	2010 (restated) RM	As at 1.9.2009 (restated) RM
Company				
Assets				
Non-current assets				
Property, plant and equipment	9	41,616,581	41,494,901	35,332,960
Investment properties	10	9,032,000	8,480,000	8,000,903
Investment in subsidiaries	11	4	4	4
Other investments	12	32,744,279	31,918,793	20,361,989
Deferred tax assets	22	-	350,359	-
		83,392,864	82,244,057	63,695,856
Current assets				
Inventories	13	22,397,708	29,853,698	29,664,630
Receivables	14	39,500,609	33,289,902	59,527,082
Amount due from subsidiary companies	15	4,929	6,400	-
Tax recoverable		4,141,409	2,650,713	-
Deposits with licensed banks	16	14,991,755	8,285,540	7,202,443
Cash and bank balances		2,841,272	357,050	156,665
		83,877,682	74,443,303	96,550,820
Total assets		167,270,546	156,687,360	160,246,676
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	17	44,775,000	44,775,000	44,775,000
Share premium		30,569,833	30,569,833	30,569,833
Asset revaluation reserve		3,917,092	3,917,092	3,917,092
Accumulated profit/(losses)	19	7,203,600	6,888,402	(9,141,251)
Total equity		86,465,525	86,150,327	70,120,674
Non-current liabilities				
Long term borrowings	20	12,918,691	14,962,127	10,716,161
Deferred tax liabilities	22	77,366	-	1,299,403
		12,996,057	14,962,127	12,015,564
Current liabilities				
Payables	23	30,968,791	20,033,317	39,135,593
Provision for taxation		-	-	2,347,493
Short term borrowings	20	36,840,173	35,541,589	36,627,352
		67,808,964	55,574,906	78,110,438
Total liabilities		80,805,021	70,537,033	90,126,002
Total equity and liabilities		167,270,546	156,687,360	160,246,676

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

Statement of Changes in Equity

For the year ended 31 August 2011

	Attributable to owners of the parent					
		Non-distributable				
	Share capital RM	Share premium RM	Asset revaluation reserve RM	Accumulated profit/ (accumulated losses) RM	Total reserves RM	Total equity RM
Group						
At 1 September 2010	44,775,000	30,569,833	3,917,092	6,873,908	41,360,833	86,135,833
Total comprehensive income	-	-	-	1,318,651	1,318,651	1,318,651
Transactions with owners						
Dividend paid to the shareholders of the company	-	-	-	(1,007,738)	(1,007,738)	(1,007,738)
At 31 August 2011	44,775,000	30,569,833	3,917,092	7,184,821	41,671,746	86,446,746
At 1 September 2009	44,775,000	30,569,833	3,917,092	(9,151,400)	25,335,525	70,110,525
Total comprehensive income	-	-	-	16,025,308	16,025,308	16,025,308
At 31 August 2010	44,775,000	30,569,833	3,917,092	6,873,908	41,360,833	86,135,833

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

Statement of Changes in Equity

For the year ended 31 August 2011

	Attributable to owners of the parent					
		Non-distributable				
	Share capital RM	Share premium RM	Asset revaluation reserve RM	Accumulated profit/ (accumulated losses) RM	Total reserves RM	Total equity RM
Company						
At 1 September 2010	44,775,000	30,569,833	3,917,092	6,888,402	41,375,327	86,150,327
Total comprehensive income	-	-	-	1,322,936	1,322,936	1,322,936
Transactions with owners						
Dividend paid to the shareholders of the company	-	-	-	(1,007,738)	(1,007,738)	(1,007,738)
At 31 December 2011	44,775,000	30,569,833	3,917,092	7,203,600	41,690,525	86,465,525
At 1 September 2009	44,775,000	30,569,833	3,917,092	(9,141,251)	25,345,674	70,120,674
Total comprehensive income	-	-	-	16,029,653	16,029,653	16,029,653
At 31 August 2010	44,775,000	30,569,833	3,917,092	6,888,402	41,375,327	86,150,327

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

Statements of Cash Flows
For the year ended 31 August 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash flows from operating activities				
Profit before tax	1,753,690	15,272,262	1,757,975	15,276,607
Adjustments for:				
Fair value through profit and loss on other investments	(825,486)	(11,556,804)	(825,486)	(11,556,804)
Fair value adjustment of investment properties	(552,000)	(479,097)	(552,000)	(479,097)
Depreciation of property, plant and equipment	4,292,447	3,149,685	4,292,447	3,149,685
Allowance for impairment - receivables	42,260	-	42,260	-
Interest expense (Note 6)	2,919,499	2,399,168	2,919,499	2,399,168
Property, plant and equipment written off	582	-	582	-
Loss/(gain) on disposal of plant and equipment	7,947	(45,800)	7,947	(45,800)
Unrealised foreign exchange gain	(83,422)	(83,046)	(83,422)	(83,046)
Interest income	(186,786)	(1,645,135)	(186,786)	(1,645,135)
Operating profit before working capital changes	7,368,731	7,011,233	7,373,016	7,015,578
Inventories	7,455,990	(189,068)	7,455,990	(189,068)
Receivables	(6,169,545)	26,348,226	(6,169,545)	26,348,226
Payables	10,941,230	(19,129,632)	10,935,474	(19,130,577)
Subsidiary companies	-	-	1,471	(3,400)
Cash generated from operations	19,596,406	14,040,759	19,596,406	14,040,759
Taxation paid	(1,498,010)	(5,894,922)	(1,498,010)	(5,894,922)
Interest paid	(2,919,499)	(2,373,867)	(2,919,499)	(2,373,867)
Net cash generated from operating activities	15,178,897	5,771,970	15,178,897	5,771,970
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,842,260)	(6,248,976)	(3,842,260)	(6,248,976)
Proceeds from sales of plant and equipment	25,000	23,000	25,000	23,000
Placement of deposits pledged with bank	-	(1,000,000)	-	(1,000,000)
Interest received	186,786	1,645,135	186,786	1,645,135
Net cash used in investing activities	(3,630,474)	(5,580,841)	(3,630,474)	(5,580,841)
Cash flows from financing activities				
Dividend paid	(1,007,738)	-	(1,007,738)	-
Net drawndown/(repayment) of bankers acceptance	3,448,000	(1,305,000)	3,448,000	(1,305,000)
Net repayment of hire purchase	(878,980)	(636,479)	(878,980)	(636,479)
Net repayment of revolving credit	-	(2,500,000)	-	(2,500,000)
Net (repayment)/drawdown of term loan	(1,406,643)	3,193,961	(1,406,643)	3,193,961
Net cash generated from/(used in) financing activities	154,639	(1,247,518)	154,639	(1,247,518)

Statements of Cash Flows
For the year ended 31 August 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Net change in cash and cash equivalents	11,703,062	(1,056,389)	11,703,062	(1,056,389)
Cash and cash equivalents at beginning of year	4,121,312	5,177,701	4,121,312	5,177,701
Cash and cash equivalents at end of year	15,824,374	4,121,312	15,824,374	4,121,312
Cash and cash equivalents comprise:				
Cash and bank balances	2,841,272	357,050	2,841,272	357,050
Deposits with licensed banks (Note 16)	14,991,755	8,285,540	14,991,755	8,285,540
Bank overdrafts (Note 20)	(990,653)	(3,503,278)	(990,653)	(3,503,278)
	16,842,374	5,139,312	16,842,374	5,139,312
Less: Deposit pledged with a licensed bank	(1,018,000)	(1,018,000)	(1,018,000)	(1,018,000)
	15,824,374	4,121,312	15,824,374	4,121,312

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 December 2011.

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 Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 September 2010 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis, except as disclosed in the accounting policies below.

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

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Company has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(k). On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full except for unrealised losses where they are not eliminated when there is an indication of impairment. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(ii) Basis of consolidation (cont'd.)

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given up, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the profit or loss.

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment, other than buildings 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 the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Buildings are stated at valuation. The buildings have not been revalued since they were last revalued in 1995. The directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of IAS16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their 1995 valuation less accumulated depreciation and impairment loss.

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:

Leasehold land	27 - 83 years
Buildings	25 - 50 years
Plant and machinery	5 - 10 years
Motor vehicles	5 years
Office, factory and laboratory equipment	5 - 10 years
Furniture, fixtures and fittings	5 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.

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 the profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

2. Significant accounting policies (cont'd.)

2.2 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. Such properties are measured initially at cost, including transaction costs. 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 use. 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 on the first-in-first-out 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.

Net realisable value 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) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(f) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(f) Leases (cont'd.)

(ii) Finance leases - the group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for lease assets is in accordance with that for property, plant and equipment and depreciation as described in Note 2.2(b).

(iii) Operating leases - the group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(g) Income tax

Income tax on the comprehensive income for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition must also be met before revenue is recognised:

(i) Sale of goods

Revenue relating to sales of goods is recognised net of discounts upon the transfer of significant risks and rewards.

(ii) Interest income

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

(i) 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. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(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 respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies 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.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(j) Foreign currencies (cont'd.)

(ii) Foreign currency transactions (cont'd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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.

The principal exchange rates for every unit of foreign currency ruling at

reporting date used are as follows:

	2011 RM	2010 RM
1 United States Dollar	2.98	3.14
1 Brunei Dollar	2.47	2.32
1 Singapore Dollar	2.47	2.32
100 United Arab Emirates Dinar	81.19	85.43

(k) Impairment of non-financial assets

The carrying amount of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assesments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(l) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(m) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(m) Impairment of financial assets (cont'd.)

a) Trade and other receivables and other financial assets carried at amortised cost (cont'd.)

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio which past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(n) 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 cash management.

(o) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) 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 held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(o) Financial liabilities (cont'd.)

b) Other financial liabilities

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(p) 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.

(q) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(r) Provisions

Provisions are recognised when the Group has 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.

2. Significant accounting policies (cont'd.)

2.2 Summary of significant accounting policies (cont'd.)

(s) 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.

2.3 Changes in accounting policies

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

On 1 September 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7	*Financial Instruments : Disclosures*
FRS 101	*Presentations of Financial Statements (Revised)*
FRS 123	*Borrowing Costs*
FRS 139	*Financial Instruments: Recognition and Measurement*
Amendments to FRS 1 and FRS 127	*First-time Adoption of Financial Reporting Standard and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
Amendments to FRS 2	*Share-based Payment - Vesting Conditions and Cancellations*
Amendments to FRS 132	*Financial Instruments: Presentation*
Amendments to FRS 139, FRS 7 and IC Interpretation 9	*Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives*
Improvements to FRS issued in 2009	
IC Interpretation 9	*Reassessment of Embedded Derivatives*
IC Interpretation 10	*Interim Financial Reporting and Impairment*
IC Interpretation 11	*FRS 2 Group and Treasury Share Transactions*
IC Interpretation 13	*Customer Loyalty Programmes*
IC Interpretation 14	*FRS 119 The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

FRS 4 Insurance Contracts and TR i-3 *Presentation of Financial Statements of Islamic Financial Institutions* will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group and the Company.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

<u>FRS 7 *Financial Instruments: Disclosures*</u>

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout this report.

2. Significant accounting policies (cont'd.)

2.3 Changes in accounting policies (cont'd.)

FRS 101 *Presentation of Financial Statements (Revised)*

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners and all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (Note 29).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Amendments to FRS 117 *Leases*

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership.

Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial positions as at 31 August 2011 arising from the above change in accounting policy:

	Group 2011 RM
Increase/(decrease) in:	
Property, plant and equipment	14,199,244
Prepaid land lease payment	(14,199,244)

2. Significant accounting policies (cont'd.)

2.3 Changes in accounting policies (cont'd.)

The following comparatives have been restated:

	As previously stated RM	Adjustments RM	As restated RM
Consolidated statement of financial position			
31 August 2010			
Property, plant and equipment	26,910,314	14,584,587	41,494,901
Prepaid land lease payment	14,584,587	(14,584,587)	-
1 September 2009			
Property, plant and equipment	23,908,832	11,424,128	35,332,960
Prepaid land lease payment	11,424,128	(11,424,128)	-

2.4 Significant accounting estimates and judgements

The preparation of the Group'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.

2.4.1 Judgements made in applying accounting policies

Classification between operating lease and finance lease for leasehold land

The Group has developed certain criteria based on FRS 117 in making judgement whether a leasehold land should be classified either as operating lease or finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an assets and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the finance lease, the lease will be classified as property, plant and equipment if it is for own use or will be classified as investment property if it is to earn rentals or for capital appreciation or both.

The Group evaluated based on the terms and conditions of the arrangement, whether the land were operating leases or finance leases and judged that it retains all the significant risk and reward of these properties, thus accounted for as finance leases.

2.4.2 Key sources of estimation uncertainty

(i) Depreciation of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescences and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimate of useful lives and residual values of property, plant and equipment brought about by changes in factors mentioned above. The Group also performs annual review of the assumptions made on useful lives and residual values to ensure that they continue to be valid.

2. Significant accounting policies (cont'd.)

2.4 Significant accounting estimates and judgements (cont'd.)

2.4.2 Key sources of estimation uncertainty (cont'd.)

(ii) Provision for doubtful debts

The Group makes a provision for doubtful debts based on an assessment of receivables recovery. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables.

(iii) Investment properties

The Group and the Company carry its investment properties at fair value, with changes in fair values being recognised in the profit and loss. The Group and the Company engaged independent valuer to determine fair value as at 31 August 2011. The valuer used comparison method in determining its fair value. The fair value of investment properties of the Group and the Company amounted to RM9,032,000 (2010: RM8,480,000).

3. Profit before tax

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Staff costs (Note 4)	15,789,707	15,731,999	15,789,707	15,731,999
Non-executive directors' remuneration (Note 5)	132,667	128,000	132,667	128,000
Auditors' remuneration				
Statutory audit	75,000	75,000	73,000	73,000
Other services	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	4,292,447	3,149,685	4,292,447	3,149,685
Allowance for impairment - receivables	42,260	-	42,260	-
Rental of buildings	937,560	876,514	937,560	876,514
Hire of machinery	967,335	919,259	967,335	919,259
Property, plant and equipment written off	582	-	582	-
Loss/(gain) on disposal of property, plant and equipment	7,947	(45,800)	7,947	(45,800)
Realised foreign exchange gain	(384,886)	(262,099)	(384,886)	(262,099)
Unrealised foreign exchange gain	(83,422)	(83,046)	(83,422)	(83,046)
Interest income	(186,786)	(1,645,135)	(186,786)	(1,645,135)
Bad debts recovered	(1,238)	-	(1,238)	-

4. Staff costs

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Wages and salaries	14,423,956	14,181,249	14,423,956	14,181,249
Pension costs - defined contribution plan	770,648	806,021	770,648	806,021
Social security contributions	103,039	102,372	103,039	102,372
Provision/(write back) for short term accumulating compensated absences	6,551	(39,591)	6,551	(39,591)
Other staff related expenses	485,513	681,948	485,513	681,948
	15,789,707	15,731,999	15,789,707	15,731,999

Included in staff costs of the Group and of the Company is Executive Director's remuneration amounting to RM580,792 (2010: RM565,690) as further disclosed in Note 5.

5. Directors' remuneration

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2011	2010
Executive director:		
RM1 - RM500,000	2	-
RM500,001 - RM1,000,000	-	1
Non-executive directors:		
RM1 - RM50,000*	6	5

	Group/Company	
	2011 RM	2010 RM
Executive Director (Note 4)		
Fees	30,000	25,000
Remuneration and allowances	550,792	540,690
	580,792	565,690
Non-Executive Directors (Note 3)		
Fees	132,667	128,000
Total directors' remuneration	713,459	693,690

*Included in non-executive directors remuneration is a director who resigned during the year.

6. Finance costs

	Group/Company	
	2011	2010
	RM	RM
Finance costs comprise:		
Interest expense		
- term loans	1,328,949	925,806
- bank overdrafts	143,380	112,727
- revolving credit	670,348	670,173
- bankers' acceptances	678,490	593,534
- hire purchase	98,332	96,928
	2,919,499	2,399,168

7. Taxation

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current income tax	102,804	1,409,936	102,804	1,409,936
Overprovision of income tax in prior years	(95,490)	(513,220)	(95,490)	(513,220)
	7,314	896,716	7,314	896,716
Deferred tax (Note 22):				
Relating to origination and reversal of temporary differences	195,923	198,572	195,923	198,572
Under/(over)provision in prior years	231,802	(1,848,334)	231,802	(1,848,334)
	427,725	(1,649,762)	427,725	(1,649,762)
	435,039	(753,046)	435,039	(753,046)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

7. Taxation (cont'd.)

Reconciliations of income tax expense applicable to profit before taxation 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:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit before tax	1,753,690	15,272,262	1,757,975	15,276,607
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	438,423	3,818,066	439,494	3,819,152
Income not subject to tax	(206,371)	(2,909,963)	(206,371)	(2,909,963)
Expenses not deductible for tax purposes	805,292	700,405	804,221	699,319
Overprovision of income tax expense in prior years	(95,490)	(513,220)	(95,490)	(513,220)
Under/(over)provision in deferred tax in prior years	231,802	(1,848,334)	231,802	(1,848,334)
Utilisation of current year's reinvestment allowances	(130,918)	-	(130,918)	-
Deferred tax assets recognised on unutilised reinvestment allowances	(607,699)	-	(607,699)	-
Taxation	435,039	(753,046)	435,039	(753,046)

8. Earnings per share

Basic earnings per share is calculated by dividing profit for the year of RM1,318,651 (2010: RM16,025,308) for the Group on the number of ordinary shares in issue during the year of 44,775,000 (2010: 44,775,000)

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

9. Property, plant and equipment

	Leasehold land RM	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
Group/Company								
Cost or valuation								
At 1 September 2010								
At cost	17,932,424	13,119,276	77,230,588	2,193,938	2,054,401	2,259,151	4,313,876	119,103,654
At valuation	-	10,600,000	-	-	-	-	-	10,600,000
	17,932,424	23,719,276	77,230,588	2,193,938	2,054,401	2,259,151	4,313,876	129,703,654
Additions	-	348,967	4,027,684	-	49,952	21,053	-	4,447,656
Disposal	-	-	(164,735)	-	-	-	-	(164,735)
Write off	-	-	-	-	(685)	-	-	(685)
Reclassification	-	2,271,529	2,042,347	-	-	-	(4,313,876)	-
At 31 August 2011	17,932,424	26,339,772	83,135,884	2,193,938	2,103,668	2,280,204	-	133,985,890
Representing:								
At cost	17,932,424	15,739,772	83,135,884	2,193,938	2,103,668	2,280,204	-	123,385,890
At valuation	-	10,600,000	-	-	-	-	-	10,600,000
At 31 August 2011	17,932,424	26,339,772	83,135,884	2,193,938	2,103,668	2,280,204	-	133,985,890

9. Property, plant and equipment (cont'd.)

	Leasehold land RM	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
Group/Company (cont'd)								
Accumulated depreciation								
At 1 September 2010	3,347,837	5,781,017	73,680,641	1,541,899	1,720,286	2,137,073	-	88,208,753
Charge for the year	385,343	589,974	2,924,353	241,202	121,129	30,446	-	4,292,447
Disposal	-	-	(131,788)	-	-	-	-	(131,788)
Write off	-	-	-	-	(103)	-	-	(103)
At 31 August 2011	3,733,180	6,370,991	76,473,206	1,783,101	1,841,312	2,167,519	-	92,369,309
Net carrying amount								
At cost	14,199,244	12,029,822	6,662,678	410,837	262,356	112,685	-	33,677,622
At valuation	-	7,938,959	-	-	-	-	-	7,938,959
At 31 August 2011	14,199,244	19,968,781	6,662,678	410,837	262,356	112,685	-	41,616,581

9. Property, plant and equipment (cont'd.)

	Leasehold land RM	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
Group/Company								
Cost or valuation								
At 1 September 2009								
As previously stated								
At cost	-	13,119,276	75,770,602	2,383,787	1,997,791	2,234,175	-	95,505,631
At valuation	-	10,600,000	-	-	-	-	-	10,600,000
	-	23,719276	75,770,602	2,383,787	1,997,791	2,234,175	-	106,105,631
Effects of adopting FRS117	14,471,046	-	-	-	-	-	-	14,471,046
At 1 September 2009 (restated)	14,471,046	23,719,276	75,770,602	2,383,787	1,997,791	2,234,175	-	120,576,677
Additions	3,461,378	-	1,459,986	-	56,610	24,976	4,313,876	9,316,826
Disposal	-	-	-	(189,849)	-	-	-	(189,849)
At 31 August 2010	17,932,424	23,719,276	77,230,588	2,193,938	2,054,401	2,259,151	4,313,876	129,703,654
Representing:								
At cost	17,932,424	13,119,276	77,230,588	2,193,938	2,054,401	2,259,151	4,313,876	119,103,654
At valuation	-	10,600,000	-	-	-	-	-	10,600,000
At 31 August 2010	17,932,424	23,719,276	77,230,588	2,193,938	2,054,401	2,259,151	4,313,876	129,703,654

9. Property, plant and equipment (cont'd.)

	Leasehold land RM	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
Group/Company (cont'd)								
Accumulated depreciation								
At 1 September 2009								
As previously stated	-	5,243,453	71,831,560	1,409,346	1,602,590	2,109,850	-	82,196,799
Effects of adopting FRS117	3,046,918	-	-	-	-	-	-	3,046,918
At 1 September 2009 (restated)	3,046,918	5,243,453	71,831,560	1,409,346	1,602,590	2,109,850	-	85,243,717
Charge for the year	300,919	537,564	1,849,081	317,202	117,696	27,223	-	3,149,685
Disposal	-	-	-	(184,649)	-	-	-	(184,649)
At 31 August 2010	3,347,837	5,781,017	73,680,641	1,541,899	1,720,286	2,137,073	-	88,208,753
Net carrying amount								
At cost	14,584,587	9,832,985	3,549,947	652,039	334,115	122,078	4,313,876	33,389,627
At valuation	-	8,105,274	-	-	-	-	-	8,105,274
At 31 August 2010	14,584,587	17,938,259	3,549,947	652,039	334,115	122,078	4,313,876	41,494,901

9. Property, plant and equipment (cont'd.)

(a) Buildings of the Company have not been revalued since they were first revalued in 1995. The directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of International Accounting Standard No. 16 (Revised), Property, Plant and Equipment, these assets continue to be stated at their 1995 valuation less accumulated depreciation.

The above transitional provisions are available only on the first application of the MASB Approved Accounting Standard IAS 16 (Revised): Property, Plant and Equipment which is effective for periods ended on or after 1 September 1998. By virture of this transitional provision, an entity that recorded its property, plant and equipment at revalued amounts but had not adopted a policy of revaluation has been allowed to continue carrying those assets on the basis of their previous revaluations subject to continuity in its depreciation policy and the requirement to write down the assets to their recoverable amounts for impairment adjustments. The transitional provisions will remain in force until and unless the entity chooses to adopt a revaluation policy in place of a cost policy. When that happens, FRS 116 (which supersedes IAS 16) would require revaluations to be carried out on regular intervals.

(b) Had the factory buildings which are carried at 1995 valuation been carried at historical cost less depreciation and accumulated losses, the carrying amounts of the revalued assets that would have been included in the financial statements as at the end of the year would be as follows:

	Group/Company	
	2011 RM	2010 RM
Factory buildings	5,077,394	5,360,450

(c) Included in property, plant and equipment of the Group/Company are fully depreciated assets which are still in use costing:

	Group/Company	
	2011 RM	2010 RM
Plant and machinery	72,791,677	68,056,956
Motor vehicles	1,066,453	797,778
Office, factory and laboratory equipment	1,496,041	1,412,069
Furniture, fixtures and fittings	2,076,969	2,076,969
	77,431,140	72,343,772

(d) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 20) are as follows:

	Group/Company	
	2011 RM	2010 RM
Leasehold land	8,736,803	8,943,468
Factory buildings	12,827,266	12,796,761
Plant and machinery	1,020,465	1,600,916
	22,584,534	23,341,145

9. Property, plant and equipment (cont'd.)

(e) During the financial year, the Company acquired property, plant and equipment at aggregate costs of RM4,447,656 (2010: RM9,316,826) of which RM605,396 (2010: RM679,100) and RM Nil (2010: RM2,388,750) was acquired by means of hire purchase and term loan arrangements.

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 21.

10. Investment properties

	Group/Company	
	2011 RM	2010 RM
At 1 September	8,480,000	8,000,903
Fair value adjustment	552,000	479,097
At 31 August	9,032,000	8,480,000

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

Investment properties were revalued on 30 August 2011 by Sr. Robiah Wan Yusof, of JB Jurunilai Bersekutu Sdn. Bhd., an independent professional valuer. Fair value is determined by comparative method.

An investment property with fair value of RM5,200,000 is pledged as securities for borrowings (Note 20).

11. Investment in subsidiaries

	Company	
	2011 RM	2010 RM
Unquoted shares, at cost	4	4

Details of subsidiary companies are as follows:

Name of Company	Country of incorporation	Principal activities	Group effective equity interest	
			2011 %	2010 %
Concrete Engineering Products Management Sdn. Bhd.	Malaysia	Dormant	100	100
Concrete Engineering Products Marketing Sdn. Bhd.	Malaysia	Dormant	100	100

12. Other investments

	Group/Company			
	2011		2010	
	Carrying Amount RM	Market Rate of Quoted Investment RM	Carrying Amount* RM	Market Rate of Quoted Investment RM
Fair value through profit or loss investments, Quoted shares in Malaysia,	32,744,279	32,744,279	31,918,793	31,918,793

* Prior to 1 September 2010, the other investments were stated at costs less impairment.

Other investments relate to investment in quoted shares of Inch Kenneth Kajang Rubber Public Limited Company ("IKK"), a corporate shareholder, with a net book value of RM32,744,279 (2010: RM31,918,793). This represents 13% (2010: 13%) of the issued and fully paid up capital of IKK. These quoted shares of RM32,744,279 (2010: RM31,918,793) are pledged as security for bank facilities as disclosed in Note 20.

13. Inventories

	Group/Company	
	2011 RM	2010 RM
At cost:		
Finished goods	15,645,110	24,658,998
Raw materials	5,460,862	3,593,306
Consumable spares	1,291,736	1,601,394
	22,397,708	29,853,698

During the year, an amount of inventories RM81,459,617 (2010: RM80,157,144) was recognised in the cost of sales.

14. Receivables

	Group/Company	
	2011 RM	2010 RM
Trade receivables	42,341,479	36,168,862
Less: Allowance for impairment	(3,969,442)	(3,927,182)
	38,372,037	32,241,680
Other receivables:		
Deposits	579,232	248,885
Prepayments	496,540	725,516
Sundry receivables	52,800	76,821
	1,128,572	1,051,222
	39,500,609	33,292,902

14. Receivables (cont'd.)

The Group's and the Company's average trade credit term ranges from 60 to 120 days (2010: 60 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 RM3,442,632 (2010: RM7,812,062), arising from a single customer which contributed to approximately 9% (2010: 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.

Ageing analysis of trade receivables

The ageing analysis of the Group's and Company's trade receivables is as follows:

	2011 RM
Neither past due nor impaired	13,231,767
1 to 30 days past due but not impaired	10,083,984
31 to 60 days past due but not impaired	5,971,686
61 to 90 days past due but not impaired	2,122,171
91 to 120 days past due but not impaired	1,066,029
More than 121 days past due but not impaired	5,896,400
	25,140,270
Impaired	3,969,442
	42,341,479

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The receivables that are past due but not impaired are unsecured in nature. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

Receivables that are impaired

The Group's and Company's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group/Company Individually impaired	
	2011 RM	2010 RM
Trade receivables - nominal amount	3,969,442	3,927,182
Less: Allowance for impairment	(3,969,442)	(3,927,182)
	-	-

14. Receivables (cont'd.)

Movement in the allowance accounts:

	Group/Company Individually impaired	
	2011 RM	**2010 RM**
At 1 September	3,927,182	3,927,182
Addition during the year	42,260	-
At 31 August	3,969,442	3,927,182

Trade 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.

15. Amount due from subsidiary companies

The amount due from subsidiary companies are unsecured, interest-free and has no fixed terms of repayment.

16. Deposits with licensed banks

The range of interest rates of deposits during the financial year was as follows:

	Group/Company	
	2011 % per annum	**2010 % per annum**
Licensed banks	2.70 - 3.15	1.75 - 3.70

The remaining maturities of deposits at reporting date was as follows:

	Group/Company	
	2011 days	**2010 days**
Licensed banks	2 - 29	2 - 27

Fixed deposit of RM1,018,000 (2010: RM1,018,000) is being pledged as securities for borrowings (Note 20).

17. Share capital

	Number of Ordinary Shares of RM1 each		Amount	
	2011	2010	2011 RM	2010 RM
Authorised:				
At 31 August/1 September 2010/2009	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 31 August/1 September 2010/2009	44,775,000	44,775,000	44,775,000	44,775,000

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 residual assets.

18. Dividend

	Dividends in respect of Year		Dividends recognised in Year	
	2011 RM	2010 RM	2011 RM	2010 RM
Interim dividend for 2010: 3% less 25% taxation on 44,775,000 ordinary shares, (2.25 sen per ordinary share)	-	1,007,738	1,007,738	-

19. Accumulated profit/(losses)

Prior to the year of assesssment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay the dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company will utilise the credit in the Section 108 account to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 August 2011, the balance in the Section 108 accounts was RM5,469,950 (2010: RM5,805,462).

As at 31 August 2011, the Company has tax exempt profits available for distribution of RM46,434,197 (2010: RM46,434,197) subject to the agreement of Inland Revenue Board.

20. Borrowings

	Group/Company	
	2011	2010
	RM	RM
Short term borrowings		
Secured:		
- Bank overdrafts	-	1,747,184
- Revolving credit facilities	13,000,000	13,000,000
- Hire purchase (Note 21)	712,894	750,125
- Bankers' acceptances	8,450,000	5,826,000
- Term loans	4,004,626	3,604,186
	26,167,520	24,927,495
Unsecured		
- Bank overdrafts	990,653	1,756,094
- Bankers' acceptances	9,682,000	8,858,000
	10,672,653	10,614,094
	36,840,173	35,541,589
Long term borrowings		
Secured:		
- Hire purchase (Note 21)	514,714	751,067
- Term loans	12,403,977	14,211,060
	12,918,691	14,962,127
Total borrowings		
Secured:		
- Bank overdrafts	-	1,747,184
- Revolving credit facilities	13,000,000	13,000,000
- Hire purchase (Note 21)	1,227,608	1,501,192
- Bankers' acceptances	8,450,000	5,826,000
- Term loans	16,408,603	17,815,246
	39,086,211	39,889,622
Unsecured:		
- Bank overdrafts	990,653	1,756,094
- Bankers' acceptances	9,682,000	8,858,000
	10,672,653	10,614,094
	49,758,864	50,503,716
Maturity of borrowings:		
Not later than 1 year	36,840,173	35,541,589
Later than 1 year and not later than 2 years	4,139,103	4,206,282
Later than 2 years and not later than 5 years	7,190,588	7,950,764
Later than 5 years	1,589,000	2,805,081
	49,758,864	50,503,716

20. Borrowings (cont'd.)

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

	Group/Company	
	2011	2010
	%	%
Hire purchase	6.10 - 7.98	6.10 - 7.98
Bankers' acceptances	3.00 - 4.31	3.20 - 5.09
Revolving credit facilities	6.30 - 6.96	4.50 - 6.30
Term loans	4.60 - 8.00	4.60 - 8.00
Bank overdrafts	7.22 - 8.30	7.55 - 8.30

(a) The Group's and Company's overdraft facilities are secured by the following:

(i) An outstanding facility of RM Nil (2010: RM 1,000,000) is secured by way of a first legal charge over a leasehold land and factory building in Nilai with a total net book value of RM4,395,692 (2010: RM4,401,904) as disclosed in Note 9.

(ii) An outstanding facility of RM Nil (2010: RM 747,184) is secured by way of memorandum of deposit over investment in quoted shares and letter of set-off over fixed deposits of RM18,000 (2010: RM18,000) as disclosed in Notes 12 and 16 respectively.

(b) The Group's and Company's revolving credit facilities are secured by the following:

(i) An outstanding facility of RM5,000,000 (2010: RM5,000,000) is secured by way of memorandum of deposit over investment in quoted shares as disclosed in Note 12.

(ii) An outstanding facility of RM8,000,000 (2010: RM8,000,000) is secured by way of second legal charge over a leasehold land and factory building in Rawang with a total net book value of RM11,333,678 (2010: RM11,605,417) as disclosed in Note 9.

(c) The bankers' acceptances are secured by the following:

(i) An outstanding facility of RM4,450,000 (2010: RM1,826,000) is secured by way of a supplemental memorandum of deposit over investment in quoted shares as disclosed in Note 12.

(ii) An outstanding facility of RM4,000,000 (2010: RM4,000,000) is secured by way of:

(a) First legal charge over a leasehold land and factory building in Nilai with a total net book value of RM4,395,692 (2010: RM4,401,904) as disclosed in Note 9.

(b) A specific debenture over the plant and machinery in Nilai factory with a net book value totalling RM1,020,465 (2010: RM1,600,916) as disclosed in Note 9.

(d) The term loans are secured by the following:

(i) An outstanding facility of RM4,182,376 (2010: RM5,728,965) is secured by way of first legal charge over a leasehold land and factory building in Rawang with a total net book value of RM11,333,678 (2010: RM11,605,417) as disclosed in Note 9.

20. Borrowings (cont'd.)

(ii) An outstanding facility of RM3,001,600 (2010: RM4,001,200) is secured by way of:

(a) First legal charge over a leasehold land and factory building in Nilai with a total net book value of RM4,395,692 (2010: RM4,401,904) as disclosed in Note 9.

(b) A specific debenture over the plant and machinery in Nilai factory with a net book value totalling RM1,020,465 (2010: RM1,600,916) as disclosed in Note 9.

(iii) An outstanding facility of RM2,914,627 (2010: RM3,299,058) is secured by way of first legal charge over an investment property in Bangsar with a net book value of RM5,200,000 (2010: RM4,800,000) as disclosed in Note 10.

(iv) An outstanding facility of RM6,310,000 (2010: RM4,817,000) is secured by way of:

(a) First legal charge over a leasehold land and factory building in Batang Kali with a total net book value of RM5,834,701 (2010: RM5,732,907) as disclosed in Note 9.

(b) Letter of set-off over fixed deposit of RM1,000,000.

(c) Supplemental memorandum of deposit over the existing 55,032,400 shares of Inch Kenneth Kajang Rubber Public Limited Company.

21. Hire purchase

	Group/Company	
	2011 RM	2010 RM
Future minimum lease payments:		
Not later than 1 year	808,231	833,328
Later than 1 year and not later than 2 years	401,397	550,290
Later than 2 years and not later than 5 years	101,672	240,103
Total future minimum lease payments	1,311,300	1,623,721
Less: Future finance charges	(83,692)	(122,529)
Present value of hire purchase liabilities	1,227,608	1,501,192
Analysis of present value of hire purchase liabilities:		
Not later than 1 year	712,894	750,125
Later than 1 year and not later than 2 years	413,042	487,316
Later than 2 years and not later than 5 years	101,672	263,751
	1,227,608	1,501,192
Less: Amount due within 12 months (Note 20)	(712,894)	(750,125)
Amount due after 12 months (Note 20)	514,714	751,067

22. Deferred taxation

	Group/Company	
	2011 RM	2010 RM
At 1 September	(350,359)	1,299,403
Recognised in the income statement (Note 7)	427,725	(1,649,762)
At 31 August	77,366	(350,359)

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

Deferred tax liabilities

	Accelerated capital and reinvestment allowances RM	Investment properties RM	Revaluation and provisions RM	Total RM
At 1 September 2010	(1,529,573)	90,249	1,088,965	(350,359)
Charged to income statement	298,854	138,000	(9,129)	427,725
At 31 August 2011	(1,230,719)	228,249	1,079,836	77,366
At 1 September 2009	216,834	(29,525)	1,112,094	1,299,403
Charged to income statement	(1,746,407)	119,774	(23,129)	(1,649,762)
At 31 August 2010	(1,529,573)	90,249	1,088,965	(350,359)

23. Payables

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade payables	29,271,818	17,653,975	29,271,818	17,653,975
Other payables	61,900	146,455	61,900	146,455
Accruals	1,648,919	2,240,977	1,635,073	2,232,887
	30,982,637	20,041,407	30,968,791	20,033,317

The normal trade credit terms granted to the Group and to the Company range from 60 to 120 days (2010: 60 to 120 days).

24. Segment reporting

The activities of the Group comprise principally the manufacturing and distribution of prestressed spun concrete piles and poles and is conducted predominantly in Malaysia.

Geographical information

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

	2011 RM	2010 RM
Malaysia	105,898,696	98,666,124
Others	34,120,046	22,678,294
	140,018,742	121,344,418

Information about a major customer

Revenue from one major customer amounted to RM20,559,966 (2010: RM21,908,364).

25. Capital commitments

	Group/Company	
	2011 RM	2010 RM
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	-	2,500,000

26. Related party transactions

(a) Compensation of key management personnel

The remuneration of executive directors and other members of key management during the year was as follows:

	Group/Company	
	2011 RM	2010 RM
Short term employee benefits	505,000	503,250
Defined contribution plan	45,792	37,440
Fees	30,000	25,000
	580,792	565,690

Remuneration of non-executive directors is disclosed in Note 5.

27. 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 class 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 in the balance sheet by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

Group

	Loans and receivables RM	Fair value through profit and loss RM	Financial liabilities at amortised cost RM	Total RM
31 August 2011				
Assets				
Other investments	-	32,744,279	-	32,744,279
Trade and other receivables	39,004,069	-	-	39,004,069
Cash and bank balances	17,833,027	-	-	17,833,027
Total financial assets				89,581,375
Total non-financial assets				77,684,238
Total assets				167,265,613
Liabilities				
Borrowings	-	-	49,758,864	49,758,864
Trade and other payables	-	-	29,333,718	29,333,718
Total financial liabilities				79,092,582
Total non-financial liabilities				1,726,285
Total liabilities				80,818,867

Company

	Loans and receivables RM	Fair value through profit and loss RM	Financial liabilities at amortised cost RM	Total RM
31 December 2011				
Assets				
Other investments	-	32,744,279	-	32,744,279
Trade and other receivables	32,567,386	-	-	32,567,386
Amount due from subsidiary companies	4,929	-	-	4,929
Cash and bank balances	17,833,027	-	-	17,833,027
Total financial assets				83,149,621
Total non-financial assets				84,120,925
Total assets				167,270,546
Liabilities				
Borrowings			49,758,864	49,758,864
Trade and other payables	-	-	29,333,718	29,333,718
Total financial liabilities				79,092,582
Total non-financial liabilities				1,712,439
Total liabilities				80,805,021

28. 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 and interest rate risk.

The following sections provide details regarding the Group's and 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 trades only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

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.

(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.

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.

	2011 RM		
	On demand or within one year	One to five years	Total
Group			
Financial liabilities:			
Trade and other payables	30,982,637	-	30,982,637
Borrowings	39,723,343	14,577,918	54,301,261
Total undiscounted financial liabilities	70,705,980	14,577,918	85,283,898

28. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2011 RM		
	On demand or within one year	One to five years	Total
Company			
Financial liabilities:			
Other payables	30,968,791	-	30,968,791
Borrowings	39,723,343	14,577,918	54,301,261
Total undiscounted financial liabilities	70,692,134	14,577,918	85,270,052

(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 primary interest rate risk relates to interest-bearing borrowings.

The investments in financial assets including fixed deposits are mainly short term in nature and they are not held for speculative purposes.

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

Interest rate sensitivity

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 profit before tax (through the impact on floating rate borrowings).

	Group RM'000	Company RM'000
31 August 2011		
Borrowings denominated in Ringgit Malaysia		
Interest rates increase by 0.25 percentage point	88,829	88,829
Interest rates decrease by 0.25 percentage point	(88,829)	(88,829)

(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 the Bursa Malaysia. These instruments are classified fair value through profit or loss financial assets. The Group and the Company does not have exposure to commodity price risk.

29. Capital management

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

The Group and the Company manages its capital structure and makes 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 2011 and 31 August 2010.

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Total debts	49,758,864	50,503,716	49,758,864	50,503,716
Equity attributable to the owners of the parent	86,446,746	86,135,833	86,465,525	86,150,327
Debt to equity ratio	58%	59%	58%	59%

30. Supplementary information - breakdown of accumulated profit/(accumulated losses) into realised and unrealised

The breakdown of the accumulated profit/(accumulated losses) of the Group and of the Company as at 31 August 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group RM'000	Company RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
- Realised	35,558,478	35,577,257
- Unrealised	(28,373,657)	(28,373,657)
	7,184,821	7,203,600
Add: Consolidation adjustments	-	-
Accumulated profit as per financial statements	7,184,821	7,203,600

Analysis of Shareholdings

As at 30 December 2011

Class of Shares : Ordinary Shares of RM1.00 each

A. DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Holders	No of Shares	%
Less than 100	41	1,726	0.00
100 - 1,000	539	485,820	1.09
1,001 - 10,000	727	2,241,300	5.01
10,001 - 100,000	87	2,334,050	5.21
100,001 - less than 5% of issued shares	46	27,345,345	61.07
5% and above of issued shares	2	12,366,759	27.62
Total	**1,442**	**44,775,000**	**100.00**

B. SUBSTANTIAL SHAREHOLDERS

Name	No of Shares	%
1. Inch Kenneth Kajang Rubber Public Limited Company	9,619,259	21.48
2. Progressive Metal Works Sdn Bhd	4,179,000	9.33

C. THIRTY (30) LARGEST SHAREHOLDERS

Name	No of Shares	%
1. Inch Kenneth Kajang Rubber Public Limited Company	8,727,759	19.49
2. Progressive Metal Works Sdn Bhd	3,639,000	8.13
3. Bank Kerjasama Rakyat Malaysia Berhad for Md Rushdi bin Taib	2,022,000	4.52
4. Mohd Ridzwan bin Jamaludin	2,012,121	4.49
5. SJ Sec Nominees (Tempatan) Sdn Bhd for Zuraini binti Alias	1,734,050	3.87
6. HLG Nominee (Tempatan) Sdn Bhd for Che Muhamad Fasir bin Samsudin	1,683,300	3.76
7. General Growth Sdn Bhd	1,162,400	2.60
8. Ahmad Hamzah bin Mohd Anuar	1,150,000	2.57
9. Koperasi Permodalan Felda Malaysia Berhad	1,000,000	2.23
10. Muhamad Faris bin Muhamad Fasri	899,350	2.01
11. Good Health Pharmacy Sdn Bhd	896,000	2.00
12. Amsec Nominees (Tempatan) Sdn Bhd for Norazlina binti Awang	862,900	1.93

C. THIRTY (30) LARGEST SHAREHOLDERS(cont'd.)

Name	No of Shares	%
13. Masmanis Sdn Bhd	780,100	1.74
14. Mayban Nominees (Tempatan) Sdn Bhd for Ahmad Hamzah bin Mohd Anuar	778,250	1.74
15. EB Nominees (Tempatan) Sendirian Berhad for Che Ismail bin Mohd	750,000	1.68
16. AIBB Nominees (Tempatan) Sdn Bhd for Norazlina binti Awang	710,950	1.59
17. Usaki Sdn Bhd	700,000	1.56
18. AIBB Nominees (Tempatan) Sdn Bhd for Mohd Dzaki @ Mohd Zaki bin Jaafar	653,150	1.46
19. Inch Kenneth Kajang Ruber Public Limited Company	594,700	1.33
20. AIBB Nominees (Tempatan) Sdn Bhd for Latifah binti Abdul Hamid	593,600	1.33
21. Kenanga Nominees (Tempatan) Sdn Bhd for Norazlina binti Awang	587,500	1.31
22. Norani binti Supar	547,800	1.22
23. EB Nominees (Tempatan) Sendirian Berhad for Progressive Metal Works Sdn Bhd	540,000	1.21
24. Amsec Nominees (Tempatan) Sdn Bhd for Mohd Dzaki @ Mohd Zaki bin Jaafar	532,000	1.19
25. TA Nominees (Tempatan) Sdn Bhd for Hassan bin Haji Hussin	517,500	1.16
26. Che Yam @ Rusnah binti Hussin	505,100	1.13
27. ECML Nominees (Tempatan) Sdn Bhd for Low Teck Beng	438,500	0.98
28. Public Nominees (Tempatan) Sdn Bhd for Ahmad Fauzi bin Anuar @ Mohd Anuar	408,750	0.91
29. Ambank (M) Berhad for Sumber Berkat Sdn Bhd	395,000	0.88
30. Mayban Nominees (Tempatan) Sdn Bhd for Norhazlina binti Ibrahim	371,300	0.83

List of Properties

As at 31 August 2011

	Location	Tenure	Residual Lease (Years)	Approximate Area / Age of Property	Description	Net Book Value 31/08/11 RM	Date of Acquisition (A) / Revaluation (R)
1	Lot 63, Bakar Arang Industrial Estate Sg Petani, Kedah	Leasehold expiring in 2083	72	Land: 13.2 acres Built-up: 5,180 sq m 26 years	Single-storey office, an open sided single-storey factory building, canteen, laboratory, store and stockyard	4,850,176	31 August 1995 (R)
2	PLO 337, Jln Suasa Pasir Gudang Industrial Estate Johor	Leasehold expiring in 2050	39	Land: 7.5 acres Built-up: 7,000 sq m 19 years	Single-storey office, two single-storey factory buildings, boiler house, canteen, stockyard and jetty	7,044,851	31 August 1995 (R)
3	PLO 461, Jln Suasa Pasir Gudang Industrial Estate Johor	Leasehold expiring in 2053	42	Land: 2.5 acres 19 years	Stockyard	370,371	31 August 1995 (R)
4	PT 643, Batu 20 Jalan Ipoh, Rawang Selangor	Leasehold expiring in 2047	36	Land: 11.344 acres Built-up: 16,630 sq m 17 years	Double-storey office, canteen, store, laboratory, single-storey factory building and stockyard	11,333,677	23 June 1993 (A)
	* Property is currently charged for financing facilities						
5	Lot 7106, Kawasan Perindustrian Nilai Nilai Negeri Sembilan	Leasehold expiring in 2089	78	Land: 6.707 acres Built-up: 6,370 sq m 16 years	Single-storey factory and office, canteen and stockyard	4,395,693	16 March 2007 (A)
	* Property is currently charged for financing facilities						
6	HS(M) 1653 PT2100 Mukim Batang Kali District of Hulu Selangor Selangor	Leasehold expiring in 2052	41	Land: 7.981 acres Built-up: 4,842 sq m 17 years	Single-storey factory and office, canteen, stockyard, boiler room, generator room and compressor room	5,834,702	25 August 2010 (A)
	* Property is currently charged for financing facilities						
7	11 Jalan 10/11 Perjiranan 10 Pasir Gudang Johor	Leasehold expiring in 2082	71	Land: 0.035 acres Built up: 150 sq m 19 years	Residential double-storey terrace house	73,543	30 April 1992 (A)
8	31 Jalan 10/11 Perjiranan 10 Pasir Gudang Johor	Leasehold expiring in 2082	71	Land: 0.035 acres Built up: 150 sq m 18 years	Residential double-storey terrace house	74,830	8 September 1992 (A)

List of Properties

As at 31 August 2011

	Location	Tenure	Residual Lease (Years)	Approximate Area / Age of Property	Description	Net Book Value 31/08/11 RM	Date of Acquisition (A) / Revaluation (R)
9	42 Jalan 10/11 Perjiranan 10 Pasir Gudang Johor	Leasehold expiring in 2082	71	Land: 0.035 acres Built up: 150 sq m 19 years	Residential double-storey terrace house	73,543	30 Aprl 1992 (A)
10	8 Jalan 2/11 Jalan Bukit Rawang Jaya, Rawang Selangor	Freehold		Land: 0.030 acres Built up: 90 sq m 16 years	Single-storey terrace house	48,960	28 April 1994 (A)
11	A-3-3, Block A Taman Nilai Perdana Nilai, Negeri Sembilan	Freehold		Built-up: 60.7 sq ft 11 years	Apartment	21,620	27 May 2009 (A)
12	A-1-6, 1st Floor Block A Taman Nilai Perdana Nilai, Negeri Sembilan	Freehold		Built-up: 60.7 sq ft 11 years	Apartment	24,440	27 May 2009 (A)
13	LA-3-2, Block LA Taman Nilai Perdana Nilai, Negeri Sembilan	Freehold		Built-up: 60.7 sq ft 11 years	Apartment	21,620	27 May 2009 (A)
14	I-G-02, Jln PPK 2 Bandar Kinrara Section 3, Puchong Selangor	Leasehold expiring in 2099	88	Built up: 114sq m 5 years	Ground Floor Shoplot	340,000	30 August 2011 (R)
15	Danau Putra Apartments Jln Putra Perdana 5F Taman Putra Sepang, Selangor	Leasehold expiring in 2092	81	8 years	Apartments		30 August 2011 (R)
	Unit 48-2A			Built up: 76 sq m		74,000	
	Unit 48-2B			Built up: 73 sq m		71,000	
	Unit 49-2A			Built up: 69 sq m		67,000	
	Unit 49-2B			Built up: 66 sq m		64,000	
	Unit 52-1B			Built up: 66 sq m		67,000	
	Unit 52-1C			Built up: 44 sq m		45,000	
	Unit 52-1D			Built up: 73 sq m		75,000	
	Unit 53-2D			Built up: 61 sq m		60,000	
	Unit 53-3B			Built up: 66 sq m		64,000	
16	Unit B1-5-6 Pandan Mewah Heights Jalan Mewah Utara Taman Pandan Mewah, Ampang Selangor	Leasehold expiring in 2086	75	Built up: 90 sq m	Condominium	165,000	30 August 2011 (R)

List of Properties

As at 31 August 2011

	Location	Tenure	Residual Lease (Years)	Approximate Area / Age of Property	Description	Net Book Value 31/08/11 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	75	Built up: 90 sq m	Condominium	165,000	30 August 2011 (R)
18	Unit No.40 Type Lavender Lembah Beringin Zone 2-1 Geran 8039, Lot 610 and Geran 11709 Lot 863 Mukim of Kerling Daerah Hulu Selangor Selangor	Freehold		Built up: 151 sq m	Residential one and half-storey terrace house	75,000	30 August 2011 (R)
19	Lot 7692 PN 10780 Bandar Ulu Kelang District of Gombak Selangor	Leasehold expiring in 2078	67	Land: 1,191 sq m	Vacant detached residential plot	2,500,000	30 August 2011 (R)
20	44 & 44A Jalan Telawi 5 Bangsar Baru Kuala Lumpur	Freehold		Land: 167.22 sq m Built up: 332 sq m 31 years	Double-storey shop office	5,200,000	30 August 2011 (R)

* Property is currently charged for financing facilities

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of the Company will be held at Bilik Perdana 2, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 50400 Kuala Lumpur on Thursday, 16 February 2012 at 10.00 a.m. to transact the following business:

AGENDA

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 August 2011 together with the Reports of the Directors and the Auditors thereon. **Resolution 1**

2. To approve the payment of Directors' fees in respect to the year ended 31 August 2011. **Resolution 2**

3. To re-elect the following Directors who retire pursuant to Article 90 of the Company's Articles of Association, and being eligible offer themselves for re-election:

   a) Khoo Kay Ong **Resolution 3a**
   b) Dato' Syed Md Amin bin Syed Jan Aljeffri **Resolution 3b**

4. To re-elect Dato' Daud bin Daros who retires by rotation pursuant to Article 96 of the Company's Articles of Association, and being eligible offers himself for re-election. **Resolution 4**

5. To re-elect Leong Kway Wah who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible offers himself for re-election. **Resolution 5**

6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Resolution 7**

   "THAT subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for Concrete Engineering Products Berhad ("CEPCO") to enter into the types of transactions as stated in Section 3.2 of the Circular to Shareholders dated 18 January 2012 involving the interests of Directors, major shareholders or persons connected to the Directors and/or major shareholders of CEPCO provided that such arrangements and/or transactions are:

   (i) recurrent transactions of a revenue or trading nature;
   (ii) necessary for the day-to-day operations;
   (iii) in the ordinary course of business and are on terms not more favorable to the related parties than those generally available to the public; and
   (iv) not to the detriment of the minority shareholders of CEPCO

   ("Shareholders Mandate")

"AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless renewed by a resolution passed by the shareholders of the Company in a general meeting;

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Act); or

(iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT the aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed in accordance with the Listing Requirements of Bursa Securities in the annual report of the Company for the said financial year.

8. **To empower the Directors of the Company to issue shares pursuant to section 132D of the Companies Act, 1965.** **Resolution 8**

"THAT subject always to the Companies Act, 1965 ("ACT"), the Memorandum and Articles of Association of the Company and the approvals of Bursa Malaysia Securities Berhad and the relevant regularly authorities, the Directors be and hereby empowered, pursuant to section 132D of the Act, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued does not exceed 10% of the total issued share capital of the Company for the time being."

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

By order of the Board

NORAKHMAR BINTI BAHAROM (LS 0001698)
Secretary

Kuala Lumpur
18 January 2012

Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his 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.

3. Where a member appoints more than one proxy, the appointment shall not be valid unless he specifies the proportion of his holding to be represented by each proxy.

4. The instrument appointing a proxy must be deposited at the Registrar's Office, 22nd Floor Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur 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.

EXPLANATORY NOTES ON SPECIAL BUSINESS

6. **Resolution 7**
Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

   The proposed resolution 7, if passed, will empower the company to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties and are not to the detriment of the minority shareholders of the Company.

   Details relating to the resolution 7 are set out in the Circular to Shareholders dated 18 January 2012, which is dispatched together with this Annual Report.

7. **Resolution 8**
To empower the Directors of the Company to issue shares pursuant to section 132D of the Companies Act, 1965.

   The proposed resolution 8, if passed will empower the Directors of the Company authority to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the best interest of the Company, without having to convene a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Statement Accompanying Notice of Annual General Meeting

1. The Directors standing for re-election at the Twenty-Seventh Annual General Meeting of the Company are:

   Pursuant to Article 90 of the Company's Articles of Association
   - Khoo Kay Ong
   - Dato' Syed Md Amin bin Syed Jan Aljeffri

   Pursuant to Article 96 of the Company's Articles of Association
   - Dato' Daud bin Daros

   Pursuant to Article 102 of the Company's Articles of Association
   - Leong Kway Wah

2. The profiles of the Directors who are standing for re-election are set out on pages 4 to 6.

3. The abovenamed Directors do not hold any interest in the securities of the Company.

FORM OF PROXY

CDS AC NO	
NO OF SHARES HELD	

I/We ______________________________ (NRIC/Company No. ______________)
(FULL NAME IN CAPITAL LETTERS)

of ______________________________
(ADDRESS)

being a shareholder(s) of **Concrete Engineering Products Berhad** hereby appoint *the Chairman of the Meeting, or

______________________________ (__________ %)
(FULL NAME OF PROXY)

of ______________________________
(ADDRESS)

*and/or failing him ______________________________ (__________ %)
(FULL NAME OF PROXY)

of ______________________________
(ADDRESS)

as *my/our proxy to vote for *my/our behalf at the 27th Annual General Meeting of the Company to be held at Bilik Perdana 2, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 50400 Kuala Lumpur on Thursday, 16 February 2012 at 10.00 a.m. for the following purposes:

NO	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To receive and adopt the Directors' Reports and Financial Statements		
2.	To approve the payment of Directors' fees		
3.	To re-elect the following Directors who retire pursuant to Article 90 of the Company's Articles of Association: a) Khoo Kay Ong b) Dato' Syed Md Amin bin Syed Jan Aljeffri		
4.	To re-elect Dato' Daud bin Daros who retires by rotation pursuant to Article 96 of the Company's Articles of Association		
5.	To re-elect Leong Kway Wah who retires pursuant to Article 102 of the Company's Articles of Association		
6.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration		
7.	**Special Business: Ordinary Resolution 1** To approve the proposed renewal of shareholders' mandate for recurrent related party transaction of a revenue or trading nature		
8.	**Special Business: Ordinary Resolution 2** To empower the Directors of the Company to issue shares pursuant to Section 132D of the Companies Act, 1965		

Votes are as indicated by an "X" in the appropriate spaces above. If no indication is given, the proxy shall vote or abstain from voting as he/she thinks fit.

*Delete whichever is not applicable.

Dated this day ______________ of ______________ 2012

____
Signature/Seal of shareholder(s)

Tel No: ______________________

NOTE:

A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall not be valid unless he specifies the proportion of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registrar's Office of the Company, not less than forty-eight (48) hours before the time for holding the meeting.

FOLD THIS FLAP FOR SEALING

AFFIX
STAMP

MESTIKA PROJEK (M) SDN BHD
(225545-V)

22nd Floor Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

2ND FOLD HERE

1ST FOLD HERE

CONCRETE ENGINEERING PRODUCTS BERHAD (Co. No. 88143-P)
22nd Floor Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur
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Tel: (603)-2144 1066 Fax: (603)-2144 4885
Homepage: www.cepco.com.my