

**CONCRETE ENGINEERING PRODUCTS BERHAD**  
**Registration No.: 198201008420 (88143-P)**  
**(Incorporated in Malaysia)**

Quarterly report on consolidated results for the fourth quarter ended 31 August 2022.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the Fourth Financial Quarter Ended 31 August 2022**

	2022 Current Quarter Ended  31/8/2022 (RM'000)	2021 Comparative Quarter Ended  31/8/2021 (RM'000)	2022 12 months Cumulative to date  31/8/2022 (RM'000)	2021 12 months Cumulative to date  31/8/2021 (RM'000)
<b><u>Continuing Operations</u></b>				
Revenue	40,297	23,912	148,276	84,481
Cost of sales	(28,864)	(21,182)	(114,525)	(75,367)
Gross profit	11,433	2,730	33,751	9,114
Other income	1,004	1,342	3,751	1,711
Increase/(Decrease) in fair value of quoted investment through profit and loss	3,775	1,743	290	(1,452)
Provision for increase/(decrease) in fair value of investment properties through profit and loss	57	(91)	57	(91)
Administrative and other expenses	(10,057)	(9,351)	(36,092)	(24,411)
Finance cost	(320)	(401)	(1,252)	(1,687)
Profit/(Loss) before taxation	5,892	(4,028)	505	(16,816)
Taxation	(130)	(25)	(130)	(25)
Profit/(Loss) after taxation	5,762	(4,053)	375	(16,841)
<b><u>Other comprehensive income for the period</u></b>				
Dividend paid	-	-	-	-
Total comprehensive income/(loss) for the period	5,762	(4,053)	375	(16,841)
Profit/(Loss) for the period attributable to:				
Owners of the Company	5,762	(4,053)	375	(16,841)
Minority interest	-	-	-	-
	5,762	(4,053)	375	(16,841)
Total comprehensive income attributable to:				
Owners of the Company	5,762	(4,053)	375	(16,841)
Minority interest	-	-	-	-
	5,762	(4,053)	375	(16,841)
Earnings per share				
Basic (based on ordinary shares - sen)	7.72	(5.43)	0.50	(22.57)
Fully diluted (based on ordinary shares - sen)				
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.83		0.82	

(The Condensed Consolidated Statement on Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2021.)

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Fourth Financial Quarter Ended 31 August 2022**

**Table 1: Financial review of current quarter and financial year to date**

	Notes	2022			2021		
		Current Quarter Ended	Comparative Quarter Ended	changes (%)	12 months Cumulative to date	Comparative Cumulative to date	changes (%)
		31/8/2022	31/8/2021		31/8/2022	31/8/2021	
		(RM'000)	(RM'000)		(RM'000)	(RM'000)	
<b>Continuing Operations</b>							
Revenue		40,297	23,912	68.52	148,276	84,481	75.51
Cost of sales		(28,864)	(21,182)	36.27	(114,525)	(75,367)	51.96
Gross profit		11,433	2,730	318.79	33,751	9,114	270.32
Other income		1,004	1,342	(25.22)	3,751	1,711	119.20
Increase/(Decrease) in fair value of quoted investment through profit and loss		3,775	1,743	116.58	290	(1,452)	(119.97)
Provision for increase/(decrease) in fair value of investment properties through profit and loss		57	(91)	(162.64)	57	(91)	(91)
Administrative and other expenses		(10,057)	(9,351)	7.55	(36,092)	(24,411)	47.85
Finance cost		(320)	(401)	(20.20)	(1,252)	(1,687)	(25.79)
Profit/(Loss) before taxation		5,892	(4,028)	(246.28)	505	(16,816)	(103.00)
Taxation		(130)	-	#DIV/0!	(130)	(25)	(25)
Profit/(Loss) after taxation		5,762	(4,028)	(243.04)	375	(16,841)	(102.23)
<b>Other comprehensive income/(loss) for the period</b>							
Dividend paid		-	-		-	-	
Total comprehensive income/(loss) for the period		5,762	(4,028)		375	(16,841)	
Profit/(Loss) for the period attributable to:							
Owners of the Company		5,762	(4,028)		375	(16,841)	
Minority interest		-	-		-	-	
		5,762	(4,028)		375	(16,841)	
Total comprehensive income/(loss) attributable to:							
Owners of the Company		5,762	(4,028)		375	(16,841)	
Minority interest		-	-		-	-	
		5,762	(4,028)		375	(16,841)	
Earnings per share							
Basic (based on ordinary shares - sen)	A9	7.72	(5.40)		0.50	(22.57)	
		AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
Net assets per share attributable to ordinary equity holders of the parent (RM)	A10	0.83			0.82		

(The Condensed Consolidated Statement on Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2021.)

**Table 2 : Financial review for current quarter compared with preceding quarter**

	Current Quarter Ended	Immediate Preceding Quarter Ended	changes (%)
	31/8/2022	31/5/2022	
	(RM'000)	(RM'000)	
<u>Continuing Operations</u>			
Revenue	40,297	36,790	9.53%
Cost of sales	(28,864)	(27,879)	3.53%
Gross profit	11,433	8,911	28.30%
Other income	1,004	2,180	53.97%
Increase/(Decrease) in fair value of quoted investment through profit and loss	3,775	(3,485)	-208.32%
Provision for increase/(decrease) in fair value of investment properties through profit and loss	57	-	0.00%
Administrative and other expenses	(10,057)	(8,630)	16.53%
Finance cost	(320)	(258)	24.03%
Profit/(Loss) before taxation	5,892	(1,282)	-559.60%
Taxation	(130)	-	0.00%
Profit/(Loss) after taxation	5,762	(1,282)	-549.44%

(The Condensed Consolidated Statement on Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2021.)

CONCRETE ENGINEERING PRODUCTS BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 August 2022**

	Notes	AS AT 31/8/2022 RM '000	AS AT 31/8/2021 RM '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		25,659	23,537
Right of use assets		13,139	14,400
Investment properties		14,315	12,948
Other investment		28,753	28,463
		<u>81,866</u>	<u>79,348</u>
<b>Current Assets</b>			
Inventories		34,389	32,236
Trade receivables	B8	16,673	16,754
Other receivables, deposit and prepayments		1,539	2,179
Tax recoverable	B6	1,289	1,375
Fixed deposit with licensed banks		12	5,420
Cash and bank balances		3,860	2,157
		<u>57,762</u>	<u>60,121</u>
<b>TOTAL ASSETS</b>		<u><u>139,628</u></u>	<u><u>139,469</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		75,345	75,345
Retained profit/(loss)		(13,369)	(13,744)
Total equity		<u>61,976</u>	<u>61,601</u>
<b>Non-current Liabilities</b>			
Lease liabilities		-	752
Long term borrowings	B7	575	405
		<u>575</u>	<u>1,157</u>
<b>Current Liabilities</b>			
Trade payables		33,237	26,342
Other payables		24,873	21,270
Lease liabilities		709	805
Short term borrowings	B7	18,238	26,148
Bank overdraft	B7	21	2,215
		<u>77,078</u>	<u>76,780</u>
Total Liabilities		<u>77,653</u>	<u>77,937</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>139,629</u></u>	<u><u>139,469</u></u>
<b>Net Assets Per Share (RM)</b>	A10	0.83	0.82

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2021.)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the financial period ended 31 August 2022**

	Attributable to equity holders of the Company		
	<u>Non-distributable</u>	<u>Distributable</u>	
	Share capital RM'000	Accumulated profit/(loss) RM'000	Total RM'000
<b><u>4th quarter ended 31 August 2022</u></b>			
Balance at 1 September 2021	75,345	(13,744)	61,601
Total comprehensive income/(loss)	-	375	375
Balance at 31 August 2022	<u>75,345</u>	<u>(13,369)</u>	<u>61,976</u>
<b><u>4th quarter ended 31 August 2021</u></b>			
Balance at 1 September 2020	75,345	3,023	78,368
Total comprehensive income/(loss)	-	(16,841)	(16,841)
Balance at 31 August 2021	<u>75,345</u>	<u>(13,818)</u>	<u>61,527</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2021.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the financial period ended 31 August 2022**

	12 months ended	
	31/8/2022	31/8/2021
	RM'000s	RM'000s
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	505	(16,811)
Adjustments for:		
Fair value through profit and loss on other investments	(290)	1,452
Fair value (gain)/loss on investment properties	(57)	341
Depreciation of property, plant and equipment	1,900	1,911
Depreciation of right of use assets	1,262	1,203
Allowance/(Reversal) for impairment - trade receivables	(1,552)	(9,924)
Interest expenses	1,252	1,687
Interest income	(33)	(365)
Unrealised foreign exchange (gain)/loss	(183)	773
Operating profit before changes in working capital	<u>2,804</u>	<u>(19,733)</u>
Changes in working capital:		
Net change in inventories	(2,153)	7,337
Net change in receivables	2,456	13,497
Net change in payables	10,498	7,825
Cash generated from operating activities	<u>13,605</u>	<u>8,926</u>
Net income tax paid/(recover)	(44)	513
Interest paid	(1,252)	(1,687)
Net cash generated from/(used in) operating activities	<u>12,309</u>	<u>7,752</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,022)	(1,619)
Interest received	33	365
Placement/(Uplift) of deposit with a licensed bank	(3,518)	(3,732)
Net cash generated from/(used in) investing activities	<u>(7,507)</u>	<u>(4,986)</u>
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of trade credit facilities	(4,819)	4,156
Net drawdown/(repayment) of hire purchase	(1,511)	(2,493)
Net drawdown/(repayment) of term loan	18	(195)
Net cash generated from/(used in) financing activities	<u>(6,312)</u>	<u>1,468</u>
Net changes in cash and cash equivalents	(1,511)	4,234
Cash and cash equivalents at the beginning of financial period	5,362	1,128
Cash and cash equivalents at end of financial period	<u>3,851</u>	<u>5,362</u>
<b>Cash and cash equivalent comprise the following:</b>		
Bank and cash balances	3,860	2,157
Deposits with licensed banks	12	5,420
Bank overdraft	(21)	(2,215)
	<u>3,851</u>	<u>5,362</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2021.)

## **A - NOTES TO THE INTERIM FINANCIAL REPORT PURSUANT TO MFRS 134**

### **1. Basis of preparation**

The consolidated interim financial statements (Condensed Report) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2021.

### **2. Summary of significant accounting policies**

#### **2.1 Changes in accounting policies**

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

As of 1 September 2021, the Group and the Company adopted the following new and amended MFRSs and IC Interpretations:

<b>Description</b>	<b>period beginning on or</b>
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendment to MFRS 16: Covid-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform Phase 2	1 January 2021
Amendments to MFRS 16: Leases (Covid-19-Related Rent Concession beyond 30 June 2021)	1 April 2021

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

The following pronouncements that have been issued by MASB will become effective in future financial reporting periods and have not been adopted by the Group or Company:

#### **Pronouncements yet in effect**

Amendments to MFRS 3: Business Combinations (Reference to Conceptual Framework)	1 January 2022
Amendments to MFRS 116: Property, plant and equipment	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

### **3. Auditors' report on preceding annual financial statements**

The auditors' report in respect of the annual financial statement for the financial year ended 31 August 2021 was not subject to any qualification.

### **4. Seasonal or cyclical factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

### **5. Exceptional items**

Exceptional items for current year quarter:

There is an increase in fair value of quoted investments totalling RM3.78 million for the current quarter. This represent a increase in market value of our quoted securities held during the current quarter.

**6. Changes in estimates of amounts previously reported**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that may have a material effects on the current interim period.

**7. Issuance or repayment of debt and equity securities**

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period under review.

**8. Dividends paid**

There were no dividend paid for the current quarter under review.

**9. Earning/(Loss) per share**

Basis earnings/(loss) per share is calculated by dividing the profit for the year amounting to RM0.37 million for the Group on the number of ordinary shares in issue of 74,625,000 during the current financial period. There were no movement of issue shares of 74,625,000 during and since the previous financial quarter.

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

**10. Net assets per share**

Net assets per share is calculated by dividing net assets as at 31 August 2022 of RM61,967 (31 August 2021: RM61,601 million) for the Group on the number of shares in issue during the year of 74,625,000 (31 August 2021: 74,625,000).

**11. Segmental reporting**

The activity of the Group comprises 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:

	As at Current Financial Quarter Ended 31/8/2022 RM'000	As at Preceding Corresponding Financial Quarter Ended 31/8/2021 RM'000
Malaysia	36,706	16,845
Other countries	3,592	3,602
	<u>40,297</u>	<u>23,912</u>

**12. Valuation of property, plant and equipment**

The valuations of property, plant and equipment have been revised according to the recent valuation conducted on 26 July 2022.

**13. Subsequent material events**

There were no material events subsequent to the end of the current quarter under review, which required disclosure or adjustments to the quarterly financial statements.

**14. Changes in composition of the Group**

There were no material changes in the composition of the Group for the financial period under review including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations.

**15. Contingent liabilities and assets**

There were no contingent liabilities and assets as at the date of issue of this report.

**16. Financial risk management**

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for financial year ended 31 August 2021.

**17. Status of corporate exercise**

The timeframe to complete the implementation of the Private Placement granted by Bursa Securities on the extension of time announced on 6 September 2021, has lapsed. The Board shall continue to review the Company's funding requirements and should the need arise to undertake any fund raising proposal(s), the Company will make the necessary announcement(s) to Bursa Securities and/or to seek its shareholders' approval, if required.



## B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

### 1. Review of Performance

#### FYE 4Q2022 compared with FYE 4Q2021

The Group's revenue and gross profit margin for the current quarter increase 68.52% and 318.79% as compared to the preceding year quarter due to recovery from several MCO phases.

### 2. Comparisons with preceding quarter's results

There is an increase of sales and gross profit margin of 9.53% and 28.30% in the current quarter compared with the preceding quarter in FY 3Q2022 mainly due to increased in selling price by passing the cost to the end user and product mix.

### 3. Financial position and liquidity

Total assets of the Group stood at RM139.62 million at 4Q2022, a decrease of RM0.69 million from 3Q2022 mainly due to the decrease in trade receivable and offset by the increase in other investment.

Total liabilities of the Group increase RM17.29 million to RM77.65 million at 4Q2022 as compare to 3Q2022, mainly due to increase in trade and other payables and offset by the long term borrowing.

Equity attributable to equity holders of the Group was RM61.97 million as at 4Q2022 with net assets per share at RM0.83.

The Group's cash and cash equivalents has increase by RM5.30 million in 4Q2022 as compare to 3Q2022, this was mainly due to the decrease in utilisation of overdraft and offset with the uplift of fixed deposit.

### 4. Current year prospects

The current year prospects remain challenging due to uncertainty of local and global economy impacted by the Covid-19 pandemic and on-going trade wars between China and the United States and the wars between Russia and Ukraine. This in turn may affect the demand for the Group's products correspondingly assert a downward pressure on the Group's revenue and margins.

The current political climate and the lack of foreign direct investments into Malaysia also have an impact to our revenue. This coupled with the rising steel prices and international inbound charges will certainly offset our performance as substantial amount of our contract are fixed price. The weaken of the Ringgit Malaysia compared to US Dollars together with the price fluctuation of other major raw material will have an impact on our selling price and profitability of the Group.

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

### 5. Variance from profit forecast and profit guarantee

The Group did not issue any profit forecast or profit guarantee for the financial period under review.

### 6. Taxation

	As at end of Current Financial Period Ended 31/8/2022	As at Preceding Financial Year Ended 31/08/2021
	RM'000	RM'000
<b><u>Malaysian taxation</u></b>		
<b>Income tax</b>		
- Current year taxation	111	-
- Prior year over provision	-	-
- Deferred tax	-	-
<b>Real property gain tax</b>		
- Current year taxation	-	25
- Prior year under provision	19	-
	<u>130</u>	<u>25</u>

## 7. Group borrowings and debts securities

	As at Financial Year Ended 31/8/2022 RM'000	As at Preceding Financial Year Ended 31/08/2021 RM'000
a) <u>Long term borrowings:</u>		
Term loan - secured	423	405
Hire purchase - secured	152	-
<u>Short term borrowings:</u>		
Term loan - secured	2,124	3,635
Hire purchase - secured	301	145
Trade credit facilities - secured	15,813	20,788
- unsecured	-	1,580
Bank overdraft	21	2,215
	18,259	28,363
Total borrowings	18,834	28,768

b) There were no borrowings in foreign currency.

## 8. Trade receivables

	As at end of Current Quarter 31/8/2022 RM'000	As at Preceding Financial Year Ended 31/08/2021 RM'000
Trade receivable	16,852	18,485
Less: Accumulated impairment losses	(1,731)	(11,655)
Add/(Less): Reversal/(Allowance) for impairment	1,552	9,924
	16,673	16,754

The Group's normal trade credit terms range from 60 to 120 (2020: 60 to 120) days. Other credit terms are assessed and approved on a case by case basis. Trade receivables are recognised at their original invoice amounts which represents their value on initial recognition.

## 9. Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this report.

## 10. Material litigation

There is no material litigation as at the date of issuance of this quarterly report against the Group.

## 11. Proposed dividend

The Board of Directors has not recommended any dividend for the financial quarter under review.

## 12. Earnings/(Losses) per share

The basic earnings per share is calculated by dividing the Group's profit/(loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:

	Current Year Quarter 31/8/2022	Preceding Year Corresponding Quarter 31/8/2021	Current Year To Date 31/8/2022	Preceding Year Corresponding Quarter To Date 31/8/2021
Profit/(Loss) attributable to equity holders of the Company (RM'000)	5,762	(4,028)	375	(16,841)
Weighted average number of ordinary shares in issue ('000)	74,625	74,625	74,625	74,625
Basic Earnings per share (sen)	7.72	(5.40)	0.50	(22.57)

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial period-to-date.

**13. Notes to the Statement of Comprehensive Income**

Included in the statement of comprehensive income for the current quarter and financial year-to-date, are as follows:

	Current Quarter 31/8/2022 RM'000	Current year-to-date 31/8/2022 RM'000
a) Interest income	(4)	(33)
b) Interest expense	320	1,252
c) Depreciation of property, plant and equipment	473	1,900
d) Depreciation of right of use assets	315	1,262
e) Unrealised foreign exchange (gain)/loss	45	(183)
f) Rental income	(80)	(316)
g) Allowance/(Reversal) for impairment - trade receivables	(595)	(460)

By Order of the Board.