

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

Quarterly report on consolidated results for the First quarter ended 29 February 2024.  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Second Financial Quarter Ended 29 February 2024**

|  | 2024<br>Current<br>Quarter<br>Ended<br>29/2/2024<br>(RM'000) | 2023<br>Comparative<br>Quarter<br>Ended<br>28/2/2023<br>(RM'000) | 2024<br>6 months<br>Cumulative<br>to date<br>29/2/2024<br>(RM'000) | 2023<br>6 months<br>Cumulative<br>to date<br>28/2/2023<br>(RM'000) |
|--|--|--|--|--|
| <b><u>Continuing Operations</u></b>  |  |  |  |  |
| Revenue  | 29,424   | 26,229   | 70,087   | 65,924   |
| Less: Cost of sales  | (21,679)   | (22,200)   | (52,861)   | (51,292)   |
| Gross profit   | 7,745  | 4,029  | 17,226   | 14,632   |
| Add: Other income  | 230  | 333  | 401  | 438  |
| Less: Administrative and other expenses  | (7,753)  | (6,569)  | (17,122)   | (16,125)   |
| Less: Finance cost   | (125)  | (310)  | (196)  | (581)  |
| Operating Profit/(Loss)  | 97   | (2,517)  | 309  | (1,636)  |
| Add/(Less): Exceptional Item   |  |  |  |  |
| Increase/(Decrease) in fair value of quoted investment through profit and loss                   | (871)  | 581  | (2,033)  | (4,066)  |
| Provision for increase/(decrease) in fair value of investment properties through profit and loss | -  | -  | -  | -  |
| Profit/(Loss) before taxation  | (774)  | (1,936)  | (1,724)  | (5,702)  |
| Taxation   | (24)   | (27)   | (48)   | (45)   |
| Profit/(Loss) after taxation   | (798)  | (1,963)  | (1,772)  | (5,747)  |
| <b>Other comprehensive income for the period</b>   |  |  |  |  |
| Dividend paid  | -  | -  | -  | -  |
| Total comprehensive income/(loss) for the period   | (798)  | (1,963)  | (1,772)  | (5,747)  |
| Profit/(Loss) for the period attributable to:  |  |  |  |  |
| Owners of the Company  | (798)  | (1,963)  | (1,772)  | (5,747)  |
| Minority interest  | -  | -  | -  | -  |
|  | (798)  | (1,963)  | (1,772)  | (5,747)  |
| Total comprehensive income attributable to:  |  |  |  |  |
| Owners of the Company  | (798)  | (1,963)  | (1,772)  | (5,747)  |
| Minority interest  | -  | -  | -  | -  |
|  | (798)  | (1,963)  | (1,772)  | (5,747)  |
| Earnings per share   |  |  |  |  |
| Basic (based on ordinary shares - sen)   | (1.07)   | (2.63)   | (2.37)   | (7.70)   |
| Fully diluted (based on ordinary shares - sen)   |  |  |  |  |
|  | AS AT END OF CURRENT<br>QUARTER                              |  | AS AT PRECEDING<br>FINANCIAL YEAR END                              |  |
| Net assets per share attributable to ordinary equity holders of the parent (RM)                  | 0.82   |  | 0.85   |  |

(The Condensed Consolidated Statement on Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2023.)

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Quarterly report on consolidated results for the First quarter ended 29 February 2024.  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Second Financial Quarter Ended 29 February 2024**

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

|  | Note:  |  |             |  |   |             |
|--|--|--|-------------|--|---|-------------|
|  | 2024   | 2023   |             | 2024   | 2023  |             |
|  | Current<br>Quarter<br>Ended<br>29/2/2024<br>(RM'000) | Comparative<br>Quarter<br>Ended<br>28/2/2023<br>(RM'000) | changes (%) | 6 months<br>Cumulative<br>to date<br>29/2/2024<br>(RM'000) | Comparative<br>Cumulative<br>to date<br>28/2/2023<br>(RM'000) | Changes (%) |
| <u>Continuing Operations</u>   |  |  |             |  |   |             |
| Revenue  | 29,424   | 26,229   | 12.18       | 70,087   | 65,924  | 6.31        |
| Less: Cost of sales  | (21,679)   | (22,200)   | (2.35)      | (52,861)   | (51,292)  | 3.06        |
| Gross profit   | 7,745  | 4,029  | 92.23       | 17,226   | 14,632  | 17.73       |
| Add: Other income  | 230  | 333  | (30.93)     | 401  | 438   | (8.45)      |
| Less: Administrative and other expenses  | (7,753)  | (6,569)  | 18.02       | (17,122)   | (16,125)  | 6.18        |
| Less: Finance cost   | (125)  | (310)  | (59.68)     | (196)  | (581)   | (66.27)     |
| Operating Profit/(Loss)  | 97   | (2,517)  | (103.85)    | 309  | (1,636)   | (118.89)    |
| Add/(Less): Exceptional Item   |  |  |             |  |   |             |
| Increase/(Decrease) in fair value of quoted investment through profit and loss                   | (871)  | 581  | (249.91)    | (2,033)  | (4,066)   | -           |
| Provision for increase/(decrease) in fair value of investment properties through profit and loss | -  | -  | -           | -  | -   | -           |
| Profit/(Loss) before taxation  | (774)  | (1,936)  | (60.02)     | (1,724)  | (5,702)   | (69.76)     |
| Taxation   | (24)   | (27)   | -           | (48)   | (45)  | (45)        |
| Profit/(Loss) after taxation   | (798)  | (1,963)  | (59.35)     | (1,772)  | (5,747)   | (69.17)     |
| <b>Other comprehensive income/(loss) for the period</b>  |  |  |             |  |   |             |
| Dividend paid  | -  | -  | -           | -  | -   | -           |
| Total comprehensive income/(loss) for the period   | (798)  | (1,963)  |             | (1,772)  | (5,747)   |             |
| Profit/(Loss) for the period attributable to:  |  |  |             |  |   |             |
| Owners of the Company  | (798)  | (1,963)  |             | (1,772)  | (5,747)   |             |
| Minority interest  | -  | -  |             | -  | -   |             |
| <b>Total comprehensive income/(loss) attributable to:</b>  |  |  |             |  |   |             |
| Owners of the Company  | (798)  | (1,963)  |             | (1,772)  | (5,747)   |             |
| Minority interest  | -  | -  |             | -  | -   |             |
| <b>Earnings per share</b>  |  |  |             |  |   |             |
| Basic (based on ordinary shares - sen)   | A9   | (1.07)   | (2.63)      | (2.37)   | (7.70)  |             |
| <b>AS AT END OF CURRENT QUARTER</b>  |  |  |             |  |   |             |
| <b>AS AT PRECEDING FINANCIAL YEAR END</b>  |  |  |             |  |   |             |
| Net assets per share attributable to ordinary equity holders of the parent (RM)                  | A10  | 0.82   |             | 0.85   |   |             |

(The Condensed Consolidated Statement on Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2023.)

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

|   | Current<br>Quarter<br>Ended<br><br>29/2/2024<br>(RM'000) | Immediate<br>Preceding<br>Quarter<br>Ended<br><br>30/11/2023<br>(RM'000) | Changes (%) |
|---|--|--|-------------|
| <u>Continuing Operations</u>  |  |  |             |
| Revenue   | 29,424   | 40,663   | -27.64%     |
| Less: Cost of sales   | (21,679)   | (31,182)   | -30.48%     |
| Gross profit  | 7,745  | 9,481  | -18.31%     |
| Add: Other income   | 230  | 171  | -34.50%     |
| Less: Administrative and other expenses   | (7,753)  | (9,369)  | -17.25%     |
| Less: Finance cost  | (125)  | (71)   | 76.06%      |
| Operating Profit/(Loss)   | 97   | 212  | -54.25%     |
| Add/(Less): Exceptional Item  |  |  |             |
| Increase/(Decrease) in fair value of quoted<br>investment through profit and loss                   | (871)  | (1,162)  | -25.04%     |
| Provision for increase/(decrease) in fair value of<br>investment properties through profit and loss | -  | -  | 0.00%       |
| Profit/(Loss) before taxation   | (774)  | (950)  | -18.53%     |
| Taxation  | (24)   | (24)   | 0.00%       |
| Profit/(Loss) after taxation  | (798)  | (974)  | -18.07%     |

(The Condensed Consolidated Statement on Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2022.)

CONCRETE ENGINEERING PRODUCTS BERHAD

Registration No.: 198201008420 (88143-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 29 February 2024**

|  | Notes | AS AT<br>29/2/2024<br>RM '000 | AS AT<br>31/8/2023<br>RM '000 |
|--|-------|-------------------------------|-------------------------------|
| <b>ASSETS</b>                                      |       |                               |                               |
| <b>Non-current assets</b>                          |       |                               |                               |
| Property, plant and equipment                      |       | 26,285                        | 24,649                        |
| Right of use assets                                |       | 12,366                        | 14,475                        |
| Investment properties                              |       | 14,575                        | 14,575                        |
| Other investment                                   |       | 24,107                        | 26,140                        |
|  |       | <u>77,333</u>                 | <u>79,839</u>                 |
| <b>Current Assets</b>                              |       |                               |                               |
| Inventories  |       | 33,643                        | 31,695                        |
| Trade receivables                                  | B8    | 11,725                        | 18,984                        |
| Other receivables, deposit and prepayments         |       | 2,641                         | 3,258                         |
| Tax recoverable                                    | B6    | 1,287                         | 1,335                         |
| Cash and bank balances                             |       | 2,536                         | 1,646                         |
|  |       | <u>51,832</u>                 | <u>56,918</u>                 |
| <b>TOTAL ASSETS</b>                                |       | <u>129,165</u>                | <u>136,757</u>                |
| <b>EQUITY AND LIABILITIES</b>                      |       |                               |                               |
| <b>Equity attributable to owners of the parent</b> |       |                               |                               |
| Share capital                                      |       | 75,345                        | 75,345                        |
| Retained profit/(loss)                             |       | (13,903)                      | (12,131)                      |
| Total equity                                       |       | <u>61,442</u>                 | <u>63,214</u>                 |
| <b>Non-current Liabilities</b>                     |       |                               |                               |
| Lease liabilities                                  |       | -                             | 57                            |
| Long term borrowings                               | B7    | 614                           | 331                           |
|  |       | <u>614</u>                    | <u>388</u>                    |
| <b>Current Liabilities</b>                         |       |                               |                               |
| Trade payables                                     |       | 36,717                        | 40,969                        |
| Other payables                                     |       | 19,647                        | 25,580                        |
| Lease liabilities                                  |       | 561                           | 908                           |
| Short term borrowings                              | B7    | 10,184                        | 5,698                         |
|  |       | <u>67,109</u>                 | <u>73,155</u>                 |
| Total Liabilities                                  |       | <u>67,723</u>                 | <u>73,543</u>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |       | <u>129,165</u>                | <u>136,757</u>                |
| <b>Net Assets Per Share (RM)</b>                   | A10   | 0.82                          | 0.85                          |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2023.)

CONCRETE ENGINEERING PRODUCTS BERHAD

Registration No.: 198201008420 (88143-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 29 February 2024

|  | Attributable to equity holders of the Company          |  |                 |
|--|--|--|-----------------|
|  | <u>Non-distributable</u><br>Share<br>capital<br>RM'000 | <u>Distributable</u><br>Accumulated<br>profit/(loss)<br>RM'000 | Total<br>RM'000 |
| <u>Second quarter ended 29 February 2024</u> |  |  |                 |
| Balance at 1 September 2023                  | 75,345   | (12,131)   | 63,214          |
| Total comprehensive income/(loss)            | -  | (1,772)  | (1,772)         |
| Balance at 29 February 2024                  | <u>75,345</u>  | <u>(13,903)</u>  | <u>61,442</u>   |
| <u>Second quarter ended 28 February 2023</u> |  |  |                 |
| Balance at 1 September 2022                  | 75,345   | (13,365)   | 61,980          |
| Total comprehensive income/(loss)            | -  | (5,747)  | (5,747)         |
| Balance at 28 February 2023                  | <u>75,345</u>  | <u>(19,112)</u>  | <u>56,233</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 2023.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the financial period ended 29 February 2024**

|  | 6 months ended |           |
|--|----------------|-----------|
|  | 29/2/2024      | 28/2/2023 |
|  | RM'000s        | RM'000s   |
| <b>Cash flows from operating activities</b>                    |                |           |
| Profit/(Loss) before taxation                                  | (1,724)        | (5,702)   |
| Adjustments for:   |                |           |
| Fair value through profit and loss on other investments        | 2,033          | 4,067     |
| Depreciation of property, plant and equipment                  | 995            | 888       |
| Depreciation of right of use assets                            | 628            | 645       |
| Allowance/(Reversal) for impairment - trade receivables        | 12             | 338       |
| Interest expenses  | 196            | 581       |
| Interest income  | 7              | -         |
| Unrealised foreign exchange (gain)/loss                        | (202)          | (55)      |
| Operating profit before changes in working capital             | 1,945          | 762       |
| Changes in working capital:                                    |                |           |
| Net change in inventories                                      | (1,948)        | (7,969)   |
| Net change in receivables                                      | 8,066          | (653)     |
| Net change in payables   | (10,185)       | 6,913     |
| Cash generated from operating activities                       | (2,122)        | (947)     |
| Net income tax paid/(recover)                                  | -              | (53)      |
| Interest paid  | (196)          | (581)     |
| Net cash generated from/(used in) operating activities         | (2,318)        | (1,581)   |
| <b>Cash flows from investing activities</b>                    |                |           |
| Purchase of property, plant and equipment                      | (2,631)        | (2,584)   |
| Interest received  | (7)            | -         |
| Placement/(Uplift) of deposit with a licensed bank             | 2,729          | (2,615)   |
| Net cash generated from/(used in) investing activities         | 91             | (5,199)   |
| <b>Cash flows from financing activities</b>                    |                |           |
| Net drawdown/(repayment) of trade credit facilities            | 4,516          | 990       |
| Net drawdown/(repayment) of hire purchase                      | (30)           | (1,122)   |
| Net drawdown/(repayment) of term loan                          | 45             | (502)     |
| Net cash generated from/(used in) financing activities         | 4,531          | (634)     |
| Net changes in cash and cash equivalents                       | 2,304          | (7,414)   |
| Cash and cash equivalents at the beginning of financial period | 232            | 5,362     |
| Cash and cash equivalents at end of financial period           | 2,536          | (2,052)   |
| <b>Cash and cash equivalent comprise the following:</b>        |                |           |
| Bank and cash balances   | 2,536          | 220       |
| Bank overdraft   | -              | (2,272)   |
|  | 2,536          | (2,052)   |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 August 2023.)

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2023.

As at 30 November 2023, the Group's current liabilities exceeded current assets by RM15.88 million. The Directors are of the view that the Group will have sufficient cash flows for the next twelve months from the reporting date to meet their cash flow requirements. The Directors believe that the Group are able to realise their assets and discharge their liabilities in the normal course of business and that the financial position will be improved through operating profits. Thus, the Directors believe that it is appropriate to prepare the financial statements of the Group on a going concern basis.

### **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:

- ii. As of 1 September 2023, 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 101: Presentation of Financial Statements<br>(Disclosure of Accounting Policies)                | 1 January 2023                |
| Amendments to MFRS 108: Accounting Policies, Changes in<br>Accounting Estimates and Errors                         | 1 January 2023                |
| Amendments to MFRS 112: Income Taxes<br>(Deferred Tax related to Assets and Liabilities from a Single Transaction) | 1 January 2023                |
| Amendments to MFRS 112: Income Taxes<br>(International Tax Reform - Pillar Two Model Rules)                        | 1 January 2023                |
| Amendments to MFRS 17 Insurance Contracts  | 1 January 2023                |
| Amendments to MFRS 4: Insurance Contracts - Extensions of the<br>Temporary Exemption from applying MFRS 9          | 1 January 2023                |

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 101: Presentation of Financial Statements<br>(Classification of Liabilities as Current or Non-current)         | 1 January 2024 |
| Amendments to MFRS 101: Presentation of Financial Statements<br>(Non-current liabilities with Covenants)                          | 1 January 2024 |
| Amendments to MFRS 16: Leases - Lease Liability in Sale and Leaseback   | 1 January 2024 |
| Amendments to MFRS 107: Statement of Cash Flows and MFRS 7<br>Disclosure of Financial Instruments - Supplier Finance Arrangements | 1 January 2024 |
| Amendments to MFRS 121: The Effects of Changes in Foreign<br>Exchange Rates - Lack of Exchangeability                             | 1 January 2025 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of<br>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 2023 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. But, the delivery of the Group's product will be affected by floods during monsoon season and as well as roadblock during major festive season.

**5. Exceptional items**

Exceptional items for current year quarter:

- i. There is a decrease in fair value of quoted investments totalling RM0.87 million for the current quarter. This represents a decrease 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 effect 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 dividends paid for the current quarter under review.

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

Basis earnings/(loss) per share is calculated by dividing the profit/(loss) for the period amounting to (RM0.80) million for the Group on the number of ordinary shares in issue of 74,625,000 during the current financial period. There were no movements 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 29 February 2024 of RM61.44 million (31 August 2023: RM63.21 million) for the Group on the number of shares in issue during the year of 74,625,000 (31 August 2023: 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<br>Quarter Ended<br>29/2/2024<br>RM'000 | As at Preceding<br>Corresponding Financial<br>Quarter Ended<br>28/2/2023<br>RM'000 |
|-----------------|---|--|
| Malaysia        | 13,001  | 10,033   |
| Other countries | 16,423  | 16,196   |
|                 | <u>29,424</u>   | <u>26,229</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 30 August 2023.

**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 2023.



## B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

### 1. Review of Performance

#### FYE 2Q2024 compared with FYE 2Q2023

The Group's revenue increase 12.18% as compared to the preceding year quarter mainly due to the improve in overseas market. The gross profit margin increase 92.23% as compared to the preceding year quarter mainly due to the product mix.

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

There is a decrease of sales of 27.64% and gross profit margin of 18.31% in the current quarter compared with the preceding quarter in 1Q2024 mainly due to the decrease in local sales and product mix.

### 3. Financial position and liquidity

Total assets of the Group stood at RM129.16 million at 2Q2024, a decrease of RM6.28 million from 1Q2024 mainly due to decrease in trade receivable and offset by inventory.

Total liabilities of the Group decrease RM5.49 million from RM73.21 million at 1Q2024 as compare to 2Q2024, mainly due to decrease in trade payables and offset by short term borrowings.

Equity attributable to equity holders of the Group was RM61.44 million as at 2Q2024 with net assets per share at RM0.82.

The Group's cash and cash equivalents has increase by RM0.75 million in 2Q2024 as compare to 1Q2024, this was mainly due to the collection from overseas customer via Letter of Credit.

### 4. Current year prospects

The outlook for the FYE 2024 remains challenging due to uncertainty for both domestic and overseas market. The slowdown of the global recovery further with the on-going trade wars between China and the United States and Russia – Ukraine war 2022 has dealt a major shock to commodity markets and disrupted the world production and trade. This in turn may affect the demand for the Group's products and increase in the cost of goods sold correspondingly assert a downward pressure on the Group's revenue and margins.

The current political climate and the continuous of launching the mega construction and infrastructure projects by the government has an impact to our revenue. This coupled with the price rising on raw material and international inbound charges will certainly offset our performance and profitability of the Group. To mitigate the impact on price rising, CEPCO practiced price escalation clause in the quotation and contract to enable CEPCO transfer the price increase to customers.

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<br>Financial Period Ended<br>29/2/2024 | As at Preceding Financial<br>Year Ended<br>31/08/2023 |
|----------------------------------|---|---|
|                                  | RM'000  | RM'000  |
| <b><u>Malaysian taxation</u></b> |   |   |
| <b>Income tax</b>                |   |   |
| - Current year taxation          | 48  | 77  |
| - Prior year over provision      | -   | -   |
| - Deferred tax                   | -   | -   |
|                                  | <u>48</u>   | <u>77</u>   |

7. Group borrowings and debts securities

|                                   | As at Financial Year<br>Ended<br>29/2/2024<br>RM'000 | As at Preceding Financial<br>Year Ended<br>31/08/2023<br>RM'000 |
|-----------------------------------|--|---|
| a) <u>Long term borrowings:</u>   |  |   |
| Term loan - secured               | 45   | -   |
| Hire purchase - secured           | 569  | 331   |
|                                   | 614  | 331   |
| <u>Short term borrowings:</u>     |  |   |
| Term loan - secured               | 388  | 418   |
| Hire purchase - secured           | 820  | 820   |
| Trade credit facilities - secured | 8,976  | 4,460   |
|                                   | 10,184   | 5,698   |
| <br>Total borrowings              | 10,798   | 6,029   |

b) There were no borrowings in foreign currency.

8. Trade receivables

|   | As at end of Current<br>Quarter<br>29/2/2024<br>RM'000 | As at Preceding Financial<br>Year Ended<br>31/08/2023<br>RM'000 |
|---|--|---|
| Trade receivable                                | 12,057   | 16,313  |
| Less: Accumulated impairment losses             | (320)  | (320)   |
| Add/(Less): Reversal/(Allowance) for impairment | (12)   | -   |
|   | 11,725   | 15,993  |

The Group's normal trade credit terms range from 60 to 120 (2022: 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 a material litigation as at the date of issuance of this quarterly report against the Group as follow:

**SHAH ALAM HIGH COURT CIVIL SUIT NO. BA-22NCVC-526-12/2023: RELIANCE FOUNDRY (M) SDN BHD ("Plaintiff") V CONCRETE ENGINEERING PRODUCTS BERHAD ("CEPCO")**

On 8 January 2024, Reliance Foundry (M) Sdn Bhd ("Plaintiff") served the writ of summons and Statement of Claim both dated 29 December 2023 on CEPCO's solicitors in relation to a civil suit filed in the Shah Alam High Court.

Plaintiff's claim concerns an alleged trespass and/or encroachment by part of CEPCO's factory located in Rawang onto Plaintiff's land. In this respect, Plaintiff is seeking to claim, among others, for the alleged loss of rent, loss of profit and quit rent over the disputed area of land.

CEPCO has appointed solicitors to enter an appearance and will be seeking legal advice in defending the claim by Plaintiff and will make the necessary announcement on further development of this matter in due course.

There is no specific claim sum stated in the Statement of Claim. During the case management on 22 April 2024, the Court has fixed the matter for trial on 19 and 20 February 2025. Meanwhile, the Court has directed parties to refer the matter to the Court's Mediation Centre for mediation and prepare the pre-trial documents. The next case management is before the Judicial Commissioner on 4 February 2025.

Meanwhile, the Court has directed both parties to refer the matter to the Court's Mediation Centre for mediation and prepare the pre-trial documents. The next case management is before the Judicial Commissioner on 4 February 2025.

CEPCO will make further announcements in respect of the above as and when necessary.

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<br>Quarter<br>29/2/2024 | Preceding Year<br>Corresponding<br>Quarter<br>28/2/2023 | Current Year To Date<br>29/2/2024 | Preceding Year<br>Corresponding Quarter<br>To Date<br>28/2/2023 |
|--|--------------------------------------|---|-----------------------------------|---|
| Profit/(Loss) attributable to equity holders of the Company (RM'000) | (798)                                | (1,963)   | (1,772)                           | (5,747)   |
| Weighted average number of ordinary shares in issue ('000)           | 74,625                               | 74,625  | 74,625                            | 74,625  |
| Basic Earnings per share (sen)                                       | (1.07)                               | (2.63)  | (2.37)                            | (7.70)  |

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<br>29/2/2024<br>RM'000 | Current year-to-date<br>29/2/2024<br>RM'000 |
|--|--|---|
| a) Interest income   | 5                                      | 7   |
| b) Interest expense  | 125                                    | 196   |
| c) Depreciation of property, plant and equipment           | 553                                    | 995   |
| d) Depreciation of right of use assets                     | 314                                    | 628   |
| e) Unrealised foreign exchange (gain)/loss                 | (168)                                  | (202)                                       |
| f) Rental income   | (80)                                   | (161)                                       |
| g) Allowance/(Reversal) for impairment - trade receivables | (5)                                    | 12  |

By Order of the Board.