ECONPILE HOLDINGS BERHAD (1017164-M)
(Incorporated in Malaysia)

SUMMARY OF QUESTIONS AND ANSWERS DURING THE FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, 23 NOVEMBER 2016 AT 10.00 A.M.

AGENDA ITEM 1: AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Q1: Mr Rashid Bin Esoofi Mamajiwalla, a shareholder, congratulated the Company for achieving commendable results during the financial year ended 30 June 2016 with the profit for the year at RM67,544,059.

He noted that most of the projects undertaken by the Company as presented by the Senior General Manager (Finance) of the Company, were located in the Klang Valley, except for one specific project which was located in Penang in the previous year. He asked on the prospects for diversifying geographically, both within Malaysia and regionally.

A1: Mr Pang Sar replied that based on the current order book, the Company was focusing its projects in the Klang Valley where there were many opportunities.

He added that the Company was also looking beyond the Klang Valley, e.g. Sabah and Sarawak where there was growth. The Company was also in the midst of tendering some projects in Penang. As for Johor Bahru, the Company had decided to reduce its tenders submissions as the market in Johor Bahru was slow.

Chairman informed that piling business was a short-term business compared to other construction activities and where the duration of projects could range between six to fifteen months.

He commented that if the Company secured a project in Sabah or Sarawak, the Company would be required to incur cost to transport or purchase equipment for the said projects. He then gave some examples on issues that the Company would face in tendering for projects in other regions.

He added that Management had to consider many factors such as soil conditions and price competitiveness before tendering for a project. He said that many construction companies had tendered for projects overseas but the outcome was not as good as expected.

He also informed that the Company currently had sufficient orders and was concentrating on its jobs. The Company was also in the midst of tendering for more infrastructure jobs.

Q2: Mr Yeap Boon Tat, a shareholder, congratulated the Company for achieving a good performance for the past year. He asked the following questions:

i) What were the future projects that the Company had bided for?

ii) What was the average margin or profit secured for each project?

iii) Since the construction industry in the country was slowing down, would the Company be affected?

iv) Does the Directors have any plans to award loyal shareholders with bonus issue or warrants, other than dividends?

A2: Chairman replied as follows:

i) The Company was in the midst of tendering for more infrastructure jobs with a total contract sum exceeding a billion ringgit. Success rate for the Company was in the region of 10% to 15%. Revenue for the Group was recorded at approximately RM460 million in the previous year with jobs worth approximately RM40 million per month.

The order book of the Company stood at approximately RM800 million to date and the Management is continuously looking for new jobs. The Company was not exploring or looking to diversify to other businesses at the moment.

ii) The Company was running at competitive pricing and would not secure jobs at cost.

iii) The current economic condition might affect the Company's business. The Government had also announced a significant number of infrastructure projects from the East Coast railway to the MRT projects. Certain portions of the work would require piling works for which the Company could participate in.

iv) Giving of warrants or bonus issue was a different form of return to shareholders but it would also depend on the performance of the share. At the moment, the Company had sufficient cash and resources to continue its business without having to ask for additional funding from shareholders. If there was an issuance of warrants, it would be for future working capital, but it was not necessary for the Company to raise capital at the moment.

The share price of the Company had increased from RM0.54 during the listing of the Company to RM1.86. It was the Board's policy to recommend and distribute minimum dividends of 20% of the Company's annual profit after tax attribution to shareholders.