

ECONPILE HOLDINGS BERHAD
(201201032676) (1017164-M)
(Incorporated in Malaysia)

SUMMARY OF QUESTIONS AND ANSWERS DURING THE SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, 27 NOVEMBER 2019 AT 10.00 A.M.

AGENDA ITEM 1: AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Q1: Ms Tan Lee Siam, a proxy, referred the meeting to page 8 of the Annual Report 2019. She sought clarification on the following:-

- (a) The reason for cost over-run and the name and idling costs for the two specific projects;**
- (b) The reason for impairment of trade receivables amounting to RM15.1 million in relation to a property development project; and**
- (c) The measures taken by the Company to mitigate the occurrence of such event moving forward.**

A1: (a) Mr Bin Lay Thiam, the Senior General Manager (Finance) explained that the cost over-run and idling costs were mainly due to cost rationalisation exercise following the change in government after GE 14 and changes in design and/or scope of work by main contractors.

It was noted that the Company is unable to disclose the name of the two specific projects due to confidentiality reasons. Both are infrastructure projects and are in completion stage.

- (b) The reason for the impairment of trade receivables is due to the appointment of Receiver and Manager by a secured creditor against the developer of the aforesaid project in November 2018.**
- (c) The aforesaid impairment is a one-off expense made on a specific project. The Management will assess the need for impairment losses on case-to-case basis should there is any occurrence of such event.**