ECONPILE HOLDINGS BERHAD (1017164-M)

ANNUAL REPORT 2015

CONTENTS

OVERVIEW

Established in 1987, Econpile has grown from strength to strength and became one of the leading piling and foundation specialists in Malaysia.

Through over 25 years of industry experience, we are able to provide our customers a wide range of piling solutions, deep foundation capabilities as well as a full spectrum of time and cost efficient design-build solutions. Today, Econpile is listed on the Main Market of Bursa Malaysia and has a track record of delivering notable landmark projects in both property development and infrastructure sectors.

With the solid foundation we have laid at Econpile, we look forward to more success in the future by continuing our unrelenting dedication to achieving continuous improvement in our services, efficiency and quality.

ACCREDITATION

ISO 9001:2008 Quality Management System certified by BM TRADA for provision of installation and testing of bored piles, micropiles, driven piles and construction of sub-structure

BM TRADA
CERTIFICATION
ISO 9001:2008
UKAS
MANAGEMENT
SYSTEMS
012

Certificate No. : 1869

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting ("3rd AGM") of the Company will be held at Function Room 1 & 2, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on **Friday, 27 November 2015** at **9:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and Auditors thereon. **(Please refer to the Explanatory Notes to the Agenda)**

2. To approve the payment of Directors' Fees of RM137,000.00 for the financial year ended 30 June 2015. ***(Ordinary Resolution 1)***

3. To approve the payment of Directors' Fees of RM152,000.00 for the financial year ending 30 June 2016. ***(Ordinary Resolution 2)***

4. To re-elect the following Directors retiring in accordance with Article 129 of the Articles of Association of the Company:

   (a) Dato' Rosli Bin Mohamed Nor ***(Ordinary Resolution 3)***

   (b) Ms Ong Poay Wah @ Chan Poay Wah. ***(Ordinary Resolution 4)***

5. To re-appoint Messrs KPMG as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration. ***(Ordinary Resolution 5)***

As Special Business:

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

6. **Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965** ***(Ordinary Resolution 6)***

   "**THAT**, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

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

By Order of the Board
LIM HOOI MOOI (MAICSA 0799764)
WONG WAI FOONG (MAICSA 7001358)
Company Secretaries

Kuala Lumpur
Date: 4 November 2015

Notice of Annual General Meeting
(Continued)

Notes

1. *For the purposes of determining a member who shall be entitled to attend and vote at this meeting, the Company shall be requesting the Record of Depositors as at 19 November 2015. Only a depositor whose name appears on the Record of Depositors as at 19 November 2015 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her stead.*

2. *A member entitled to attend and vote at the meeting shall be entitled to appoint any person as his proxy to attend and vote at the meeting. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

3. *A member may appoint up to two (2) proxies to attend and vote in his place.*

4. *Where a member is an Authorised Nominee, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.*

5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for the Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

6. *Where a member of an Authorised Nominee appoints two (2) proxies or where an Exempt Authorised Nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

7. *A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*

8. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised.*

9. *The Form of Proxy must be deposited at the Company's Registered Office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

Notice of Annual General Meeting
(Continued)

Explanatory Notes to the Agenda

Item 1 of the Agenda

This item is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a motion to be put to vote by shareholders.

Item 3 of the Agenda – Ordinary Resolution 2
Directors' Fees for the financial year ending 30 June 2016

The Directors' Fees proposed for the financial year 2016 are calculated based on the number of scheduled Board and Committee meetings for 2016 and assuming that all Non-Executive Directors will hold office until the end of the financial year. This resolution is to facilitate payment of Directors' Fees on current financial year basis. In the event the Directors' Fees proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

Item 6 of the Agenda – Ordinary Resolution 6
Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 6 is primarily to give authority to the Board of Directors to allot and issue up to 10% of the issued capital at any time in their absolute discretion and for such purpose as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions and/or for issuance of shares as settlement of purchase consideration.

Corporate Information

Board of Directors

Krishnan A/L C K Menon
Independent Non-Executive Chairman

The Cheng Eng
Group Managing Director

Pang Sar
Executive Director/ Group Chief Executive Officer

The Kun Ann
Executive Director

Dato' Rosli Bin Mohamed Nor
Independent Non-Executive Director

Ong Poay Wah @ Chan Poay Wah
Independent Non-Executive Director

Company Secretaries

Lim Hooi Mooi
(MAICSA 0799764)

Wong Wai Foong
(MAICSA 7001358)

Audit and Risk Management Committee

Dato' Rosli Bin Mohamed Nor
Chairman

Krishnan A/L C K Menon
Member

Ong Poay Wah @ Chan Poay Wah
Member

Nomination Committee

Ong Poay Wah @ Chan Poay Wah
Chairman

Dato' Rosli Bin Mohamed Nor
Member

Krishnan A/L C K Menon
Member

Remuneration Committee

Dato' Rosli Bin Mohamed Nor
Chairman

Krishnan A/L C K Menon
Member

Ong Poay Wah @ Chan Poay Wah
Member

Registered Office

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9191
Fax : 603 -2783 9111

Head Office

Level 8, Tower Block
Plaza Dwitasik
Jalan Sri Permaisuri
Bandar Sri Permaisuri
56000 Kuala Lumpur
Tel : 603-9171 9999
Fax : 603-9173 6666

Registrar

Tricor Investor Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222

Auditors

KPMG (Firm No. AF0758)
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7721 3388
Fax : 603-7721 3399

Principal Bankers

CIMB Bank Berhad

Ambank (M) Berhad

Alliance Bank Malaysia Berhad

United Overseas Bank (Malaysia) Bhd

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Stock Name/Code

ECONBHD/5253

Corporate Structure

ECONPILE HOLDINGS BERHAD

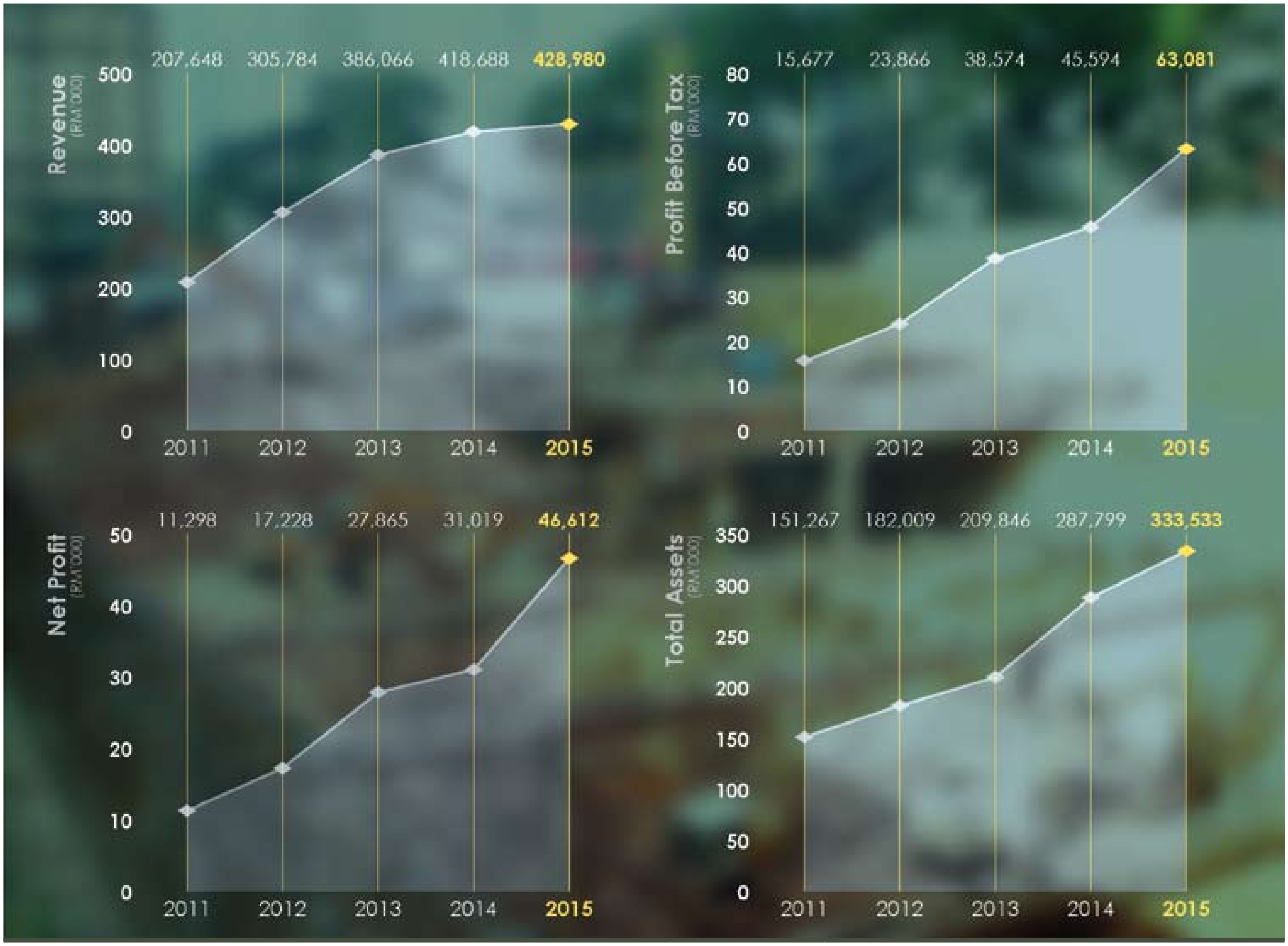
100%

ECONPILE (M) SDN. BHD.

100%

PLATINUM PRODUCTION SDN. BHD.

Financial Highlights



Financial year ended 30 June	2015	2014	2013	2012	2011
Profitability (in RM'000)					
Revenue	428,980	418,688	386,066	305,784	207,648
Depreciation	17,955	14,565	12,621	10,146	10,144
Finance costs	1,058	1,759	1,626	1,214	866
Profit before tax	63,081	45,594	38,574	23,866	15,677
Profit before interest and tax	64,139	47,353	40,200	25,080	16,543
Profit before interest, tax and depreciation	82,094	61,918	52,821	35,226	26,687
Net profit for the year	46,612	31,019	27,865	17,228	11,298
Key Balance Sheet Data (in RM'000)					
Total assets	333,533	287,799	209,846	182,009	151,267
Shareholders' fund	200,003	166,766	88,741	66,876	49,648
Total borrowings	23,163	29,947	33,300	23,868	12,258
Issued share capital	107,000	107,000	2,000	2,000	2,000
Share Information					
Par value per ordinary share (sen)	20.00	20.00	100.00	100.00	100.00
Earnings per share (sen)	8.71	6.97	1,393.25	861.40	564.90
Net assets backing (sen)	37.38	31.17	4,437.05	3,343.80	2,482.40
Gearing ratio (times)	0.12	0.18	0.38	0.36	0.25
Interest cover ratio (times)	60.62	26.92	24.72	20.66	19.10
Return on equity (%)	23.31	18.60	31.40	25.76	22.76

Krishnan A/L C K Menon
Chairman

"Since our listing on 30 June 2014, we continued to strengthen our base as a dominant player in the piling and foundation industry with aid from the proceeds of our Initial Public Offering."

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of Econpile Holdings Berhad, it is my privilege to present the audited financial statements and Annual Report of the Group and Company for the financial year ended 30 June 2015 ("FY2015").

FY2015 marked Econpile's first year as a listed entity on the Main Market of Bursa Malaysia Securities Berhad. Since our listing on 30 June 2014, we continued to strengthen our base as a dominant player in the piling and foundation industry with aid from the proceeds of our Initial Public Offering. Thus, we are well-equipped to expand our growth and generate commendable returns to our stakeholders in the future.

Financial Performance

The healthy demand for piling and foundation services in the domestic construction sector resulted in group revenue increasing 2.5% year-on-year to RM429.0 million in FY2015, from RM418.7 million a year ago.

More significantly, group profit before tax grew at a quicker pace of 38.4% year-on-year to RM63.1 million in FY2015 from RM45.6 million in the previous year. The higher profitability was achieved through higher revenue, favourable sales mix as well as enhanced operations efficiency due to upgrading of machinery and continuous improvement in resource utilisation. With this, Econpile attained its best-ever net profit of RM46.6 million, a marked 50.3% growth compared to RM31.0 million a year ago.

Basic earnings per share improved correspondingly to 8.7 sen in the year under review, versus 7.0 sen previously.

Our balance sheet as at 30 June 2015 was equally robust with shareholders' equity rising to RM200.0 million from RM166.8 million a year ago on higher retained earnings. Econpile's continued investment into its fleet of machinery, including drilling rigs, cranes, and other equipment was reflected in the higher property, plant, and equipment of RM67.7 million, as well as the lower cash and cash equivalents of RM31.5 million.

Even so, against total borrowings of RM23.2 million as at 30 June 2015, the Group remained in net cash position, which places us in an expansion-ready position.

Chairman's Statement
(Continued)

Business Outlook

Bank Negara Malaysia ("BNM") has forecast the Malaysian economy to register steady growth of 4.5% to 5.5% in 2015 despite a challenging external environment.

The construction-related cluster is anticipated to chart slightly slower expansion of 10.3% in 2015 compared to 11.6% in 2014, with the general infrastructure and civil engineering projects mitigating the slower activities in the property development sector.

Despite the modest outlook in the coming financial year, we are confident of securing another strong performance in the next financial year. Our 28-year track record and good working relationships with our clients position us favourably to ride the industry growth.

Appreciation

Firstly, I would like to thank my fellow board members for their leadership and guidance in steering the direction of Econpile towards its present success.

On behalf of the Board of Directors, I wish to express my sincere gratitude to our customers, shareholders, business associates, bankers, and regulatory authorities for their support to the Group.

Thank you.

Krishnan A/L C K Menon
Chairman

Group CEO Operations' Review

Pang Sar
Executive Director/ Group Chief Executive Officer

Operations Overview

Despite the various macroeconomic concerns weighing down overall sentiment in the year under review, the construction-related sector proved to be resilient.

As a leading player in the piling and foundation market, Econpile rode the steady sector growth, with higher group revenue of RM429.0 million in FY2015. Of this, revenue from the property development sector totalled RM399.8 million or 93.2% of group turnover, and the infrastructure sector contributed the balance RM29.2 million or 6.8%.

Furthermore, Econpile secured new contracts with cumulative worth of RM494.4 million in the year under review; attesting to our competitive edge. Our proven and consistent track record continues to earn us new and returning top-tier clients.

To this end, we are privileged to be awarded piling and substructure works for various notable projects in Klang Valley. These include prominent developments such as the branded residences and hotel of 8 Conlay at Jalan Conlay within the Golden Triangle, the mixed developments of EkoSky at Jalan Ipoh and IOI Rio City in Bandar Puteri Puchong, as well as the redevelopment of the former Malaysia Airlines System ("MAS") building at Jalan Sultan Ismail. The year under review also saw Econpile investing RM33.7 million of capital expenditure ("CAPEX") in drilling rigs, crawler cranes, and other equipment. The accelerated CAPEX investment was accompanied by a marked increase in our order book. Much of this investment was directed at expanding our range of machinery and replenishing aging and inefficient fleet as part of our ongoing strategy to improve operational efficiency in a sustainable manner.

On the technical front, we have made further headway into adopting more efficient and innovative processes in our projects. The 5-storey basement completed for the Elite Pavilion development is the deepest underground structure Econpile has built thus far under the most challenging circumstances. Top-down construction method was employed in this case to expedite the construction programme and to provide better control of ground movement during excavation. Apart from that, we completed bored piling works for a major infrastructure project namely Packages V1 and V6 of the Klang Valley Mass Rapid Transit ("KVMRT"), alongside other undertakings.

Group CEO Operations' Review
(Continued)

Industry Outlook

The Government's commitment to the implementation of infrastructure projects is evident in the steady progress in the ongoing tenders for transport-oriented developments and the appointment of Project Delivery Partners for major projects such as the KVMRT 2, the Klang Valley Light Rail Transit ("KVLRT") extensions, Penang Transport Master Plan and the Pan Borneo Sarawak Highway.

The domestic property development sector is widely anticipated to post mild expansion, with increased focus on affordable and mid-range residential properties for which there is steady demand.

Altogether, the combined growth of the infrastructure projects and housing developments should sustain the sector in the coming years.

Growth Strategies

Despite the dampened domestic economic climate due to global growth uncertainties, we believe that there are opportunities in the construction as well as the piling and foundations sector which Econpile would be able to capture. In this respect, we intend to implement a three-pronged growth strategy to continue building our business.

Firstly, we intend to strengthen our presence in the high-rise property segment, especially in the Klang Valley, by leveraging on our strong track record thus far. In line with the anticipated population growth and accelerated urbanisation in Malaysia, it is foreseen that the need for high-rise developments with basement structures in the Klang Valley region would only become more acute.

Secondly, we plan to tender for major infrastructure projects such as KVMRT 2 and KVLRT 3 extensions, as well as upcoming highways and related works. We believe that our previous experience in successfully delivering bored piling works for similar undertakings would place Econpile positively vis-à-vis industry peers.

Finally, we would continuously seek to enhance operational efficiency. This not only entails upgrading our fleet of machinery, but also undertaking continuous review of practices and controls with a view towards improving resource management.

Moving forward, based on the above and consistent demand for the Group's piling and foundation services, we are optimistic that our Group's growth momentum is sustainable for the financial year ending 30 June 2016.

Pang Sar
Executive Director/ Group Chief Executive Officer

Directors' Profiles

Krishnan A/L C K Menon
Independent Non-Executive Chairman

Mr Krishnan A/L C K Menon, a Malaysian aged 65, is our Independent Non-Executive Chairman.

He was appointed to our Board on 20 February 2014. He is also a member of the Audit and Risk Management, Remuneration and Nomination Committees. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

He spent thirteen (13) years in public practice with Hanafiah, Raslan and Mohamed where he left as the Partner in 1987. Thereafter, he joined Public Bank Berhad where he served for six (6) years and left as the Executive Vice-President in 1994. After serving two (2) public-listed companies, he joined Putrajaya Holdings Sdn Bhd as its Chief Operating Officer from 1997 until 2000.

He is presently the Chairman of SCICOM (MSC) Berhad and KLCC Property Holdings Berhad. In addition, he is a Non-Executive Director of Petroliam Nasional Berhad.

Mr Menon has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2015. He has no family relationship with any director or substantial shareholder of the Group.

Directors' Profiles
(Continued)

The Cheng Eng
Group Managing Director

Mr The Cheng Eng, a Malaysian aged 67, is our founder and Group Managing Director. He is also a substantial shareholder of the Group.

He was appointed to our Board on 8 October 2013. As our founder and Group Managing Director, he is responsible for senior oversight of operations as well as directing growth and strategic direction of the Group.

He has over forty five (45) years of extensive experience in the piling and foundation industry. He started his career in Singapore, firstly as a Site Supervisor with United Engineers Pte Ltd, and later as a Senior Site Manager with Caisson Piling Pte Ltd. He pursued several entrepreneurial ventures in the field of geotechnical engineering before founding Econpile (M) Sdn Bhd in 1987.

Mr The has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2015. He is the father of Ms The Kun Ann, an Executive Director of the Group.

Directors' Profiles
(Continued)

Pang Sar
Executive Director/ Group Chief Executive Officer

Mr Pang Sar, a Malaysian aged 57, is our Executive Director and Group Chief Executive Officer. He is also a substantial shareholder of the Group. He was appointed to our Board on 8 October 2013. He is responsible for managing the day-to-day operations as well as establishing the overall strategic direction for the Group. He graduated with a Bachelor of Science with Honours Degree in Civil Engineering from University of Leeds, United Kingdom. He is a member of the Institution of Engineers, Malaysia, and a Registered Professional Engineer with the Board of Engineers, Malaysia.

Mr Pang has over thirty (30) years of experience in managing on-site and off-site responsibilities in the piling and foundation sector. Prior to joining Econpile (M) Sdn Bhd in 1991, he has served in various capacities, including Resident Engineer and Project Manager, in consultant firm and construction companies.

Mr Pang has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2015. He has no family relationship with any director or substantial shareholder of the Group.

The Kun Ann
Executive Director

Ms The Kun Ann, a Malaysian aged 34, is our Executive Director. She was appointed to our Board on 8 October 2013. She joined our Group in 2010 and is responsible for the corporate affairs and business development of our Group. She graduated with a Bachelor of Business and Commerce Degree and a Master of International Business, both from Monash University, Australia.

Ms The has ten (10) years experience in commercial and non-profit operations. She started her career with an environmental company in charge of business development activities before joining the department of government affairs at the American Malaysian Chamber of Commerce.

Ms The has attended all the Board meetings held during her tenure in office for the financial year ended 30 June 2015. She is the daughter of Mr The Cheng Eng, the Group Managing Director and a substantial shareholder of the Group.

Directors' Profiles
(Continued)

Dato' Rosli Bin Mohamed Nor
Independent Non-Executive Director

Dato' Rosli Bin Mohamed Nor, a Malaysian aged 56, is our Independent Non-Executive Director. He was appointed to the Board on 8 October 2013. He is the Chairman of Audit and Risk Management and Remuneration Committees. He is also a member of Nomination Committee. He graduated with a Bachelor of Science in Civil Engineering from Brighton Polytechnic (presently known as Brighton University), United Kingdom.

Dato' Rosli has a wealth of experience spanning over thirty (30) years in the fields of infrastructure development and construction. He served in different capacities at Engineering and Environmental Consultants Sdn Bhd and United Engineers (M) Bhd before starting his own construction business by forming Benar Antara Sdn Bhd, a PKK Class A and CIDB Grade 7 registered Bumiputera Contractor. The company undertook construction of various projects including highways, LRT tunnels, water reservoirs and rail lines.

He then moved on to other new businesses in construction, development and mining sectors. In 2010, he was engaged as the Business Development Director of TRC Infra Sdn Bhd.

He is also a Director of EXIM Bank Berhad since 2009.

Dato' Rosli has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2015. He has no family relationship with any director or substantial shareholder of the Group.

Ong Poay Wah @ Chan Poay Wah
Independent Non-Executive Director

Ong Poay Wah @ Chan Poay Wah, a Malaysian aged 45, is our Independent Non-Executive Director. She was appointed to our Board on 8 October 2013. She is the Chairman of Nomination Committee and a member of Audit and Risk Management and Remuneration Committees. She graduated with a Bachelor of Accountancy with Honours Degree from Universiti Utara Malaysia.

Ms Ong has over twenty (20) years of experience in the areas of audit, finance and accounts for both public and private companies and is well versed with regulatory reporting, financial management, corporate restructuring as well as business and budget planning.

After starting her career with an audit firm, she joined Merge Power Sdn Bhd in 1994 as a Group Accountant. She was subsequently appointed as the Executive Director of Merge Housing Berhad, a property development company, in 2001 in charge of its accounting and financial operations. The company was privatised as Merge Housing Sdn Bhd in 2011 and Ms Ong has since remained as the General Manager in its finance and accounts department.

Ms Ong has attended all the Board meetings held during her tenure in office for the financial year ended 30 June 2015. She has no family relationship with any director or substantial shareholder of the Group.

Note : *All directors have no conflict of interest with the Group and they have no convictions of any offences within the past ten (10) years other than traffic offences.*

Statement on Corporate Governance

The Board of Directors of Econpile Holdings Berhad ("the Board") is supportive of the adoption of principles and best practices as set out in the Malaysian Code on Corporate Governance 2012 ("the Code"). The Board is committed to maintain a high standard of corporate governance within the Econpile Holdings Berhad and its subsidiaries ("the Group") to protect and enhance stakeholders' value and the performance of the Group.

The Board is pleased to provide the following statements, which outline the main corporate governance principles and practices that were in place throughout the financial year under review.

A. Board of Directors

Board Responsibilities

The Board has the overall responsibility for the corporate governance, proper conduct and strategic direction of the Group. The Board delegates its responsibility of the Group's day-to-day operations to the Executive Directors and Key Management team.

The responsibilities of the Board includes reviewing the Group's strategic plans with a view to ensure that shareholder value is protected and enhanced, overseeing and evaluating the conduct of business of the Group to ensure compliance with legal and regulatory requirements, overseeing the adequate communication to shareholders and relevant stakeholders, overseeing the Group's business operations and financial performance, identifying the main risks associated with the Group and reviewing the procedures and internal control systems to mitigate the risks and providing input to succession plans for executive and management roles.

Board Charter

The Board has approved and adopted a Board Charter on 21 August 2014. The Board Charter aims to ensure that all Board members understand their duties and responsibilities as well as the laws, regulations and best practices governing their conduct.

The Board Charter has stated that the Board shall observe the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.

The Board Charter is to be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is accessible at the Company's website at www.econpile.com.

Composition and Balance

The Board currently consists of six (6) members, comprising three (3) Executive Directors and three (3) Independent Non-Executive Directors.

The profiles of the Directors are presented on pages 13 to 16 of this annual report. The Board members have diverse professional and entrepreneurial background, varied skills and experiences for effective management of the Group. The Independent Non-Executive Directors provide the necessary check and balance in the Board's exercise of its functions and independent evaluation of the Board's decision making process. The Board has female representatives in accordance with the recommendation of the Code.

The Board recognises the importance of clear division of responsibility at the head of the Group to ensure a balance of power and authority. The Board adopts the recommendation of the Code that the chief executive officer and chairman shall not be the same person, and the chairman must be a non-executive director.

Statement on Corporate Governance
(Continued)

A. Board of Directors (Continued)

Reinforced Independence

The Board is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their abilities to act in the best interest of the Group. All Independent Non-Executive Directors are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

There is a clear separation of powers between the Chairman, who is an Independent Director and the Group Managing Director, which further enhances the independence of the Board.

Board Meetings

The Board meets on a quarterly basis with additional meetings being convened as and when necessary to, inter alia, approve annual business plans and budgets, operational and financial performance reports, investments and capital expenditures and quarterly reports.

During the financial year, Econpile Holdings Berhad ("the Company") held five (5) board meetings and the details of attendance of the Board members were as follows:

Name	Designation	Meeting Attendance	Percentage of Attendance
Krishnan A/L C K Menon	Independent Non-Executive Chairman	5/5	100%
Dato' Rosli Bin Mohamed Nor	Independent Non-Executive Director	5/5	100%
Ong Poay Wah @ Chan Poay Wah	Independent Non-Executive Director	5/5	100%
The Cheng Eng	Group Managing Director	5/5	100%
Pang Sar	Executive Director and Group Chief Executive Officer	5/5	100%
The Kun Ann	Executive Director	5/5	100%

During these meetings, the Board deliberated and considered a variety of matters including the Group's corporate developments and financial results.

Supply of Information

The Directors are provided with agenda of meetings and Board papers which contain management and financial information and other matters to be discussed, in sufficient time prior to every Board meeting to enable them to obtain further explanation, where necessary in order to be properly informed before the meeting.

In order to ensure effective functioning of the Board, the Company Secretary regularly updates and advises the Board on new statutory and regulatory requirements relating to the discharge of their duties and responsibilities. The Company Secretary also plays an advisory role to the Board in relation to the Group's policies and procedures, and compliance with the relevant legislations and regulatory requirements. The Company Secretary attends all Board meetings and ensures that all deliberations and decisions made by the Board are accurately minuted, and the records of the proceedings of the Board meetings are properly kept.

The Directors, collectively or individually, may seek independent professional advice to fulfill their responsibilities at the expense of the Group.

Statement on Corporate Governance
(Continued)

A. Board of Directors (Continued)

Re-Election of Directors

In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office at each Annual General Meeting ("AGM") and all Directors shall retire from office at least once in every three years but may offer themselves for re-election. Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The Board is supported by suitably qualified and competent Company Secretaries. The Company Secretaries have the responsibility of ensuring that relevant procedures relating to the appointment of new directors are properly executed.

Board Committees

The Board has established the following committees ("Board Committees") with respective terms of reference to assist it in discharging its responsibilities:-

(a) Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") was established on 9 October 2013. It assists the Board in fulfilling its responsibilities relating to financial reporting, risk management and internal control, and reviewing the works of external and internal auditors. The terms of reference of the ARMC are set out on pages 28 to 30 of this annual report.

(b) Nomination Committee

The Nomination Committee was established on 9 October 2013 comprising entirely Independent Non-Executive Directors. The composition of the Nomination Committee is as follows:

Ong Poay Wah @ Chan Poay Wah	Chairman
Krishnan A/L C K Menon	Member
Dato' Rosli Bin Mohamed Nor	Member

The Nomination Committee assists the Board in nominating new directors, reviewing the composition and size of the Board, and assessing the effectiveness of the Board as a whole, Board Committees and the contribution of each Director.

The Nomination Committee met twice during the financial year to review the Board's composition, the Board Charter, its terms of reference and the Company's Directors' retirement by rotation.

The Board has the right mix of backgrounds, skills and experiences to discharge its duties effectively.

The three (3) Independent Non-Executive Directors is independent and fulfills the definition of independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

The Board is in compliance with the recommendation of the Code with regards to female representation. The breakdown of the Board by gender, age and ethnicity as at 30 June 2015 are as follows:

Gender		Age		Ethnicity	
Male	4	30 to 50	2	***Malaysians***	
Female	2	Above 50	4	Malay	1
				Chinese	4
				Indian	1

The Nomination Committee is to meet at least once a year under its terms of reference.

The Company is in the midst of formalising its Board policy which will define the necessary criteria for determining, selecting and assessing the Board members moving forward.

Statement on Corporate Governance
(Continued)

A. Board of Directors (Continued)

(c) Remuneration Committee

The Remuneration Committee was established on 9 October 2013 comprising entirely Independent Non-Executive Directors. The composition of the Remuneration Committee is as follows:

Dato' Rosli Bin Mohamed Nor	Chairman
Krishnan A/L C K Menon	Member
Ong Poay Wah @ Chan Poay Wah	Member

The Remuneration Committee assists the Board in establishing remuneration for Executive Directors and Key Management.

The Remuneration Committee met twice during the financial year to review the fees and meeting allowance for Non-Executive Directors, its terms of reference and departmental key performance indicators of the Group.

The Remuneration Committee is to meet at least once a year under its terms of reference.

Directors' Training

The Directors have attended various development and training programmes according to their individual needs to keep abreast with developments in the market place and to further enhance their business acumen and professionalism in discharging their duties to the Group.

The seminars and training courses attended by the Directors during the financial year under review are as follows:

Name	Training/Course/Conference Title	Organised by
Krishnan A/L C K Menon	Anti-Money Laundering & Counter Financing of Terrorism Awareness Programme	Malaysian Institute of Accountants
	Board Dynamics	Petronas Nasional Berhad
	CAANZ-MICPA Forum - Risk Management - Walking the Talk	Chartered Accountants of Australia and New Zealand ("CAANZ") and the Malaysian Insitute of Certified Public Accountants ("MICPA")
	Annual Asean Corporate Governance Summit 2014 - Governance and Regulatory Updates	Malaysian Institute of Corporate Governance and Federation of Public Listed Companies Berhad
	Directors' Conflict of Interest, Finance for Non-Finance Directors, Outlook of LNG Shipping and Outlook in Oil & Gas industry	MISC Berhad
	Petronas Annual Internal Audit Forum – Achieving Excellence through Audits	Petronas Nasional Berhad
	Corporate Directors Advance Programme	Malaysian Directors Academy
	Audit Committee Conference 2015 – Rising to New Challenges	Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia
	Corporate Governance – Balancing Rules & Practices	The Association of Chartered Certified Accountants , KPMG and Minority Shareholder Watchdog Group

Statement on Corporate Governance
(Continued)

A. Board of Directors (Continued)

Directors' Training (Continued)

Name	Training/Course/Conference Title	Organised by
The Cheng Eng	Mandatory Accreditation Programme for Directors of Public Listed Companies	Bursatra Sdn Bhd
	Build Faster, Higher & Stronger with ECO Cement Concrete	YTL Cement
	3rd Annual Piling & Deep Foundations Asia 2014	IQPC Worldwide Pte Ltd
	BAUMA China 2014 - 7th International Trade Fair For Construction Machinery, Building Material Machines, Construction Vehicles and Equipment	Messe Munchen GmbH
	GST Impact Study & Implementation - Construction Industry GST Issues	NKB Business Services Sdn Bhd
	Bauer In-House Exhibition 2015	Bauer Group Germany
Pang Sar	Mandatory Accreditation Programme for Directors of Public Listed Companies	Bursatra Sdn Bhd
	Build Faster, Higher & Stronger with ECO Cement Concrete	YTL Cement
	GST Implementation & Concept - Transitional Rules & Contract	NKB Business Services Sdn Bhd
	GST Impact Study & Implementation - Construction Industry GST Issues	NKB Business Services Sdn Bhd
	Enhancing Durability of Coastal & Marine Structure	YTL Cement
The Kun Ann	Mandatory Accreditation Programme for Directors of Public Listed Companies	Bursatra Sdn Bhd
	HSBC Asian Outlook 2015 Conference	HSBC Malaysia
	GST Impact Study & Implementation - Construction Industry GST Issues	NKB Business Services Sdn Bhd
	Workshop for Chief Financial Officers, Internal Auditors & Risk Officers - Enhanced Understanding of Risk Management and Internal Controls	Columbus Advisory
	Guongdong, Hong Kong and Macau - Your Business Partners in China	Malaysia-China Chamber of Commerce
Dato' Rosli Bin Mohamed Nor	Credit Analysis and Financial Modeling	Euromoney Asia
	Mandatory Accreditation Programme for Directors of Public Listed Companies	Bursatra Sdn Bhd
	Loan Pricing and Structuring	Euromoney Asia
	International Conference - Development of Cooperation in the Aral Sea Basin to Mitigate Consequences of the Environmental Catastrophe	Embassy of the Republic of Uzbekistan
	Shariah Governance, Risk & Compliance in Islamic Finance	Euromoney Asia
	Corporate Finance and Funding Strategies	Fitch Learning
Ong Poay Wah @ Chan Poay Wah	Program Hand-Holding Cukai Barangan dan Perkhidmatan kepada Sektor Pembinaan	Royal Malaysian Customs Department

There were also briefings presented by the Internal and External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Board meetings and Board Committees meetings.

Statement on Corporate Governance
(Continued)

B. Directors' Remuneration

The Remuneration Committee is responsible for recommending to the Board the framework of executive remuneration and the remuneration package of the Executive Directors. The level of remuneration reflects the experience and level of responsibilities undertaken by the Executive Directors. The remuneration package offered to the Executive Directors and fees payable to Non-Executive Directors are the responsibility of the entire Board and individual Directors are required to abstain from discussion on their own remuneration and fees.

Fees payable to the Directors of the Company are subject to yearly approval by shareholders at the AGM. The aggregate Directors' remuneration paid and payable to all Directors of the Group by the Group for the financial year, and categorised into appropriate components and bands are as follows:

	Executive Directors (RM)	Non-Executive Directors (RM)
Salaries and other emoluments	3,327,174	21,000
Fees	-	137,000

	Number of Directors	
Range of Remuneration	**Executive Directors**	**Non- Executive Directors**
RM1-RM50,000	-	1
RM50,001-RM100,000	-	2
RM250,001-RM300,000	1	-
RM1,300,001 –RM1,350,000	2	-

C. Shareholders and Investors

Investors Relations and Shareholders Communication

The Group recognises the importance of effective and timely communication with shareholders and investors to keep them informed on the Group's latest business and corporate developments. Such information is disseminated via the Group's annual reports, quarterly financial results and through various disclosures through the Group's website as well as the official website of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). In addition, the Group also had dialogues with institutional investors, fund managers and analysts.

Annual General Meeting

The AGM is the principal forum for dialogue with shareholders and investors, where they may seek clarification on the Group's performance, major developments of the Group as well as on the resolutions being proposed. Members of the Board as well as the External Auditors and the Company Secretaries are present to answer questions raised.

D. Accountability and Audit

Financial Reporting

The Board aims to present a balanced, clear and comprehensive assessment of the Group's financial position and prospects primarily through its annual reports, quarterly interim financial results and press releases. In the process of preparing these financial statements, the Board, with the assistance of the ARMC, reviewed the accounting policies and practices to ensure that they are consistently applied throughout the financial year. In cases where judgment and estimates were made, they were based on reasonableness and prudence. The financial statements have been prepared in conformity with the Malaysian Financial Reporting Standards, the Companies Act, 1965 and any other applicable legislations and regulations.

Statement on Corporate Governance
(Continued)

D. Accountability and Audit (Continued)

Statement of Directors' Responsibility

The Board is responsible for preparing the financial statements of the Group in accordance with applicable financial policies and standards in Malaysia so as to give a true and fair view of the Group's state of affairs, results and cash flows for the financial year under review.

It is also the responsibility of the Board to ensure that proper accounting and other records are kept and that such records are maintained with reasonable accuracy to ensure that the financial statements comply with the Companies Act, 1965.

Internal Control

The Board recognises the importance of maintaining a sound system of internal control which provides reasonable assurance of effective and efficient operations, and complies with regulations as well as with internal procedures and guidelines.

The Statement on Risk Management and Internal Control, which provides an overview of the state of the internal control within the Group, is set out on pages 25 to 26 of this annual report.

Relationship with External Auditors

The Group has established a formal and transparent arrangement with the auditors, both internal and external, to meet their professional requirements through the ARMC. The external and internal auditors attended all scheduled meetings of the ARMC during the year under review.

Corporate Social Responsibility

The Group recognises and adopts Corporate Social Responsibility ("CSR") as part of its business operations. As a public listed company, the Group also recognises the responsibility to oblige to the statutory compliance of CSR and extends it further by implementing various measures in our operations.

(a) Environment

The Group is in the midst of implementing an environmental management system in compliance with ISO 14001:2004 standards. The Group is gradually adapting its environment management practice such as waste management at the construction sites and effluent management to be ISO 14001:2004 compliant. By implementing the standards, the Group is able to benefit from reduction of operational cost and increase in workplace productivity through efficient resource and waste management as wastage from projects will be planned in advance and monitored. A reduced wastage at work sites would provide a cleaner and safer working environment, which would in turn improve workplace efficiency and result in cost saving.

(b) Community

During the year under review, the Group has continued to support worthy causes including contribution of funds to various charitable organisations and associations and sponsorship of events of various non-profitable organisations.

(c) Workplace

The Group is committed to a continuous effort to improve the wellbeing of its employees. The Group provides and offers both internal and external training to continuously improve the skills and knowledge of its employees. Particular emphasis was given to in-house training on health and safety matters during the year under review. In addition, several project post-mortem briefing sessions were held to facilitate sharing of knowledge and best practices throughout the technical team. The Group also organises gatherings and trips to foster team spirit and a sense of belonging amongst employees.

Statement on Corporate Governance
(Continued)

D. Accountability and Audit (Continued)

Corporate Social Responsibility (Continued)

(c) Workplace (Continued)

The Group strives for diversity and promotes inclusiveness at all levels of the organisation. Employment and advancement opportunities are based on individual capabilities and qualifications. The Company is in the midst of formalising its diversity policy.

The breakdown of the Board and the workforce by gender, age and ethnicity as at 30 June 2015 are as follows:

Gender	
Male	380
Female	59

Age	
Under 30	175
30 to 50	224
Above 50	40

Ethnicity	
Malaysians	
• Malay	195
• Chinese	86
• Indian	11
• Others	2
Non- Malaysians	145

(d) Marketplace

The Group is committed to high standards of Corporate Governance to protect and enhance shareholder value. The Group strives for timely release of information on its material activities and financial performance to stakeholders.

Compliance Statement

The Board is satisfied that the Company has complied with most of the principles and best practices of the Code during the financial year under review.

Statement on Risk Management and Internal Control

Introduction

The Board is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2015, which has been prepared pursuant to paragraph 15.26 (b) of the Listing Requirements and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), in this annual report. This statement outlines the nature and state of the risk management and internal control of the Group during the financial year up to the date of approval of this annual report.

Board's Responsibilities

The Board recognises its overall responsibility for maintaining a sound system of risk management and internal control and the need to regularly review its adequacy and effectiveness. Such system covers not only financial controls but also operational and compliance controls.

Due to inherent limitations in the risk management and internal control system, such a system put into effect by the senior management is designed to manage rather than eliminate risks that may impede the achievement of the Group's business strategies and objectives. Therefore, such a system can only provide reasonable but not absolute assurance against any material misstatement or loss.

Risk Management Framework

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group, and this process has been in place throughout the year and up to the date of approval of this annual report. In the previous financial year, a risk register has been put in place in order to identify, evaluate and manage the significant risks faced by the Group on an ongoing basis. Whilst the responsibility of identifying and managing the risks lies with the senior management, the Board has appointed a professional service firm to assist the senior management in developing and updating the risk register.

The ARMC, which is accountable to the Board, meets and reports to the Board on its activities, findings and recommendations with regards to the Group's risk management activities and the effectiveness of the risk management structure.

Internal Audit Function

The Internal Audit function of the Group is outsourced to a professional service firm, which is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM"), to assist the Board and the Audit and Risk Management Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The Group internal audit function reports directly to the ARMC.

The Internal Audit Plan for the current financial year was tabled by the appointed internal auditors and approved by the ARMC. The results of the internal audit reviews and the recommendations for improvement are presented to the ARMC. During the financial year ended 30 June 2015, two Internal Audit Reports were issued and tabled to the ARMC. In addition, the status of the implementation of corrective actions to address control weaknesses is also followed up by the internal auditors to ensure that these actions have been satisfactorily implemented. The senior management has taken appropriate actions to enhance and strengthen the internal control environment.

Statement on Risk Management and Internal Control
(Continued)

Other Key Elements of Internal Control

The other key elements of the Group's internal control systems are:

a) The Group has an organisation structure with clear lines of responsibility and delegation of authority to ensure proper identification of accountabilities and segregation of duties.

b) The Executive Directors are closely involved in the running of the business and operations of the Group and they report to the Board on significant changes in the business and external environment, which affect the operations of the Group at large.

c) Management meetings are conducted monthly with the Executive Directors and the senior management in attendance.

d) The Group Managing Director and the senior management in the Projects and Technical Departments undertake regular visits to project sites and workshop and communicate with various levels of staff. The regular visits and close communication with working level are pertinent to obtaining timely feedback on the progress at the project sites and workshop activities, and gauging first-hand the effectiveness of strategies discussed and implemented.

e) Insurance on the major assets and resources of the Group are in place to ensure that there is adequate insurance coverage against any mishap that may result in losses to the Group.

f) All quarterly announcements were reviewed by the ARMC and approved by the Board upon recommendation of the ARMC before announcing to Bursa Malaysia.

g) Some of the Group's operations, i.e. the provision of installation and testing of bored piles, micro piles and driven piles and construction of sub-structure, are ISO 9001:2008 certified. ISO audit was conducted by external parties in the previous financial year so as to ensure compliance with the standards of the certification. The ISO certificate was issued on 27 August 2014 and is valid up to 26 August 2017.

Conclusion

The Board is of the view that the Group's system of risk management and internal controls in place and effective for the financial year under review and up to the date of issuance of this Statement is adequate and effective to safeguard shareholders' investments and the Group's assets and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control within the Group.

The Board has also received assurance from the Group Managing Director and the Group Chief Executive Officer that the Group's risk management and internal control system are operating adequately and effectively, in all material respects, based on the risk management and internal control system of the Group.

This statement is made in accordance with the Board's resolution dated 21 October 2015.

Additional Compliance Information

1. Utilisation of Proceeds

As at 21 October 2015, the gross proceeds of RM48,600,000 raised from the public issue of 90,000,000 new ordinary shares of RM0.20 each at an issue price of RM0.54 per ordinary share, were utilised in the following manner :

Details of Utilisation	Timeframe for Utilisation Upon Listing on 30 June 2014	Total Amount (RM'000)	Utilised Amount (RM'000)	Unutilised Balance (RM'000)
Purchase of Machinery and Equipment	Within 18 months	14,580	14,580	0
Repayment of Bank Borrowings	Within 24 months	12,150	12,150	0
Working Capital	Within 24 months	18,160	18,160	0
Listing Expenses	Upon Listing	3,710	3,710	0
	Total	48,600	48,600	0

2. Non-Audit Fees

Non-audit fees paid by the Group to the external auditors for the financial year amounted to RM15,000.00.

3. Material Contracts

There was no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group involving Directors' and major shareholders' interests during the financial year.

4. Share Buybacks

There were no share buybacks carried out during the financial year.

5. Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Group or its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

6. Profit Guarantee

There was no profit guarantee given to the Group by any shareholder during the financial year.

7. Revaluation Policy on Landed Properties

The revaluation of landed properties will only be undertaken by the Group upon the approval of the Board or should there be an intended sale or should the market values be materially changed.

8. Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT")

During the financial year, the Group had not entered into any RRPT.

9. Share Issuance Scheme

The Group has not implemented any Share Issuance Scheme.

10. Depository Receipt Programme

The Group did not sponsor any Depository Receipt Programme during the financial year.

Audit and Risk Management Committee Report

A. Membership and Meetings

The ARMC was established by the Board on 9 October 2013 and comprises entirely Independent Non-Executive Directors who are financially literate and have accounting or related financial management expertise. The composition of the ARMC is as follows:

Dato' Rosli Bin Mohamed Nor (Independent Non-Executive Director)	Chairman
Krishnan A/L C K Menon (Independent Non-Executive Chairman)	Member
Ong Poay Wah @ Chan Poay Wah (Independent Non-Executive Director)	Member

Dato' Rosli bin Mohamed Nor is a Director of EXIM Bank Berhad and he serves as a member of its Board Audit Committee, among other committees at EXIM Bank Berhad.

Mr Krishnan A/L C K Menon is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Ms Ong Poay Wah @ Chan Poay Wah is the General Manager of Finance and Accounts at Merge Housing Sdn Bhd.

The detailed profiles of the ARMC members are set out on pages 13 to 16 of this annual report.

A total of five (5) meetings were held during the financial year. The details of the attendance of each member of the ARMC are as follows:

Name	Meeting Attendance	Percentage of Attendance
Dato' Rosli Bin Mohamed Nor	5/5	100%
Krishnan A/L C K Menon	5/5	100%
Ong Poay Wah @ Chan Poay Wah	5/5	100%

B. Terms of Reference

Objectives

The objective of the ARMC is to assist the Board in fulfilling its statutory and fiduciary responsibilities towards maintaining adequate and effective risk management and internal control system.

Membership and Composition

(a) Members of the ARMC shall be appointed from amongst the Board. The ARMC shall comprise at least three (3) members, with majority of the members being independent directors.

(b) At least one (1) member shall be a member of the Malaysian Institute of Accountants or shall fulfil such other requirement as prescribed in the Listing Requirements and a majority of the members of ARMC must be financially literate with sufficient financial experience in discharging their duties.

(c) No alternate Directors shall be appointed as a member of the ARMC.

(d) Members of the ARMC may relinquish their membership in the ARMC with prior written notice to the Company Secretaries.

(e) In the event of any vacancy arising in the ARMC resulting in the number of members of the ARMC falling below three (3), the vacancy should be filled within three (3) months of that event arising.

(f) Reappointment of ARMC members shall be subject to a review of the term of office and performance of the ARMC and each of its members by the Board to determine whether the ARMC and its members have carried out their duties in accordance with their terms of reference.

Audit and Risk Management Committee Report
(Continued)

B. Terms of Reference (Continued)

Duties and Functions

The duties and functions of ARMC shall be, amongst others:

(a) Risk Management

i. To ensure that a risk management structure is embedded throughout the Group;
ii. To ensure that the risk management structure is consistently adopted throughout the Group; and
iii. To review the adequacy and effectiveness of risk management system currently in place.

(b) Dealings with the External Auditors

i. To review the adequacy of the audit plan and scope of work;
ii. To discuss with the external auditors their evaluation of the system of risk management and internal control;
iii. To consider and recommend to the Board the nomination of person or persons as external auditors and their fees;
iv. To review the independence and objectivity of the external auditors and their services, including non-audit services;
v. To review the significant audit findings arising from the interim and final audits together with the management letters and management responses;
vi. To discuss problems and reservations arising from interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);
vii. To review any letter of resignation from external auditors; and
viii. To review and report whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.

(c) Dealings with Internal Auditors

i. To review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work. The ARMC shall undertake such review at least once a year to ensure the effectiveness of the internal audit function;
ii. To approve the internal audit plan and the internal audit charter, which defines the purpose, authority, scope and responsibility of the internal audit function;
iii. To review the internal audit programs and processes, the results of the internal audit programs, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function; and
iv. To assess the performance of the internal audit function periodically.

(d) Financial Reporting

i. To review the quarterly results and annual financial statements, prior to approval by the Board, focusing particularly on:

- Changes in or implementation of accounting policies and practices;
- Significant or unusual events;
- Litigation that could affect the Group results materially;
- Going concern assumptions; and
- Compliance with accounting standards and other legal requirements.

ii. To review corporate disclosure policies and procedures of the Group to ensure that they comply with the disclosure requirements as set out in the Listing Requirements.

Audit and Risk Management Committee Report
(Continued)

B. Terms of Reference (Continued)

Duties and Functions (Continued)

(e) Related Party Transactions

To review the related party transactions and conflict of interest situations that may arise within the Group or the Company including any transactions, procedures or course of conduct that raises questions of management integrity.

(f) Reporting Responsibilities

i. To promptly report to Bursa Malaysia on matters conveyed to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements; and
ii. To highlight significant matters and resolutions at each board meeting.

(g) Other responsibilities

To undertake any other duties and function as the ARMC considers appropriate or as directed by the Board from time to time.

C. Meetings

Frequency of Meetings

The ARMC shall meet at least four (4) times during a financial year. Additional meetings may be convened if necessary to facilitate the ARMC to fulfil its responsibilities as set forth herein. ARMC shall conduct face-to-face meetings, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the ARMC.

In addition, the ARMC may take action by unanimous written consent of its members, including dealing with matters by way of circular resolutions in lieu of convening a formal meeting.

Quorum

The quorum for a meeting shall consist of a majority of independent directors and shall not be less than two (2) members. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the ARMC may determine.

Notice of Meeting and Submission of Meeting Papers

Notice of meeting and submission of meeting papers shall be circulated at least seven (7) days before each meeting.

Attendance

Other Board members, the Group Managing Director, Group Chief Executive Officer, Chief Financial Officer, key representatives of external and internal auditors, and employees may attend the ARMC meetings by invitation. In addition, at least once a year, the ARMC shall meet with the external auditors without the presence of executive Board members or management.

Audit and Risk Management Committee Report
(Continued)

C. Meetings (Continued)

Voting

All resolutions of the ARMC shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the ARMC shall have a second or casting vote.

Minutes of Meetings

The Secretary of ARMC shall record all proceedings and minutes are to be prepared and circulated to the ARMC and the Board by the next following meeting. The Secretary of the ARMC shall distribute copies of the minutes of ARMC meeting to all its members at the next meeting.

D. Authority

The ARMC is authorised by the Board and shall:

(a) In carrying out its duties and responsibilities, the ARMC shall, at the expenses of the Company,:

i. have authority to investigate any matter within its terms of reference.
ii. have the resources which are required to perform its duties.
iii. have full and unrestricted access to any information pertaining to the Group.
iv. have direct communication channels with external auditors and internal auditors.
v. be able to obtain independent professional or other advice as necessary.
vi. be able to convene meetings with external auditors, internal auditors or both, without the presence of executive Board members or management, whenever necessary.

(b) Where the ARMC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the ARMC is authorised to promptly report such matters to Bursa Malaysia.

E. Summary of Activities During The Financial Year

During the financial year, the ARMC carried out the following activities in the discharge of its functions and duties:

Internal Audit

(a) Completed a Risk Management Framework to provide an integrated risk management infrastructure to identify, respond to and monitor the strategic key enterprise risks.

(b) Reviewed the internal audit reports and audit recommendations made by the internal auditors and the corresponding corrective actions taken by the management.

External Audit

(a) Reviewed the audit findings on the statutory audit for the financial year ended 30 June 2015 prepared by the external auditors.

(b) Evaluated the performance of the external auditors and made recommendations to the Board on their reappointment.

(c) Reviewed the audit plan for the financial year prepared by the external auditors to ensure its scope is adequate.

(d) Reviewed management representation letter provided to the external auditors.

Audit and Risk Management Committee Report
(Continued)

E. Summary of Activities During The Financial Year (Continued)

Financial Reporting

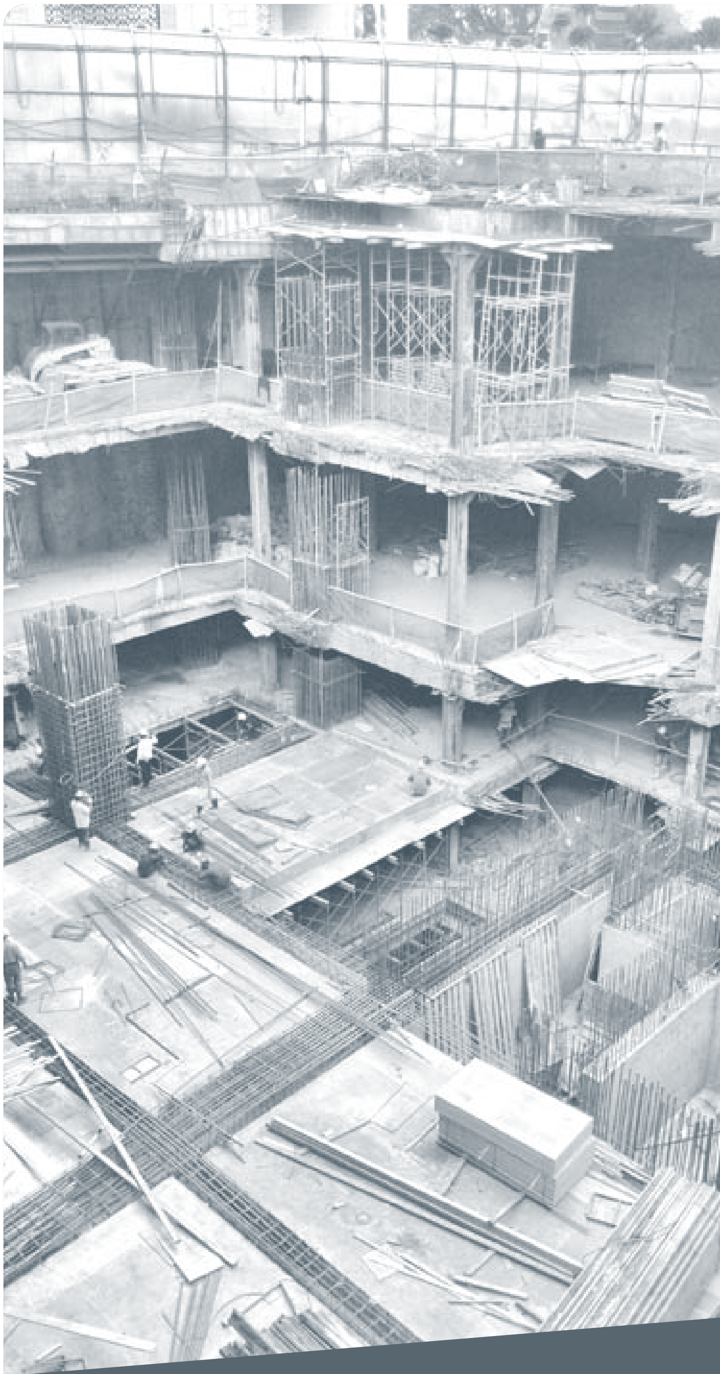
(a) Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Group prior to recommending their approval and the subsequent release to Bursa Malaysia to the Board.

Others

(a) Reviewed the related party transactions entered into by the Group.

(b) Reviewed quarterly management reports consist of financial performance review, project progress analysis and ageing analysis.

(c) Reviewed the ARMC Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to their inclusion in the annual report.



FINANCIAL STATEMENTS

Directors' Report

for the year ended 30 June 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

Principal Activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	46,612,055	9,068,015

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

i) a first interim ordinary dividend of 1 sen per ordinary share, tax exempt under the single-tier system, totalling RM5,350,000 in respect of the financial year ended 30 June 2015 on 23 December 2014; and

ii) a second interim ordinary dividend of 1.5 sen per ordinary share, tax exempt under the single-tier system, totalling RM8,025,000 in respect of the financial year ended 30 June 2015 on 23 June 2015.

The Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company

Directors who served since the date of the last report are:

The Cheng Eng
Pang Sar
The Kun Ann
Krishnan A/L CK Menon
Dato' Rosli bin Mohamed Nor
Ong Poay Wah @ Chan Poay Wah

Directors' Report
for the year ended 30 June 2015 (Continued)

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.20 each			
	At 1.7.2014	**Bought**	**Sold**	**At 30.6.2015**
Interests in the Company:				
The Cheng Eng				
- own	195,000,005	-	(10,000,000)	185,000,005
- children*	152,000	-	-	152,000
Pang Sar	195,000,005	-	(17,000,000)	178,000,005
The Kun Ann	100,000	-	-	100,000
Krishnan A/L CK Menon	100,000	-	-	100,000
Dato' Rosli bin Mohamed Nor	100,000	1,000,000	-	1,100,000
Ong Poay Wah @ Chan Poay Wah	100,000	500,000	-	600,000

* The Kun Hong and The Kun Ee are the children of The Cheng Eng but are not Directors of the Company. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of The Kun Hong and The Kun Ee in the shares of the Company and of its related corporations (other than wholly owned subsidiaries) shall be treated as the interests of The Cheng Eng also.

By virtue of their interests in the shares of the Company, The Cheng Eng and Pang Sar are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Econpile Holdings Berhad has an interest.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of Shares and Debentures

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report
for the year ended 30 June 2015 (Continued)

Other Statutory Information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

The Cheng Eng

Pang Sar

Kuala Lumpur,

Date: 21 October 2015

Statements of Financial Position
as at 30 June 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Assets					
Property, plant and equipment	3	67,668,074	48,654,136	-	-
Investment properties	4	2,201,875	2,228,740	-	-
Investments in subsidiaries	5	-	-	89,000,000	89,000,000
Other investments	6	50,000	2,295,664	-	-
Total non-current assets		69,919,949	53,178,540	89,000,000	89,000,000
Other investments	6	15,415,267	-	15,415,267	-
Trade and other receivables	7	212,630,908	157,076,340	32,515,004	5,860,341
Prepayments		2,232,448	3,366,086	9,970	53
Current tax assets		1,787,897	-	-	-
Cash and cash equivalents	8	31,546,678	74,177,891	113,961	46,578,871
Total current assets		263,613,198	234,620,317	48,054,202	52,439,265
Total assets		333,533,147	287,798,857	137,054,202	141,439,265
Equity					
Share capital	9	107,000,002	107,000,002	107,000,002	107,000,002
Share premium	9	29,005,561	29,005,561	29,005,561	29,005,561
Deficit in business combination		(87,000,000)	(87,000,000)	-	-
Retained earnings		150,997,210	117,760,155	1,002,623	5,309,608
Total equity		200,002,773	166,765,718	137,008,186	141,315,171
Liabilities					
Loans and borrowings	10	7,994,923	9,141,308	-	-
Employee benefits	11	4,001,784	3,690,967	-	-
Deferred tax liabilities	12	3,921,144	690,447	-	-
Total non-current liabilities		15,917,851	13,522,722	-	-
Loans and borrowings	10	15,168,393	20,805,346	-	-
Trade and other payables	13	102,444,130	83,213,535	46,016	124,094
Current tax liabilities		-	3,491,536	-	-
Total current liabilities		117,612,523	107,510,417	46,016	124,094
Total liabilities		133,530,374	121,033,139	46,016	124,094
Total equity and liabilities		333,533,147	287,798,857	137,054,202	141,439,265

The notes on pages 43 to 82 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	14	428,980,180	418,687,750	9,000,000	6,000,000
Cost of sales	15	(348,824,249)	(356,745,022)	-	-
Gross profit		80,155,931	61,942,728	9,000,000	6,000,000
Other income		9,747,485	8,115,926	1,040,267	211,937
Administrative expenses		(26,622,919)	(23,465,982)	(972,252)	(902,329)
Results from operating activities		63,280,497	46,592,672	9,068,015	5,309,608
Finance income	16	858,231	760,238	-	-
Finance costs	17	(1,057,552)	(1,759,041)	-	-
Net finance costs		(199,321)	(998,803)	-	-
Profit before tax	18	63,081,176	45,593,869	9,068,015	5,309,608
Tax expense	19	(16,469,121)	(14,574,452)	-	-
Profit for the year and total comprehensive income for the year		46,612,055	31,019,417	9,068,015	5,309,608
Basic earnings per ordinary share	20	0.09	0.07		

The notes on pages 43 to 82 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

		Non-distributable			*Distributable*	
	Note	**Share capital RM**	**Share premium RM**	**Reserve/ (Deficit) in business combination RM**	**Retained earnings RM**	**Total equity RM**
Group						
At 1 July 2013		1	-	1,999,999	86,740,738	88,740,738
Effect of acquisition of subsidiaries		-	-	(88,999,998)	-	(88,999,998)
Issue of ordinary shares		107,000,001	30,600,000	(1)	-	137,600,000
Share issue expenses deducted against share premium		-	(1,594,439)	-	-	(1,594,439)
Profit and total comprehensive income for the year		-	-	-	31,019,417	31,019,417
At 30 June 2014/ 1 July 2014		107,000,002	29,005,561	(87,000,000)	117,760,155	166,765,718
Profit and total comprehensive income for the year		-	-	-	46,612,055	46,612,055
Dividends to owners of the Company	21	-	-	-	(13,375,000)	(13,375,000)
At 30 June 2015		107,000,002	29,005,561	(87,000,000)	150,997,210	200,002,773
		Note 9	Note 9			

The notes on pages 43 to 82 are an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2015

	Note	*Non-distributable* Share capital RM	Share premium RM	*Distributable* Retained earnings RM	Total equity RM
Company					
At 1 July 2013		1	-	-	1
Issue of ordinary shares		107,000,001	30,600,000	-	137,600,001
Share issue expenses deducted against share premium		-	(1,594,439)	-	(1,594,439)
Profit and total comprehensive income for the year		-	-	5,309,608	5,309,608
At 30 June 2014/ 1 July 2014		107,000,002	29,005,561	5,309,608	141,315,171
Profit and total comprehensive income for the year		-	-	9,068,015	9,068,015
Dividends to owners of the Company	21	-	-	(13,375,000)	(13,375,000)
At 30 June 2015		107,000,002	29,005,561	1,002,623	137,008,186
		Note 9	Note 9		

The notes on pages 43 to 82 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash flows from operating activities				
Profit before tax	63,081,176	45,593,869	9,068,015	5,309,608
Adjustments for:				
Depreciation of investment properties	26,865	26,865	-	-
Depreciation of property, plant and equipment	17,928,245	14,537,790	-	-
Dividend income	-	-	(9,000,000)	(6,000,000)
Fair value gain from other investments	(193,832)	(61,912)	(193,832)	-
Finance costs	1,057,552	1,759,041	-	-
Finance income	(858,231)	(760,238)	-	-
Gain on disposal of other investments	(857,149)	-	(846,435)	-
Gain on disposal of property, plant and equipment	(58,889)	(1,075,004)	-	-
Operating profit/(loss) before working capital changes	80,125,737	60,020,411	(972,252)	(690,392)
Change in employee benefits	310,817	3,690,967	-	-
Change in trade and other receivables and prepayments	(54,420,930)	(30,986,598)	(14,417)	2,947
Change in trade and other payables	19,230,595	418,690	(78,078)	557,772
Cash generated from/(used in) operations	45,246,219	33,143,470	(1,064,747)	(129,673)
Interest paid	(176)	(133)	-	-
Tax paid	(18,528,954)	(14,975,545)	-	-
Tax refunded	11,097	16,859	-	-
Net cash from/(used in) operating activities	26,728,186	18,184,651	(1,064,747)	(129,673)

The notes on pages 43 to 82 are an integral part of these financial statements.

Statements of Cash Flows
for the year ended 30 June 2015 (Continued)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash flows from investing activities				
Acquisition of property, plant and equipment	(29,424,088)	(5,138,422)	-	-
Dividends received from a subsidiary	-	-	9,000,000	6,000,000
Interest received from fixed deposits	858,231	760,238	-	-
Net cash acquired from reverse acquisition	-	2	-	-
Net placement of other investments	(12,118,622)	-	(14,375,000)	-
Proceeds from disposal of property, plant and equipment	103,834	1,175,433	-	-
Net cash (used in)/from investing activities	(40,580,645)	(3,202,749)	(5,375,000)	6,000,000
Cash flows from financing activities				
Change in pledged deposits	1,565,954	(1,738,122)	-	-
Dividends paid to owners of the Company (Note 21)	(13,375,000)	-	(13,375,000)	-
Increase in amount due from a subsidiary	-	-	(26,650,163)	(5,860,341)
Interest paid on loans and borrowings	(1,057,376)	(1,758,908)	-	-
Proceeds from issue of share capital, net of issue expenses	-	46,568,884	-	46,568,884
Repayment of bank loan	(97,330)	(94,600)	-	-
Repayment of finance lease liabilities	(11,293,048)	(10,276,541)	-	-
(Repayment)/Drawdown of bankers' acceptances	(2,956,000)	937,000	-	-
Net cash (used in)/from financing activities	(27,212,800)	33,637,713	(40,025,163)	40,708,543
Net (decrease)/increase in cash and cash equivalents	(41,065,259)	48,619,615	(46,464,910)	46,578,870
Cash and cash equivalents at 1 July 2014/2013	58,736,166	10,116,551	46,578,871	1
Cash and cash equivalents at 30 June	17,670,907	58,736,166	113,961	46,578,871

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	8	12,845,289	57,591,787	113,961	46,578,871
Deposits	8	18,701,389	16,586,104	-	-
		31,546,678	74,177,891	113,961	46,578,871
Less: Pledged deposits	8	(13,875,771)	(15,441,725)	-	-
		17,670,907	58,736,166	113,961	46,578,871

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM36,987,128 (2014: RM11,219,070), of which RM7,563,040 (2014: RM6,080,648) was acquired by means of finance leases.

The notes on pages 43 to 82 are an integral part of these financial statements.

Notes to the Financial Statements

Econpile Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

In November 2013, the Company submitted its Initial Public Offering ("IPO") application to the Securities Commission Malaysia ("SC") for the listing of and quotation for its entire issued and paid-up share capital of 535,000,010 shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). In March 2014, the IPO was approved by SC subject to certain terms and conditions. Further approvals from the Ministry of International Trade and Industry and Bursa Securities were obtained in April 2014. The Company was listed on the Main Market of Bursa Securities on 30 June 2014 and all 90,000,000 shares issued via the IPO were fully subscribed and paid for.

The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Level 8, Tower Block, Plaza Dwitasik
Jalan Sri Permaisuri, Bandar Sri Permaisuri
56000 Kuala Lumpur

Registered office
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 30 June 2015 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 21 October 2015.

1. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that haves been issued by the Malaysian Accounting Standards Board but have not been adopted by the Group and by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  Amendments to MFRS 10, *Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, Employee Benefits *(Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

Notes to the Financial Statements
(Continued)

1. Basis of Preparation (Continued)

(a) Statement of compliance (Continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018
- MFRS 9, *Financial Instruments (2014)*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 July 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for MFRS 14, Amendments to MFRS 11, Amendments to MFRS 128 and Amendments to MFRS 141 which are not applicable to the Group and to the Company.
- from the annual period beginning on 1 July 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 July 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

(i) *MFRS 15, Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfer of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services.*

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) *MFRS 9, Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

(b) Presentation format

As disclosed in Note 27, in the previous financial year, the Company entered into a business combination exercise with Econpile (M) Sdn. Bhd., hereinafter referred to as "the Acquisition".

In accordance with MFRS 3, Business Combinations, the Acquisition was accounted for using the reverse acquisition method with the Company being the accounting acquiree and Econpile (M) Sdn. Bhd. being the accounting acquirer.

1. Basis of Preparation (Continued)

(b) Presentation format (Continued)

The implication of the reverse acquisition accounting on the presentation of the consolidated financial statements for the previous reporting period was as follows:

i) The consolidated statements of profit or loss and other comprehensive income and cash flows for the previous reporting period comprise the consolidation of:

- the financial results and cash flows of Econpile (M) Sdn. Bhd. and its subsidiary ("Econpile (M) Group") for the year from 1 July 2013 to 30 June 2014; and
- the financial results and cash flows of the Company for the 9 months period from 3 October 2013 to 30 June 2014.

ii) The consolidated statements of changes in equity for the previous reporting period comprise:

- the opening equity balances of Econpile (M) Group as at 1 July 2013 and the equity transactions for the 12 months period from 1 July 2013 to 30 June 2014; and
- the equity transactions of the Company for the 9 months period from 3 October 2013 to 30 June 2014.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(d) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(e) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2(k)(i) - revenue from construction contracts
- Note 4 - valuation of investment properties
- Note 7 - impairment on receivables
- Note 11 - valuation of retirement benefits
- Note 25 - contingencies

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(a) Basis of consolidation (Continued)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) *Financial assets at fair value through profit or loss*

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(b) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

(b) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method and are subject to review for impairment (see Note 2(h)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair values arising from financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(b) Financial instruments (Continued)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(c) Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

The estimated useful lives for the current and comparative periods are as follows:

• buildings	50 years
• plant and machinery	5 years
• piling and site equipment	5 years
• office equipment	5 years
• furniture and fittings	5 years
• motor vehicles	5 years
• renovation	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(d) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(e) Investment property

Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land, freehold buildings and leasehold buildings which in substance are finance leases held for a currently undetermined future use. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and any other costs directly attributable to bringing the investment property to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(e) Investment property (Continued)

Investment property carried at cost (Continued)

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(f) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade and other receivables as amounts due from contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amounts due to contract customers which is part of trade and other payables in the statement of financial position.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits.

(h) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(h) Impairment (Continued)

(ii) Other assets

The carrying amounts of other assets (except for amounts due from contract customers) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (or a group of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial period in which the reversals are recognised.

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(j) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Significant Accounting Policies (Continued)

(j) Employee benefits (Continued)

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(k) Revenue and other income

(i) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(k) Revenue and other income (Continued)

(ii) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(iii) Rental income

Rental income from investment property and equipment are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group or the company's right to receive payment is established.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements
(Continued)

2. Significant Accounting Policies (Continued)

(n) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is not presented as the Group has no shares or other instruments with potential dilutive effects.

(o) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(p) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(q) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements
(Continued)

3. Property, Plant and Equipment

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Piling and site equipment RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Cost									
At 1 July 2013	5,000,000	6,119,070	97,088,205	3,137,382	299,515	67,521	7,060,877	152,584	118,925,154
Additions	-	788,900	9,169,060	-	49,632	-	1,069,240	142,238	11,219,070
Disposals	-	-	(1,528,492)	-	-	-	(64,000)	-	(1,592,492)
At 30 June 2014/ 1 July 2014	5,000,000	6,907,970	104,728,773	3,137,382	349,147	67,521	8,066,117	294,822	128,551,732
Additions	-	-	31,248,490	2,478,798	341,826	271,313	1,350,000	1,296,701	36,987,128
Disposals	-	-	-	-	(224,851)	(67,520)	(236,207)	(152,584)	(681,162)
At 30 June 2015	5,000,000	6,907,970	135,977,263	5,616,180	466,122	271,314	9,179,910	1,438,939	164,857,698
Depreciation									
At 1 July 2013	-	186,739	60,798,429	1,449,400	252,549	66,155	3,946,030	152,567	66,851,869
Depreciation for the year	-	140,800	12,661,133	497,619	22,486	1,320	1,198,889	15,543	14,537,790
Disposals	-	-	(1,430,163)	-	-	-	(61,900)	-	(1,492,063)
At 30 June 2014/ 1 July 2014	-	327,539	72,029,399	1,947,019	275,035	67,475	5,083,019	168,110	79,897,596
Depreciation for the year	-	144,744	15,287,032	786,356	86,065	51,179	1,285,489	287,380	17,928,245
Disposals	-	-	-	-	(224,780)	(67,475)	(191,396)	(152,566)	(636,217)
At 30 June 2015	-	472,283	87,316,431	2,733,375	136,320	51,179	6,177,112	302,924	97,189,624
Carrying amounts									
At 1 July 2013	5,000,000	5,932,331	36,289,776	1,687,982	46,966	1,366	3,114,847	17	52,073,285
At 30 June 2014/ 1 July 2014	5,000,000	6,580,431	32,699,374	1,190,363	74,112	46	2,983,098	126,712	48,654,136
At 30 June 2015	5,000,000	6,435,687	48,660,832	2,882,805	329,802	220,135	3,002,798	1,136,015	67,668,074

Notes to the Financial Statements
(Continued)

3. Property, Plant and Equipment (Continued)

3.1 Leased plant and machinery and motor vehicles

At 30 June 2015, the net carrying amounts of leased plant and machinery and motor vehicles of the Group were RM21,858,216 (2014: RM25,471,213) and RM2,039,541 (2014: RM2,372,036), respectively.

3.2 Security

The leased plant and machinery discussed above secures lease obligations (see Note 10).

At 30 June 2015, a store of the Group with a carrying amount of RM6,317,075 (2014: RM6,353,660) and the corporate office of the Group with a carrying amount of RM4,357,323 (2014: RM4,449,704) were pledged as security and as fixed charges to secure bank facilities granted to a subsidiary (see Note 10).

4. Investment Properties

	Group RM
Cost	
At 1 July 2013/30 June 2014/1 July 2014/30 June 2015	2,450,777
Depreciation	
At 1 July 2013	195,172
Depreciation for the year	26,865
At 30 June 2014/1 July 2014	222,037
Depreciation for the year	26,865
At 30 June 2015	248,902
Carrying amounts	
At 1 July 2013	2,255,605
At 30 June 2014/1 July 2014	2,228,740
At 30 June 2015	2,201,875

Included in the above are:

	Group 2015 RM	Group 2014 RM
Freehold land	1,107,534	1,107,534
Buildings on freehold land	427,997	439,024
Buildings on leasehold land	666,344	682,182
	2,201,875	2,228,740

Notes to the Financial Statements
(Continued)

4. Investment Properties (Continued)

Investment properties comprise freehold land and a number of residential and commercial properties that are leased to third parties or vacant.

Investment properties of the Group amounting to RM988,454 (2014: RM996,784) were pledged as security and as fixed charges to secure bank facilities granted to a subsidiary (see Note 10).

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2015 RM	2014 RM
Rental income	30,707	28,800
Direct operating expenses:		
- income generating investment properties	10,752	9,985
- non-income generating investment properties	22,443	29,732

Fair value information

Fair value of investment properties is categorised as follows:

	Group	
	2015 RM	2014 RM
Level 3		
Freehold land	6,847,000	6,475,000
Buildings	3,763,000	2,200,000
	10,610,000	8,675,000

Valuation process applied by the Group for Level 3 fair value

The fair value of investment properties is estimated by the Directors using the comparison method. The comparison method entails critical analyses of recent evidences of values of comparable properties in the neighbourhood and making adjustment for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics.

5. Investments in Subsidiaries

	Company	
	2015 RM	2014 RM
Unquoted shares, at cost	89,000,000	89,000,000

Notes to the Financial Statements
(Continued)

5. Investments in Subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2015 %	2014 %
Econpile (M) Sdn. Bhd. and its subsidiary:	Malaysia	General construction and piling works	100	100
Platinum Production Sdn. Bhd.	Malaysia	Rental of investment properties and machinery and trading of machinery and related accessories	100	100

On 26 September 2013, the Company entered into a Share Sale Agreement with two Directors of the Company to acquire their 100% equity interest in Econpile (M) Sdn. Bhd. for a purchase consideration of RM89,000,000 satisfied through the issuance of 445,000,000 new ordinary shares of RM0.20 each of the Company issued on 3 October 2013.

6. Other Investments

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-current				
Club membership	50,000	50,000	-	-
Financial assets at fair value through profit or loss:				
Unit trusts, in Malaysia	-	2,245,664	-	-
	50,000	2,295,664	-	-
Current				
Financial assets at fair value through profit or loss:				
Unit trusts, in Malaysia	15,415,267	-	15,415,267	-
	15,415,267	-	15,415,267	-
Representing items:				
At cost	50,000	50,000	-	-
At fair value	15,415,267	2,245,664	15,415,267	-
	15,465,267	2,295,664	15,415,267	-

Notes to the Financial Statements
(Continued)

7. Trade and Other Receivables

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Trade					
Trade receivables	7.1	180,799,305	132,212,457	-	-
Less: Individual impairment allowance		(5,110,418)	(6,985,935)	-	-
		175,688,887	125,226,522	-	-
Amounts due from contract customers	7.2	29,327,561	23,479,660	-	-
		205,016,448	148,706,182	-	-
Non-trade					
Other receivables		1,697,789	498,732	-	-
Deposits		5,916,671	7,871,426	4,500	-
Amount due from a subsidiary	7.3	-	-	32,510,504	5,860,341
		7,614,460	8,370,158	32,515,004	5,860,341
		212,630,908	157,076,340	32,515,004	5,860,341

7.1 Trade receivables

Included in trade receivables of the Group at 30 June 2015 are retentions of RM68,245,395 (2014: RM62,475,130) relating to construction work-in-progress. Retention sums are unsecured and interest free.

7.2 Construction work-in-progress

	Note	Group 2015 RM	Group 2014 RM
Aggregate costs incurred to date		299,196,288	309,366,817
Add: Attributable profits		58,453,569	43,775,247
		357,649,857	353,142,064
Less: Progress billings		(346,347,568)	(351,329,015)
		11,302,289	1,813,049
Represented by:			
Amounts due from contract customers		29,327,561	23,479,660
Amounts due to contract customers	13	(18,025,272)	(21,666,611)
		11,302,289	1,813,049

7.3 Amount due from a subsidiary

The amount due from a subsidiary is unsecured, interest free and repayable on demand.

7.4 Estimation uncertainty and critical judgements

The Group makes allowance for impairment on receivables based on assessment of recoverability. Whilst management's assessment is guided by past experiences, there may be significant uncertainty about the future recovery of debts.

Notes to the Financial Statements
(Continued)

8. Cash and Cash Equivalents

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	12,845,289	57,591,787	113,961	46,578,871
Deposits placed with licensed banks	18,701,389	16,586,104	-	-
	31,546,678	74,177,891	113,961	46,578,871

Included in the deposits placed with licensed banks of the Group is RM13,875,771 (2014: RM15,441,725) pledged for bank facilities granted to a subsidiary (see Note 10).

9. Capital and Reserves

Share capital

	Group and Company			
	Amount 2015 RM	Number of shares 2015	Amount 2014 RM	Number of shares 2014
Ordinary shares of RM0.20 each				
Authorised	200,000,000	1,000,000,000	200,000,000	1,000,000,000
Issued and fully paid	107,000,002	535,000,010	107,000,002	535,000,010

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

Notes to the Financial Statements
(Continued)

10. Loans and Borrowings

	Note	Group 2015 RM	Group 2014 RM
Non-current			
Bank loan - secured	10.1	2,728,140	2,827,687
Finance lease liabilities	10.3	5,266,783	6,313,621
		7,994,923	9,141,308
Current			
Bank loan - secured	10.1	101,930	99,713
Bankers' acceptances - secured	10.2	7,540,000	10,496,000
Finance lease liabilities	10.3	7,526,463	10,209,633
		15,168,393	20,805,346
		23,163,316	29,946,654

10.1 Bank loan

The bank loan is secured by way of a first legal charge over the corporate office of the Group (see Note 3) with a carrying amount of RM4,357,323 (2014: RM4,449,704).

10.2 Bankers' acceptances

The bankers' acceptances are secured over a store (see Note 3) and investment properties (see Note 4) of the Group with a total carrying amount of RM7,305,529 (2014: RM7,350,444) and deposits pledged with licensed banks of the Group with a carrying amount of RM13,875,771 (2014: RM15,441,725). There are also guarantees on the bankers' acceptances with RM4,540,000 (2014: Nil) guaranteed by the Company and RM3,000,000 (2014: RM10,496,000) personally guaranteed by certain Directors of the Group.

10.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2015 RM	Interest 2015 RM	Present value of minimum lease payments 2015 RM	Future minimum lease payments 2014 RM	Interest 2014 RM	Present value of minimum lease payments 2014 RM
Group						
Less than one year	8,000,221	(473,758)	7,526,463	10,824,972	(615,339)	10,209,633
Between one and five years	5,459,446	(192,663)	5,266,783	6,520,299	(206,678)	6,313,621
	13,459,667	(666,421)	12,793,246	17,345,271	(822,017)	16,523,254

11. Employee Benefits

Retirement benefits

	Group	
	2015 RM	2014 RM
Defined benefit liability	4,001,784	3,690,967

The Group makes contributions to a defined benefit plan that provides pension for two Directors of the Company upon retirement. The plan entitles the two Directors of the Company to receive a lump sum payment equal to the last drawn salary multiplied by the number of years of services of the two Directors.

The defined benefit plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Funding

This plan is fully funded by a subsidiary of the Group. The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. Employees are not required to contribute to the plans.

Movement in defined benefit liability

The following table shows the components of the defined benefit liability and its components:

	Group	
	2015 RM	2014 RM
Balance at 1 July 2014/2013	3,690,967	-
Included in profit or loss		
Current service cost	155,586	63,725
Past service cost	-	3,563,826
Interest cost	201,725	81,183
	357,311	3,708,734
Other		
Contributions paid by the employer	(46,494)	(17,767)
Balance at 30 June	4,001,784	3,690,967

Defined benefit obligation
Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period:

	Group	
	2015	2014
Discount rate	5.5%	5.5%
Future salary growth	8.0%	8.0%

Assumptions regarding future mortality are based on the Malaysian Ordinary Life Table 1999 - 2003.

At 30 June 2015, the weighted-average duration of the defined benefit obligation was 8 years (2014: 9 years).

Notes to the Financial Statements
(Continued)

11. Employee Benefits (Continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group Defined benefit obligation Increase RM	 Decrease RM
2015		
Discount rate (1% movement)	(314,263)	314,263
Future salary growth (1% movement)	361,201	(361,201)
2014		
Discount rate (1% movement)	(323,556)	323,556
Future salary growth (1% movement)	328,717	(328,717)

Although the analysis does not account for the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

12. Deferred Tax Liabilities

Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group 2015 RM	 2014 RM
Property, plant and equipment	6,108,073	4,349,054
Provisions	(2,186,929)	(3,658,607)
	3,921,144	690,447

Movement in temporary differences during the year

	At 1.7.2013 RM	Recognised in profit or loss RM	At 30.6.2014/ 1.7.2014 RM	Recognised in profit or loss RM	At 30.6.2015 RM
Group					
		(Note 19)		**(Note 19)**	
Property, plant and equipment	4,815,217	(466,163)	4,349,054	1,759,019	6,108,073
Provisions	(2,319,000)	(1,339,607)	(3,658,607)	1,471,678	(2,186,929)
	2,496,217	(1,805,770)	690,447	3,230,697	3,921,144

Notes to the Financial Statements
(Continued)

13. Trade and Other Payables

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Trade					
Trade payables		78,066,513	57,608,201	-	-
Amounts due to contract customers	7.2	18,025,272	21,666,611	-	-
		96,091,785	79,274,812	-	-
Non-trade					
Other payables		2,106,419	217,981	-	-
Accrued expenses		4,245,926	3,720,742	46,016	124,094
		6,352,345	3,938,723	46,016	124,094
		102,444,130	83,213,535	46,016	124,094

14. Revenue

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Construction contracts	428,980,180	418,681,600	-	-
Dividends	-	-	9,000,000	6,000,000
Sale of goods	-	6,150	-	-
	428,980,180	418,687,750	9,000,000	6,000,000

15. Cost of Sales

	Group	
	2015 RM	2014 RM
Construction contracts	348,824,249	356,731,332
Rental expense on machinery	-	10,000
Purchase of goods	-	3,690
	348,824,249	356,745,022

16. Finance Income

	Group	
	2015 RM	2014 RM
Interest income of financial assets that are not at fair value through profit or loss:		
- fixed deposits	858,231	760,238

Notes to the Financial Statements
(Continued)

17. Finance Costs

	Group	
	2015 RM	2014 RM
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank overdrafts	176	133
- bank loan	136,054	134,823
- bankers' acceptances	128,906	543,518
- finance lease liabilities	792,416	1,080,567
	1,057,552	1,759,041

18. Profit Before Tax

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax is arrived after charging:				
Auditors' remuneration:				
- Statutory audit fees	135,000	135,000	30,000	30,000
- Non-audit fees	15,000	15,000	15,000	15,000
- Others	-	410,000	-	15,000
Construction work-in-progress written off	3,967,898	-	-	-
Depreciation on investment properties	26,865	26,865	-	-
Depreciation on property, plant and equipment	17,928,245	14,537,790	-	-
Impairment loss on trade receivables	3,606,119	3,350,601	-	-
Personnel expenses (including keynagement personnel):				
- Contributions to Employees' Provident Fund	2,203,376	1,752,402	33,345	24,144
- Expenses related to defined benefit plan	357,311	3,708,734	-	-
- Wages, salaries and others	29,381,471	23,404,395	276,192	201,452
Rental expense in respect of:				
- Equipment and machinery	13,518,398	6,315,079	-	-
- Motor vehicles	-	1,200	-	-
- Properties	736,391	643,275	-	-
and after crediting:				
Dividend income from a subsidiary	-	-	9,000,000	6,000,000
Fair value gain from other investments	193,832	61,912	193,832	-
Gain on disposal of other investments	857,149	-	846,435	-
Gain on disposal of property, plant and equipment	58,889	1,075,004	-	-
Rental income from:				
- Equipment	2,105,800	863,740	-	-
- Properties	30,707	28,800	-	-
Reversal of impairment loss on trade receivables	5,481,636	5,640,663	-	-
Waiver of expenses paid on behalf by a subsidiary	-	-	-	211,937

Notes to the Financial Statements
(Continued)

19. Tax Expense

Recognised in profit or loss

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax expense				
Current year	14,872,104	14,081,536	-	-
Prior year	(1,633,680)	2,298,686	-	-
Total current tax recognised in profit or loss	13,238,424	16,380,222	-	-
Deferred tax expense				
Origination and reversal of temporary differences	2,270,290	(1,304,832)	-	-
Effect of change in tax rate	(163,380)	(28,769)	-	-
Under/(Over) provision in prior year	1,123,787	(472,169)	-	-
Total deferred tax recognised in profit or loss (Note 12)	3,230,697	(1,805,770)	-	-
Total income tax expense	16,469,121	14,574,452	-	-

Reconciliation of tax expense

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	63,081,176	45,593,869	9,068,015	5,309,608
Income tax using Malaysian tax rate of 25% (2014: 25%)	15,770,294	11,398,467	2,267,004	1,327,402
Non-deductible expenses	1,634,845	1,378,237	243,063	172,598
Effect of change in tax rate	(163,380)	(28,769)	-	-
Tax exempt income	(262,745)	-	(2,510,067)	(1,500,000)
(Over)/Under provision in prior year	(509,893)	1,826,517	-	-
	16,469,121	14,574,452	-	-

20. Basic Earnings Per Ordinary Share

The calculation of basic earnings per ordinary share at 30 June 2015 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2015 RM	2014 RM
Profit attributable to ordinary shareholders	46,612,055	31,019,417

Notes to the Financial Statements
(Continued)

20. Basic Earnings Per Ordinary share (Continued)

	Group	
	2015	2014
Weighted average number of ordinary shares at 30 June	535,000,010	445,246,585*

** Adjusted for reverse acquisition during the previous financial year*

	Group	
	2015 RM	2014 RM
Basic earnings per ordinary share	0.09	0.07

21. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM	Date of payment
2015			
First interim 2015 ordinary	1	5,350,000	23 December 2014
Second interim 2015 ordinary	1.5	8,025,000	23 June 2015
Total amount		13,375,000	

The Directors do not recommend any final dividend to be paid for the financial year under review.

22. Segment Reporting

The Group is predominantly involved in general construction and piling works, which is the only reportable segment. Other non-reportable segments comprise investment holding and operations related to rental of investment properties and machinery, trading of machinery and related accessories. All the Group's operations are carried out in Malaysia.

23. Financial Instruments

23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R");
(b) Fair value through profit or loss ("FVTPL"):
- Held for trading ("HFT"); and
(c) Financial liabilities measured at amortised cost ("FL").

Notes to the Financial Statements
(Continued)

23. Financial Instruments (Continued)

23.1 Categories of financial instruments (Continued)

	Carrying amount RM	L&R / (FL) RM	FVTPL - HFT RM
2015			
Financial assets			
Group			
Unit trusts	15,415,267	-	15,415,267
Trade and other receivables	212,630,908	212,630,908	-
Cash and cash equivalents	31,546,678	31,546,678	-
	259,592,853	244,177,586	15,415,267
Company			
Trade and other receivables	32,515,004	32,515,004	-
Cash and cash equivalents	113,961	113,961	-
	32,628,965	32,628,965	-
Financial liabilities			
Group			
Loans and borrowings	(23,163,316)	(23,163,316)	-
Trade and other payables	(102,444,130)	(102,444,130)	-
	(125,607,446)	(125,607,446)	-
Company			
Trade and other payables	(46,016)	(46,016)	-

	Carrying amount RM	L&R / (FL) RM	FVTPL - HFT RM
2014			
Financial assets			
Group			
Unit trusts	2,245,664	-	2,245,664
Trade and other receivables	157,076,340	157,076,340	-
Cash and cash equivalents	74,177,891	74,177,891	-
	233,499,895	231,254,231	2,245,664
Company			
Trade and other receivables	5,860,341	5,860,341	-
Cash and cash equivalents	46,578,871	46,578,871	-
	52,439,212	52,439,212	-
Financial liabilities			
Group			
Loans and borrowings	(29,946,654)	(29,946,654)	-
Trade and other payables	(83,213,535)	(83,213,535)	-
	(113,160,189)	(113,160,189)	-
Company			
Trade and other payables	(124,094)	(124,094)	-

Notes to the Financial Statements
(Continued)

23. Financial Instruments (Continued)

23.2 Net gains and losses arising from financial instruments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Net gains/(losses) on:				
Fair value through profit or loss: - Held for trading	1,050,981	61,912	1,040,267	-
Loans and receivables	(1,234,150)	3,050,300	-	-
Financial liabilities measured at amortised cost	(1,057,552)	(1,759,041)	-	-
	(1,240,721)	1,353,171	1,040,267	-

23.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, investment in unit trusts and financial guarantees given to contract customers of construction contracts. The Company's exposure to credit risk arises principally from its investment in unit trusts, loans and advances to a subsidiary and financial guarantees given to banks for credit facilities granted to a subsidiary.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the current and previous reporting periods by geographic region was solely domestic.

23. Financial Instruments (Continued)

23.4 Credit risk (Continued)

Receivables (Continued)

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Net RM
2015			
Group			
Not past due	125,781,001	(1,846,253)	123,934,748
Past due 1 - 60 days	26,789,351	-	26,789,351
Past due 61 - 120 days	17,428,809	(1,795,382)	15,633,427
Past due more than 120 days	10,800,144	(1,468,783)	9,331,361
	180,799,305	(5,110,418)	175,688,887
2014			
Group			
Not past due	82,907,654	(1,285,304)	81,622,350
Past due 1 - 60 days	34,774,529	-	34,774,529
Past due 61 - 120 days	3,294,689	-	3,294,689
Past due more than 120 days	11,235,585	(5,700,631)	5,534,954
	132,212,457	(6,985,935)	125,226,522

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group	
	2015 RM	2014 RM
At 1 July 2014/2013	6,985,935	9,275,997
Impairment loss recognised	3,606,119	3,350,601
Impairment loss reversed	(5,481,636)	(5,640,663)
At 30 June	5,110,418	6,985,935

No allowance for impairment losses of trade receivables has been made for the remaining past due receivables as the Group monitors the results and repayments of these customers regularly and is confident of the ability of the customers to repay the balances owing.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Notes to the Financial Statements
(Continued)

23. Financial Instruments (Continued)

23.4 Credit risk (Continued)

Investments

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities.

As at the end of the reporting period, the Group and the Company have only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

The investments are unsecured.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured financial guarantees to contract customers of construction contracts. The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group amounts to RM29,417,194 (2014: RM43,363,444) representing the financial guarantees given to contract customers as at the end of the reporting period. The maximum exposure to credit risk of the Company amounts to RM4,540,000 (2014: Nil) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the Group and would default on its obligations under the construction contracts and the subsidiary would default on payment of its outstanding banking facilities.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to a subsidiary. The Company monitors the results of the subsidiary regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiary are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiary.

Notes to the Financial Statements
(Continued)

23. Financial Instruments (Continued)

23.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements
(Continued)

23. Financial Instruments (Continued)

23.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Group							
2015							
Non-derivative financial liabilities							
Trade and other payables	102,444,130	-	102,444,130	102,444,130	-	-	-
Bank loan - secured	2,830,070	*	4,134,400	229,424	229,424	688,272	2,987,280
Bankers' acceptances - secured	7,540,000	3.83 - 5.29	7,540,000	7,540,000	-	-	-
Finance lease liabilities	12,793,246	3.30 - 6.60	13,459,667	8,000,221	3,973,992	1,485,454	-
Financial guarantees	29,417,194	-	29,417,194	29,417,194	-	-	-
	155,024,640		156,995,391	147,630,969	4,203,416	2,173,726	2,987,280
2014							
Non-derivative financial liabilities							
Trade and other payables	83,213,535	-	83,213,535	83,213,535	-	-	-
Bank loan - secured	2,927,400	*	4,361,439	229,424	229,424	688,272	3,214,319
Bankers' acceptances - secured	10,496,000	4.42 - 4.99	10,496,000	10,496,000	-	-	-
Finance lease liabilities	16,523,254	4.70 - 7.00	17,345,271	10,824,972	5,279,210	1,241,089	-
Financial guarantees	43,363,444	-	43,363,444	43,363,444	-	-	-
	156,523,633		158,779,689	148,127,375	5,508,634	1,929,361	3,214,319

** Represents lenders' cost of funds rate minus a margin of 2.10% per annum.*

23. Financial Instruments (Continued)

23.5 Liquidity risk (continued)

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Company							
2015							
Non-derivative financial liabilities							
Trade and other payables	46,016	-	46,016	46,016	-	-	-
Financial guarantees	4,540,000	-	4,540,000	4,540,000	-	-	-
	4,586,016		4,586,016	4,586,016	-	-	-
2014							
Non-derivative financial liabilities							
Trade and other payables	124,094	-	124,094	124,094	-	-	-

Notes to the Financial Statements
(Continued)

23. Financial Instruments (Continued)

23.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows. The Group is not exposed to foreign currency risk as all of its sales and purchases are denominated in RM. The Group is also not exposed to other price risk.

23.6.1 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investment in unit trusts and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge its debt obligations.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2015 RM	2014 RM
Fixed rate instruments		
Financial assets	18,701,389	16,586,104
Financial liabilities	(20,333,246)	(27,019,254)
	(1,631,857)	(10,433,150)
Floating rate instruments		
Financial liabilities	(2,830,070)	(2,927,400)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

23. Financial Instruments (Continued)

23.6 Market risk (Continued)

23.6.1 Interest rate risk (Continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 30 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group	
	30 bps increase RM	30 bps decrease RM
2015		
Floating rate instruments	(6,368)	6,368
2014		
Floating rate instruments	(6,587)	6,587

23.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amounts of finance lease liabilities also approximate fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

23. Financial Instruments (Continued)

23.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
Group										
2015										
Financial assets										
Unit trusts	-	15,415,267	-	15,415,267	-	-	-	-	15,415,267	15,415,267
Financial liabilities										
Bank loan - secured	-	-	-	-	-	-	(2,737,102)	(2,737,102)	(2,737,102)	(2,830,070)
2014										
Financial assets										
Unit trusts	-	2,245,664	-	2,245,664	-	-	-	-	2,245,664	2,245,664
Financial liabilities										
Bank loan - secured	-	-	-	-	-	-	(2,830,973)	(2,830,973)	(2,830,973)	(2,927,400)
Company										
2015										
Financial assets										
Unit trusts	-	15,415,267	-	15,415,267	-	-	-	-	15,415,267	15,415,267

23. Financial Instruments (Continued)

23.7 Fair value information (continued)

Level 2 fair value

Unit trusts

The fair value of unit trusts is determined by reference to statements provided by the fund managers of the unit trusts.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2014: no transfer in either direction).

Level 3 fair value

Valuation process applied by the Group for Level 3 fair value

The Group has applied discounted cash flows valuation technique in the determination of fair values within Level 3. The Group Senior Finance Manager has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

24. Capital Management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants regulatory requirements.

The debt-to-equity ratios at 30 June 2015 and 30 June 2014 were as follows:

		Group	
	Note	2015 RM	2014 RM
Total loans and borrowings	10	23,163,316	29,946,654
Less: Cash and cash equivalents (exclude deposits pledged)	8	(17,670,907)	(58,736,166)
Net debt		5,492,409	(28,789,512)
Total equity		200,002,773	166,765,718
Debt-to-equity ratios		0.03	N/A

There was no change in the Group's approach to capital management during the financial year.

Notes to the Financial Statements
(Continued)

25. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Contingent liabilities not considered remote				
Guarantees given to contract customers in relation to construction contracts	29,417,194	43,363,444	-	-
Guarantee given to banks for facilities granted to a subsidiary	-	-	4,540,000	-

Litigation

In June 2015, a subsidiary of the Group filed a litigation against a customer for default in payment and wrongful termination, and therefore served a Notice of Adjudication in accordance with the Construction Industry Payment and Adjudication Act 2012 against the customer. In September 2015, the customer served a Notice of Demand on the subsidiary for alleged liquidated and ascertained damages and loss of profit resulting from the non-performance of the contract, and thereafter served the subsidiary a Notice of Arbitration.

In the opinion of the solicitors, there is a good chance that the tribunal will rule in favour of the subsidiary in regards to its claims against the customer for default in payment and wrongful termination. The solicitors also opined that the customer's claims via its Notice of Demand are unsustainable, premature and unjustified. In the opinion of the Directors, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

26. Related Parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its significant investors, subsidiaries and key management personnel.

Notes to the Financial Statements
(Continued)

26. Related Parties (Continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Note 7.

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
A. Subsidiary				
Waiver of expenses paid on behalf	-	-	-	(211,937)
Dividend income	-	-	(9,000,000)	(6,000,000)
B. Key management personnel				
Directors				
Fees	137,000	79,323	137,000	79,323
Remuneration	3,319,674	3,171,419	308,474	225,338
Other short-term employee benefits	28,500	4,500	28,500	4,500
Total short-term employee benefits	3,485,174	3,255,242	473,974	309,161
Post-employment benefits	357,311	3,708,734	-	-
	3,842,485	6,963,976	473,974	309,161

27. Acquisition of Subsidiaries

2014

On 26 September 2013, the Company entered into a Share Sale Agreement with The Cheng Eng and Pang Sar to acquire their 100% equity interest in Econpile (M) Sdn. Bhd. for a purchase consideration of RM89,000,000 satisfied through the issuance of 445,000,000 new ordinary shares of RM0.20 each of the Company issued on 3 October 2013.

Upon completion of the above acquisition, Econpile (M) Sdn. Bhd. and its subsidiary, Platinum Production Sdn. Bhd. became wholly owned subsidiaries of the Company.

The acquisition of Econpile (M) Sdn. Bhd. is accounted for using the reverse acquisition method as upon completion, the controlling shareholders of Econpile (M) Sdn. Bhd. became the controlling shareholders of the Company.

Deficit in business combination

Deficit in business combination arose as a result of the reverse acquisition as follows:

	RM
Nominal value of consideration transferred	89,000,000
Less: Share capital of Econpile (M) Group (accounting acquirer)	(2,000,000)
	87,000,000

28. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.

Notes to the Financial Statements
(Continued)

29. Supplementary Financial Information on The Breakdown of Realised and Unrealised Profits or Losses

The breakdown of the retained earnings of the Group and of the Company at 30 June, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings of the Company and its subsidiaries				
- realised	154,724,522	118,214,690	808,791	5,309,608
- unrealised	(3,727,312)	(454,535)	193,832	-
Total retained earnings	150,997,210	117,760,155	1,002,623	5,309,608

The determination of realised and unrealised profits is based on the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 37 to 81 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 of 30 June 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 29 on page 82 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

The Cheng Eng

Pang Sar

Kuala Lumpur,

Date: 21 October 2015

Statutory Declaration

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

I, **Pang Sar**, the Director primarily responsible for the financial management of Econpile Holdings Berhad., do solemnly and sincerely declare that the financial statements set out on pages 37 to 82 are, to the best of my knowledge and belief, 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 above named in Kuala Lumpur in the Federal Territory on 21 October 2015.

Pang Sar

Before me:

Independent Auditors' Report
to the Members of Econpile Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Econpile Holdings Berhad, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 81.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 about 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 judgement, 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 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 give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

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 have been properly kept in accordance with the provisions of the Act.

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

c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report
to the Members of Econpile Holdings Berhad (Continued)

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 29 on page 82 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

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.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chew Beng Hong
Approval Number: 2920/02/16(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 21 October 2015

Analysis of Shareholdings
as at 5 October 2015

Authorised Share Capital	:	RM200,000,000 divided into 1,000,000,000 ordinary shares of RM0.20 each
Paid-Up Share Capital	:	RM107,000,002 divided into 535,000,010 ordinary shares of RM0.20 each
Class of Shares	:	Ordinary Shares of RM0.20 each
Voting Right	:	One vote per ordinary share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	Total Shareholdings	%
Less than 100 shares	21	553	0.00
100 to 1,000 shares	231	170,927	0.03
1,001 to 10,000 shares	1,720	10,429,020	1.95
10,001 to 100,000 shares	779	23,110,400	4.32
100,001 to less than 5% of issued shares	156	143,289,100	26.78
5% and above of issued shares	2	358,000,010	66.92
Total	**2,909**	**535,000,010**	**100.00**

Substantial Shareholders

According to the register to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:-

	Direct Interest		Indirect Interest	
Shareholders	No. of Shares	%	No. of Shares	%
The Cheng Eng	180,000,005	33.64	152,000*	0.03
Pang Sar	178,000,005	33.27	-	-

Notes:-
* Deemed interested by virtue of his child's direct interest pursuant to Section 134 of the Companies Act, 1965.

Directors' Shareholdings

	Direct Interest		Indirect Interest	
Directors	No. of Shares	%	No. of Shares	%
The Cheng Eng	180,000,005	33.64	152,000*	0.03
Pang Sar	178,000,005	33.27	-	-
The Kun Ann	100,000	0.02	-	-
Krishnan A/L C K Menon	100,000	0.02	-	-
Dato' Rosli Bin Mohamed Nor	1,000,000	0.19	-	-
Ong Poay Wah @ Chan Poay Wah	600,000	0.11	-	-

Notes:-
* Deemed interested by virtue of his child's direct interest pursuant to Section 134 of the Companies Act, 1965.

Analysis of Shareholdings
as at 5 October 2015 (Continued)

List of 30 Largest Sharesholders as at 5 October 2015

No	Name of Shareholders	Shares Held	%
1	The Cheng Eng	180,000,005	33.64
2	Pang Sar	178,000,005	33.27
3	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad – Kenanga Growth Fund	8,267,800	1.55
4	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	7,061,800	1.32
5	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustee Berhad for RHB Capital Fund (200189)	6,167,900	1.15
6	Citigroup Nominees (Asing) Sdn Bhd Exempt an for Citibank New York (Norges Bank 12)	5,338,300	1.00
7	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AM INV)	5,076,900	0.95
8	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (RHB INV)	5,000,000	0.93
9	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Manulife Investment Shariah ProgressFund	4,625,000	0.86
10	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked GF)	4,274,300	0.80
11	CIMB Group Nominees (Tempatan) Sdn Bhd Asian Islamic Investment Management Sdn Bhd for Lembaga Tabung Haji	4,140,000	0.77
12	Citigroup Nominees (Tempatan) Sdn Bhd Allianz Life Insurance Malaysia Berhad (MEF)	3,607,900	0.67
13	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (KIB)	3,452,000	0.65
14	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for CIMB - Principal Malaysia Equity Fund	3,381,600	0.63
15	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (KNGA SML CAP FD)	2,973,400	0.56
16	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AsianIslamic)	2,840,000	0.53
17	CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad – Kenanga Syariah Growth Fund	2,677,200	0.50
18	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for AIA Bhd	2,290,600	0.43
19	Citigroup Nominees (Tempatan) Sdn Bhd Kenanga Islamic Investors Bhd for Lembaga Tabung Haji	2,155,300	0.40

Analysis of Shareholdings
as at 5 October 2015 (Continued)

No	Name of Shareholders	Shares Held	%
20	HSBC Nominees (Asing) Sdn Bhd HSBC - FS I for JPMorgan Malaysia Fund	2,000,000	0.37
21	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for CIMB Islamic Balanced Growth Fund (230122)	1,867,300	0.35
22	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked MF)	1,750,000	0.33
23	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Manulife Investment - HW Shariah Flexi Fund	1,605,000	0.30
24	Citigroup Nominees (Tempatan) Sdn Bhd Allianz Life Insurance Malaysia Berhad (Ulife)	1,596,900	0.30
25	Tan Pu Yean	1,584,000	0.30
26	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB - Principal Equity Fund	1,518,800	0.28
27	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Affin HWNG SM CF)	1,513,000	0.28
28	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (AIM 6939-405)	1,500,000	0.28
29	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Woo Wai Mun (008119772)	1,450,000	0.27
30	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Chee Young (MY2263)	1,438,900	0.27
		449,153,910	83.95

List of Properties

Properties	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Buildling (Years)	Net Book Value as at 30 June 2015 (RM '000)	Date of Acquisition
No. 5, 7, 9, 11, 13, Jalan Kenanga 5, Seksyen BB11, Bandar Bukit Beruntung, 48300 Rawang, Selangor Darul Ehsan	Land with workshop cum office premises (workshop cum office building)	230,788	Freehold	13	6,317	3 Sep 2001 (Date of last valuation: 1 Jul 2010)
Unit C/T08 (7th Floor), Block C, Plaza Dwitasik, Jalan Sri Permaisuri 1, Bandar Sri Permaisuri, 56000 Kuala Lumpur	Office building (office)	5,595	Leasehold for 99 years and expiring on 11 Jan 2095	14	2,179	26 Sep 2012
Unit C/T09 (8th Floor), Block C, Plaza Dwitasik, Jalan Sri Permaisuri 1, Bandar Sri Permaisuri, 56000 Kuala Lumpur	Office building (office)	5,595	Leasehold for 99 years and expiring on 11 Jan 2095	14	2,179	26 Sep 2012
P-2.5, Podium Block, Plaza Dwitasik, Jalan Sri Permaisuri 1, Bandar Sri Permaisuri, 56000 Kuala Lumpur	Office building (office)	3,830	Leasehold for 99 years and expiring on 11 Jan 2095	14	761	14 Oct 2013
Lot 4480, BT 7 ½, Jalan Meru, 41050 Klang, Selangor Darul Ehsan	A parcel of agricultural land (vacant)	130,680	Freehold	N/A	385	22 Jul 1993
Geran Mukim 3832, Lot 6063, Mukim Bernam Timor, Daerah Batang Padang, Negeri Perak	A parcel of agricultural land (vacant)	199,262	Freehold	N/A	356	28 Jun 2013
No. 2, Jalan PJ16D/5, Presint 16, 62150 Putrajaya, Wilayah Persekutuan Putrajaya	Town house (rental income)	2,045	Freehold	11	339	09 Feb 2001
No. 4, Jalan PJ16D/5, Precinct 16, 62150 Putrajaya, Wilayah Persekutuan Putrajaya	Town house (rental income)	1,693	Freehold	11	265	09 Feb 2001
23, Lorong Cakera Purnama 12/23, Section 12, 42300 Bandar Puncak Alam, Selangor Darul Ehsan	Terrace house (vacant)	1,080	Leasehold for 99 years and expiring on 15 Jul 2109	12	126	12 Sep 2005
6-6-5, Queen's Avenue, 6, Jalan Bayam, Cheras, 55100 Kuala Lumpur	Shop office (vacant)	527	Leasehold for 99 years and expiring on 19 Mar 2088	10	120	17 Jul 2006

List of Properties
(Continued)

Properties	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Building (Years)	Net Book Value as at 30 June 2015 (RM '000)	Date of Acquisition
B-16-11, Block B, Pangsapuri Cemara, No. 2, Jalan Tasik Permaisuri 3, Bandar Sri Permaisuri, 56000 Kuala Lumpur	Apartment (staff accomodation)	750	Leasehold for 99 years and expiring on 23 June 2098	13	82	28 Feb 2001
Pangsapuri Putra Ria (7th Floor), 2-6-38, Jalan Pinggiran Putra 31, Taman Pinggiran Putra, Seksyen 2, 43300 Seri Kembangan, Selangor Darul Ehsan	Apartment (staff accomodation)	752	Leasehold for 99 years and expiring on 27 March 2099	12	79	14 Oct 2008
21A Tingkat 1, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan	Shop office (vacant)	803	Leasehold for 99 years and expiring on 25 Sep 2095	9	73	13 Sep 2004
21B Tingkat 1, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan	Shop office (vacant)	805	Leasehold for 99 years and expiring on 25 Sep 2095	9	65	13 Sep 2004
21A Tingkat 2, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan	Shop office (vacant)	805	Leasehold for 99 years and expiring on 25 Sep 2095	9	64	13 Sep 2004
20-2F, Jalan 4/154D, Taman Desa Cheras, 56000 Kuala Lumpur	Shop apartment (vacant)	771	Freehold	12	65	8 May 2001
32-1R, Jalan 4/154D, Taman Desa Cheras, 56000 Kuala Lumpur	Shop apartment (staff accomodation)	737	Freehold	12	63	8 May 2001
36-1R, Jalan 4/154D, Taman Desa Cheras, 56000 Kuala Lumpur	Shop apartment (staff accomodation)	737	Freehold	12	63	8 May 2001
21B Tingkat 2, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan	Shop office (vacant)	767	Leasehold for 99 years and expiring on 25 Sep 2095	9	57	13 Sep 2004

Econpile Holdings Berhad
(1017164-M)

Proxy Form

No. of ordinary shares held
CDS Account No.
Contact Tel:

*I/*We ______________________________ NRIC/ Passport No./ Company No. ______________________
[Full name in Block Letters]

of ____
[Full address]

being a *member/members of ECONPILE HOLDINGS BERHAD ("EHB") hereby appoint the following person(s) or failing *him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the Third Annual General Meeting of EHB to be held at Function Room 1 & 2, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Friday, 27 November 2015 at 9:00 a.m. and at any adjournment thereof.

Name of proxy	NRIC No.	No. of shares to be represented by proxy	%
1.			
2.			

(Where two (2) proxies are appointed, please indicate the proportion of your shareholdings to be represented by each proxy.)

Resolutions	For	Against
Ordinary Resolutions		
1. To approve the payment of Directors' Fees for the financial year ended 30 June 2015.		
2. To approve the payment of Directors' Fees for the financial year ending 30 June 2016.		
3. To re-elect Dato' Rosli Bin Mohamed Nor as Director.		
4. To re-elect Ms Ong Poay Wah @ Chan Poay Wah as Director.		
5. To re-appoint Messrs KPMG as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
6. Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his /her discretion).

Signed this ____________________ day of ______________________________2015.

____
Signature/Common Seal of Member(s)

Notes:

1. *For the purposes of determining a member who shall be entitled to attend and vote at this meeting, the Company shall be requesting the Record of Depositors as at 19 November 2015. Only a depositor whose name appears on the Record of Depositors as at 19 November 2015 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her stead.*

2. *A member entitled to attend and vote at the meeting shall be entitled to appoint any person as his proxy to attend and vote at the meeting. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

3. *A member may appoint up to two (2) proxies to attend and vote in his place.*

4. *Where a member is an Authorised Nominee, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.*

5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for the Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

6. *Where a member of an Authorised Nominee appoints two (2) proxies or where an Exempt Authorised Nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

7. *A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*

8. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised.*

9. *The Form of Proxy must be deposited at the Company's Registered Office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

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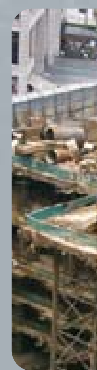
AFFIX
STAMP

THE COMPANY SECRETARY
ECONPILE HOLDINGS BERHAD (1017164-M)
Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Please fold here

ECONPILE HOLDINGS BERHAD
(1017164-M)



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