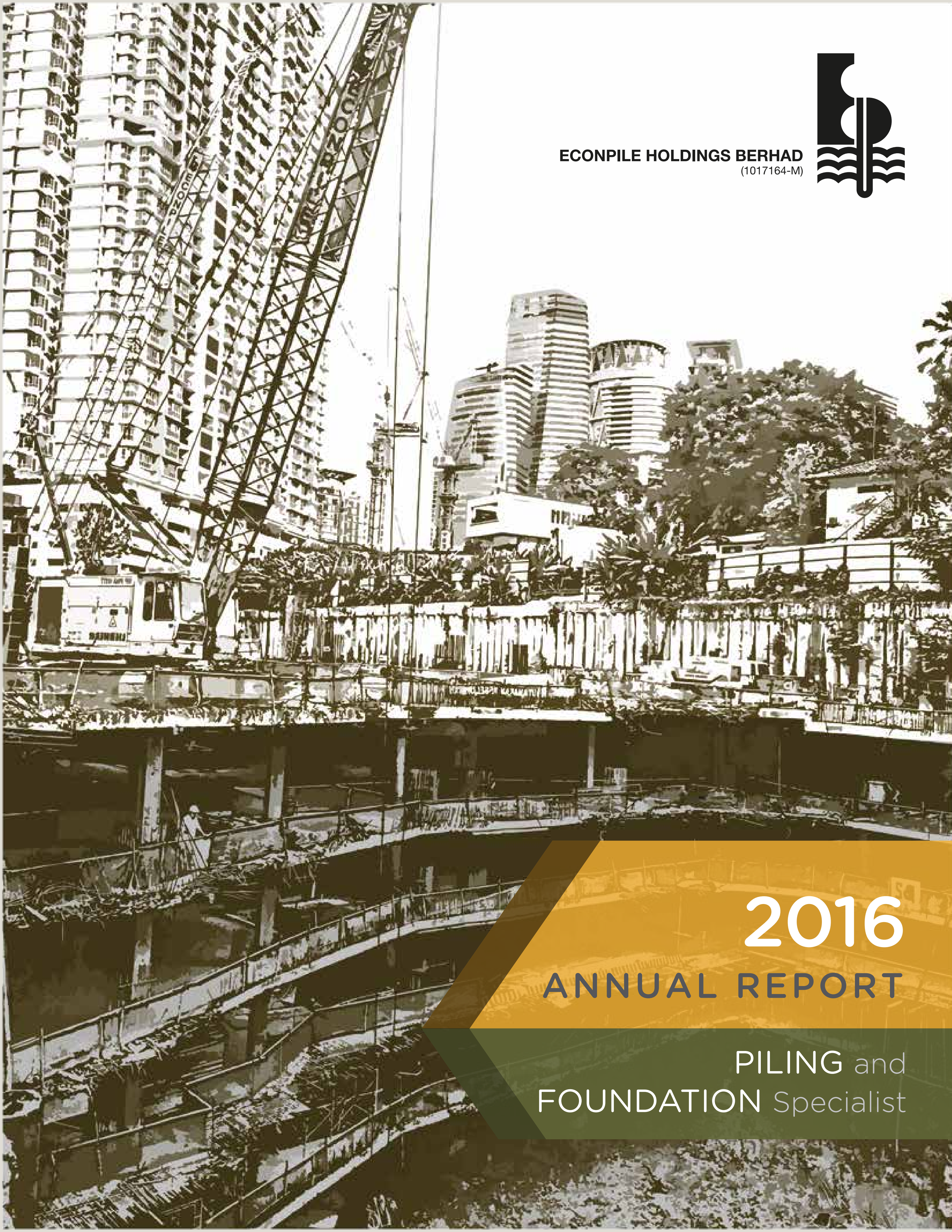
ECONPILE HOLDINGS BERHAD
(1017164-M)



2016 ANNUAL REPORT

PILING and FOUNDATION Specialist

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.

CONTENTS

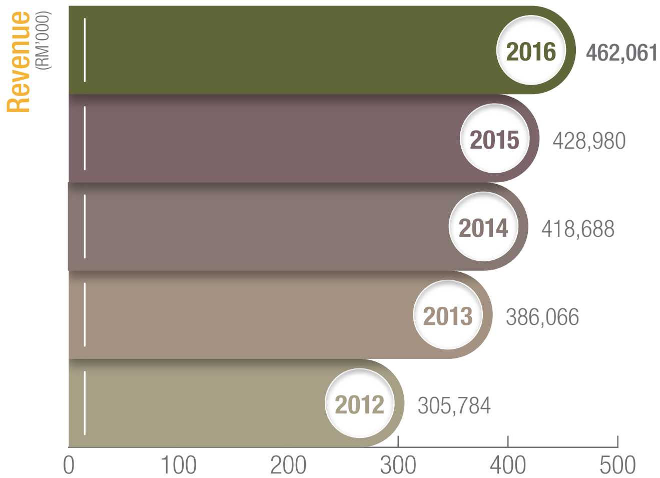
ACCREDITATION

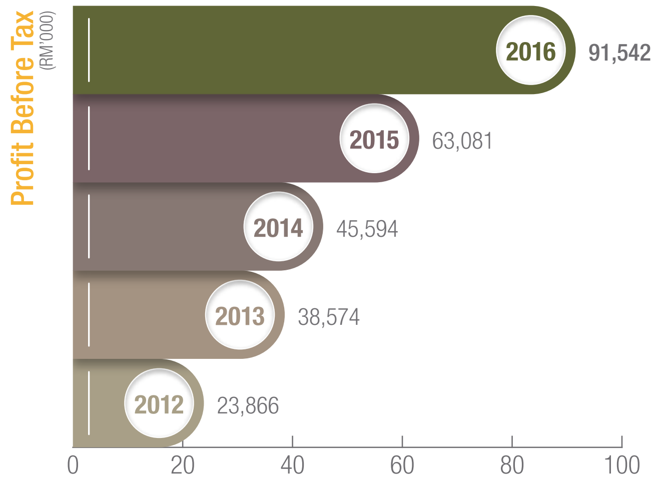
BM TRADA CERTIFICATION
ISO 9001:2008
UKAS MANAGEMENT SYSTEMS
012

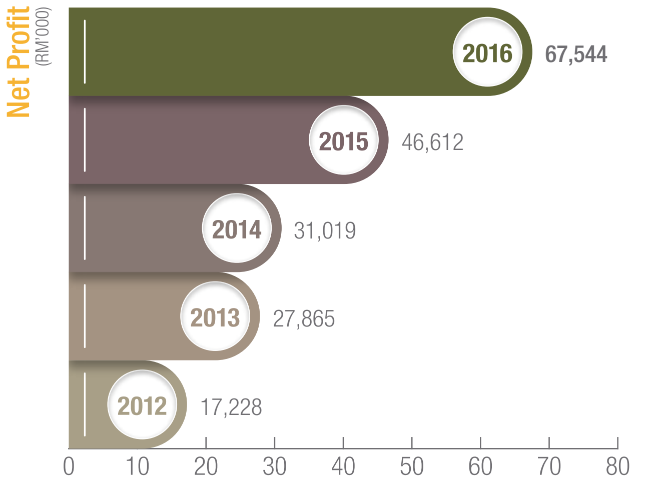
Certificate No. : 1869

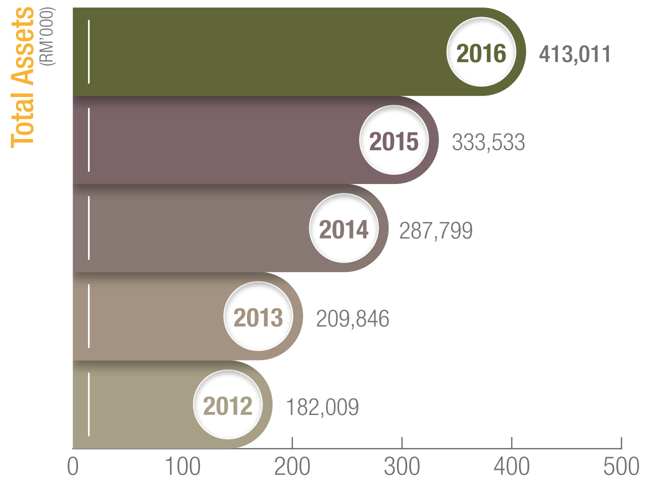
ISO 9001:2008 Quality Management System certified by BM TRADA for provision of installation and testing of bored piles, micropiles, driven piles and construction of sub-structure

Financial Highlights









Financial year ended 30 June	2016	2015	2014	2013	2012
Profitability (in RM'000)					
Revenue	462,061	428,980	418,688	386,066	305,784
Depreciation	19,991	17,955	14,565	12,621	10,146
Finance costs	1,573	1,058	1,759	1,626	1,214
Profit before tax	91,542	63,081	45,594	38,574	23,866
Profit before interest and tax	93,115	64,139	47,353	40,200	25,080
Profit before interest, tax and depreciation	113,106	82,094	61,918	52,821	35,226
Net profit for the year	67,544	46,612	31,019	27,865	17,228
Key Balance Sheet Data (in RM'000)					
Total assets	413,011	333,533	287,799	209,846	182,009
Shareholders' fund	247,257	200,003	166,766	88,741	66,876
Total borrowings	30,866	23,163	29,947	33,300	23,868
Issued share capital	107,000	107,000	107,000	2,000	2,000
Share Information					
Par value per ordinary share (sen)	20.00	20.00	20.00	100.00	100.00
Earnings per share (sen)	12.63	8.71	6.97	1,393.25	861.40
Net assets backing (sen)	46.22	37.38	31.17	4,437.05	3,343.80
Gearing ratio (times)	0.12	0.12	0.18	0.38	0.36
Interest cover ratio (times)	59.20	60.62	26.92	24.72	20.66
Return on equity (%)	27.32	23.31	18.60	31.40	25.76

Chairman's Statement

Krishnan A/L C K Menon
Chairman

Dear Shareholders,

I am honoured to present, on behalf of the Board of Directors of Econpile Holdings Berhad, the audited financial statements and Annual Report of the Group and Company for the financial year ended 30 June 2016 ("FY2016").

I am heartened to note that Econpile made steady progress in reinforcing our position in the piling and foundation sector, remaining focused on enhancing our project execution and performance efficiency.

Indeed, the strong financial report card for the year under review displayed the results of our efforts, making it a truly successful year for Econpile.

Financial Performance

Group revenue increased by 7.7% to RM462.1 million in FY2016 versus RM428.9 million in the corresponding period, on the back of higher billings and steady progress of ongoing projects.

Notably, profit before tax jumped by a significant 45.0% year-on-year to RM91.5 million in FY2016 from RM63.1 million in the previous year. This achievement was attributed to better resource management, lower material prices and favourable projects mix.

These factors led to Econpile continuing its streak of attaining record net profit, reaching RM67.5 million in the year under review, which is 44.8% higher than RM46.6 million a year ago.

In line with the Group's enhanced profitability, basic earnings per share rose to 12.6 sen from 8.7 sen previously.

The higher retained earnings further strengthened shareholders' equity to RM247.3 million as at 30 June 2016, from RM200.0 million a year ago. Furthermore, the Group's positive operating cashflow increased cash and cash equivalents to RM43.6 million from RM31.5 million previously.

The larger portfolio of ongoing projects necessitated higher short term financing, which increased the Group's borrowings to RM30.9 million. In spite of this, the Group continued to remain in net cash position, placing us on solid footing to weather the vagaries of the economic environment.

Business Outlook

The World Bank expects the Malaysian economy to expand at a tepid pace of 4.3% in 2017, compared to 4.2% forecasted in 2016. The growth is likely to be spearheaded by domestic consumption and investment, which would buffer the impact of weaker external demand from Malaysia's key trading partners.

In the construction sector, we believe that the Government's initiatives to improve public sector infrastructure would be the main economic driver. With these developments in place, the construction sector is expected to post an annual growth of 8.9% on compounded basis from 2014 to 2019.

With the present infrastructure boom, demand for our work is expected to be sustained, if not increased, throughout the next financial year.

Appreciation

Econpile's achievements in FY2016 were made possible through the dedication, loyalty and hard work of all our employees. I would like to express my sincere appreciation to all, under the distinctive leadership by Managing Director Mr. The Cheng Eng, Chief Executive Officer Mr. Raymond Pang, and the management team.

I would also like to extend our thanks to our valued shareholders, customers, suppliers, bankers, government agencies and others, whose invaluable support enabled the continued success of the Group.

Thank you.

Krishnan A/L C K Menon
Chairman

Management's Discussion and Analysis

The Cheng Eng
Group Managing Director

Pang Sar
Executive Director/ Group Chief Executive Officer

Operations Overview

FY2016 was certainly a year of significant accomplishments for Econpile, as we marked our second year as a public listed entity on Bursa Malaysia Securities Berhad.

For one thing, Econpile reported higher group revenue of RM462.1 million in FY2016 despite the challenging economic sentiment locally, thus testifying to our persistent efforts in project advancement. Of this, RM450.9 million or 97.6% was derived from the property development segment, and the balance RM11.2 million or 2.4% from the infrastructure segment.

Additionally, Econpile successfully secured new contracts with cumulative value of RM662.4 million in FY2016, breaching our previous record of RM464.1 million bagged in FY2015. Not only did this strong order book replenishment reflect our competitive edge and vote of confidence from existing and new customers, but also boosted our outstanding order book to RM726.3 million as at 30 June 2016.

Among the notable projects obtained was the RM208.0 million contract from Oxley Rising Sdn Bhd for the provision of foundation and substructure works for Oxley Tower Kuala Lumpur City Centre, a high-rise mixed development adjacent to the Petronas Twin Towers and KLCC along Jalan Ampang.

We were also contracted to undertake similar works for iconic landmarks in the city, including the mixed development of Menara Felcra along Jalan Sultan Yahya Petra (formerly Jalan Semarak).

Apart from these property development projects, Econpile also secured a 24-month contract to provide bored piling works for the East Klang Valley Expressway (EKVE), hence boosting our transport-related infrastructure portfolio.

While the Klang Valley remained the hub of construction activity, it is noteworthy that Econpile also had the opportunity to support similar developments nationwide. A case in point is our contract to undertake bored piling and basement works for Setia SPICE Hotel in Penang. This cements our commitment to growing alongside Malaysia's rapid progress.

Engineering and operations are the heart of our business. In particular, we have completed a 4-storey basement for Arte Plus, a mixed development along Jalan Ampang in the year under review. The project marks our first foray into adopting full top-down construction method which enabled the building contractor to share possession of the site after ground floor slab was laid. The project successfully allowed the simultaneous construction of underground structure and building in the early stage of construction process, thereby paving the way for reduction in overall construction schedule for our client. In addition, FY2016 continued to see us working with varying and challenging soil profiles as the majority of our operation activities were carried out in the vicinity of Kuala Lumpur. Above all, we are pleased to report that the construction of 5-storey basement for 8 Conlay development located in limestone formation area is progressing well and on track for timely completion.

Industry Outlook

Malaysia is undoubtedly experiencing a high-growth spurt, what with an expanding population, increased urbanisation, as well as domestic and foreign investments driving economic development. These factors have necessitated tremendous investments into corresponding infrastructure projects, where the Government has reiterated its stance to invest approximately RM130.0 billion over the next three years till 2020.

These include transport-related infrastructure such as the Mass Rapid Transit 1, 2 and 3, the Light Rail Transit extensions, the High-Speed Rail, and various highway projects in Peninsular Malaysia. These projects would bolster the construction sector whilst attending to the rigorous demands for urban transportation system for years to come.

At the same time, the property development sector is anticipated to chart muted growth in the near term, in light of tightening credit and stricter home purchase regulations. That said, mixed development projects that are strategically located and targeting specific niche markets are largely expected to continue. We believe that developers with strong financial strength will continue to launch prime developments in Klang Valley for longer-term sustainability.

Growth Strategies

We at Econpile are mindful of the challenging economic environment moving forward. Nonetheless, we will continue to focus on enhancing our core competencies and strive towards greater improvements, leveraging on our track record in the past 29 years.

To this end, we are committed to conscientiously delivering our projects in hand. We believe that this would bolster our performance over the next two financial years ending 30 June 2017 and 2018.

Also, with the due completion of several projects in FY2016, we are ready to tender for projects moving forward, be they in the infrastructure or property development sectors.

It is noteworthy that the majority of infrastructure and high-rise development projects in the Klang Valley require specialist bored piling services, given its ability to core into hard rock, support for high load capacity and emitting low noise and vibration. This plays to Econpile's favour, in view of numerous bored piling and substructure projects successfully undertaken to date.

Last but not least, we would continue to emphasize on improving our fleet of machinery and developing employees' skillsets to meet the increasingly-stringent industry standards. These will play a vital role in ensuring timely completion of projects at the optimal levels of productivity.

Backed by our expertise, track record and continuous enhancements, we are upbeat on the Group's prospects, playing a supportive role in the nation's construction sector. We hope to count on your enduring partnership going forward.

THE CHENG ENG
Group Managing Director

Pang Sar
Executive Director/
Group Chief Executive Officer

Corporate Structure

ECONPILE HOLDINGS BERHAD
(1017164-M)

100%

ECONPILE (M) SDN. BHD.
(164265-P)

100%

PLATINUM PRODUCTION SDN. BHD.
(515775-H)

100%

TROPICAL BROADWAY SDN. BHD.
(1190142-K)

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 (f)
Executive Director

Ong Poay Wah @ Chan Poay Wah (f)
Senior Independent Non-Executive Director

Dato' Rosli Bin Mohamed Nor
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 & Issuing House Services Sdn Bhd (11324-H)
Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium
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

Alliance Bank Malaysia Berhad
Ambank (M) Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Stock Name/Code

ECONBHD/5253

Board of Directors

From left to right:

1. **Dato' Rosli Bin Mohamed Nor**
   Independent Non-Executive Director

2. **Ong Poay Wah @ Chan Poay Wah (f)**
   Senior Independent Non-Executive Director

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

4. **Pang Sar**
   Executive Director/ Group Chief Executive Officer

5. **The Cheng Eng**
   Group Managing Director

6. **The Kun Ann (f)**
   Executive Director

Directors' Profiles

KRISHNAN A/L C K MENON

Independent Non-Executive Chairman

Mr Krishnan A/L C K Menon, a Malaysian aged 66, 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 2016. He has no family relationship with any director or substantial shareholder of the Group.

THE CHENG ENG

Group Managing Director

Mr The Cheng Eng, a Malaysian aged 68, 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 the key senior management 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 2016. He is the father of Ms The Kun Ann, an Executive Director of the Group.

PANG SAR

Executive Director/ Group Chief Executive Officer

Mr Pang Sar, a Malaysian aged 58, 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 the key senior management 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 2016. He has no family relationship with any director or substantial shareholder of the Group.

THE KUN ANN (f)

Executive Director

Ms The Kun Ann, a Malaysian aged 36, 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 2016. She is the daughter of Mr The Cheng Eng, the Group Managing Director and a 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.

ONG POAY WAH @ CHAN POAY WAH (f)

Senior Independent Non-Executive Director

Ong Poay Wah @ Chan Poay Wah, a Malaysian aged 48, is our Senior 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 accounting for both public and private companies and is well versed with regulatory reporting, financial management, corporate restructuring as well as business and budget planning.

She is presently the General Manager of Finance and Accounts at an established property development company.

Ms Ong has attended all the Board meetings held during her tenure in office for the financial year ended 30 June 2016. She has no family relationship with any director or substantial shareholder of the Group.

DATO' ROSLI BIN MOHAMED NOR

Independent Non-Executive Director

Dato' Rosli Bin Mohamed Nor, a Malaysian aged 57, 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 Advisor of TRC Infra Sdn Bhd.

He is also a Director of Export-Import Bank of Malaysia Berhad since 2009.

Dato' Rosli has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2016. He has no family relationship with any director or substantial shareholder of the Group.

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 Econpile Holdings Berhad ("the Company") and its subsidiaries (collectively referred as "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 and Management Responsibilities

The Board has the overall responsibility for the leadership and control of the Group and is collectively responsible for promoting the long-term success of the Group.

The responsibilities of the Board include 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. The key matters reserved for the Board's approval include but not limited to quarterly and annual financial statements, business expansion and restructuring plans, material acquisitions and disposals, and issuance of new securities.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. The Board Committees have the authority to examine issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations.

There is a clear division of responsibilities between the Board and the management. The Executive Directors are responsible for the day-to-day management of the Group and the implementation of policies and strategies set by the Board under delegated authority from the Board. In carrying out their responsibilities, the Executive Directors ensure that all reports to the Board present a true and fair view of the Group's financial position and operational performance. The Group focused on its single core business through a principal subsidiary, Econpile (M) Sdn. Bhd., during the year under review. The Group Managing Director and Group Chief Executive Officer are the key senior management primarily responsible for the overall business of the Group. Their profiles are set out on pages 12 and 13 of this annual report.

All Board authority conferred on management is delegated through the Group Managing Director and/or the Group Chief Executive Officer. The management reports to the Board through the Group Managing Director and/or the Group Chief Executive Officer, and the Group Managing Director and/or Group Chief Executive Officer report to the Board directly at Board meetings and in written updates.

The Board has adopted a policy on delegation of approving authority and authority limits during the financial year. The policy applies to all members of the Board, the Executive Directors and key management personnel. It establishes the authority of each of these groups to act effectively and make decisions in relation to the activities of the Group.

Board Charter

The Board Charter was adopted by the Board on 21 August 2014 and was subsequently updated on 26 August 2015 and on 25 August 2016. 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 responsibilities of the Group Managing Director and Group Chief Executive Officer are detailed in the Board Charter.

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.

A. Board of Directors (Continued)

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 12 to 14 of this annual report. The Board members have diverse professional and entrepreneurial background, varied skills and experiences for effective oversight 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.

Ms Ong Poay Wah @ Chan Poay Wah has been appointed by the Board as the Senior Independent Director during the financial year, to whom any concerns of the shareholders and other stakeholders can be conveyed.

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.

The Board adopts the recommendation of the Code that the tenure of an Independent Directors shall not exceed a cumulative term of nine (9) years. In the event that the Director continues to serve the Board, the Board shall seek shareholders' approval or the said Independent Director will be re-designated as Non-Independent Director.

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, 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	Senior 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.

A. Board of Directors (Continued)

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.

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

Qualified and Competent Company Secretaries

The Company engaged external qualified company secretaries from Tricor Corporate Services Sdn. Bhd.. The Company Secretaries are qualified to act as company secretary under Section 139A of the Companies Act, 1965 and the Company Secretaries are Fellow and Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

In order to ensure effective functioning of the Board, the Company Secretaries regularly update and advises the Board on new statutory and regulatory requirements relating to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and Companies Act in relation to the discharge of the Board's fiduciary duties and responsibilities. The Company Secretaries 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 Secretaries attends all shareholders, Board and Committee meetings and ensures that all deliberations and decisions made by the shareholders, Board and Board Committee meetings are accurately minuted, and the records of the proceedings of the shareholders, Board and Board Committee meetings are properly kept.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes as required by MAICSA for practising company secretaries.

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 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 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.

A. Board of Directors (Continued)

Board Committees (Continued)

(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 Board adopts the recommendation of the Code that the chairman of the Nomination Committee should be the Senior Independent Director identified by the Board.

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 full terms of reference of the Nomination Committee are available on the Company's website at www.econpile.com.

The Nomination Committee met once during the financial year to carry out the following activities:

(a) Reviewed the mix of skills and experience and core competencies of the Board;

(b) Reviewed the assessment forms for evaluation on the effectiveness of the Board as a whole, the Committees of the Board, the contribution of each individual Director and the independence of each independent Director ("the Assessment Forms") ;

(c) Recommended to the Board the re-election of the Directors who are due for retirement pursuant to Article 129 of the Company's Articles of Association, to be tabled to the shareholders at the forthcoming AGM; and,

(d) Reviewed the training attended by each Director for the financial year ended 30 June 2016

The Assessment Forms were completed by every Director during the financial year and the results were tabled at the relevant committee meetings.

The assessment criteria for Board performance evaluation includes but not limited to board composition, board processes, board independence and interaction with management.

For the Board Committees, the assessment criteria amongst others are membership and composition of committees, the ability of the committees in assisting the Board in its oversight responsibilities and their interaction with management.

For contribution of each Director, the self-assessment criteria include but not limited to integrity, strategic perspective, commitment, communication ability and value adding contribution.

As for independent directors, the assessment of their independence are based on criteria such as their tenure, their involvement in transactions with the Company and their relationship with the Company and substantial shareholders of the Company.

The three (3) Independent Non-Executive Directors are independent and fulfill the definition of independence as set out in Listing Requirements.

A. Board of Directors (Continued)

Board Committees (Continued)

(b) Nomination Committee (Continued)

The breakdown of the Board by gender, age and ethnicity as at 30 June 2016 are as follows:

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

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

The Board has adopted a Board Diversity Policy in the first quarter of financial year 2017. Diversity includes, but is not limited to, gender, age and ethnicity. The Board is committed to maintain the current level of female representation, whilst ensuring that diversity in age and ethnicity remains a feature of the Board. The Nomination Committee is delegated with the overall responsibility for implementation, monitoring and periodic review of the Board Diversity Policy.

The members of the Board have remained unchanged since the Company's listing on Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 30 June 2014. The Company is in the midst of formalising its policy on board composition which will define the necessary criteria for selecting, evaluationg and nominating the Board members moving forward.

The Board, through the Nomination Committee's annual appraisal, concluded that the Board has the right mix of backgrounds, skills and experiences to discharge its duties effectively.

(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, Non-Executive Directors and Key Management.

The Remuneration Committee met once during the financial year to recommend the Directors' fees and meeting allowance and to consider the payment of bonus for Key management and Executive Directors for the financial year ended 30 June 2016.

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

Directors' Time Commitment and Multiple Directorships

All Directors have attended all meetings of the Board and of Committees of the Board of which they were members during the financial year. All Directors have also attended the AGM held in November 2015. The Board obtains this time commitment from Directors at the time of appointment and this is assessed by Nomination Committee annually. Each director should hold no more than five (5) listed company board representations. Directors are required to notify the Chairman before accepting any new directorships with public listed companies and such notifications shall include an indication of time that will be spent on the new appointments. The Chairman shall also notify all members of the Board before accepting any new directorships in other public listed companies.

A. Board of Directors (Continued)

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	Board Chairman Series Part 2 – Leadership Excellence from the Chair	Bursa Malaysia
	2015 In-House Training Programme for Board of Directors of Petronas Group of Companies – Session on the new Companies Bill 2015	Petroliam Nasional Berhad
	Board of Directors Development: Inception Programme – Best Practices of Board Effectiveness	Petroliam Nasional Berhad
The Cheng Eng	YTL Cement Seminar on Watertight Concrete	YTL Cement
	BAUMA Munich 2016- 31st Edition of Trade Fair for Construction Machinery, Building Material Machines, Construction Vehicles and Equipment	Messe Munchen GmbH
	19th Southeast Asian Geotechnical Conference and 2nd Association of Geotechnical Societies in Southeast Asia Conference- Deep Excavation and Ground Improvement	The Institution of Engineers Malaysia
Pang Sar	CIDB's Market Talk Series for India and Indonesia	Construction Industry Development Board Malaysia
	YTL Cement Seminar on Watertight Cement	YTL Cement
	The 5th Malaysia-China Entrepreneur Conference	Malaysia-China Chamber of Commerce
	Incredible India Seminar – New Policy Directions: Impact on Investment and Business	Construction Industry Development Board Malaysia
	19th Southeast Asian Geotechnical Conference and 2nd Association of Geotechnical Societies in Southeast Asia Conference- Deep Excavation and Ground Improvement	The Institution of Engineers Malaysia
The Kun Ann	Advocacy Session on Management Discussion & Analysis for Chief Executive Officers and Chief Financial Offers	Bursa Malaysia
	CIDB's Market Talk Series for India and Indonesia	Construction Industry Development Board Malaysia
	Environmental, Social and Governance Seminar for FTSE4Good Bursa Malaysia Index	Bursa Malaysia
	Corporate Governance Director's Workshop – The Interplay between Corporate Governance, Non-Financial Information and Investment Decision	Bursa Malaysia

A. Board of Directors (Continued)

Directors' Training (Continued)

Name	Training/Course/Conference Title	Organised by
The Kun Ann (Continued)	Financial Reports Electronic Submission Hub (FRESH) Walk-Through Session	Securities Commission Malaysia
	HSBC Economic and FX Outlook 2016	HSBC Malaysia
	Tricor Breakfast Talk – Analysis of Corporate Governance Disclosure in the Annual Reports of the Listed Issuers	Tricor Knowledge House Sdn Bhd
	Focus Group Series – Corporate Governance Disclosures: What Makes Good, Bad and Ugly Corporate Governance Reporting	Malaysian Directors Academy
	Creating a Better World – The Role of Corporate ASEAN in driving the Sustainable Development Goals	Securities Industry Development Corporation
	Tricor Morning Talk- Public Consultation Paper on Malaysia Code on Corporate Governance 2016	Tricor Knowledge House Sdn Bhd
Ong Poay Wah @ Chan Poay Wah	Nominating Committee Programme Part 2- Effective Board Evaluations	Bursa Malaysia and The Iclif Leadership and Governance Centre
	Future of Auditor Reporting – the Game Changer for Boardroom	Bursa Malaysia
Dato' Rosli Bin Mohamed Nor	Chief Financial Officer Programme	Euromoney Learning Solutions
	Warning Signals and Lessons Learned in Corporate Credit	Fitch Learning

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.

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	4,617,120	18,650
Fees	-	152,000

B. Directors' Remuneration (Continued)

	Number of Directors	
Range of Remuneration	Executive Directors	Non- Executive Directors
RM1-RM50,000	-	1
RM50,001-RM100,000	-	2
RM350,001- RM400,000	1	-
RM1,850,001 –RM1,900,000	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. 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 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.

D. Accountability and Audit (Continued)

Risk Management and Internal Control

Recognising the importance of risk management, a risk register is in place to identify, evaluate and manage the significant risks by the Group on an ongoing basis. The risks were identified through a series a validation meetings conducted by a professional service firm with the key management personnel to assess the key risks relating the respective areas of management. All identified key risks were rated and priortised in terms of likelihood of the risk occurring and its impact should the risk occur. No risks were identified by the key management personnel as having high likelihood of occurrence and very significant impact on the business continuation of the Group. All identified controllable risks were monitored and appropriately managed through existing internal controls by the Group through the year under review. The key features of the risk management framework are set out on page 25 in the Statement of Risk Management and Internal Control of this annual report.

The internal audit function is outsourced to an external professional internal audit service provider. The scope of work covered by the internal audit function during the financial year under review is provided in the ARMC Report set out on page 32 of this annual report.

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 30 June 2016 was RM45,000.00.

Relationship with External Auditors

The Group has established a formal and transparent arrangement with the external auditors to meet their professional requirements through the ARMC. The external auditors attended three (3) out of five (5) scheduled meetings of the ARMC during the year under review.

During the financial year under review, the ARMC recommended the re-appointment of Messrs KPMG as the external auditors to the Board, approved their fees and confirmed their terms of engagement. The appointment was also presented to the shareholders of the Company at the annual general meeting for approval. The ARMC has obtained assurance from the external auditors confirming that they have been independent throughout the audit engagement in accordance with relevant professional and regulatory requirements for the financial year. The ARMC is satisfied with the objectivity, technical competence and audit independence of the external auditors and views the external auditors as having the ability to undertake their audit functions without any influence from the Group.

The term of service of the external auditor is renewable every year subject to satisfactory performance.

The ARMC is in the midst of establishing a policy to formalise the assessment of the suitability and independence of the external auditors.

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

During the year under review, the Group has implemented 5S practices in the headquarter office as well as one of its project sites. 5S (Seiri, Seiton, Seiso, Seketsu and Shitsuke) is essentially a workplace organisation methodology originated from Japan which aims to enhance morale, safety and efficiency. With regular waste removal, structured zoning for storage of construction materials, safe ingress and egress pathways, the pilot project site provides a cleaner and safer environment for its site employees. At the same time, the pilot worksite is enjoying higher operation efficiency.

The Group plans to roll out the 5S intiatives to other project sites progressively in the coming years.

(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.

D. Accountability and Audit (Continued)

(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 Malaysian standard form of construction contract, the PAM 2006 (Pertubuhan Arkitek Malaysia- PAM) during the year under review. The Group also organises gatherings and trips to foster team spirit and a sense of belonging amongst employees. In particular, the Group has established a sports club in the year under review to encourage employees to get involved in sports activities and to participate in recreational sports competitions.

The Group's workforce consists of individuals with skills and experiences including those gained on account of their gender, age and ethnicity. The Group sees diversity as a strategic asset in supporting the attainment of its commercial goals and sustainable development. Accordingly, the Board has adopted a Workplace Diversity Policy in the first quarter of financial year 2017 which sets out a framework to achieve the objective of developing and promoting a corporate culture that supports workplace diversity at all levels.

The breakdown of the Board and the workforce by gender, age and ethnicity as at 30 June 2016 are as follows:

Gender	
Male	401
Female	70
Age	
Under 30	202
30 to 50	223
Above 50	46
Ethnicity	
Malaysians	
• Malay	225
• Chinese	94
• Indian	11
• Others	1
Non- Malaysians	140

The Group operates in a male-dominated industry and is therefore a relatively male-dominated company. This is reflected in the numbers of male and female employees that make up the workforce in the Group. The Group does not set specific numerical targets for diversity on gender, ethnicity and age in its workforce but will make continuous efforts to enhance workplace diversity at all levels.

(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 2016, 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. 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 Audit and Risk Management Committee ("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, to assist the Board and the ARMC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The Internal Auditors report directly to the ARMC.

During the financial year ended 30 June 2016, the Internal Audit function carried out audit reviews in accordance with the internal audit plan approved by the ARMC. The results of the audit reviews were discussed with senior management and subsequently, the audit findings, including the recommendations for improvement were presented to the ARMC at their scheduled meetings. In addition, follow up visits were also conducted to ensure that corrective action plans have been implemented and the results of the follow up reviews were also presented to the ARMC at their scheduled meetings.

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.

Other Key Elements of Internal Control (Continued)

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 2014 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.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 30 June 2016, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement is made in accordance with the Board's resolution dated 11 October 2016.

Additional Compliance Information

1. Utilisation of Proceeds

There were no corporate exercise or proposals to raise funds during the financial year ended 30 June 2016.

2. Non-Audit Fees

The amount of audit fees and non-audit fees paid by the Group to the external auditors for the financial year ended 30 June 2016 amounted to RM150,000.00 and RM15,000.00, respectively.

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

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

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	Chairman
Krishnan A/L C K Menon	Member
Ong Poay Wah @ Chan Poay Wah	Member

Dato' Rosli bin Mohamed Nor is a Director of Export-Import Bank of Malaysia 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 an established property development company.

The detailed profiles of the ARMC members are set out on pages 12 to 14 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 relating to financial reporting and 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.

B. Terms of Reference (Continued)

Membership and Composition (Continued)

(f) The Nomination Committee shall review the term of office and performance of the ARMC and each of its members annually to determine whether the ARMC has carried out its duties in accordance with its terms of reference.

(g) The term of appointment of the members of the ARMC shall be determined by the Board.

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 assistance given by the employees of the Group to the external auditors;
vi. To perform annual assessment on performance of external auditors;
vii. To review the significant audit findings arising from the interim and final audits together with the management letters and management responses;
viii. 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);
ix. To review any letter of resignation from external auditors; and
x. 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.

B. Terms of Reference (Continued)

(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.

(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.

The full terms of reference for the ARMC are available on the Company's website at www.econpile.com.

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.

C. Meetings (Continued)

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.

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.

(c) The ARMC shall review and update its terms of reference from time to time and seek the Board's approval in respect of such revision of its terms of reference.

E. Summary of Activities of Audit and Risk Management Committee

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

Internal Audit

(a) Reviewed two (2) 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 2016 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.

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.

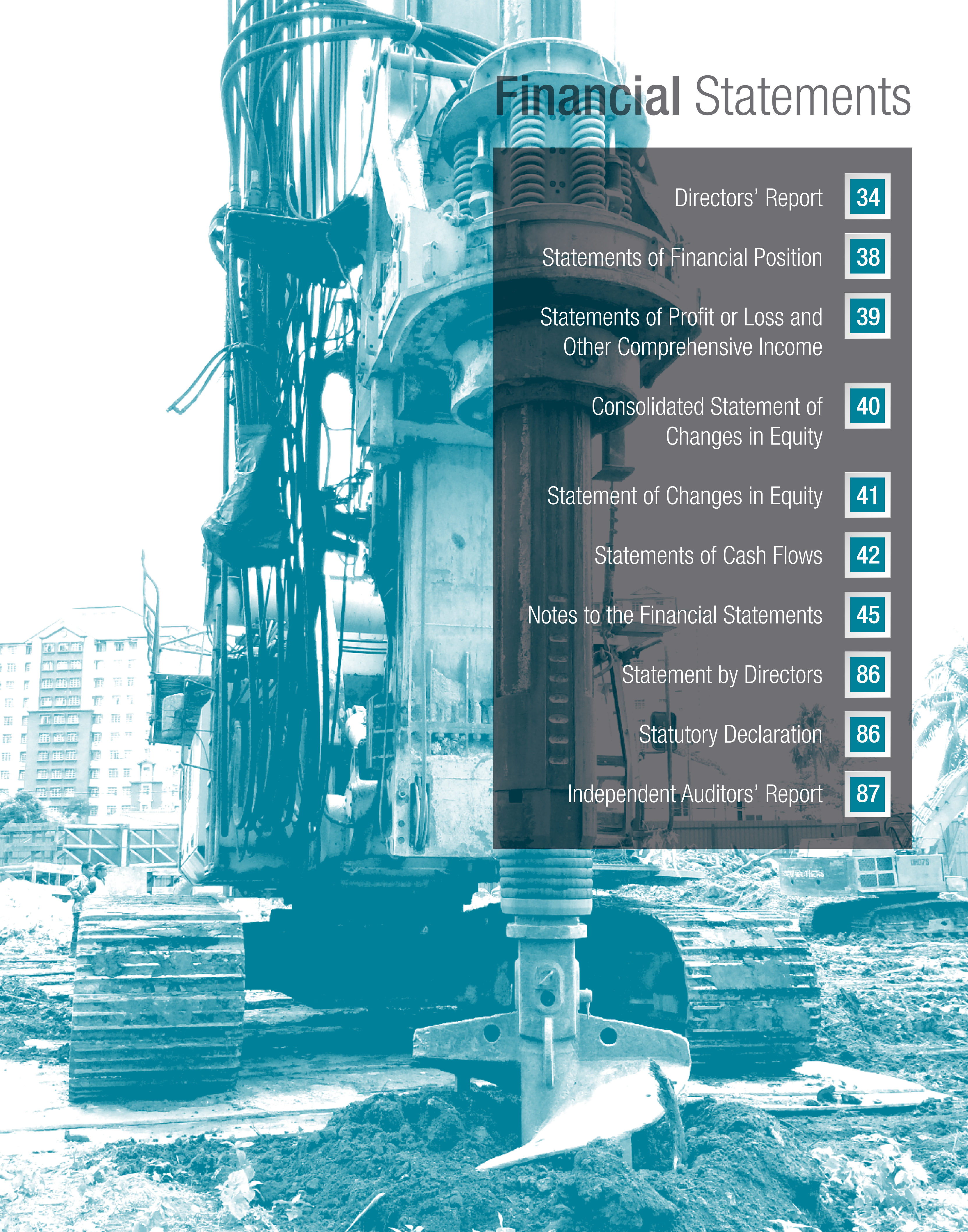
(c) Reviewed the ARMC Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to their inclusion in the annual report.

F. Summary of Activities of Internal Audit

During the financial year, the Internal Audit function carried out audit reviews in accordance with the risk based internal audit plan approved by the ARMC. The entity and business processes reviewed are as follows:

Entity	Business Processes Reviewed
Econpile (M) Sdn. Bhd.	Post Construction Support
	Project Closure
	Human Resource Management
	Financial Statement Close Process

The results of the audit reviews were discussed with senior management and subsequently, the audit findings, including the recommendations for improvement were presented to the ARMC at their scheduled meetings. In addition, follow up visits were also conducted to ensure that corrective action plans have been implemented in a timely manner and the results of the follow up reviews were also presented to the ARMC at their scheduled meetings.



Financial Statements

Directors' Report
for the year ended 30 June 2016

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 2016.

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	COMPANY
	RM	RM
Profit for the year	67,544,059	22,990,587

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 totalling RM5,350,000 in respect of the financial year ended 30 June 2016 on 22 December 2015; and

ii) a second interim ordinary dividend of 2.5 sen per ordinary share totalling RM13,375,000 in respect of the financial year ended 30 June 2016 on 28 June 2016.

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' 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 1.7.2015	Bought	Sold	At 30.6.2016
Interests in the Company:				
The Cheng Eng				
- own	185,000,005	-	(15,000,000)	170,000,005
- children*	152,000	-	-	152,000
Pang Sar	178,000,005	-	(15,200,000)	162,800,005
The Kun Ann	100,000	-	-	100,000
Krishnan A/L CK Menon	100,000	-	-	100,000
Dato' Rosli bin Mohamed Nor	1,100,000	-	(727,000)	373,000
Ong Poay Wah @ Chan Poay Wah	600,000	-	-	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 also be treated as the interests of The Cheng Eng.

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, other than as disclosed in Note 26 to the financial statements.

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.

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 2016 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.

Subsequent event

The subsequent event is disclosed in Note 27 to the financial statements.

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: 11 October 2016

Statements of Financial Position
as at 30 June 2016

	Note	GROUP 2016 RM	GROUP 2015 RM	COMPANY 2016 RM	COMPANY 2015 RM
Assets					
Property, plant and equipment	3	74,569,962	67,668,074	-	-
Investment properties	4	6,707,320	2,201,875	-	-
Investments in subsidiaries	5	-	-	89,000,000	89,000,000
Other investments	6	1	50,000	-	-
Total non-current assets		81,277,283	69,919,949	89,000,000	89,000,000
Other investments	6	8,943,475	15,415,267	8,943,475	15,415,267
Trade and other receivables	7	277,727,754	212,630,908	42,615,004	32,515,004
Prepayments		1,426,436	2,232,448	33,070	9,970
Current tax assets		-	1,787,897	-	-
Cash and cash equivalents	8	43,636,342	31,546,678	793,955	113,961
Total current assets		331,734,007	263,613,198	52,385,504	48,054,202
Total assets		413,011,290	333,533,147	141,385,504	137,054,202
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		198,251,028	150,997,210	5,268,210	1,002,623
Total equity		247,256,591	200,002,773	141,273,773	137,008,186
Liabilities					
Loans and borrowings	10	4,354,535	7,994,923	-	-
Employee benefits	11	5,996,383	4,001,784	-	-
Deferred tax liabilities	12	4,815,828	3,921,144	-	-
Total non-current liabilities		15,166,746	15,917,851	-	-
Loans and borrowings	10	26,511,322	15,168,393	-	-
Trade and other payables	13	121,544,956	102,444,130	111,731	46,016
Current tax liabilities		2,531,675	-	-	-
Total current liabilities		150,587,953	117,612,523	111,731	46,016
Total liabilities		165,754,699	133,530,374	111,731	46,016
Total equity and liabilities		413,011,290	333,533,147	141,385,504	137,054,202

The notes on pages 45 to 85 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2016

		GROUP		COMPANY	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
Revenue	14	462,061,387	428,980,180	23,000,000	9,000,000
Cost of sales	15	(351,714,549)	(348,824,249)	-	-
Gross profit		110,346,838	80,155,931	23,000,000	9,000,000
Other income		8,867,140	9,747,485	916,761	1,040,267
Administrative expenses		(26,921,216)	(26,622,919)	(926,174)	(972,252)
Results from operating activities		92,292,762	63,280,497	22,990,587	9,068,015
Finance income	16	821,744	858,231	-	-
Finance costs	17	(1,572,507)	(1,057,552)	-	-
Net finance costs		(750,763)	(199,321)	-	-
Profit before tax	18	91,541,999	63,081,176	22,990,587	9,068,015
Tax expense	19	(23,997,940)	(16,469,121)	-	-
Profit for the year		67,544,059	46,612,055	22,990,587	9,068,015
Other comprehensive expense, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Remeasurement loss of defined benefit liability	11	(1,565,241)	-	-	-
Other comprehensive expense for the year, net of tax		(1,565,241)	-	-	-
Total comprehensive income for the year		65,978,818	46,612,055	22,990,587	9,068,015
Basic earnings per ordinary share	20	0.13	0.09		

The notes on pages 45 to 85 are an integral part of these financial statements.

Consolidated Statement of **Changes In Equity**

for the year ended 30 June 2016

GROUP	Note	Share capital RM	Share premium RM	Deficit in business combination RM	Retained earnings RM	Total equity RM
		<----------------Non-distributable	----------------	---------------->	Distributable	
At 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 / 1 July 2015		107,000,002	29,005,561	(87,000,000)	150,997,210	200,002,773
Remeasurement loss of defined benefit liability	11	-	-	-	(1,565,241)	(1,565,241)
Other comprehensive expense for the year		-	-	-	(1,565,241)	(1,565,241)
Profit for the year		-	-	-	67,544,059	67,544,059
Total comprehensive income for the year		-	-	-	65,978,818	65,978,818
Dividends to owners of the Company	21	-	-	-	(18,725,000)	(18,725,000)
At 30 June 2016		107,000,002	29,005,561	(87,000,000)	198,251,028	247,256,591
		Note 9	Note 9			

The notes on pages 45 to 85 are an integral part of these financial statements.

Statement of Changes In Equity

for the year ended 30 June 2016

		<------Non-distributable------>		Distributable	
		Share capital	Share premium	Retained earnings	Total equity
COMPANY	Note	RM	RM	RM	RM
At 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 2015/1 July 2015		107,000,002	29,005,561	1,002,623	137,008,186
Profit and total comprehensive income for the year		-	-	22,990,587	22,990,587
Dividends to owners of the Company	21	-	-	(18,725,000)	(18,725,000)
At 30 June 2016		107,000,002	29,005,561	5,268,210	141,273,773
		Note 9	Note 9		

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The notes on pages 45 to 85 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2016

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash flows from operating activities				
Profit before tax	91,541,999	63,081,176	22,990,587	9,068,015
Adjustments for:				
Depreciation of investment properties	58,815	26,865	-	-
Depreciation of property, plant and equipment	19,931,701	17,928,245	-	-
Dividend income	-	-	(23,000,000)	(9,000,000)
Fair value gain from other investments	(122,036)	(193,832)	(122,036)	(193,832)
Finance costs	1,572,507	1,057,552	-	-
Finance income	(821,744)	(858,231)	-	-
Gain on disposal of other investments	(794,725)	(857,149)	(794,725)	(846,435)
Gain on disposal of property, plant and equipment	(19,000)	(58,889)	-	-
Other investments written down	49,999	-	-	-
Operating profit/(loss) before working capital changes	111,397,516	80,125,737	(926,174)	(972,252)
Change in employee benefits	429,358	310,817	-	-
Change in trade and other receivables and prepayments	(64,290,834)	(54,420,930)	(23,100)	(14,417)
Change in trade and other payables	19,100,826	19,230,595	65,715	(78,078)
Cash generated from/(used in) operations	66,636,866	45,246,219	(883,559)	(1,064,747)
Interest paid	-	(176)	-	-
Tax paid	(18,792,557)	(18,528,954)	-	-
Tax refunded	8,873	11,097	-	-
Net cash from/(used in) operating activities	47,853,182	26,728,186	(883,559)	(1,064,747)

The notes on pages 45 to 85 are an integral part of these financial statements.

Statements of Cash Flows (Continued)

for the year ended 30 June 2016

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash flows from investing activities				
Acquisition of property, plant and equipment	(26,217,590)	(29,424,088)	-	-
Acquisition of investment property	(4,564,260)	-	-	-
Dividends received from a subsidiary	-	-	23,000,000	9,000,000
Interest received from fixed deposits	821,744	858,231	-	-
Net placement of other investments	7,388,553	(12,118,622)	7,388,553	(14,375,000)
Proceeds from disposal of property, plant and equipment	19,001	103,834	-	-
Net cash (used in)/from investing activities	(22,552,552)	(40,580,645)	30,388,553	(5,375,000)
Cash flows from financing activities				
Change in pledged deposits	8,516,310	1,565,954	-	-
Dividends paid to owners of the Company (Note 21)	(18,725,000)	(13,375,000)	(18,725,000)	(13,375,000)
Drawdown/(Repayment) of bankers' acceptances	14,859,000	(2,956,000)	-	-
Increase in amount due from a subsidiary	-	-	(10,100,000)	(26,650,163)
Interest paid on loans and borrowings	(1,572,507)	(1,057,376)	-	-
Repayment of bank loan	(101,722)	(97,330)	-	-
Repayment of finance lease liabilities	(7,670,737)	(11,293,048)	-	-
Net cash used in financing activities	(4,694,656)	(27,212,800)	(28,825,000)	(40,025,163)
Net increase/(decrease) in cash and cash equivalents	20,605,974	(41,065,259)	679,994	(46,464,910)
Cash and cash equivalents at 1 July 2015/2014	17,670,907	58,736,166	113,961	46,578,871
Cash and cash equivalents at 30 June	38,276,881	17,670,907	793,955	113,961

The notes on pages 45 to 85 are an integral part of these financial statements.

Statements of Cash Flows (Continued)
for the year ended 30 June 2016

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	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	8	35,885,637	12,845,289	793,955	113,961
Deposits	8	7,750,705	18,701,389	-	-
		43,636,342	31,546,678	793,955	113,961
Less: Pledged deposits	8	(5,359,461)	(13,875,771)	-	-
		38,276,881	17,670,907	793,955	113,961

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM26,833,590 (2015: RM36,987,128), of which RM616,000 (2015: RM7,563,040) was acquired by means of finance leases.

The notes on pages 45 to 85 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. 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 2016 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 2016 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 11 October 2016.

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 ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have 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

- MFRS 14, *Regulatory Deferral Accounts*
- 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*, 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*
- 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)*

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

- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*
- MFRS 9, *Financial Instruments* (2014)
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers (Amendments)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective from a date yet to be confirmed

- 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*

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 amendments 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 and amendments that are effective for annual periods beginning on or after 1 January 2018, except for Amendments to MFRS 2 which is not applicable to the Group and to the Company.

- from the annual period beginning on 1 July 2019 for the accounting standard that is effective for annual periods beginning on or after 1 January 2019.

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:

1. Basis of preparation (Continued)

(a) Statement of compliance (Continued)

(i) 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 will assess the financial impact that may arise from the adoption of MFRS 9.

(ii) 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, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group will assess the financial impact that may arise from the adoption of MFRS 15.

(iii) MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases,* IC Interpretation 4, *Determining whether an Arrangement contains a Lease,* IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group will assess the financial impact that may arise from the adoption of MFRS 16.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) 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

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.

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.

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.

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.

2. Significant accounting policies (Continued)

(c) Property, plant and equipment (Continued)

(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. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

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.

2. Significant accounting policies (Continued)

(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.

(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.

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 amounts 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.

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.

(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.

2. Significant accounting policies (Continued)

(j) Employee benefits (Continued)

(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.

(ii) 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.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

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

2. Significant accounting policies (Continued)

(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 assets and liabilities 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.

(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.

2. Significant accounting policies (Continued)

(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 measurements

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.

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	Work-in-progress RM	Total RM
Cost										
At 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/ 1 July 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
Additions	-	-	11,622,268	1,762,836	52,835	-	1,387,085	21,509	11,987,057	26,833,590
Disposals	-	-	-	-	(2,580)	-	(76,271)	-	-	(78,851)
At 30 June 2016	5,000,000	6,907,970	147,599,531	7,379,016	516,377	271,314	10,490,724	1,460,448	11,987,057	191,612,437
Depreciation										
At 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/ 1 July 2015	-	472,283	87,316,431	2,733,375	136,320	51,179	6,177,112	302,924	-	97,189,624
Depreciation for the year	-	144,744	17,033,692	991,872	94,583	54,220	1,320,522	292,068	-	19,931,701
Disposals	-	-	-	-	(2,579)	-	(76,271)	-	-	(78,850)
At 30 June 2016	-	617,027	104,350,123	3,725,247	228,324	105,399	7,421,363	594,992	-	117,042,475
Carrying amounts										
At 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/ 1 July 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
At 30 June 2016	5,000,000	6,290,943	43,249,408	3,653,769	288,053	165,915	3,069,361	865,456	11,987,057	74,569,962

3. Property, plant and equipment (Continued)

3.1 Leased plant and machinery and motor vehicles

At 30 June 2016, the net carrying amounts of leased plant and machinery and motor vehicles of the Group were RM14,828,608 (2015: RM21,858,216) and RM2,158,009 (2015: RM2,039,541), respectively.

3.2 Security

The leased plant and machinery and motor vehicles discussed above secure lease obligations (see Note 10).

At 30 June 2016, a store of the Group with a carrying amount of RM6,280,490 (2015: RM6,317,075) and the corporate office of the Group with a carrying amount of RM4,264,941 (2015: RM4,357,323) were pledged as security and as fixed charges to secure bank facilities granted to a subsidiary (see Note 10).

3.3 Capital work-in-progress

At 30 June 2016, the capital-work-in-progress was mainly related to down payments made for acquisition of plant and machinery yet to be received from suppliers.

4. Investment properties

	GROUP
	RM
Cost	
At 1 July 2014/30 June 2015/1 July 2015	2,450,777
Addition	4,564,260
At 30 June 2016	7,015,037
Depreciation	
At 1 July 2014	222,037
Depreciation for the year	26,865
At 30 June 2015/1 July 2015	248,902
Depreciation for the year	58,815
At 30 June 2016	307,717
Carrying amounts	
At 1 July 2014	2,228,740
At 30 June 2015/1 July 2015	2,201,875
At 30 June 2016	6,707,320

4. Investment properties (Continued)

Included in the above are:

	GROUP	
	2016 RM	2015 RM
Freehold land	2,933,238	1,107,534
Buildings on freehold land	3,123,579	427,997
Buildings on leasehold land	650,503	666,344
	6,707,320	2,201,875

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

During the financial year, the Group acquired a piece of freehold land and building from a contract customer for a total consideration of RM4,564,260, which was subsequently disposed off after the end of the financial year to a third party for RM4,450,000.

1 (2015: 3) investment property(ies) of the Group amounting to RM384,500 (2015: RM988,454) was / 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	
	2016 RM	2015 RM
Rental income	35,400	30,707
Direct operating expenses:		
- income generating investment properties	9,980	10,752
- non-income generating investment properties	56,597	22,443

Fair value information

Fair value of investment properties is categorised as follows:

	GROUP	
	2016 RM	2015 RM
Level 3		
Freehold land	9,830,000	6,847,000
Buildings	6,879,000	3,763,000
	16,709,000	10,610,000

4. Investment properties (Continued)

Valuation process applied by the Group for Level 3 fair value

Except for the freehold land and building acquired during the financial year which were fair valued at their subsequent selling price, the fair value of the remaining 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 2016 RM	COMPANY 2015 RM
Unquoted shares, at cost	89,000,000	89,000,000

Details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2016 %	Effective ownership interest and voting interest 2015 %
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

6. Other investments

	GROUP 2016 RM	GROUP 2015 RM	COMPANY 2016 RM	COMPANY 2015 RM
Non-current				
Club membership	1	50,000	-	-
Current				
Financial assets at fair value through profit or loss:				
Unit trusts, in Malaysia	8,943,475	15,415,267	8,943,475	15,415,267
	8,943,475	15,415,267	8,943,475	15,415,267
Representing items:				
At net realisable value/cost	1	50,000	-	-
At fair value	8,943,475	15,415,267	8,943,475	15,415,267
	8,943,476	15,465,267	8,943,475	15,415,267

7. Trade and other receivables

	Note	GROUP 2016 RM	GROUP 2015 RM	COMPANY 2016 RM	COMPANY 2015 RM
Trade					
Trade receivables	7.1	246,993,857	180,799,305	-	-
Less: Individual impairment allowance		(4,442,219)	(5,110,418)	-	-
		242,551,638	175,688,887	-	-
Amounts due from contract customers	7.2	29,807,759	29,327,561	-	-
		272,359,397	205,016,448	-	-
Non-trade					
Other receivables		974,106	1,697,789	-	-
Deposits		4,394,251	5,916,671	4,500	4,500
Amount due from a subsidiary	7.3	-	-	42,610,504	32,510,504
		5,368,357	7,614,460	42,615,004	32,515,004
		277,727,754	212,630,908	42,615,004	32,515,004

7.1 Trade receivables

Included in trade receivables of the Group at 30 June 2016 are retentions of RM83,876,468 (2015: RM68,245,395) relating to construction work-in-progress. Retention sums are unsecured and interest free.

7.2 Construction work-in-progress

	Note	GROUP 2016 RM	GROUP 2015 RM
Aggregate costs incurred to date		311,247,597	299,196,288
Add: Attributable profits		69,708,721	58,453,569
		380,956,318	357,649,857
Less: Progress billings		(369,689,007)	(346,347,568)
		11,267,311	11,302,289
Represented by:			
Amounts due from contract customers		29,807,759	29,327,561
Amounts due to contract customers	13	(18,540,448)	(18,025,272)
		11,267,311	11,302,289

7. Trade and other receivables (Continued)

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.

8. Cash and cash equivalents

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	35,885,637	12,845,289	793,955	113,961
Deposits placed with licensed banks	7,750,705	18,701,389	-	-
	43,636,342	31,546,678	793,955	113,961

Included in the deposits placed with licensed banks of the Group is RM5,359,461 (2015: RM13,875,771) pledged for bank facilities granted to a subsidiary (see Note 10).

9. Capital and reserves

Share capital

GROUP and COMPANY	Amount 2016 RM	Number of shares 2016	Amount 2015 RM	Number of shares 2015
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.

10. Loans and borrowings

	Note	GROUP 2016 RM	GROUP 2015 RM
Non-current			
Bank loan - secured	10.1	2,622,311	2,728,140
Finance lease liabilities	10.3	1,732,224	5,266,783
		4,354,535	7,994,923
Current			
Bank loan - secured	10.1	106,037	101,930
Bankers' acceptances - secured	10.2	22,399,000	7,540,000
Finance lease liabilities	10.3	4,006,285	7,526,463
		26,511,322	15,168,393
		30,865,857	23,163,316

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 RM4,264,941 (2015: RM4,357,323).

10.2 Bankers' acceptances

The bankers' acceptances are secured / guaranteed as follows:

	GROUP 2016 RM	GROUP 2015 RM
Secured over a store and investment properties of the Group and guaranteed by the Company	5,710,000	4,540,000
Secured over deposits pledged with licensed banks and jointly guaranteed by the Company and certain Directors of the Group	8,522,000	-
Guaranteed by the Company	8,167,000	-
Secured over deposits pledged with licensed banks and guaranteed by certain Directors of the Group	-	3,000,000
	22,399,000	7,540,000

10. Loans and borrowings (Continued)

10.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

GROUP	Future minimum lease payments 2016 RM	Interest 2016 RM	Present value of minimum lease payments 2016 RM	Future minimum lease payments 2015 RM	Interest 2015 RM	Present value of minimum lease payments 2015 RM
Less than one year	4,180,893	(174,608)	4,006,285	8,000,221	(473,758)	7,526,463
Between one and five years	1,765,459	(33,235)	1,732,224	5,459,446	(192,663)	5,266,783
	5,946,352	(207,843)	5,738,509	13,459,667	(666,421)	12,793,246

11. Employee benefits

Retirement benefits

	GROUP 2016 RM	GROUP 2015 RM
Defined benefit liability	5,996,383	4,001,784

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.

Contributions

This plan is unfunded of which contributions are expected to be made by a subsidiary based on its future cash flows. The contribution requirements are based on the pension fund's actuarial measurement framework set out in the policies of the plan. Employees are not required to contribute to the plan.

11. Employee benefits (Continued)

Retirement benefits (Continued)

Movement in defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for defined benefit liability:

	GROUP 2016 RM	GROUP 2015 RM
Balance at 1 July 2015/2014	4,001,784	3,690,967
Included in profit or loss		
Current service cost	221,265	155,586
Interest cost	208,093	201,725
	429,358	357,311
Included in other comprehensive income		
Remeasurement loss		
- Actuarial loss arising from:		
- Financial assumptions	113,991	-
- Experience adjustments	1,451,250	-
	1,565,241	-
Other		
Contributions paid by the employer	-	(46,494)
Balance at 30 June	5,996,383	4,001,784

Defined benefit obligation

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period:

	GROUP 2016	GROUP 2015
Discount rate	5.2%	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 2016, the weighted-average duration of the defined benefit obligation was 7 years (2015: 8 years).

11. Employee benefits (Continued)

Retirement 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
2016		
Discount rate (1% movement)	(366,195)	407,834
Future salary growth (1% movement)	392,855	(360,351)
2015		
Discount rate (1% movement)	(314,263)	314,263
Future salary growth (1% movement)	361,201	(361,201)

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	
	2016 RM	2015 RM
Property, plant and equipment	7,321,092	6,108,073
Provisions	(2,505,264)	(2,186,929)
	4,815,828	3,921,144

12. Deferred tax liabilities (Continued)

Movement in temporary differences during the year

GROUP	At 1.7.2014 RM	Recognised in profit or loss RM (Note 19)	At 30.6.2015/ 1.7.2015 RM	Recognised in profit or loss RM (Note 19)	At 30.6.2016 RM
Property, plant and equipment	4,349,054	1,759,019	6,108,073	1,213,019	7,321,092
Provisions	(3,658,607)	1,471,678	(2,186,929)	(318,335)	(2,505,264)
	690,447	3,230,697	3,921,144	894,684	4,815,828

13. Trade and other payables

	Note	GROUP 2016 RM	GROUP 2015 RM	COMPANY 2016 RM	COMPANY 2015 RM
Trade					
Trade payables		94,511,966	78,066,513	-	-
Amounts due to contract customers	7.2	18,540,448	18,025,272	-	-
		113,052,414	96,091,785	-	-
Non-trade					
Other payables		3,538,358	2,106,419	-	-
Accrued expenses		4,954,184	4,245,926	111,731	46,016
		8,492,542	6,352,345	111,731	46,016
		121,544,956	102,444,130	111,731	46,016

14. Revenue

	GROUP 2016 RM	GROUP 2015 RM	COMPANY 2016 RM	COMPANY 2015 RM
Construction contracts	462,061,387	428,980,180	-	-
Dividends	-	-	23,000,000	9,000,000
	462,061,387	428,980,180	23,000,000	9,000,000

15. Cost of sales

	GROUP	
	2016 RM	2015 RM
Construction contracts	351,714,549	348,824,249

16. Finance income

	GROUP	
	2016 RM	2015 RM
Interest income of financial assets that are not at fair value through profit or loss:		
- fixed deposits	821,744	858,231

17. Finance costs

	GROUP	
	2016 RM	2015 RM
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank overdrafts	-	176
- bank loan	132,451	136,054
- bankers' acceptances	941,443	128,906
- finance lease liabilities	498,613	792,416
	1,572,507	1,057,552

18. Profit before tax

	GROUP 2016 RM	GROUP 2015 RM	COMPANY 2016 RM	COMPANY 2015 RM
Profit before tax is arrived after charging:				
Auditors' remuneration:				
- Audit fees	150,000	135,000	35,000	30,000
- Non-audit fees	15,000	15,000	15,000	15,000
Construction work-in-progress written off	-	3,967,898	-	-
Depreciation on investment properties	58,815	26,865	-	-
Depreciation on property, plant and equipment	19,931,701	17,928,245	-	-
Impairment loss on trade receivables	3,868,694	3,606,119	-	-
Other investments written down	49,999	-	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	2,674,642	2,203,376	34,870	33,345
- Expenses related to defined benefit plan	429,358	357,311	-	-
- Wages, salaries and others	32,573,789	29,381,471	277,215	276,192
Rental expense in respect of:				
- Equipment and machinery	9,543,706	13,518,398	-	-
- Properties	538,926	736,391	-	-
and after crediting:				
Dividend income from a subsidiary	-	-	23,000,000	9,000,000
Fair value gain from other investments	122,036	193,832	122,036	193,832
Gain on disposal of other investments	794,725	857,149	794,725	846,435
Gain on disposal of property, plant and equipment	19,000	58,889	-	-
Rental income from:				
- Equipment	2,008,392	2,105,800	-	-
- Investment properties	35,400	30,707	-	-
Reversal of impairment loss on trade receivables	4,536,893	5,481,636	-	-

19. Tax expense

Recognised in profit or loss

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Current tax expense				
Current year	22,821,628	14,872,104	-	-
Prior year	281,628	(1,633,680)	-	-
Total current tax recognised in profit or loss	23,103,256	13,238,424	-	-
Deferred tax expense				
Origination and reversal of temporary differences	1,515,367	2,270,290	-	-
Effect of change in tax rate	-	(163,380)	-	-
(Over)/Under provision in prior year	(620,683)	1,123,787	-	-
Total deferred tax recognised in profit or loss (Note 12)	894,684	3,230,697	-	-
Total income tax expense	23,997,940	16,469,121	-	-

Reconciliation of tax expense

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before tax	91,541,999	63,081,176	22,990,587	9,068,015
Income tax using Malaysian tax rate of 24% (2015: 25%)	21,970,080	15,770,294	5,517,741	2,267,004
Non-deductible expenses	2,586,938	1,634,845	222,282	243,063
Effect of change in tax rate	-	(163,380)	-	-
Tax exempt income	(220,023)	(262,745)	(5,740,023)	(2,510,067)
(Over)/Under provision in prior years	(339,055)	(509,893)	-	-
	23,997,940	16,469,121	-	-

20. Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 June 2016 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	GROUP	
	2016 RM	2015 RM
Profit attributable to ordinary shareholders	67,544,059	46,612,055

	GROUP	
	2016	2015
Weighted average number of ordinary shares at 30 June	535,000,010	535,000,010

	GROUP	
	2016 RM	2015 RM
Basic earnings per ordinary share	0.13	0.09

21. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM	Date of payment
2016			
First interim 2016 ordinary	1	5,350,000	22 December 2015
Second interim 2016 ordinary	2.5	13,375,000	28 June 2016
Total amount		18,725,000	
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 an 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").

	Carrying amount RM	L&R/ (FL) RM	FVTPL-HFT RM
2016			
Financial assets			
Group			
Unit trusts	8,943,475	-	8,943,475
Trade and other receivables	277,727,754	277,727,754	-
Cash and cash equivalents	43,636,342	43,636,342	-
	330,307,571	321,364,096	8,943,475
Company			
Trade and other receivables	42,615,004	42,615,004	-
Cash and cash equivalents	793,955	793,955	-
	43,408,959	43,408,959	-
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	-

23. Financial instruments (Continued)

23.1 Categories of financial instruments (Continued)

	Carrying amount RM	L&R/ (FL) RM	FVTPL-HFT RM
2016			
Financial liabilities			
Group			
Loans and borrowings	(30,865,857)	(30,865,857)	-
Trade and other payables	(121,544,956)	(121,544,956)	-
	(152,410,813)	(152,410,813)	-
Company			
Trade and other payables	(111,731)	(111,731)	-
2015			
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)	-

23.2 Net gains and losses arising from financial instruments

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Net gains/(losses) on:				
Fair value through profit or loss:				
- Held for trading	916,761	1,050,981	916,761	1,040,267
Loans and receivables	1,489,943	(1,234,150)	-	-
Financial liabilities measured at amortised cost	(1,572,507)	(1,057,552)	-	
	834,197	(1,240,721)	916,761	1,040,267

23. Financial instruments (Continued)

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:

2016	Gross RM	Individual impairment RM	Net RM
Group			
Not past due	170,968,223	(775,535)	170,192,688
Past due 1 - 60 days	43,651,332	-	43,651,332
Past due 61 - 120 days	13,880,686	-	13,880,686
Past due more than 120 days	18,493,616	(3,666,684)	14,826,932
	246,993,857	(4,442,219)	242,551,638
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

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

	GROUP	
	2016 RM	2015 RM
At 1 July 2015/2014	5,110,418	6,985,935
Impairment loss recognised	3,868,694	3,606,119
Impairment loss reversed	(4,536,893)	(5,481,636)
At 30 June	4,442,219	5,110,418

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.

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 RM29,324,053 (2015: RM29,417,194) 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 RM22,399,000 (2015: RM4,540,000) 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 would default on its obligations under the construction contracts and the subsidiary would default on repayment 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.

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 banking 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.

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:

GROUP	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
2016							
Non-derivative financial liabilities							
Trade and other payables	121,544,956	-	121,544,956	121,544,956	-	-	-
Bank loan - secured	2,728,348	*	4,010,887	235,796	235,944	707,832	2,831,315
Bankers' acceptances - secured	22,399,000	3.79 - 5.35	22,399,000	22,399,000	-	-	-
Finance lease liabilities	5,738,509	3.30 - 6.60	5,946,352	4,180,893	1,704,888	60,571	
Financial guarantees	29,324,053	-	29,324,053	29,324,053	-	-	-
	181,734,866		183,225,248	177,684,698	1,940,832	768,403	2,831,315
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

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

23. Financial instruments (Continued)

23.5 Liquidity risk (Continued)

Maturity analysis (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:

COMPANY	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
2016							
Non-derivative financial liabilities							
Trade and other payables	111,731	-	111,731	111,731	-	-	-
Financial guarantees	22,399,000	-	22,399,000	22,399,000	-	-	-
	22,510,731		22,510,731	22,510,731	-	-	-
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	-	-	-

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.

23. Financial instruments (Continued)

23.6 Market risk (Continued)

23.6.1 Interest rate risk (Continued)

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	
	2016 RM	2015 RM
Fixed rate instruments		
Financial assets	7,750,705	18,701,389
Financial liabilities	(28,137,509)	(20,333,246)
	(20,386,804)	(1,631,857)
Floating rate instruments		
Financial liabilities	(2,728,348)	(2,830,070)

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.

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
2016		
Floating rate instruments	(6,221)	6,221
2015		
Floating rate instruments	(6,368)	6,368

23. Financial instruments (Continued)

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.

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				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
GROUP	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2016										
Financial assets										
Unit trusts	-	8,943,475	-	8,943,475	-	-	-	-	8,943,475	8,943,475
Financial liabilities										
Bank loan - secured	-	-	-	-	-	-	(2,689,956)	(2,689,956)	(2,689,956)	(2,728,348)
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)
COMPANY										
2016										
Financial assets										
Unit trusts	-	8,943,475	-	8,943,475	-	-	-	-	8,943,475	8,943,475
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 (2015: 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 Group has not breached any debt covenants during the current and previous financial years, of which in the event of a breach, the bank may call an event of default.

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

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	
	2016 RM	2015 RM	2016 RM	2015 RM
Contingent liabilities not considered remote				
Guarantees given to contract customers in relation to construction contracts	29,324,053	29,417,194	-	-
Guarantees given to banks for facilities granted to a subsidiary	-	-	22,399,000	4,540,000

25. Contingencies (Continued)

Litigation

In June 2015, a subsidiary of the Group, Econpile (M) Sdn. Bhd. ("EMSB") 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 October 2015, the adjudication deemed the customer liable to pay EMSB its certified claim amounting to RM1,805,867, which was received by EMSB in July 2016 together with interest and costs. For the purpose of arbitration, EMSB will continue to claim from the customer the remaining outstanding balance of RM4,006,665 for two uncertified claims.

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.

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	
	2016 RM	2015 RM	2016 RM	2015 RM
A. Subsidiary				
Dividend income	-	-	(23,000,000)	(9,000,000)
B. Key management personnel				
Directors				
- Fees	152,000	137,000	152,000	137,000
- Remuneration	4,610,270	3,319,674	310,870	308,474
- Other short-term employee benefits	25,500	28,500	25,500	28,500
Total short-term employee benefits	4,787,770	3,485,174	488,370	473,974
Post-employment benefits	1,994,599	357,311	-	-
	6,782,369	3,842,485	488,370	473,974

27. Subsequent event

In September 2016, the Company acquired the entire equity interest in Tropical Broadway Sdn. Bhd. ("TBSB"), representing two ordinary shares of RM1.00 each, for a total cash consideration of RM2.00. Consequently, TBSB became a wholly owned subsidiary of the Company.

28. 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	
	2016 RM	2015 RM	2016 RM	2015 RM
Total retained earnings of the Company and its subsidiaries				
- realised	202,944,820	154,724,522	5,146,174	808,791
- unrealised	(4,693,792)	(3,727,312)	122,036	193,832
Total retained earnings	198,251,028	150,997,210	5,268,210	1,002,623

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 38 to 84 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 2016 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 28 on page 85 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: 11 October 2016

Statutory **Declaration**

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

I, **Bin Lay Thiam**, the officer primarily responsible for the financial management of Econpile Holdings Berhad., do solemnly and sincerely declare that the financial statements set out on pages 38 to 85 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 11 October 2016.

Bin Lay Thiam

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 2016 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 38 to 84.

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 2016 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 (Continued)
to the members of Econpile Holdings Berhad

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 28 on page 85 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

Petaling Jaya, Selangor

Date: 11 October 2016

Chew Beng Hong

Approval Number: 2920/02/18(J)
Chartered Accountant

Analysis of **Shareholdings**

As At 30 September 2016

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	27	623	0.00
100 to 1,000 shares	280	184,340	0.03
1,001 to 10,000 shares	1,257	6,979,337	1.30
10,001 to 100,000 shares	557	19,248,400	3.60
100,001 to less than 5% of issued shares	202	175,787,300	32.86
5% and above of issued shares	2	332,800,010	62.21
Total	**2,325**	**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	170,000,005	31.78	152,000*	0.03
Pang Sar	162,800,005	30.43	-	-

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	170,000,005	31.78	152,000*	0.03
Pang Sar	162,800,005	30.43	-	-
The Kun Ann	100,000	0.02	-	-
Krishnan A/L C K Menon	100,000	0.02	-	-
Dato' Rosli Bin Mohamed Nor	200,000	0.04	-	-
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** (Continued)
As At 30 September 2016

List of 30 Largest Shareholders as at 30 September 2016

No.	Names of Shareholders	Shares Held	%
1	THE CHENG ENG	170,000,005	31.78
2	PANG SAR	162,800,005	30.43
3	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 12)	8,357,500	1.56
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	6,482,500	1.21
5	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	5,765,000	1.08
6	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL	5,475,700	1.02
7	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	5,395,300	1.01
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	4,967,900	0.93
9	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR CIMB ISLAMIC DALI EQUITY THEME FUND	4,622,800	0.86
10	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED GF)	4,274,300	0.80
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	3,691,700	0.69
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 9)	3,674,200	0.69
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB ISLAMIC SMALL CAP FUND	3,650,000	0.68
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB-PRINCIPAL EQUITY FUND	3,560,900	0.67
15	HSBC NOMINEES (ASING) SDN BHD CS (LUX) S.A. FOR CREDIT SUISSE SICAV (LUX) - EQUITY SMALL AND MID CAP GLOBAL EMERGING MARKETS	3,427,000	0.64
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	3,265,700	0.61
17	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD	3,060,000	0.57

Analysis of Shareholdings (Continued)

As At 30 September 2016

No.	Names of Shareholders	Shares Held	%
18	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	2,997,000	0.56
19	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	2,915,300	0.54
20	MALINCHIN SDN. BHD.	2,700,000	0.50
21	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE)	2,521,800	0.47
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2,186,500	0.41
23	AMANAHRAYA TRUSTEES BERHAD AFFIN HWANG GROWTH FUND	2,136,100	0.40
24	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM KESIHATAN	2,122,800	0.40
25	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR CIMB-PRINCIPAL MALAYSIA EQUITY FUND	2,086,700	0.39
26	HSBC NOMINEES (ASING) SDN BHD HSBC-FS I FOR JPMORGAN MALAYSIA FUND	1,941,000	0.36
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	1,920,000	0.36
28	TAN PU YEAN	1,909,100	0.36
29	AMANAHRAYA TRUSTEES BERHAD AFFIN HWANG PRINCIPLED GROWTH FUND	1,668,200	0.31
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB ISLAMIC BALANCED GROWTH FUND(230122)	1,657,700	0.31
		431,232,710	80.60

List of **Properties**

PROPERTIES	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Buildling (Years)	Net Book Value as at 30 June 2016 (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	14	6,280	3 Sep 2001 (Date of last valuation: 1 Jul 2010)
No. 11, Jalan Pengatucara U1/51I Seksyen U1 40150 Shah Alam Selangor Darul Ehsan	Semi-detached villa (midst of sale)	12,490	Freehold	2	4,532	1 Oct 2015
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	15	2,132	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	15	2,132	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	15	746	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	12	334	09 Feb 2001
No. 4, Jalan PJ16D/5 Precinct 16 62150 Putrajaya Wilayah Persekutuan Putrajaya	Town house (rental income)	1,693	Freehold	12	261	09 Feb 2001
23, Lorong Cakera Purnama 12/23 Section 12 42300 Bandar Puncak Alam Selangor Darul Ehsan	Terrace house (midst of sale)	1,080	Leasehold for 99 years and expiring on 15 Jul 2109	13	123	12 Sep 2005

List of **Properties** (Continued)

PROPERTIES	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Buildling (Years)	Net Book Value as at 30 June 2016 (RM '000)	Date of Acquisition
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	11	118	17 Jul 2006
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	14	80	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	13	77	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	10	71	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	10	64	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	10	64	13 Sep 2004
20-2F Jalan 4/154D Taman Desa Cheras 56000 Kuala Lumpur	Shop apartment (vacant)	771	Freehold	13	64	8 May 2001
32-1R Jalan 4/154D Taman Desa Cheras 56000 Kuala Lumpur	Shop apartment (staff accomodation)	737	Freehold	13	62	8 May 2001
36-1R Jalan 4/154D Taman Desa Cheras 56000 Kuala Lumpur	Shop apartment (staff accomodation)	737	Freehold	13	62	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	10	56	13 Sep 2004

Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting ("4th AGM") of the Company will be held at Function Room 1 & 2, Level 1, Main Lobby, TPC Kuala Lumpur (formerly known as Kuala Lumpur Golf & Country Club), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on **Wednesday, 23 November 2016** at **10:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2016 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 RM152,000.00 for the financial year ending 30 June 2017. ***(Ordinary Resolution 1)***

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

   (a) Ms The Kun Ann ***(Ordinary Resolution 2)***

   (b) Mr Krishnan A/L C K Menon ***(Ordinary Resolution 3)***

4. To re-appoint Messrs KPMG as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration. ***(Ordinary Resolution 4)***

AS SPECIAL BUSINESS:

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

5. **Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965**

   "**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." ***(Ordinary Resolution 5)***

6. **Proposed Amendments to the Articles of Association of the Company**

   "**THAT** the proposed amendments to the Articles of Association of the Company as set out in the Annexure A be and is hereby approved and adopted." ***(Special Resolution 1)***

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: 28 October 2016

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 15 November 2016. Only a depositor whose name appears on the Record of Depositors as at 15 November 2016 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 Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, 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.*

10. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by poll.*

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 2 of the Agenda – Ordinary Resolution 1
Directors' Fees for the financial year ending 30 June 2017

The Directors' Fees proposed for the financial year 2017 are calculated based on the number of scheduled Board and Committee meetings for 2017 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 5 of the Agenda – Ordinary Resolution 5
Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 5 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.

Item 6 of the Agenda – Special Resolution 1
Proposed Amendments to the Articles of Association of the Company

The proposed amendments to the Articles of Association of the Company is to bring the Articles of Association of the Company to be in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to enhance administrative efficiency.

Annexure "A"

The existing Articles of Association of the Company is proposed to be amended as set out below:

Existing Article	Proposed Amended Article
Article 91 A resolution put to vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the Act, a poll may be demanded: (1) by the Chairman; or (2) by at least five (5) Members having the right to vote at the meeting in person or by proxy; or (3) by a Member or Members representing at least one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting; or (4) by a Member or Members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to at least one-tenth (1/10) of the total sum paid on all the shares conferring that right, and a demand by a person as proxy for or attorney of a Member (whether individual, corporate or otherwise) or as duly authorised representative for a corporate Member shall be the same as a demand by the Member. Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.	Article 91 A resolution put to vote **on the election of a Chairman of meeting or on adjournment of meeting** at a meeting shall be decided by a show of hands ~~unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the Act, a poll may be demanded~~: **and shall be taken forthwith. Any resolution set out in the notice of any general meeting or which may properly be moved at a general meeting shall be voted on in accordance with the provisions of the Listing Requirements of the Exchange. Resolutions may be moved:** (1) by the Chairman; or (2) by at least five (5) Members having the right to vote at the meeting in person or by proxy; or (3) by a Member or Members representing at least one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting; or (4) by a Member or Members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to at least one-tenth (1/10) of the total sum paid on all the shares conferring that right, and a demand by a person as proxy for or attorney of a Member (whether individual, corporate or otherwise) or as duly authorised representative for a corporate Member shall be the same as a demand by the Member. ~~Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.~~
Article 92 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.	Article 92 ~~The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.~~

Annexure "A" (Continued)

Article 93 A poll shall be taken as the Chairman directs (including (without limitation) the use of ballot or voting papers or tickets) and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.	Article 93 A poll shall be taken as the Chairman directs (including ~~(~~without limitation) the use of ballot or voting papers or tickets **and may be carried out electronically**) and he may appoint scrutineers (who ~~need not be Members~~ **must fulfil the requirements as specified in the Exchange's Listing Requirements**) and fix a time and place for **the conduct as well as** declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. **Where a resolution is passed at an adjourned meeting, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed.**
Article 95 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.	Article 95 ~~A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.~~
Article 96 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) clear days' notice shall be given specifying the time and place at which the poll is to be taken. Such notice shall be given (except for the period of notice) as in the case of the meeting at which the poll was demanded or (if such meeting was an adjourned meeting) as in the case of the original meeting.	Article 96 ~~No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) clear days' notice shall be given specifying the time and place at which the poll is to be taken. Such notice shall be given (except for the period of notice) as in the case of the meeting at which the poll was demanded or (if such meeting was an adjourned meeting) as in the case of the original meeting.~~

Article 98 Subject to Article 78 or to any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, on a show of hands, every Member or a holder of preference shares who: (1) being an individual, is present in person or by proxy or attorney; or (2) being a corporation, is present by a duly authorised representative or by proxy or attorney, and on a show of hands every eligible Member or a holder of preference shares shall have one (1) vote except where he has been appointed by more than one member entitled to vote on the resolution and he has been instructed:- i. by one or more of those Members to vote for the motion and by one or more of those members to vote against the motion; or ii. by one or more of those Members to vote in the same way on the motion (whether for or against) and one or more of those Members has given him the discretion as to how to vote in which case, he shall have one (1) vote for and one (1) vote against the motion and on a poll every Member shall have one (1) vote for every share of which he is the holder. On a poll votes may be given either personally or by proxy or by attorney or by a duly authorised representative of a corporate Member. A proxy shall be entitled to vote on a show of hands on any question at any general meeting.	Article 98 Subject to Article 78 or to any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, on a show of hands, every Member or a holder of preference shares who: (1) being an individual, is present in person or by proxy or attorney; or (2) being a corporation, is present by a duly authorised representative or by proxy or attorney, and on a show of hands every eligible Member or a holder of preference shares shall have one (1) vote except where he has been appointed by more than one member entitled to vote on the resolution and he has been instructed:- i. by one or more of those Members to vote for the motion and by one or more of those members to vote against the motion; or ii. by one or more of those Members to vote in the same way on the motion (whether for or against) and one or more of those Members has given him the discretion as to how to vote in which case, he shall have one (1) vote for and one (1) vote against the motion and on a poll every Member shall have one (1) vote for every share of which he is the holder. On a poll votes may be given either personally or by proxy or by attorney or by a duly authorised representative of a corporate Member. A proxy shall be entitled to vote on a show of hands ~~on any question~~ at any general meeting.

Annexure "A" (Continued)

Article 104

An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the Directors may approve) and shall be deemed to include the right to demand or join in demanding a poll:

No of Shares Held

ECONPILE HOLDINGS BERHAD (1017164-M)

I/We*, ……… of ……… being a Member of the abovenamed Company, hereby appoint ……… of ……… or failing whom, ……… of ……… or failing whom, the Chairman of the meeting as my/our* proxy to vote for me/us and on my/our behalf at the (annual or extraordinary as the case may be) general meeting of the Company, to be held at ………(place of meeting) on the ……… day of ……… at ……… (time of meeting) and, at every adjournment thereof.

My/our proxy/ proxies is/are to vote as indicated hereunder:

No.	Resolution	For	Against

Signed this _______ day of _______, 20_______.

……………………………..
Signature of Shareholder

** To delete, whichever not applicable*

Article 104

~~An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor~~ **The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised** and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the Directors may approve)**:** ~~and shall be deemed to include the right to demand or join in demanding a poll:~~

No of Shares Held

ECONPILE HOLDINGS BERHAD (1017164-M)

I/We*, ……… of ……… being a Member of the abovenamed Company, hereby appoint ……… of ……… or failing whom, ……… of ……… or failing whom, the Chairman of the meeting as my/our* proxy to vote for me/us and on my/our behalf at the (annual or extraordinary as the case may be) general meeting of the Company, to be held at ………(place of meeting) on the ……… day of ……… at ……… (time of meeting) and, at every adjournment thereof.

My/our proxy/ proxies is/are to vote as indicated hereunder:

No.	Resolution	For	Against

Signed this _______ day of _______, 20_______.

……………………………..
Signature of Shareholder

** To delete, whichever not applicable*

A proxy may but need not be a Member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

Article 106 An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall: (1) be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote; or (2) in the case of a poll taken more than twenty-four (24) hours after it is demanded be deposited in the manner stated in Article 93 after the poll has been demanded and at least twenty-four (24) hours before the time appointed for the taking of the poll; or (3) where the poll is not taken forthwith but is taken not more than twenty-four (24) hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Secretary or to any Director or to the Chairman. Such a power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted. A Member is not precluded from attending the meeting in person after lodging the instrument of proxy, however, such attendance shall automatically revoke the authority granted to the proxy.	Article 106 An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall~~:~~ **be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote or in the case of a poll taken at an adjourned meeting not less than 24 hours before the time appointed for the taking of a poll.** ~~(1) be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote; or~~ ~~(2) in the case of a poll taken more than twenty-four (24) hours after it is demanded be deposited in the manner stated in Article 93 after the poll has been demanded and at least twenty-four (24) hours before the time appointed for the taking of the poll; or~~ ~~(3) where the poll is not taken forthwith but is taken not more than twenty-four (24) hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Secretary or to any Director or to the Chairman.~~ ~~Such a~~ **A** power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted. A Member is not precluded from attending the meeting in person after lodging the instrument of proxy, however, such attendance shall automatically revoke the authority granted to the proxy.

Annexure "A" (Continued)

Article 107 A vote given or poll demanded by proxy or attorney or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.	Article 107 A vote given or poll ~~demanded~~ **undertaken** by proxy or attorney or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting ~~or demanding a poll~~ unless notice of the determination was received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the vote is given or the poll ~~demanded~~ **taken** or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
Article 181 A copy of the reports by the Directors and auditors of the Company, the profit and loss accounts, balance sheets and group accounts (if any) (including all documents required by law to be annexed or attached to all or any of them) shall be sent (at least twenty-one (21) days before the general meeting at which they are to be laid) to all Members, holders of debentures and all other persons entitled to receive notices of general meetings under the Act or these Articles. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and auditors' reports shall not exceed four (4) Months.	Article 181 A copy of the reports by the Directors and auditors of the Company, the profit and loss accounts, balance sheets and group accounts (if any) (including all documents required by law to be annexed or attached to all or any of them) shall be sent (at least twenty-one (21) days before the general meeting at which they are to be laid) to all Members, holders of debentures and all other persons entitled to receive notices of general meetings under the Act or these Articles. ~~The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and auditors' reports shall not exceed four (4) Months.~~

ECONPILE Econpile Holdings Berhad (1017164-M)

Form of **Proxy**

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 Fourth Annual General Meeting of EHB to be held at Function Room 1 & 2, Level 1, Main Lobby, TPC Kuala Lumpur (formerly known as Kuala Lumpur Golf & Country Club), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on **Wednesday, 23 November 2016** at **10:00 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 ending 30 June 2017.		
2.	To re-elect Ms The Kun Ann as Director.		
3.	To re-elect Mr Krishnan A/L C K Menon as Director.		
4.	To re-appoint Messrs KPMG as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
5.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
Special Resolution			
1.	Proposed Amendments to the Articles of Association of the Company.		

(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 _____________________ 2016.

____

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 15 November 2016. Only a depositor whose name appears on the Record of Depositors as at 15 November 2016 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 Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, 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.*
10. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by poll.*

Please fold here

AFFIX
STAMP

THE SHARE REGISTRAR
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Please fold here

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(1017164-M)

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