ECONPILE HOLDINGS BERHAD
(1017164-M)

2017
ANNUAL REPORT

Piling and
Foundation specialist

Table Of Contents

Cover Rationale

As Econpile marks its 30th anniversary, there is no better way to begin the next 30 years than by building upon its long-standing achievements in the deep foundation industry. One of our accomplishments in 2017 is the ongoing piling works for the Oxley Towers KLCC at Jalan Ampang, adjacent to the iconic Petronas Twin Towers. The showcased Bauer BG50 rotary drilling rig is our finest and most powerful piece of equipment. At an operating weight of 240 tonnes and around 500kNm of torque, the machine has helped us to construct large diameter bored piles with diameter up to 3.0m and with length exceeding 100m in difficult soil conditions.

As we look forward to the future with new undertakings and destinations, we will never lose sight of our past, for it has laid the groundwork for our success.

Three Decades of Experience

1980 - 1989

01

1987
Econpile founded with core business in driven piling.

02

EARLY

1990s
Start of specialist bored pile and substructure works.

1990 - 1999

03

LATE

1990s
Start of larger scale foundation works, spurred by Putrajaya development.

04

EARLY

2000s
Set up of workshop for in-house repair and maintenance of piling fleet.

2000 - 2009

05

MID

2000s
Start of deep basement construction works in Kuala Lumpur city centre using top-down construction method.

06

MID

30 June 2014
Listed on Bursa Malaysia.

2010 - 2019

07

2016
Secured contracts with individual values in excess of RM200 million each.

08

2017
Awarded a project with contract sum exceeding RM500 million to construct an 8-level basement structure in Kuala Lumpur.

THREE DECADES
of breaking
new ground

2017 marks the 30th anniversary of Econpile

Established in 1987, Econpile has grown from strength to strength to become one of the leading piling and foundation specialists in Malaysia. Today, we are an integrated engineering and construction service provider capable of offering 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.

We have constructed countless piles and foundations in all types of ground to support high-rise buildings and infrastructure developments in the past 30 years. Notably, our experience as a one-stop contractor in constructing deep basements in challenging urban landscapes is unrivalled in the industry.

For the next 30 years and beyond, we will continue to build upon our past accomplishments to achieve continuous improvement in our services, efficiency and quality.

KEY PERFORMANCE INDICATORS FY2017

REVENUE
RM581.9 million
with 25.9% growth YOY

OPERATING PROFIT
+21.7%
to RM113.3 million

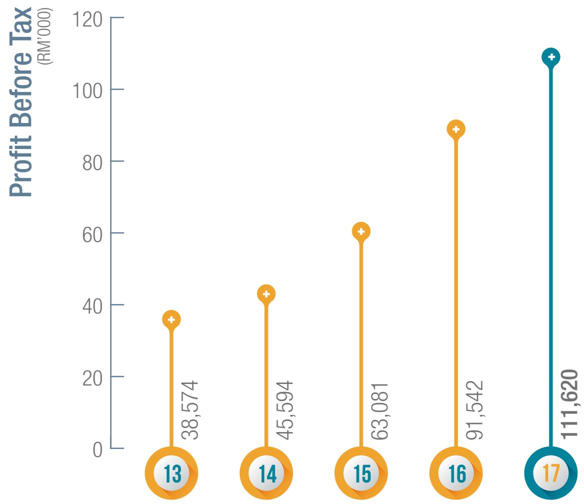
NET PROFIT
RM80.8 million
with 19.6% growth YOY

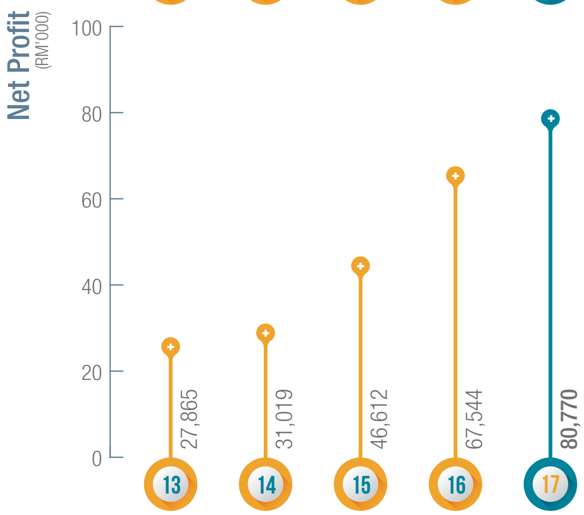
CASH GENERATED FROM OPERATIONS
+10.3%
to RM52.8 million

DIVIDEND PER SHARE
+28.6%
to 4.5 sen

EARNINGS PER SHARE
+19.6%
to 15.1 sen

Group Financial Highlights





Financial year ended 30 June	2017	2016	2015	2014	2013
Profitability (in RM'000)					
Revenue	581,910	462,061	428,980	418,688	386,066
Depreciation	24,558	19,991	17,955	14,565	12,621
Finance costs	1,701	1,573	1,058	1,759	1,626
Profit before tax	111,620	91,542	63,081	45,594	38,574
Profit before interest and tax	113,321	93,115	64,139	47,353	40,200
Profit before interest, tax and depreciation	137,879	113,106	82,094	61,918	52,821
Net profit for the year	80,770	67,544	46,612	31,019	27,865
Key Balance Sheet Data (in RM'000)					
Total assets	514,113	413,011	333,533	287,799	209,846
Shareholders' fund	303,951	247,257	200,003	166,766	88,741
Total borrowings	45,914	30,866	23,163	29,947	33,300
Issued share capital	136,006*	107,000	107,000	107,000	2,000
Share Information					
Earnings per share (sen)	15.10	12.63	8.71	6.97	1,393.25
Net assets backing (sen)	56.81	46.22	37.38	31.17	4,437.05
Gearing ratio (times)	0.15	0.12	0.12	0.18	0.38
Interest cover ratio (times)	66.62	59.20	60.62	26.92	24.72
Return on equity (%)	26.57	27.32	23.31	18.60	31.40

* Included in the issued share capital is RM29,005,561 which is reclassified from share premium in accordance with Section 618(2) of the Companies Act 2016

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)

Susie Chew Wei Wei (MAICSA 7054172)

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

Auditors

KPMG PLT (Firm No. LLP0010081-LCA & AF 0758)
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

Corporate Structure

Chairman's Statement

Dear Valued Shareholders,

"As Chairman of Econpile Holdings Berhad, I am immensely proud of our achievements in the financial year ended 30 June 2017 ("FY2017"), as we marked new technical benchmarks in the piling and foundation sector, and reached new heights in the Group's financial performance."

Krishnan A/L C K Menon
Chairman

Economic Review

In 2016, Malaysia registered a commendable Gross Domestic Product ("GDP") growth of 4.2%, shaped by improved commodity performance, higher private consumption and investment, as well as expanded export figures.

The value of works in the construction sector grew to RM166 billion in 2016 from RM140 billion in 2015, driven primarily by national infrastructure projects. It was also reported that the construction industry recorded an average growth of 11% during the 10th Malaysia Plan which spanned from 2011-2015, outpacing the performance of other industries in the country.

Future Outlook

The International Monetary Fund anticipates for Malaysia's local economic and financial environment to strengthen in 2017, with targeted GDP growth of 4.8%, anchored by commendable monetary policies and successful efforts to increase debt sustainability.

Meanwhile, the construction sector in Malaysia is targeted to grow to RM170 billion in 2017, fuelled by numerous mega infrastructure projects such as the Klang Valley Mass Rapid Transit 2, East Coast Railway Link, Pan Borneo Highway, the High Speed Rail, and many other transport-related undertakings.

However, like any other country in South East Asia, Malaysia is not shielded from international political and economic risks. Amongst others, hints of military maneuvers by neighbouring countries may have a negative impact on a global scale in terms of economic sentiment and/or foreign exchange volatility, thus potentially derailing public sector-funded projects.

Other than that, possible fluctuations in price of commodities such as steel, concrete and crude oil may also play a part in subduing the growth in this industry.

Despite these risks, we believe that the inherent prospects of the piling and foundation sector in Malaysia remains bright, with Malaysia firmly progressing forward towards larger population and rapid urbanization, befitting its drive to become a developed country. These intensifying trends have led to the need for increased urban infrastructures and high-rise buildings which inevitably require deep foundations. Therefore, we intend to place ourselves in the most optimum position to ensure that the Group would effectively capture the growth opportunities.

Corporate Exercise

On 6 September 2017, the Board of Directors announced three proposed corporate exercises:

- Proposed share split involving the subdivision of every one existing ordinary Econpile share into two Econpile shares;
- Proposed bonus issue of up to 267,500,005 new split shares on the basis of one bonus share for every four split shares;
- Proposed bonus issue of up to 267,500,005 free warrants in Econpile on the basis of one warrant for every four split shares held.

The proposed share split would result in an adjustment to the market price of Econpile shares to a more affordable entry level, thus potentially appealing to a wider group of investors to participate in the growth of the Company. At the same time, the proposed bonus issue aims to enhance the marketability and trading liquidity of Econpile shares.

The proposed bonus issue of warrants, at the illustrative exercise price of RM1.19 per warrant, would potentially raise RM318.3 million in proceeds for working capital requirements of the Group.

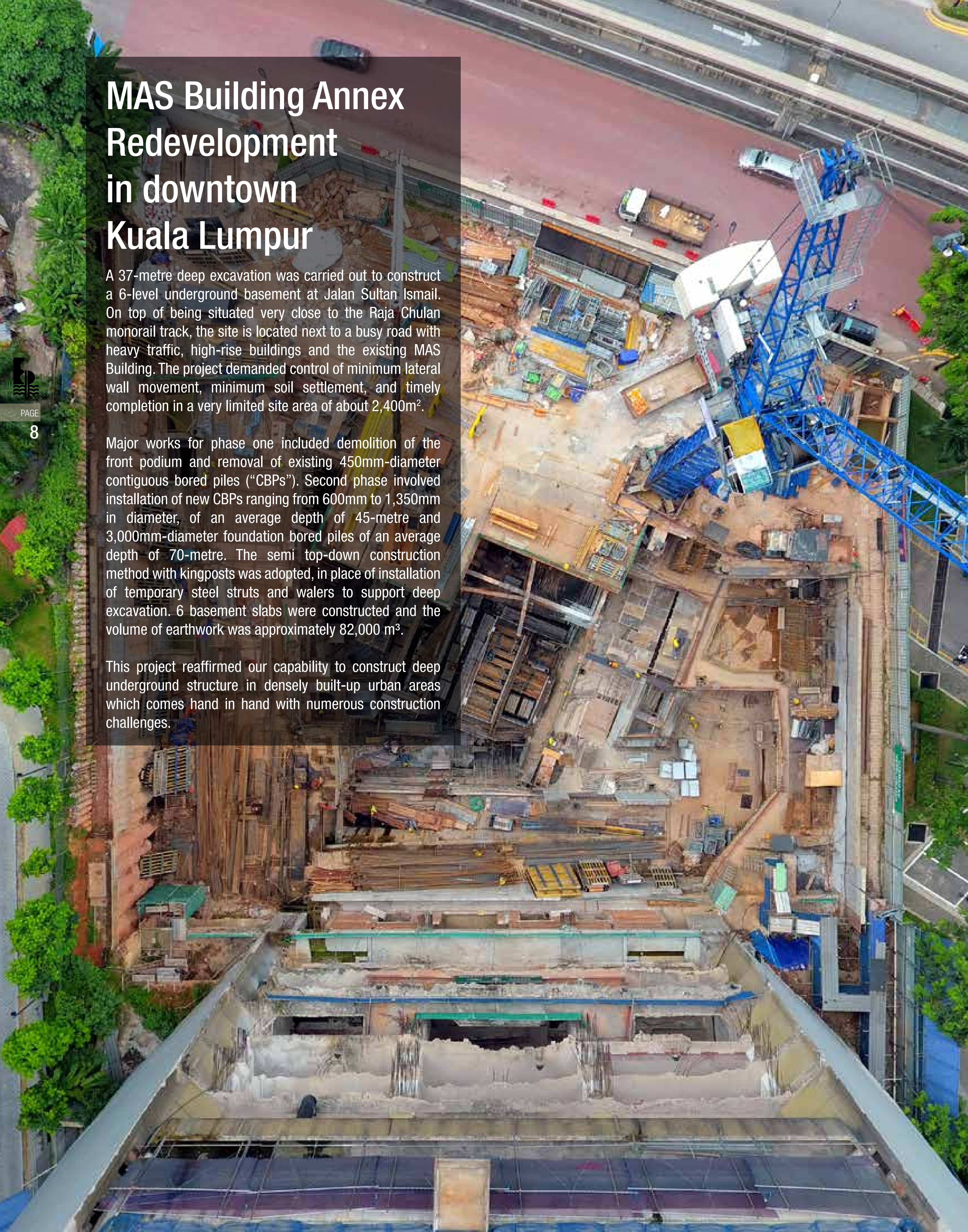
Upon completion of these corporate exercises, Econpile's share capital would potentially be enlarged from from 535 million shares to 1,605 million shares.

The corporate exercises are subject to approvals from shareholders at the upcoming Extraordinary General Meeting, as well as Bursa Malaysia Securities Berhad. Barring unforeseen circumstances, the proposals are expected to be completed in the second half of 2017.

Acknowledgement

On behalf of the Board, I would like to extend my sincerest gratitude and appreciation to the shareholders, clients, regulators, local authorities, consultants, suppliers and business partners who have contributed significantly to our success. We look forward to your continuous support and confidence as Econpile strives towards greater accomplishments ahead.

Krishnan A/L C K Menon
Chairman



MAS Building Annex Redevelopment in downtown Kuala Lumpur

A 37-metre deep excavation was carried out to construct a 6-level underground basement at Jalan Sultan Ismail. On top of being situated very close to the Raja Chulan monorail track, the site is located next to a busy road with heavy traffic, high-rise buildings and the existing MAS Building. The project demanded control of minimum lateral wall movement, minimum soil settlement, and timely completion in a very limited site area of about 2,400m^2.

Major works for phase one included demolition of the front podium and removal of existing 450mm-diameter contiguous bored piles ("CBPs"). Second phase involved installation of new CBPs ranging from 600mm to 1,350mm in diameter, of an average depth of 45-metre and 3,000mm-diameter foundation bored piles of an average depth of 70-metre. The semi top-down construction method with kingposts was adopted, in place of installation of temporary steel struts and walers to support deep excavation. 6 basement slabs were constructed and the volume of earthwork was approximately 82,000 m^3.

This project reaffirmed our capability to construct deep underground structure in densely built-up urban areas which comes hand in hand with numerous construction challenges.

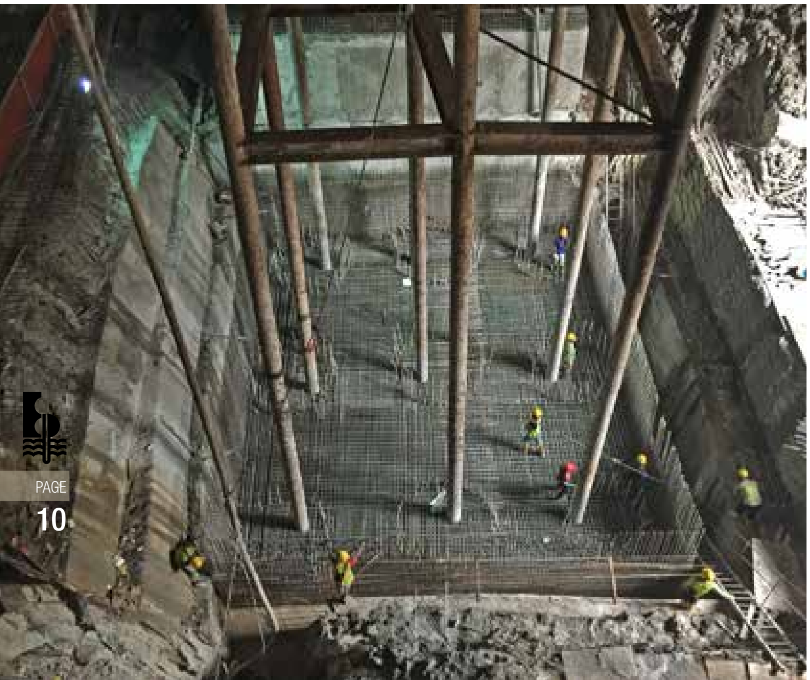
Management's Discussion and Analysis

The Cheng Eng
Group Managing Director

"We are pleased to report that FY2017 proved to be another commendable year for Econpile, as we marked our best-ever financial performance in our 30-year corporate history. This accomplishment speaks volumes of the team's determination and focus in the execution of our strategies."

Pang Sar
Executive Director/ Group Chief Executive Officer

Management's Discussion and Analysis (Continued)



Business And Operations

Econpile is a specialist provider of bored piling and deep foundation solutions, mainly for high-rise property developments and infrastructure projects in Malaysia.

The investment holding company has two wholly-owned subsidiaries, namely Econpile (M) Sdn Bhd ("ESB") and Tropical Broadway Sdn Bhd ("TBSB"). ESB undertakes piling and foundation services while its subsidiary Platinum Production Sdn Bhd ("PPSB") is engaged in property investment, namely the Group's full-fledged workshop in Rawang to carry out repair and maintenance of our fleet of machinery. The principal activity of TBSB is in property development.

As an integrated provider, Econpile offers a full suite of heavy foundation services, which typically includes bored piles, earth retaining systems and construction of substructures. Econpile is also equipped to offer cost and time-effective design-build solutions by engaging with its customers from the earliest stage of a project. Notable completed projects since inception include piling works for Pavilion shopping centre and Klang Valley Mass Rapid Transit, as well as deep basement works for Elite Pavilion and W Hotel and The Residences.

Share Performance (1 July 2016 to 30 June 2017)

Year High	RM2.51
Year Low	RM1.29
Year Close	RM2.50
Trading Volume	343.5 million
Market Capitalization as at 30 June 2017	RM 1,337.5 million

Management's Discussion and Analysis (Continued)

Financial Review

Group revenue in FY2017 rose 25.9% to RM581.9 million compared to RM462.1 million previously, driven by higher progress billings from ongoing projects.

Revenue from piling and foundation works for property developments contributed RM532.3 million or 91.5% of group revenue, rising 18.1% from RM450.9 million a year ago. The remaining RM49.6 million or 8.5% was derived from similar works for infrastructure and other projects, which increased 342.9% from RM11.2 million to RM49.6 million.

The strong growth in topline was reflected in gross profit as well, charting 17.9% increase to RM130.1 million in FY2017 compared to RM110.3 million previously. However, gross profit margin reduced 1.5 points to 22.4% in FY2017 from 23.9% a year earlier, as the Group bore the impact of higher steel prices particularly in the fourth quarter and depreciation cost for its machinery and equipment.

That said, the Group attained a higher degree of operational efficiency, as operating expenses were 7.5% lower to RM24.9 million from RM26.9 million a year ago. Finance costs increased 8.2% to RM1.7 million from RM1.6 million in line with higher borrowings to finance ongoing projects.

All things considered, the Group's ongoing efforts towards greater efficiency on-site as well as in the overall operations led to profit before tax jumping at a quicker rate of 21.9% to RM111.6 million in FY2017 from RM91.5 million earlier. In addition, the Group noted a one-off gain on disposal of properties, plant and equipment of RM1.1 million in FY2017.

Econpile marked a new benchmark in net profit, which improved by 19.6% to RM80.8 million from RM67.5 million.

Assets, Liabilities And Equity

The Group's total asset base grew substantially to RM514.1 million as at 30 June 2017 from RM413.0 million a year ago. The key factors for the significant jump were higher property plant and equipment amounting to RM98.1 million on the acquisition of additional machinery to expand the fleet, as well as increased trade and other receivables to RM347.4 million, in tandem with the revenue rise and higher retention sums from the completion of larger-ticket projects.

Cash and cash equivalents together with other investments rose to reach RM53.8 million as at 30 June 2017, from RM52.6 million a year ago.

The Group's total liabilities increased to RM210.2 million as at 30 June 2017 from RM165.8 million previously. This was primarily due to two factors: firstly, higher trade payables which increased to RM117.7 million from RM94.5 million a year ago in line with the larger ongoing project base; and secondly, higher total borrowings amounting to RM45.9 million versus RM30.9 million earlier, as the Group geared up to acquire bigger-capacity machinery and finance ongoing projects.

Management's Discussion and Analysis (Continued)

Assets, Liabilities And Equity (Continued)

The higher retained earnings pushed shareholders' equity to a healthy RM304.0 million, from RM247.3 million previously.

Capital Structure And Capital Resources

Econpile incurred RM42.1 million in capital expenditure ("CAPEX") for the year under review for the purchase of new machineries. These were mainly financed by internally generated funds.

Despite the increase in borrowings in FY2017, Econpile remains in a strong net cash position, allowing the Group sufficient flexibility to fund a larger project base, withstand any economic fluctuations, and/or capture future opportunities.

Dividend Policy

In respect of FY2017, the Board of Directors of Econpile had declared a first single-tier interim dividend of 1.5 sen per share, followed by a second single-tier interim dividend of 3.0 sen per share.

In total, Econpile had distributed total dividends of 4.5 sen per share in respect of FY2017. The dividend payout of approximately RM24.1 million represents 29.8% of FY2017 net profit, and adheres to the Group's minimum 20% dividend policy.

Operational Highlights

Econpile demonstrated our deep technical expertise in the piling and foundation sector once again in FY2017.

For one thing, we installed a record-breaking 3,000 millimetre diameter and 110 metre depth pile for Oxley Towers in Jalan Ampang, Kuala Lumpur. This was accomplished by utilising the powerful Bauer BG50 drilling rig - one of very few units available worldwide, and the first to be brought into Malaysia.

Additionally, we were involved in the basement works for the upgrading and redevelopment of the Malaysia Airline System Building in Jalan Sultan Ismail, Kuala Lumpur. We were tasked with the demanding job of constructing a 37-metre deep six-level underground basement in a busy inner city location surrounded by high-rise buildings and monorail track. Compounding the challenge, the site measures only 0.6 acre which rendered extremely limited working space for us. Semi top-down construction method was adopted and this system has been proven effective in controlling the retaining wall deflections and adjacent ground deformations, while attaining a timely construction period.

Management's Discussion and Analysis (Continued)

Operational Highlights (Continued)

In the same vein, FY2017 saw the completion of our scope of work for the Arte Mont Kiara project. The four-level basement located below three (3) towers was completed by employing a combination of both bottom-up and top-down methods. The buildings were already constructed up to ninth floor while works at the lowest basement floor were still ongoing. Significant reduction of overall construction time was made possible with both above and below ground activities running simultaneously.

The piling works are in full swing for Pavilion Damansara Heights project. As the mix-development is built on demolished grounds of office blocks, our scope of work also includes removal of existing underground obstructions. Specialised equipment such as casing rotator and heavy-duty clamp are currently deployed to remove thousands of existing piles below the surface. This mega project will see us completing an eight-level basement, the deepest parking structure in Malaysia thus far, in the next two (2) years.

Growth Strategies

While mindful of numerous potential challenges in the coming year, we are confident of riding the anticipated uptrend of the construction sector in Malaysia, spurred by various public and private sector investments into iconic buildings, property developments, and high-impact transport-related infrastructure projects.

Armed with a strong track record spanning three decades, Econpile is today richly equipped with deep expertise within the management team, a sizable and highly-capable fleet, and a healthy desire for constant innovation and improvement.

We certainly intend to strengthen our market position even more securely by implementing the following strategies:

- **Tendering for more piling and foundation contracts**
  Malaysia is entering an exciting era where the next wave of infrastructure and property developments are now necessary to cater to a larger population and facilitate efficient mass transit. Econpile has undertaken similar works for such high-impact projects such as the KVMRT as well as numerous railway and highway developments. Moving forward, the Group will continue to tender for more contracts to strengthen its order book, which stood at RM1.3 billion as at 30 June 2017.

- **Undertake constant investment into machinery**
  The growing number of technically-challenging buildings and developments in Malaysia necessitate consistent investments into enhancing our machinery fleet to increase its capacity and overall efficiency. To this end, Econpile has allocated RM30 to RM40 million in capital expenditure in the financial year ending 30 June 2018 ("FY2018") to expand the Group's fleet of machinery, thus enlarging our overall capability in line with market demand.

- **Upgrading workforce capability**
  The Group is also training its workers and improving business processes to enhance overall operational efficiency. It is envisioned that these initiatives would bode well in boosting our bottomline in a sustainable manner.

Appreciation

We would like to convey our appreciation to the Board, management team, and our employees for your commitment towards delivering commendable results despite the challenging business environment. Econpile's achievements today would not be made possible without your efforts. Together, let us steer the Group towards attaining even greater success.

Sincerely,

The Cheng Eng
Group Managing Director

Pang Sar
Executive Director/ Group Chief Executive Officer

Directors' Profile

KRISHNAN A/L C K MENON

Independent Non-Executive Chairman

Mr Krishnan A/L C K Menon, a Malaysian aged 67, 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 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 2017. He has no family relationship with any director or substantial shareholder of the Group. He has not been convicted of any offences within the past five (5) years nor has he been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

THE CHENG ENG

Group Managing Director

Mr The Cheng Eng, a Malaysian aged 69, is our founder and Group Managing Director. He is also a substantial shareholder of the Group. He was appointed to our Board on 8 October 2013. As our founder and Group Managing Director, he is responsible for senior oversight of operations as well as directing growth and strategic direction of the Group.

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

Mr The has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2017. He is the father of Ms The Kun Ann, an Executive Director of the Group. He has not been convicted of any offences within the past five (5) years nor has he been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

PANG SAR

Executive Director/ Group Chief Executive Officer

Mr Pang Sar, a Malaysian aged 59, is our Executive Director and Group Chief Executive Officer. He is also a substantial shareholder of the Group. He was appointed to our Board on 8 October 2013. He is responsible for managing the day-to-day operations as well as establishing the overall strategic direction for the Group. He graduated with a Bachelor of Science with Honours Degree in Civil Engineering from University of Leeds, United Kingdom. He is a member of the Institution of Engineers, Malaysia, and a Registered Professional Engineer with the Board of Engineers, Malaysia.

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

Mr Pang has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2017. He has no family relationship with any director or substantial shareholder of the Group. He has not been convicted of any offences within the past five (5) years nor has he been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

THE KUN ANN (f)

Executive Director

Ms The Kun Ann, a Malaysian aged 37, 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. She has not been convicted of any offences within the past five (5) years nor has she been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

ONG POAY WAH @ CHAN POAY WAH (f)

Senior Independent Non-Executive Director

Ms Ong Poay Wah @ Chan Poay Wah, a Malaysian aged 49, 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.

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

Ms Ong has attended all the Board meetings held during her tenure in office for the financial year ended 30 June 2017. She has no family relationship with any director or substantial shareholder of the Group. She has not been convicted of any offences within the past five (5) years nor has she been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

DATO' ROSLI BIN MOHAMED NOR

Independent Non-Executive Director

Dato' Rosli Bin Mohamed Nor, a Malaysian aged 58, 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, property 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 2017. He has no family relationship with any director or substantial shareholder of the Group. He has not been convicted of any offences within the past five (5) years nor has he been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

Key Senior Management Profile

Mr Ng Heng Heem, a Malaysian aged 61, is our Senior General Manager (Contracts). He is responsible for the management, execution and monitoring of tender and contract functions of the Group. He graduated with a Bachelor of Quantity Surveying (Honours) from University of Technology Malaysia in 1979. He is a member of the Royal Institution of Surveyors, Malaysia and a professional member of the Royal Institution of Chartered Surveyors. He is also a registered Quantity Surveyor registered with Lembaga Juruukur Bahan Malaysia. He possesses over thirty five (35) years of experience in contract administration and quantity surveying in the construction sector.

He has no family relationship with any director or substantial shareholder of the Group. He has not been convicted of any offences within the past five (5) years nor has he been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

Mr Choo King Hwa, a Malaysian aged 56, is our Senior General Manager (Projects). He is responsible for the monitoring and management of site technical activities of our Group. He graduated with a Bachelor of Civil Engineering with Honours Degree from Monash University, Australia in 1985. He has over thirty (30) years of experience in a variety of technical and managerial roles locally and internationally, involving in tendering, design and all the way through to completion of construction of projects.

He has no family relationship with any director or substantial shareholder of the Group. He has not been convicted of any offences within the past five (5) years nor has he been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

Mr Bin Lay Thiam, a Malaysian aged 47, is our Senior General Manager (Finance). He is responsible for directing the financial and accounting operations of the Group. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants.

He has over fifteen (15) years of experience in holding finance management positions in several public listed companies.

He is presently an Independent Non-Executive Director of Harbour-Link Group Berhad.

He has no family relationship with any director or substantial shareholder of the Group. He has not been convicted of any offences within the past five (5) years nor has he been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 30 June 2017.

Note:
1. All Directors and Key Senior Management do not have any conflict of interest with the Company.

2. Save as disclosed, the Directors and Key Senior Management do not hold any directorship in public companies and listed issuers.

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 to 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 primarily responsible for the overall business of the Group. Their profiles are set out on pages 14 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. The policy applies to all members of the Board, the Executive Directors and senior management. 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 Board is in the midst of establishing a Code of Conduct and Ethics which would set out the policies and principles of conduct to be followed by the Directors, management and employees.

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 14 to 15 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 is the Senior Independent Director, 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 Director 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
Krishnan A/L C K Menon	Independent Non-Executive Chairman	5/5
Dato' Rosli Bin Mohamed Nor	Independent Non-Executive Director	5/5
Ong Poay Wah @ Chan Poay Wah	Senior Independent Non-Executive Director	5/5
The Cheng Eng	Group Managing Director	5/5
Pang Sar	Executive Director and Group Chief Executive Officer	5/5
The Kun Ann	Executive Director	5/5

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

Statement On Corporate Governance (Continued)

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 has engaged external qualified company secretaries from Tricor Corporate Services Sdn. Bhd. The Company Secretaries are qualified to act as company secretary under Section 135 of the Companies Act 2016 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 advise 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 play 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 attend all shareholders, Board and Committee meetings and ensure 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.

Appointment to the Board

The Nomination Committee is responsible to identify candidates to the Board if vacancy arises or if there is a need to appoint additional directors to strengthen the composition of the Board. The Nomination Committee may identify candidates through various methods, including recommendation from directors, senior management and shareholders. Upon receipt of the proposal, the Nomination Committee is responsible to conduct assessment and evaluation on the proposed candidate.

The members of the Board have remained unchanged since the Company's listing on Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 30 June 2014. Whilst currently there are no criteria set for selection, evaluation and nomination of director candidate, due consideration will be given to ensure compliance with regulatory requirements such as Companies Act 2016 and Listing Requirements for any new appointment to the board.

General competencies and characteristics that are considered favourable for directorships include personal and professional integrity; intelligence and independent judgment; broad training and experience in strategic planning; strong interpersonal and communication skills; a commitment to serve on the Board for considerable length of time to develop knowledge about the Group's strategy and operations; a willingness to evaluate management performance objectively; and the absence of activities or interests that could conflict with the director's responsibilities to the Group.

Following the Nomination Committee's initial review of a candidate's qualifications and legal and background checks on the proposed candidate, the evaluation process may include, at the Nomination Committee's discretion, subsequent interviews with the Committee members, the Chairman of Board and/or the Company's senior management.

Upon completion of evaluation of the proposed candidate, the Nomination Committee would make its recommendation to the Board. Based on the recommendation of the Nomination Committee, the Board would evaluate and decide on the appointment of the proposed candidate. The Chairman of the Board would then make an invitation or offer to the proposed candidate to join the Board as a director. With the acceptance of the offer, the candidate would be appointed as director of the Company.

A. Board of Directors (Continued)

Re-Election of Directors

In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office at each Annual General Meeting ("AGM") and all Directors shall retire from office at least once in every three years but may offer themselves for re-election.

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 to assist 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 accessible at the Company's website at www.econpile.com and further details on the ARMC are contained in the Audit and Risk Management Committee Report on pages 32 to 34 in this annual report.

(b) Nomination Committee

The Nomination Committee comprises 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 twice 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 Board Diversity Policy;

(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 AGM;

(d) Tabled the findings of the assessments on the Board as a whole, the Committees of the Board, the contribution of each individual Director and the independence of each independent Director; and,

(e) Reviewed the training attended by each Director.

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

Statement On Corporate Governance (Continued)

A. Board of Directors (Continued)

Board Committees (Continued)

(b) Nomination Committee (Continued)

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 assessment criteria include but not limited to integrity, strategic perspectives, commitment, communication ability and value-adding contribution.

As for independent directors, the assessment of their independence is 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.

The breakdown of the Board by gender, age and ethnicity as at 30 June 2017 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 Company has a Board Diversity Policy with the objective to ensure that the Board has the diversity of perspectives, experience and skills necessary for effective oversight of the Group. Diversity includes, but is not limited to, gender, age and ethnicity. The Board is committed to maintain at least 30% 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 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 comprises 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 personnel. The full terms of reference of the Remuneration Committee are available on the Company's website at www.econpile.com.

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 staff, key management personnel and Executive Directors for the financial year ended 30 June 2017.

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

A. Board of Directors (Continued)

Board Committees (Continued)

(c) Remuneration Committee (Continued)

The remuneration of Executive Directors is made up of basic salaries, other benefits and annual performance bonuses; and is linked to their individual contribution towards achievement of the Company's objectives and performance, whilst taking into account current market conditions and the Company's financial position.

For Non-Executive Directors, their remuneration consist of directors' fees and meeting allowances. To compensate for additional responsibility, the Chairmen of the Board and Committees are compensated at levels higher than other members. Different levels of fees are also paid in respect of the different Board Committees, based on the complexity and amount of preparation and level of responsibility required.

The Company would formalise policies and procedures to determine the remuneration of Directors and senior management moving forward.

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 2016. 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.

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	5th Petronas Board Audit Committee Forum – Audit as a Partner of Change	Petroliam Nasional Berhad
	Internal Control and Fraud Prevention Seminar 2016 – Combatting Internal Fraud by Implementing Internal Control Mechanisms	Federation of Public Companies Berhad
	PETRONAS Board Excellence #2 – Effective Strategy for Stakeholders Management	Malaysian Directors Academy
	Cost, Risk and Brand – The Director's Role in Protecting the Company Against Corruption	Malaysian Institute of Corporate Governance
	Business Sustainability – In-House Training Programme for Econpile Holdings Berhad	Tricor Knowledge House Sdn Bhd
The Cheng Eng	Tunnelling and Underground Space Engineering	IEM Training Centre Sdn Bhd
	3rd International Green Workshop and Exhibition - Green Energy and Environment with Innovative Infrastructure and Building Design	IEM Training Centre Sdn Bhd
	Business Sustainability – In-House Training Programme for Econpile Holdings Berhad	Tricor Knowledge House Sdn Bhd
	Southeast Asian Conference and Exhibition in Tunnelling And Underground Space 2017 – Innovation and Sustainable Underground Space Development	IEM Training Centre Sdn Bhd

A. Board of Directors (Continued)

Board Committees (Continued)

(c) Remuneration Committee (Continued)

Directors' Training (Continued)

Name	Training/Course/Conference Title	Organised by
Pang Sar	Tunnelling and Underground Space Engineering	IEM Training Centre Sdn Bhd
	3rd International Green Workshop and Exhibition - Green Energy and Environment with Innovative Infrastructure and Building Design	IEM Training Centre Sdn Bhd
	Business Sustainability – In-House Training Programme for Econpile Holdings Berhad	Tricor Knowledge House Sdn Bhd
	Southeast Asian Conference and Exhibition in Tunnelling And Underground Space 2017 – Innovation and Sustainable Underground Space Development	IEM Training Centre Sdn Bhd
The Kun Ann	Environmental, Social and Governance Seminar for FTSE4Good Bursa Malaysia Index	Bursa Malaysia
	Launch of the AGM Guide and Corporate Governance Breakfast Series – How to Leverage on AGMs for Better Engagement with Shareholders	Bursa Malaysia
	Business Sustainability – In-House Training Programme for Econpile Holdings Berhad	Tricor Knowledge House Sdn Bhd
	Sustainability Engagement Series for Directors/Chief Executive Officer of Listed Issuers	Bursa Malaysia
	Sustainability Statement Reporting	Bridgit Sdn Bhd
	Sustainability Engagement Series for Practitioners / Preparers of Sustainability Statement 2017	Bursa Malaysia
Ong Poay Wah @ Chan Poay Wah	Business Sustainability – In-House Training Programme for Econpile Holdings Berhad	Tricor Knowledge House Sdn Bhd
Dato' Rosli Bin Mohamed Nor	Business Sustainability – In-House Training Programme for Econpile Holdings Berhad	Tricor Knowledge House Sdn Bhd
	Fundamentals of Bank Financial Statement Analysis	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.

B. Directors' Remuneration (Continued)

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:

Received from the Company

Range of Remuneration	Number of Directors Executive	Non- Executive
RM1-RM50,000	1	1
RM50,001-RM100,000	-	2
RM100,001- RM150,000	2	-

Received on Group Basis

Range of Remuneration	Number of Directors Executive	Non- Executive
RM1-RM50,000	-	1
RM50,001 - RM100,000	-	2
RM400,001 - RM450,000	1	-
RM2,200,001 - RM2,250,000	2	-

Received from the Company

Remuneration Components	Executive Directors	Non-Executive Directors
Directors' Fees	-	RM152,000
Salaries	RM310,035	-
Meeting Allowances & Other Emoluments	RM7,500	RM19,950
Benefit-in-kind	-	-

Received on Group basis

Remuneration Components	Executive Directors	Non-Executive Directors
Directors' Fees	-	RM152,000
Salaries and Bonuses	RM4,825,875	-
Meeting Allowances & Other Emoluments	RM7,500	RM19,950
Benefit-in-kind	RM87,800	-

Statement On Corporate Governance (Continued)

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. In addition, the Group also engages in regular 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 this financial information, 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.

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 2016.

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 of the Group on an ongoing basis. The risks were identified through a series of 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 28 in the Statement on 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 pages 33 to 34 of this annual report.

D. Accountability and Audit (Continued)

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 KPMG PLT 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 auditors is renewable every year subject to satisfactory performance.

As at the date of this Statement, the Board has adopted a policy to assess the suitability, objectivity and independence of the external auditors.

Corporate Social Responsibility

The Group recognises and adopts Corporate Social Responsibility ("CSR") as part of its business operations by implementing various measures in our operations.

(a) Environment

In an effort to control the key management functions of quality, together with environment and safety with maximum effectiveness and minimum bureaucracy, the Group is in the process of putting in place an integrated management system in compliance with international standards ISO 9001: 2015 , ISO 14001: 2015 and OSHAS 18001:2007 . The Group sees the integrated approach as an effective way of handling the multitude of management functions and procedures that are conducted throughout projects. In particular, being in compliance with ISO 14001 shall codify the Group's commitment to environmental responsibility.

During the year under review, particular focus was given to the introduction of durable and reusable systems at project sites whenever practicable. For example, modular formworks were used in a number of projects for the casting of beams and slabs instead of conventional wood shuttering which has a short lifespan. In addition to a considerable reduction in construction waste generation, speed and efficiency were found to be increased due to lesser labour hours required.

The Group is continuously making its effort to design and research for better construction methods with less usage of raw materials so as to improve reuse and recycling rate.

(b) Community

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

(c) Workplace

The Group is committed to a continuous effort to improve the wellbeing of its employees. The Group provides and offers both internal and external training to continuously improve the skills and knowledge of its employees. Safety was a recurring, priority topic and emphasis was also placed on the facilitation of sharing of technical knowledge among different project teams.

In addition, the Group also organises various team-building social activities throughout the year to foster team spirit and a sense of belonging amongst employees. This is led mainly by its sports club which was established in the last financial year and is principally tasked to promote healthy lifestyles in the Group.. Tournaments were held in the sports of badminton, bowling and futsal. Other recreational activities such as Buka Puasa dinner, competition training sessions were also organised by the sports club during the year under review.

Statement On Corporate Governance (Continued)

D. Accountability and Audit (Continued)

Corporate Social Responsibility (Continued)

(c) Workplace (Continued)

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.

The breakdown of the workforce by gender, age and ethnicity as at 30 June 2017 are as follows:

Gender	
Male	413
Female	82
Age	
Under 30	197
30 to 50	242
Above 50	56
Ethnicity	
Malaysians	
• Malay	257
• Chinese	94
• Indian	13
• Others	0
Non- Malaysians	131

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 2017, 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 Statement.

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.

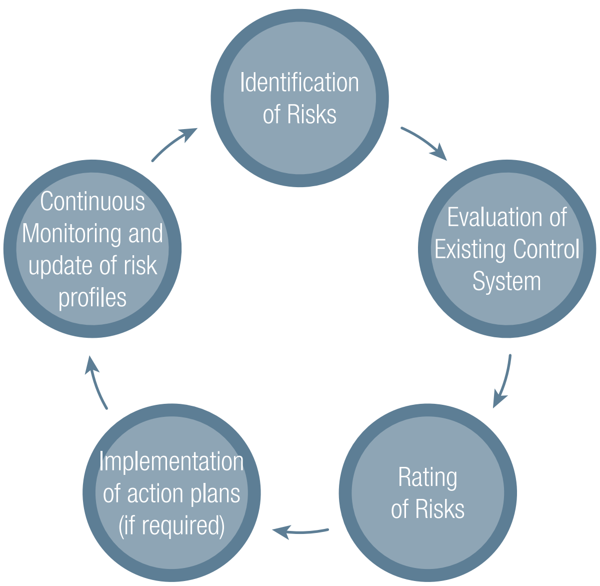
Risk Management Framework

Whilst the Board maintains ultimate control over risk and control issues, it has delegated to the Audit and Risk Management Committee ("the ARMC") to oversee the implementation of the system of risk management and internal control within established parameters and framework. The responsibility for identifying and managing the risks of each department lies with the respective Heads of Department.

The key risks relating to the Group's strategic matters are discussed at the board meetings on a quarterly basis. In addition, the responsibility for managing the risks of each department within the Group lies with the respective Heads of Department and it is during the monthly management meetings where significant risks identified and the corresponding internal controls implemented are communicated to the Executive Directors and senior management.

The risk register was updated by senior management, with the assistance of a professional services firm. Through this risk assessment update, which took into consideration the economic and business outlook, risks were identified, assessed and rated, and existing risks were also re-evaluated. Based on this risk assessment, the senior management has identified 3 key risks which are the shortage of workers, credit risk and slower debt collection and delays in the completion of project. In addition, senior management has also identified mitigating measures or action plans to be implemented to reduce these key risks. The updated risk register was presented to the ARMC and the Board on 25 August 2016.

The risk management process adopted in the updating of the risk register can be briefly summarised as follows:



Statement On Risk Management And Internal Control (Continued)

Risk Management Framework (Continued)

The key elements of this risk management process are as follows:

- Identify key risks associated with the Group's Mission and Vision, based on a list of sources of risks;
- Identify the existing controls that manage the identified risks;
- Confirm ownership and time lines for managing and monitoring the identified risks;
- Rate the identified risks in terms of likelihood of occurrence and the resulting impact on the organisation. The rating takes into account the effectiveness of existing controls put in place to manage the risks;
- Decide on the risk treatment and develop risk response to manage residual risks (if any); and
- Regular monitoring to ensure compliance and update the Group's existing key risk profile.

The above risk management process has been in place for the year under review and up to the date of the approval of this Statement.

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 2017, the outsourced Internal Audit function carried out an audit review in accordance with the risk-based internal audit plan reviewed and approved by the ARMC. The internal audit plan was developed taking into consideration the Group's risk profiles and concerns of senior management and the ARMC.

The results of the audit review were discussed with senior management and subsequently, the audit findings, including the recommendations for improvement were presented to the ARMC on 26 May 2017. In addition, follow up reviews 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.

The total costs incurred for the outsourcing of the Internal Audit function for the financial year ended 30 June 2017 was RM 50,135.88.

Other Key Elements of Internal Control

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

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

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

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

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

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

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

g) Some of the Group's operations, namely the provision of installation and testing of bored piles, micro piles and driven piles and construction of sub-structures, are ISO 9001:2008 certified. ISO audit was conducted by external parties in 2017 to ensure compliance with the standards of the certification. The ISO certificate was issued on 27 August 2017 and is valid up to 21 September 2018.

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, Group Chief Executive Officer and the Senior General Manager (Finance) that the Group's risk management and internal control system are operating adequately and effectively, in all material respects, based on the risk management and internal control system of the Group.

This statement is made in accordance with the Board's resolution dated 3 October 2017.

Additional Compliance Information

1. Utilisation of Proceeds

There were no corporate exercise or proposals to raise funds during the financial year ended 30 June 2017.

2. Non-Audit Fees

The amount of audit fees incurred by the Company and the Group paid to the external auditors for the financial year ended 30 June 2017 amounted to RM50,000.00 and RM174,500.00, respectively. The amount of non-audit fees incurred by the Company/Group paid to the external auditors for the financial year ended 30 June 2017 amounted to RM15,000.00.

3. Material Contracts

There were 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 comprises entirely Independent Non-Executive Directors who are financially literate and have accounting or related financial management expertise.

Dato' Rosli bin Mohamed Nor is a Director of Export-Import Bank of Malaysia Berhad ("EXIM Bank") and he had served as a member of its Board Audit Committee, and currently is a member of its Board Risk Committee, among other committees at EXIM Bank.

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 14 to 15 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	Designation	Meeting Attendance
Dato' Rosli Bin Mohamed Nor	Chairman	5/5
Krishnan A/L C K Menon	Member	5/5
Ong Poay Wah @ Chan Poay Wah	Member	5/5

The Executive Directors and the Senior General Manager (Finance) attended all meetings of the ARMC by invitation to express their views on matters under consideration by the ARMC, or which, in their opinion, should be brought to the attention of the ARMC.

The Company Secretary acts as the secretary of the ARMC. Deliberations during the ARMC meetings, including the issues discussed and the rationale for decisions were properly recorded. Minutes of the ARMC meetings were tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

B. Summary of Work Performed

The objective of ARMC is to assist the Board in fulfilling its statutory and fiduciary responsibilities towards maintaining adequate and effective risk management and internal control system. In furtherance of its oversight responsibilities, the ARMC has continued to review and report to the Board on the Group's financial reporting, internal control and risk management processes and the performance and independence of the external auditors during the financial year. Principal works performed by the ARMC were as follows:

Risk Management

(a) Reviewed the risk assessment report detailing updated key risk profile and corresponding controls put into effect to mitigate the identified risks.

External Audit

(a) Reviewed the audit findings on the statutory audit for the financial year ended 30 June 2017 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 their scope is adequate and to confirm their independence and objectivity.

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

Audit and Risk Management Committee Report (Continued)

B. Summary of Work Performed (Continued)

Financial Reporting

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

(b) Reviewed the progress of project costs and billings and the adequacy of impairment of trade receivables.

(c) Reviewed the integrity of information in the financial statements and quarterly reports, with particular focuses on changes in accounting policies and practices, significant adjustments resulting from audit, going concern assumption, completeness of disclosures and compliance with accounting standards.

(d) Held two private sessions with external auditors without the presence of the management on 26 May 2017 and 23 August 2017 to discuss issues encountered during the course of the audit and significant matters related to audit plan and strategy. There were no items identified that warranted escalation to the Board.

Internal Audit

(a) Reviewed and approved the annual risk based internal audit plan.

(b) Reviewed the internal audit reports and audit recommendations made by the internal auditors and the corresponding corrective actions taken by the management including the follow up reviews carried out to ensure satisfactory actions have been taken to address previously reported internal audit findings.

Others

(a) Reviewed the related party transactions entered into by the Group. The Group is responsible to ensure that related party transactions are appropriately approved and disclosed in the financial statements.

(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.

C. Summary of Activities of Internal Audit

The internal audit function of the Group was outsourced to a professional service firm which reported independently to the ARMC and its role encompasses the evaluation of the adequacy and effectiveness of the Group's internal control system to provide reasonable assurance to the members of the ARMC. The major internal audit activities undertaken during the financial year are as follows:

(a) Formulated the annual risk based audit plan which was presented to the ARMC for their review and approval.

(b) Reviewed the resource requirements for audit executions.

(c) Performed internal audit reviews in accordance with the approved annual audit plan.

(d) Reviewed the internal controls system and compliance with established policies and procedures as well as statutory requirements.

(e) Issued internal audit report incorporating audit recommendations and management response.

(f) Followed up on the implementation of corrective action plans to ensure satisfactory actions have been taken to address previous internal audit findings.

(g) Attended ARMC meetings to table and discuss the audit reports and followed up on matters raised.

Audit and Risk Management Committee Report (Continued)

C. Summary of Activities of Internal Audit (Continued)

The summary of business processes reviewed are as follows:

Entity	Business Process Reviewed
Econpile (M) Sdn Bhd	Project Management • Project Status and Cost Monitoring (including Application and Issuance of Extension of Time) • Manage the Issuance of Work Orders and Variation Orders • Sourcing of local and foreign workers • Progress Claims Processing (including Back Charges) • Credit Monitoring and Debt Collection • Payment Processing • Health and Safety Compliance

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 meeting. 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 meeting.

The ARMC and the Board are satisfied with the performance of the outsourced internal auditor. In the interest of greater independence and objectivity , the internal audit function will continue to be outsourced.

Financial Statements

Directors' Report
for the year ended 30 June 2017

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 2017.

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.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM	Company RM
Profit for the year	80,769,607	25,061,858

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, dividends paid by the Company were as follows:

In respect of the financial year ended 30 June 2017:

i) a first interim ordinary dividend of 1.5 sen per ordinary share totalling RM8,025,000 declared on 23 November 2016 and paid on 21 December 2016; and

ii) a second interim ordinary dividend of 3 sen per ordinary share totalling RM16,050,000 declared on 26 May 2017 and paid on 22 June 2017.

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

Directors of the Company

Directors who served during the financial year until the date of this report are:

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

Directors' Report
for the year ended 30 June 2017 (Continued)

Directors' interests in shares

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

	Number of ordinary shares			
	At 1.7.2016	Bought	Sold	At 30.6.2017
Interests in the Company:				
The Cheng Eng				
- own	170,000,005	-	(24,200,000)	145,800,005
- children*	152,000	-	-	152,000
Pang Sar	162,800,005	-	(46,000,000)	116,800,005
The Kun Ann	100,000	-	-	100,000
Krishnan A/L CK Menon	100,000	-	-	100,000
Dato' Rosli bin Mohamed Nor	373,000	-	(198,000)	175,000
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 the Companies Act, 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 remuneration 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 27 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.

Directors' Report
for the year ended 30 June 2017 (Continued)

Indemnity and insurance costs

During the financial year, the total amount of indemnity sum insured and premium paid for Directors and other officers of the Group and of the Company were RM10,000,000 and RM18,000 respectively. There were no indemnity and insurance effected for auditors of the Group and of the Company.

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 2017 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.

Significant event

On 13 April 2017, Tropical Broadway Sdn. Bhd. ("TB"), a wholly owned subsidiary of the Company, entered into an agreement with Suditasia Development Sdn. Bhd. ("the Developer"), a third party property developer, to develop freehold land belonging to TB into a housing development project. TB will provide the land for development whereas the Developer will be responsible to construct and complete the housing development project within two years from the commencement date.

The Developer is currently in the midst of obtaining the relevant approvals for the conversion and sub-division of the said land from the appropriate authorities.

Directors' Report
for the year ended 30 June 2017 (Continued)

Subsequent event

Subsequent event is disclosed in Note 29 to the financial statements.

Auditors

The auditors, KPMG PLT (converted from a conventional partnership, KPMG, on 27 December 2016), have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 19 to the financial statements.

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

The Cheng Eng

Pang Sar

Kuala Lumpur,

Date: 3 October 2017

Statements Of Financial Position

as at 30 June 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Assets					
Property, plant and equipment	3	98,062,654	74,569,962	-	-
Investment properties	4	12,697,709	6,707,320	-	-
Investments in subsidiaries	5	-	-	94,000,000	89,000,000
Other investments	6	1	1	-	-
Total non-current assets		110,760,364	81,277,283	94,000,000	89,000,000
Other investments	6	17,383,538	8,943,475	17,383,538	8,943,475
Asset classified as held for sale	7	544,984	-	-	-
Trade and other receivables	8	347,369,576	277,727,754	30,660,536	42,615,004
Prepayments		1,618,460	1,426,436	28,900	33,070
Cash and cash equivalents	9	36,436,516	43,636,342	314,370	793,955
Total current assets		403,353,074	331,734,007	48,387,344	52,385,504
Total assets		514,113,438	413,011,290	142,387,344	141,385,504
Equity					
Share capital	10	136,005,563	107,000,002	136,005,563	107,000,002
Share premium	10	-	29,005,561	-	29,005,561
Deficit in businesscombination		(87,000,000)	(87,000,000)	-	-
Retained earnings		254,945,635	198,251,028	6,255,068	5,268,210
Total equity		303,951,198	247,256,591	142,260,631	141,273,773
Liabilities					
Loans and borrowings	11	12,527,337	4,354,535	-	-
Employee benefits	12	6,447,458	5,996,383	-	-
Deferred tax liabilities	13	5,905,779	4,815,828	-	-
Total non-current liabilities		24,880,574	15,166,746	-	-
Loans and borrowings	11	33,387,016	26,511,322	-	-
Trade and other payables	14	146,171,081	121,544,956	126,713	111,731
Current tax liabilities		5,723,569	2,531,675	-	-
Total current liabilities		185,281,666	150,587,953	126,713	111,731
Total liabilities		210,162,240	165,754,699	126,713	111,731
Total equity and liabilities		514,113,438	413,011,290	142,387,344	141,385,504

The notes on pages 47 to 87 are an integral part of these financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income

for the year ended 30 June 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Revenue	15	581,910,415	462,061,387	25,100,000	23,000,000
Cost of sales	16	(451,822,988)	(351,714,549)	-	-
Gross profit		130,087,427	110,346,838	25,100,000	23,000,000
Other income		7,441,297	8,867,140	940,063	916,761
Administrative expenses		(24,907,779)	(26,921,216)	(978,205)	(926,174)
Results from operating activities		112,620,945	92,292,762	25,061,858	22,990,587
Finance income	17	699,743	821,744	-	-
Finance costs	18	(1,701,081)	(1,572,507)	-	-
Net finance costs		(1,001,338)	(750,763)	-	-
Profit before tax	19	111,619,607	91,541,999	25,061,858	22,990,587
Tax expense	20	(30,850,000)	(23,997,940)	-	-
Profit for the year		80,769,607	67,544,059	25,061,858	22,990,587
Other comprehensive expense, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Remeasurement loss of defined benefit liability	12	-	(1,565,241)	-	-
Other comprehensive expense for the year, net of tax		-	(1,565,241)	-	-
Total comprehensive income for the year		80,769,607	65,978,818	25,061,858	22,990,587
Basic earnings per ordinary share	21	0.15	0.13		

The notes on pages 47 to 87 are an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

for the year ended 30 June 2017

		<-------------- *Non-distributable*	--------------	-------------->	*Distributable*	
Group	**Note**	**Share capital RM**	**Share premium RM**	**Deficit in business combination RM**	**Retained earnings RM**	**Total equity RM**
At 1 July 2015		107,000,002	29,005,561	(87,000,000)	150,997,210	200,002,773
Remeasurement loss of defined benefit liability	12	-	-	-	(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	22	-	-	-	(18,725,000)	(18,725,000)
At 30 June 2016/ 1 July 2016		107,000,002	29,005,561	(87,000,000)	198,251,028	247,256,591
Profit and total comprehensive income for the year		-	-	-	80,769,607	80,769,607
Dividends to owners of the Company	22	-	-	-	(24,075,000)	(24,075,000)
Reclassification from share premium to share capital in accordance with Section 618(2) of the Companies Act 2016		29,005,561	(29,005,561)	-	-	-
At 30 June 2017		136,005,563	-	(87,000,000)	254,945,635	303,951,198
		Note 10.1	Note 10.2			

The notes on pages 47 to 87 are an integral part of these financial statements.

Statement Of Changes In Equity

for the year ended 30 June 2017

		<------- *Non-distributable* ------->		*Distributable*	
Company	Note	Share capital RM	Share premium RM	Retained earnings RM	Total equity RM
At 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	22	-	-	(18,725,000)	(18,725,000)
At 30 June 2016/1 July 2016		107,000,002	29,005,561	5,268,210	141,273,773
Profit and total comprehensive income for the year		-	-	25,061,858	25,061,858
Dividends to owners of the Company	22	-	-	(24,075,000)	(24,075,000)
Reclassification from share premium to share capital in accordance with Section 618(2) of the Companies Act 2016		29,005,561	(29,005,561)	-	-
At 30 June 2017		136,005,563	-	6,255,068	142,260,631
		Note 10.1	Note 10.2		

The notes on pages 47 to 87 are an integral part of these financial statements.

Statements Of Cash Flows

for the year ended 30 June 2017

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash flows from operating activities				
Profit before tax	111,619,607	91,541,999	25,061,858	22,990,587
Adjustments for:				
Depreciation of investment properties	28,681	58,815	-	-
Depreciation of property, plant and equipment	24,529,352	19,931,701	-	-
Dividend income	-	-	(25,100,000)	(23,000,000)
Fair value gain from other investments	(211,572)	(122,036)	(211,572)	(122,036)
Finance costs	1,701,081	1,572,507	-	-
Finance income	(699,743)	(821,744)	-	-
Gain on disposal of other investments	(728,491)	(794,725)	(728,491)	(794,725)
Gain on disposal of property, plant and equipment	(1,089,152)	(19,000)	-	-
Gain on disposal of investment properties	(8,564)	-	-	-
Other investments written down	-	49,999	-	-
Operating profit/(loss) before working capital changes	135,141,199	111,397,516	(978,205)	(926,174)
Change in employee benefits	451,075	429,358	-	-
Change in trade and other receivables and prepayments	(69,833,846)	(64,290,834)	(3,300)	(23,100)
Change in trade and other payables	13,571,651	19,100,826	14,982	65,715
Cash generated from/(used in) operations	79,330,079	66,636,866	(966,523)	(883,559)
Tax paid	(26,568,155)	(18,792,557)	-	-
Tax refunded	-	8,873	-	-
Net cash from/(used in) operating activities	52,761,924	47,853,182	(966,523)	(883,559)

The notes on pages 47 to 87 are an integral part of these financial statements.

Statements Of Cash Flows

for the year ended 30 June 2017 (Continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash flows from investing activities				
Increase in investment in subsidiaries	-	-	(5,000,000)	-
Acquisition of property, plant and equipment	(30,981,690)	(26,217,590)	-	-
Acquisition of investment property	-	(4,564,260)	-	-
Dividends received from a subsidiary	-	-	25,100,000	23,000,000
Interest received from fixed deposits	699,743	821,744	-	-
Net placement of other investments	(7,500,000)	7,388,553	(7,500,000)	7,388,553
Proceeds from disposal of property, plant and equipment	1,132,460	19,001	-	-
Proceeds from disposal of investment properties	4,498,984	-	-	-
Net cash (used in)/from investing activities	(32,150,503)	(22,552,552)	12,600,000	30,388,553
Cash flows from financing activities				
Change in pledged deposits	5,359,461	8,516,310	-	-
Dividends paid to owners of the Company (Note 22)	(24,075,000)	(18,725,000)	(24,075,000)	(18,725,000)
Drawdown of bankers' acceptances	3,495,000	14,859,000	-	-
Decrease/(increase) in amount due from subsidiaries	-	-	11,961,938	(10,100,000)
Interest paid on loans and borrowings	(1,701,081)	(1,572,507)	-	-
Repayment of bank loan	(108,187)	(101,722)	-	-
Repayment of finance lease liabilities	(5,421,979)	(7,670,737)	-	-
Net cash used in financing activities	(22,451,786)	(4,694,656)	(12,113,062)	(28,825,000)
Net (decrease)/increase in cash and cash equivalents	(1,840,365)	20,605,974	(479,585)	679,994
Cash and cash equivalents at 1 July 2016/2015	38,276,881	17,670,907	793,955	113,961
Cash and cash equivalents at 30 June	36,436,516	38,276,881	314,370	793,955

The notes on pages 47 to 87 are an integral part of these financial statements.

Statements Of Cash Flows

for the year ended 30 June 2017 (Continued)

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	2017 RM	2016 RM	2017 RM	2016 RM
Cash and bank balances	9	32,790,904	35,885,637	314,370	793,955
Deposits	9	3,645,612	7,750,705	-	-
		36,436,516	43,636,342	314,370	793,955
Less: Pledged deposits	9	-	(5,359,461)	-	-
		36,436,516	38,276,881	314,370	793,955

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM48,065,352 (2016: RM26,833,590), of which RM17,083,662 (2016: RM616,000) was acquired by means of finance leases.

The notes on pages 47 to 87 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 2017 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 2017 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 3 October 2017.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 12, Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- 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

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 140, Investment Property – Transfers of Investment Property

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

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments

1. Basis of preparation (Continued)

(a) Statement of compliance (Continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 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 plans to apply the abovementioned accounting standards, amendments and interpretations:

- 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, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2018, except for Amendments to MFRS 1, Amendments to MFRS 2, Amendments to MFRS 4 and Amendments to MFRS 128, which are not applicable to the Group.

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

- from the annual period beginning on 1 July 2021 for the accounting standard that is effective for annual periods beginning on or after 1 January 2021 except for MFRS 17 which is not applicable to the Group.

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

(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.

Notes To The Financial Statements (Continued)

1. Basis of preparation (Continued)

(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(l)(i) - revenue from construction contracts
- Note 4 - valuation of investment properties
- Note 8 - impairment on receivables
- Note 12 - valuation of retirement benefits
- Note 26 - 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.

Notes To The Financial Statements (Continued)

2. Significant accounting policies (Continued)

(a) Basis of consolidation (Continued)

(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.

(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.

Notes To The Financial Statements (Continued)

2. Significant accounting policies (Continued)

(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.

(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(i)(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.

2. Significant accounting policies (Continued)

(b) Financial instruments (Continued)

(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.

(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.

Notes To The Financial Statements (Continued)

2. Significant accounting policies (Continued)

(c) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

2. Significant accounting policies (Continued)

(d) Leased assets

(i) Finance lease

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

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

(ii) Operating lease

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

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

(e) Investment property

Investment property carried at cost

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

(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.

2. Significant accounting policies (Continued)

(h) Non-current asset held for sale

Non-current asset that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Subsequent gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

(i) 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.

(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.

2. Significant accounting policies (Continued)

(i) Impairment (Continued)

(ii) Other assets (Continued)

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.

(j) 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.

(k) 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.

(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.

Notes To The Financial Statements (Continued)

2. Significant accounting policies (Continued)

(l) 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.

(m) 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.

(n) 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 year, 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.

2. Significant accounting policies (Continued)

(n) Income tax (Continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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.

(o) 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.

(p) 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.

(q) 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.

Notes To The Financial Statements (Continued)

2. Significant accounting policies (Continued)

(r) 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 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/ 1 July 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
Additions	-	-	36,900,752	5,234,523	100,500	-	1,903,680	18,000	3,907,897	48,065,352
Disposals	-	-	(556,344)	-	(2,590)	-	(1,211,605)	-	-	(1,770,539)
Transfers	-	-	11,987,057	-	-	-	-	-	(11,987,057)	-
At 30 June 2017	5,000,000	6,907,970	195,930,996	12,613,539	614,287	271,314	11,182,799	1,478,448	3,907,897	237,907,250
Depreciation										
At 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/ 1 July 2016	-	617,027	104,350,123	3,725,247	228,324	105,399	7,421,363	594,992	-	117,042,475
Depreciation for the year	-	144,744	20,877,094	1,720,708	105,604	54,263	1,331,849	295,090	-	24,529,352
Disposals	-	-	(555,275)	-	(130)	-	(1,171,826)	-	-	(1,727,231)
At 30 June 2017	-	761,771	124,671,942	5,445,955	333,798	159,662	7,581,386	890,082	-	139,844,596
Carrying amounts										
At 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/ 1 July 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
At 30 June 2017	5,000,000	6,146,199	71,259,054	7,167,584	280,489	111,652	3,601,413	588,366	3,907,897	98,062,654

Notes To The Financial Statements (Continued)

3. Property, plant and equipment (Continued)

3.1 Leased plant and machinery and motor vehicles

At 30 June 2017, the net carrying amounts of leased plant and machinery and motor vehicles of the Group were RM26,914,286 (2016: RM14,828,608) and RM3,075,636 (2016: RM2,158,009), respectively.

3.2 Security

The leased plant and machinery and motor vehicles discussed above are secured against lease obligations (see Note 11).

At 30 June 2017, a store of the Group with a carrying amount of RM6,243,905 (2016: RM6,280,490) and the corporate office of the Group with a carrying amount of RM4,172,560 (2016: RM4,264,941) were pledged as security and as fixed charges to secure bank facilities granted to a subsidiary (see Note 11).

3.3 Capital work-in-progress

At 30 June 2017, 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 2015	2,450,777
Addition	4,564,260
At 30 June 2016/1 July 2016	7,015,037
Addition	11,054,474
Disposal	(4,553,664)
Transfer to land held for sale	(544,984)
At 30 June 2017	12,970,863
Depreciation	
At 1 July 2015	248,902
Depreciation for the year	58,815
At 30 June 2016/1 July 2016	307,717
Depreciation for the year	28,681
Disposal	(63,244)
At 30 June 2017	273,154
Carrying amounts	
At 1 July 2015	2,201,875
At 30 June 2016/1 July 2016	6,707,320
At 30 June 2017	12,697,709

4. Investment properties (Continued)

Included in the above are:

	Note	Group 2017 RM	Group 2016 RM
Freehold land		723,034	2,933,238
Buildings on freehold land		405,948	3,123,579
Buildings on leasehold land		514,253	650,503
Work-in-progress	4.1	11,054,474	-
		12,697,709	6,707,320

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

In prior year, an investment property of the Group amounting to RM384,500 was pledged as security and as fixed charges to secure banking facilities granted to a subsidiary.

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

	Group 2017 RM	Group 2016 RM
Rental income	36,000	35,400
Direct operating expenses:		
- income generating investment properties	9,980	9,980
- non-income generating investment properties	24,308	56,597

4.1 Work-in-progress

The amount capitalized relates to the acquisition of 1 unit of condominium and 2 units of shop office.

Fair value information

Fair value of investment properties is categorised as follows:

	Group 2017 RM	Group 2016 RM
Level 3		
Freehold land	2,860,000	9,830,000
Buildings	16,609,000	6,879,000
	19,469,000	16,709,000

4. Investment properties (Continued)

Fair value information (Continued)

Valuation process applied by the Group for Level 3 fair value

Except for a building on freehold land and buildings on leasehold land 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	
	2017 RM	2016 RM
Unquoted shares, at cost	94,000,000	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 2017 %	2016 %
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
Tropical Broadway Sdn. Bhd.	Malaysia	Property development	100	-

6. Other investments

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Non-current				
Club membership	1	1	-	-
Current				
Financial assets at fair value through profit or loss:				
Unit trusts, in Malaysia	17,383,538	8,943,475	17,383,538	8,943,475
	17,383,538	8,943,475	17,383,538	8,943,475
Representing items:				
At net realisable value	1	1	-	-
At fair value	17,383,538	8,943,475	17,383,538	8,943,475
	17,383,539	8,943,476	17,383,538	8,943,475

7. Asset classified as held for sale

A piece of freehold land is presented as an asset held for sale following the commitment of Tropical Broadway Sdn. Bhd. ("TB"), a wholly owned subsidiary, to inject the land under an agreement with a third party property developer to develop the land into a housing development project. TB will provide the land for development whereas the developer will be responsible to construct and complete the housing development project within two years from the commencement date.

The developer is currently in the midst of obtaining the relevant approvals for the conversion and sub-division of the said land from the appropriate authorities. At 30 June 2017, the asset classified as held for sale is as follows:

	2017 RM
Asset classified as held for sale	
Freehold land	544,984

The carrying value of the freehold land is the same as its carrying value before it was being reclassified to current assets.

Notes To The Financial Statements (Continued)

8. Trade and other receivables

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Trade					
Trade receivables	8.1	307,207,564	246,993,857	-	-
Less: Individual impairment allowance		(3,665,262)	(4,442,219)	-	-
		303,542,302	242,551,638	-	-
Amounts due from contract customers	8.2	40,924,351	29,807,759	-	-
		344,466,653	272,359,397	-	-
Non-trade					
Other receivables		776,409	974,106	-	-
Deposits		2,126,514	4,394,251	11,970	4,500
Amount due from subsidiaries	8.3	-	-	30,648,566	42,610,504
		2,902,923	5,368,357	30,660,536	42,615,004
		347,369,576	277,727,754	30,660,536	42,615,004

8.1 Trade receivables

Included in trade receivables of the Group at 30 June 2017 are retentions of RM98,629,089 (2016: RM83,876,468) relating to construction work-in-progress. Retention sums are unsecured and interest free.

8.2 Construction work-in-progress

		Group	
		2017	2016
	Note	RM	RM
Aggregate costs incurred to date		543,846,328	311,247,597
Add: Attributable profits		171,748,880	69,708,721
		715,595,208	380,956,318
Less: Progress billings		(684,484,199)	(369,689,007)
		31,111,009	11,267,311
Represented by:			
Amounts due from contract customers		40,924,351	29,807,759
Amounts due to contract customers	14	(9,813,342)	(18,540,448)
		31,111,009	11,267,311

8.3 Amount due from subsidiaries

The amount due from subsidiaries are unsecured, interest free and repayable on demand.

8. Trade and other receivables (Continued)

8.4 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.

9. Cash and cash equivalents

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash and bank balances	32,790,904	35,885,637	314,370	793,955
Deposits placed with licensed banks	3,645,612	7,750,705	-	-
	36,436,516	43,636,342	314,370	793,955

In 2016, included in the deposits placed with licensed banks of the Group was RM5,359,461 pledged for banking facilities granted to a subsidiary (see Note 11).

10. Capital and reserves

10.1 Share capital

Group and Company	Amount 2017 RM	Number of shares 2017	Amount 2016 RM	Number of shares 2016
Ordinary shares:				
Authorised	200,000,000	1,000,000,000	200,000,000	1,000,000,000
Issued and fully paid:				
As at 1 July 2017/2016	107,000,002	535,000,010	107,000,002	535,000,010
Reclassification from share premium to share capital in accordance with Section 618(2) of the Companies Act 2016	29,005,561	-	-	-
As at 30 June	136,005,563	535,000,010	107,000,002	535,000,010
	Note 10.1.1			

10.1.1 Included in share capital is share premium amounting to RM29,005,561 that is available to be utilised in accordance with Section 618(3) of Companies Act 2016 on or before 30 January 2019 (24 months from commencement of section 74).

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.

10. Capital and reserves (Continued)

10.2 Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of shares. Companies Act 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. In accordance with Section 618 of Companies Act 2016, any amount standing to the credit of the share premium account has become part of the Company's share capital. The Company has twenty-four months upon the commencement of Companies Act 2016 on 31 January 2017 to utilise the credit. Accordingly, the share premium has been reclassified and become part of the Company's share capital (See Note 10.1).

11. Loans and borrowings

		Group	
	Note	2017 RM	2016 RM
Non-current			
Bank loan - secured	11.1	2,506,954	2,622,311
Finance lease liabilities	11.3	10,020,383	1,732,224
		12,527,337	4,354,535
Current			
Bank loan - secured	11.1	113,207	106,037
Bankers' acceptances - secured	11.2	25,894,000	22,399,000
Finance lease liabilities	11.3	7,379,809	4,006,285
		33,387,016	26,511,322
		45,914,353	30,865,857

11.1 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 RM4,172,560 (2016: RM4,264,941).

11.2 Bankers' acceptances

The bankers' acceptances are secured / guaranteed as follows:

	Group	
	2017 RM	2016 RM
Secured over a store and investment properties of the Group and guaranteed by the Company	12,443,000	5,710,000
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	13,451,000	8,167,000
	25,894,000	22,399,000

Notes To The Financial Statements (Continued)

11. Loans and borrowings (Continued)

11.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments 2017 RM	Interest 2017 RM	Present value of minimum lease payments 2017 RM	Future minimum lease payments 2016 RM	Interest 2016 RM	Present value of minimum lease payments 2016 RM
Less than one year	8,072,581	(692,772)	7,379,809	4,180,893	(174,608)	4,006,285
Between one and five years	10,449,137	(428,754)	10,020,383	1,765,459	(33,235)	1,732,224
	18,521,718	(1,121,526)	17,400,192	5,946,352	(207,843)	5,738,509

A leased asset with carrying amount of RM2,161,520 (2016: RM3,087,885) is jointly guaranteed by certain Directors of the Group.

12. Employee benefits

Retirement benefits

	Group 2017 RM	Group 2016 RM
Defined benefit liability	6,447,458	5,996,383

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 service 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.

Notes To The Financial Statements (Continued)

12. 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	
	2017 RM	2016 RM
Balance at 1 July 2016/2015	5,996,383	4,001,784
Included in profit or loss		
Current service cost	232,771	221,265
Interest cost	309,442	208,093
	542,213	429,358
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	(91,138)	-
Balance at 30 June	6,447,458	5,996,383

Defined benefit obligation

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period:

	Group	
	2017	2016
Discount rate	5.2%	5.2%
Future salary growth	8.0%	8.0%

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

At 30 June 2017, the weighted-average duration of the defined benefit obligation was 6 years (2016: 7 years).

12. 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
2017		
Discount rate (1% movement)	(342,408)	379,909
Future salary growth (1% movement)	429,492	(393,935)
2016		
Discount rate (1% movement)	(366,195)	407,834
Future salary growth (1% movement)	392,855	(360,351)

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.

13. Deferred tax liabilities

Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group	
	2017 RM	2016 RM
Property, plant and equipment	8,332,832	7,321,092
Provisions	(2,427,053)	(2,505,264)
	5,905,779	4,815,828

Notes To The Financial Statements (Continued)

13. Deferred tax liabilities (Continued)

Movement in temporary differences during the year

Group	At 1.7.2015 RM	Recognised in profit or loss RM (Note 20)	At 30.6.2016/ 1.7.2016 RM	Recognised in profit or loss RM (Note 20)	At 30.6.2017 RM
Property, plant and equipment	6,108,073	1,213,019	7,321,092	1,011,740	8,332,832
Provisions	(2,186,929)	(318,335)	(2,505,264)	78,211	(2,427,053)
	3,921,144	894,684	4,815,828	1,089,951	5,905,779

14. Trade and other payables

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Trade					
Trade payables		117,691,148	94,511,966	-	-
Amounts due to contract customers	8.2	9,813,342	18,540,448	-	-
		127,504,490	113,052,414	-	-
Non-trade					
Other payables	14.1	13,264,694	3,538,358	-	-
Accrued expenses		5,401,897	4,954,184	126,713	111,731
		18,666,591	8,492,542	126,713	111,731
		146,171,081	121,544,956	126,713	111,731

14.1 Other payables

Included in other payables are amount due for acquisition of investment properties of RM11,054,474 (2016: Nil) (See Note 4).

15. Revenue

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Construction contracts	581,910,415	462,061,387	-	-
Dividends	-	-	25,100,000	23,000,000
	581,910,415	462,061,387	25,100,000	23,000,000

16. Cost of sales

	Group	
	2017 RM	2016 RM
Construction contracts	451,822,988	351,714,549

17. Finance income

	Group	
	2017 RM	2016 RM
Interest income of financial assets that are not at fair value through profit or loss:		
- fixed deposits	699,743	821,744

18. Finance costs

	Group	
	2017 RM	2016 RM
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank loan	125,035	132,451
- bankers' acceptances	1,063,195	941,443
- finance lease liabilities	512,851	498,613
	1,701,081	1,572,507

Notes To The Financial Statements (Continued)

19. Profit before tax

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax is arrived after charging:				
Auditors' remuneration:				
- Audit fees	174,500	150,000	50,000	35,000
- Non-audit fees	15,000	15,000	15,000	15,000
Depreciation on investment properties	28,681	58,815	-	-
Depreciation on property, plant and equipment	24,529,352	19,931,701	-	-
Impairment loss on trade receivables	1,919,391	3,868,694	-	-
Other investments written down	-	49,999	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	2,982,793	2,674,642	35,985	34,870
- Expenses related to defined benefit plan	542,213	429,358	-	-
- Wages, salaries and others	36,558,190	32,573,789	278,107	277,215
Rental expense in respect of:				
- Equipment and machinery	10,823,091	9,543,706	-	-
- Properties	578,503	538,926	-	-
and after crediting:				
Dividend income from a subsidiary	-	-	25,100,000	23,000,000
Fair value gain from other investments	211,572	122,036	211,572	122,036
Gain on disposal of other investments	728,491	794,725	728,491	794,725
Gain on disposal of property, plant and equipment	1,089,152	19,000	-	-
Gain on disposal of investment properties	8,564	-	-	-
Rental income from:				
- Equipment	3,900,412	2,008,392	-	-
- Investment properties	36,000	35,400	-	-
Reversal of impairment loss on trade receivables	2,088,228	4,536,893	-	-

20. Tax expense

Recognised in profit or loss

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current tax expense				
Current year	29,642,458	22,821,628	-	-
Prior year	117,591	281,628	-	-
Total current tax recognised in profit or loss	29,760,049	23,103,256	-	-
Deferred tax expense				
Origination and reversal of temporary differences	3,014,928	1,515,367	-	-
Over provision in prior year	(1,924,977)	(620,683)	-	-
Total deferred tax recognised in profit or loss (Note 13)	1,089,951	894,684	-	-
Total income tax expense	30,850,000	23,997,940	-	-

Reconciliation of tax expense

	Group		Company	
Profit before tax	111,619,607	91,541,999	25,061,858	22,990,587
Income tax using Malaysian tax rate of 24%	26,788,706	21,970,080	6,014,846	5,517,741
Non-deductible expenses	4,990,531	2,586,938	234,769	222,282
Tax exempt income	(225,615)	(220,023)	(6,249,615)	(5,740,023)
Tax effect on unrealised gain	1,103,764	-	-	-
Over provision in prior year	(1,807,386)	(339,055)	-	-
	30,850,000	23,997,940	-	-

21. Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 June 2017 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2017 RM	2016 RM
Profit attributable to ordinary shareholders	80,769,607	67,544,059

	Group	
	2017	2016
Weighted average number of ordinary shares at 30 June	535,000,010	535,000,010

Notes To The Financial Statements (Continued)

21. Basic earnings per ordinary share (Continued)

	Group 2017 RM	Group 2016 RM
Basic earnings per ordinary share	0.15	0.13

22. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM	Date of payment
2017			
First interim 2017 ordinary	1.5	8,025,000	21 December 2016
Second interim 2017 ordinary	3	16,050,000	22 June 2017
Total amount		24,075,000	
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	

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

23. Segment reporting

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

24. Financial instruments

24.1 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").

24. Financial instruments (Continued)

24.1 Categories of financial instruments (Continued)

	Carrying amount RM	L&R/ (FL) RM	FVTPL -HFT RM
2017			
Financial assets			
Group			
Unit trusts	17,383,538	-	17,383,538
Trade and other receivables	306,445,225	306,445,225	-
Cash and cash equivalents	36,436,516	36,436,516	-
	360,265,279	342,881,741	17,383,538
Company			
Trade and other receivables	30,660,536	30,660,536	-
Cash and cash equivalents	314,370	314,370	-
	30,974,906	30,974,906	-
2016			
Financial assets			
Group			
Unit trusts	8,943,475	-	8,943,475
Trade and other receivables	247,919,995	247,919,995	-
Cash and cash equivalents	43,636,342	43,636,342	-
	300,499,812	291,556,337	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	-
2017			
Financial liabilities			
Group			
Loans and borrowings	(45,914,353)	(45,914,353)	-
Trade and other payables	(136,357,739)	(136,357,739)	-
	(182,272,092)	(182,272,092)	-
Company			
Trade and other payables	(126,713)	(126,713)	-
2016			
Financial liabilities			
Group			
Loans and borrowings	(30,865,857)	(30,865,857)	-
Trade and other payables	(103,004,508)	(103,004,508)	-
	(133,870,365)	(133,870,365)	-
Company			
Trade and other payables	(111,731)	(111,731)	-

Notes To The Financial Statements (Continued)

24. Financial instruments (Continued)

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Net gains/(losses) on:				
Fair value through profit or loss:				
- Held for trading	940,063	916,761	940,063	916,761
Loans and receivables	868,580	1,489,943	-	-
Financial liabilities measured at amortised cost	(1,701,081)	(1,572,507)	-	-
	107,562	834,197	940,063	916,761

24.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

24.4 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 subsidiaries 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 Group has 16 ongoing projects at various stages of completion as at 30 June 2017. Concentration of credit risk with respect to receivables is limited except for one customer which accounted for 13% (including retention sums) of trade receivables as at 30 June 2017. There were no significant concentration of trade receivables last year.

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.

24. Financial instruments (Continued)

24.4 Credit risk (Continued)

Receivables (Continued)

Impairment losses

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

	Gross RM	Individual impairment RM	Net RM
2017			
Group			
Not past due	168,257,394	-	168,257,394
Past due 1 - 60 days	95,258,908	-	95,258,908
Past due 61 - 120 days	11,892,374	-	11,892,374
Past due more than 120 days	31,798,888	(3,665,262)	28,133,626
	307,207,564	(3,665,262)	303,542,302
2016			
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

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

	Group 2017 RM	Group 2016 RM
At 1 July 2016/2015	4,442,219	5,110,418
Impairment loss recognised	1,919,391	3,868,694
Impairment loss reversed	(2,088,228)	(4,536,893)
Impairment loss written off	(608,120)	-
At 30 June	3,665,262	4,442,219

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

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

Notes To The Financial Statements (Continued)

24. Financial instruments (Continued)

24.4 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 and suppliers in respect of banking facilities and credit terms granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayment made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounts to RM77,599,831 (2016: RM29,324,054) and RM47,883,740 (2016: RM33,882,191) respectively, 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 subsidiaries. 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.

24. Financial instruments (Continued)

24.5 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
2017							
Non-derivative financial liabilities							
Trade and other payables	136,357,739	-	136,357,739	136,357,739	-	-	-
Bank loan - secured	2,620,161	*	3,719,122	232,655	232,512	697,393	2,556,562
Bankers' acceptances - secured	25,894,000	3.50 - 5.08	25,894,000	25,894,000	-	-	-
Finance lease liabilities	17,400,192	3.30 - 6.60	18,521,718	8,072,581	6,428,265	4,020,872	-
Financial guarantees	77,599,831	-	77,599,831	77,599,831	-	-	-
	259,871,923		262,092,410	248,156,806	6,660,777	4,718,265	2,556,562
2016							
Non-derivative financial liabilities							
Trade and other payables	103,004,508	-	103,004,508	103,004,508	-	-	-
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	-	-	-
	163,194,418		164,684,800	159,144,250	1,940,832	768,403	2,831,315

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

Notes To The Financial Statements (Continued)

24. Financial instruments (Continued)

24.5 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
2017							
Non-derivative financial liabilities							
Trade and other payables	126,713	-	126,713	126,713	-	-	-
Financial guarantees	47,883,740	-	47,883,740	47,883,740	-	-	-
	48,010,453		48,010,453	48,010,453	-	-	-
2016							
Non-derivative financial liabilities							
Trade and other payables	111,731	-	111,731	111,731	-	-	-
Financial guarantees	33,882,191	-	33,882,191	33,882,191	-	-	-
	33,993,922		33,993,922	33,993,922	-	-	-

24.6 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.

24.6.1 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.

24. Financial instruments (Continued)

24.6 Market risk (Continued)

24.6.1 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	
	2017 RM	2016 RM
Fixed rate instruments		
Financial assets	3,645,612	7,750,705
Financial liabilities	(43,294,192)	(28,137,509)
	(39,648,580)	(20,386,804)
Floating rate instruments		
Financial liabilities	(2,620,161)	(2,728,348)

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
2017		
Floating rate instruments	(5,974)	5,974
2016		
Floating rate instruments	(6,221)	6,221

24. Financial instruments (Continued)

24.7 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		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
2017										
Financial assets										
Unit trusts	-	17,383,538	-	17,383,538	-	-	-	-	17,383,538	17,383,538
Financial liabilities										
Bank loan - secured	-	-	-	-	-	-	(2,583,364)	(2,583,364)	(2,583,364)	(2,620,161)
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)
Company										
2017										
Financial assets										
Unit trusts	-	17,383,538	-	17,383,538	-	-	-	-	17,383,538	17,383,538
2016										
Financial assets										
Unit trusts	-	8,943,475	-	8,943,475	-	-	-	-	8,943,475	8,943,475

24. Financial instruments (Continued)

24.7 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 (2016: 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.

25. 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.

26. 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	
	2017 RM	2016 RM	2017 RM	2016 RM
Contingent liabilities not considered remote				
Guarantees given to contract customers in relation to construction contracts	77,599,831	29,324,053	-	-
Guarantees given to banks for facilities granted to a subsidiary	-	-	25,894,000	22,399,000
Guarantees given to suppliers for credit terms granted to a subsidiary	-	-	21,989,740	11,483,191

Notes To The Financial Statements (Continued)

26. 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. The customer was unsatisfied with the decision and had filed an appeal to the Federal Court on 3 July 2017. The Federal Court has yet to fix the hearing date for the appeal. In the event the Federal Court reversed the decision, EMSB will have to refund the sum received. Solicitor is of the opinion that it is unlikely that the Federal Court would reverse the decision.

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.

27. 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 8.

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
A. Subsidiary				
Dividend income	-	-	(25,100,000)	(23,000,000)
B. Key management personnel				
Directors				
- Fees	152,000	152,000	152,000	152,000
- Remuneration	4,827,825	4,610,270	311,985	310,870
- Other short-term employee benefits	25,500	25,500	25,500	25,500
Total short-term employee benefits	5,005,325	4,787,770	489,485	488,370
Post-employment benefits	542,213	1,994,599	-	-
	5,547,538	6,782,369	489,485	488,370

28. Acquisition of subsidiary

On 26 September 2016, the Company acquired 2 ordinary shares of RM1.00 each in Tropical Broadway Sdn. Bhd. ("TBSB") representing the entire issued and paid up capital of TBSB. As a result, TBSB became a wholly owned subsidiary of the Company. Subsequently on 28 February 2017, TBSB issued additional 4,999,998 ordinary shares of RM1.00 each, which were fully subscribed by the Company. The subsidiary did not contribute any revenue and contributed losses of RM30,707 in the current financial year as it was still dormant.

Acquisition of a subsidiary

The following summarised the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Group 2017 RM
Fair value of consideration transferred	
Cash and cash equivalents	2
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2
Trade and other payables	-
Total identifiable net assets	2
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	2
Cash and cash equivalents acquired	(2)
	-

No goodwill was recognised as a result of the acquisition as the assets and liabilities acquired do not constitute a business.

29. Subsequent event

On 6 September 2017, the Company announced the intention to undertake the following corporate exercise:

i. Proposed share split involving the subdivision of every one existing ordinary share in Econpile ("Econpile Shares" or "Shares") into two Econpile Shares ("Split Shares") held on an entitlement date to be determined later ("Entitlement Date");

ii. Proposed bonus issue of up to 267,500,005 new Split Shares ("Bonus Shares") on the basis of one Bonus Share for every four Split Shares held on the same Entitlement Date as the Proposed Share Split; and

iii. Proposed bonus issue of up to 267,500,005 free warrants in Econpile ("Warrants") on the basis of one Warrant for every four Split Shares held on the same Entitlement Date as the Proposed Share Split.

The above corporate proposals are subject to the approvals from Bursa Malaysia Securities Berhad and Shareholders of the Company.

30. Comparative figures

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

Notes To The Financial Statements (Continued)

31. 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 as 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	
	2017 RM	2016 RM	2017 RM	2016 RM
Total retained earnings of the Company and its subsidiaries				
- realised	260,639,842	202,944,820	6,043,496	5,146,174
- unrealised	(5,694,207)	(4,693,792)	211,572	122,036
Total retained earnings	254,945,635	198,251,028	6,255,068	5,268,210

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 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 40 to 86 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 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 31 on page 87 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
Director

Pang Sar
Director

Kuala Lumpur,

Date: 3 October 2017

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

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 40 to 87 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Bin Lay Thiam, NRIC: 700509-10-5989 in Kuala Lumpur in the Federal Territory on 3 October 2017.

Bin Lay Thiam

Before me:
Selvaraj A/L Doraisamy (No. W320)
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

To The Members Of Econpile Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Econpile Holdings Berhad, which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 40 to 86.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Accounting for construction contracts

Refer to Note 2(l)(i) – Significant accounting policy: Revenue and other income – Construction contracts, Note 8 – Trade and other receivables and Note 15 – Revenue.

The key audit matter

Revenue from fixed price construction contracts is recognised based upon work done certified by external surveyor. The cost of sales is measured by reference to the proportion of value of work done certified relative to the total contract sum multiplied by the estimated costs to complete the projects.

Profit recognition on contracts involves judgement in preparing forecast costs on contracts. A change in the estimated profit on contracts could result in a significant variance in the amount of profit or loss recognised to date and in the current period.

Independent Auditors' Report

To The Members Of Econpile Holdings Berhad (Continued)

Key Audit Matters (Continued)

i) Accounting for construction contracts (Continued)

The key audit matter (Continued)

Accounting for construction contracts is identified as a key audit matter due to significant judgements involved in estimating the costs to complete the projects. The profit recognition on contracts includes key judgements over the expected recovery of costs arising from variations and claims. The outcome for contracts can have an individually and collectively significant impact on the financial statements, whether through error or management bias. As the status of contracts are updated on a regular basis, the Group is required to exercise a high level of judgement when assessing contract variations, which may impact the forecast profits on contracts. The key judgements over the expected recovery of costs for a contract arise from the following:

- Variations to the contract requested by the customer;
- Claims made against the customer for delays or other additional costs for which the customer is liable;
- Liquidated and ascertained damages;
- Completeness and accuracy of forecast costs to complete the contract; and
- Ability to deliver the contract within the forecast timelines.

The impact of changes in the judgements and the related estimates, as contracts progress, may result in significant adjustments to margin.

How the matter was addressed in our audit

We selected contracts according to their size and the complexity of contract accounting estimates for detailed testing. In this area, our audit procedures included, among others:

- Assessing whether the amounts recognised in the financial statements were in line with the Group's accounting policy and relevant accounting standards;
- Assessing the design and implementation of key controls over the recognition of contract revenue, margin, and related receivables and liabilities, to determine whether these controls were operating effectively throughout the year;
- Inspecting contracts selected and challenging the Group's estimates on both current and future financial performance based on the historical performance of the Group and industry knowledge;
- Challenging the Group's key assumptions inherent in the forecast costs to complete, that drive the accounting under the percentage of completion method, including the following procedures, among others:
  - Testing the existence and valuation of claims and variations both within the contract revenue and contract costs via inspection of correspondence with customers;
  - Assessing the Group's estimate on the costs and timing to complete existing projects through corroborative discussion with finance and operational units;
  - Assessing the Group's ability to deliver the contracts within the contracted timelines and identifying if there is any exposure to liquidated and ascertained damages arising from late delivery of contract works; and
  - Inspecting post-balance sheet performance of projects to support year end judgements.

Independent Auditors' Report

To The Members Of Econpile Holdings Berhad (Continued)

Key Audit Matters (Continued)

ii) Valuation of trade receivables

Refer to Note 2(i)(i) - Significant accounting policy: Impairment – financial assets, Note 8 – Trade and other receivables and Note 24.4 – Financial Instruments – Credit risk.

The key audit matter

The Group has RM31,798,888 of trade receivables past due more than 120 days. Assessing the collectability of the Group's trade receivables and the allowance for impairment of trade receivables is a key audit matter due to the significant judgement involved in evaluating the recoverable amount of the trade receivables.

How the matter was addressed in our audit

Our audit procedures included, among others:

- Testing the accuracy of the underlying information of the account receivables ageing used to assess the adequacy of impairment loss of trade receivables;
- Challenging the Group's basis and assessment in determining whether there exist an objective evidence of impairment loss of trade receivables and assessing customers' past payment trend by checking to payment receipts;
- Checking the subsequent receipt against trade receivables balances and investigating on significant individual overdue balances by reference to track record of recoveries and correspondence with the customers;
- Assessing the historical accuracy of allowance for impairment loss of trade receivables made by the Group; and
- Inspecting the retention balances due and corroborating the value of the retention to customer correspondence and the original contract. For all retentions that were due, we reviewed the status of the projects and formed a conclusion on the recoverability of the balance in light of the evidence presented.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

To The Members Of Econpile Holdings Berhad (Continued)

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

To The Members Of Econpile Holdings Berhad (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

The supplementary information set out in Note 31 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

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

Petaling Jaya, Selangor

Date: 3 October 2017

Analysis of Shareholdings

AS AT 29 SEPTEMBER 2017

Paid-Up Share Capital	:	RM107,000,002 divided into 535,000,010 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Right	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Total Shareholdings	%
Less than 100 shares	32	601	0.00
100 to 1,000 shares	381	266,740	0.05
1,001 to 10,000 shares	1,406	7,277,760	1.36
10,001 to 100,000 shares	594	19,923,900	3.72
100,001 to less than 5% of issued shares	235	295,430,999	55.22
5% and above of issued shares	2	212,100,010	39.65
Total	**2,650**	**535,000,010**	**100.00**

SUBSTANTIAL SHAREHOLDERS

According to the register to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

	Direct Interest		Indirect Interest	
Shareholders	No. of Shares	%	No. of Shares	%
The Cheng Eng	145,800,005	27.25	152,000*	0.03
Pang Sar	116,800,005	21.83	-	-

Notes:-

* Deemed interest by virtue of his child's direct interest pursuant to Section 59 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Directors	No. of Shares	%	No. of Shares	%
The Cheng Eng	145,800,005	27.25	152,000*	0.03
Pang Sar	116,800,005	21.83	-	-
The Kun Ann	100,000	0.02	-	-
Krishnan A/L C K Menon	100,000	0.02	-	-
Dato' Rosli Bin Mohamed Nor	125,000	0.02	-	-
Ong Poay Wah @ Chan Poay Wah	600,000	0.11	-	-

Notes:-

* Deemed interest by virtue of his child's direct interest pursuant to Section 59 of the Companies Act 2016.

Analysis of Shareholdings
AS AT 29 SEPTEMBER 2017 (Continued)

List of 30 Largest Shareholders as at 29 September 2017

NO.	NAME	HOLDINGS	%
1	THE CHENG ENG	135,800,005	25.38
2	PANG SAR	76,300,005	14.26
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR	22,500,000	4.21
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR PANG SAR (PBCL-0G0505)	16,050,000	3.00
5	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)	10,134,312	1.89
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR THE CHENG ENG (PBCL-0G0532)	10,000,000	1.87
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	6,947,800	1.30
8	CARTABAN NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY FUNDS ASEAN	5,855,000	1.09
9	LEMBAGA TABUNG HAJI	5,604,100	1.05
10	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	5,501,600	1.03
11	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL 2	5,429,900	1.01
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	5,117,900	0.96
13	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 9)	5,026,988	0.94
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	5,000,000	0.93
15	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	5,000,000	0.93
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	4,967,900	0.93
17	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD (HEDGING)	4,731,200	0.88
18	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	4,674,800	0.87

Analysis of Shareholdings

AS AT 29 SEPTEMBER 2017 (Continued)

NO.	NAME	HOLDINGS	%
19	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	4,463,900	0.83
20	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTM ENTS ISLAMIC SMALL-CAP FUND	4,327,200	0.81
21	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED GF)	3,669,800	0.69
22	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	3,450,000	0.64
23	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM KESIHATAN	3,384,500	0.63
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	3,341,700	0.62
25	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	3,322,300	0.62
26	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PARTICIPATING FUND	3,200,000	0.60
27	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	2,963,500	0.55
28	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL	2,952,700	0.55
29	HSBC NOMINEES (ASING) SDN BHD FULLERTON LUX FUNDS	2,880,000	0.54
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSDANA AL-ILHAM	2,748,600	0.51
		375,345,710	**70.12**

List Of Properties

PROPERTIES	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Buildling (Years)	Net Book Value as at 30 June 2017 (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	15	6,244	3 Sep 2001 (Date of last valuation: 1 Jul 2010)
No. 56-G, 56-01, 56-02, 56-03 Jalan Permai 11/1A Bandar Baru Permas Jaya 81750 Masai Johor Darul Taksim	Shop office (vacant)	13,968	Leasehold for 99 years and expiring on 17 Aug 2109	0	5,604	30 Dec 2016
No. 66-G, 66-01, 66-02, 66-03 Jalan Permai 11/1C Bandar Baru Permas Jaya 81750 Masai Johor Darul Taksim	Shop office (vacant)	11,789	Leasehold for 99 years and expiring on 17 Aug 2109	0	4,698	30 Dec 2016
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	16	2,086	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	16	2,086	26 Sep 2012
1B-15-07, Setia Sky Ville Off Lorong Slim Bandar Jelutong 11600 Pulau Pinang	Condominimum (n/a)	1,036	Freehold	construction in progress	752	28 Dec 2016
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	16	730	14 Oct 2013
Lot 4480, BT 7 ½ Jalan Meru 41050 Klang Selangor Darul Ehsan	A parcel of agricultural land (development)	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	13	330	09 Feb 2001

List Of Properties (Continued)

PROPERTIES	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Buildling (Years)	Net Book Value as at 30 June 2017 (RM '000)	Date of Acquisition
No. 4, Jalan PJ16D/5 Precinct 16 62150 Putrajaya Wilayah Persekutuan Putrajaya	Town house (rental income)	1,693	Freehold	13	258	09 Feb 2001
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	12	115	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	15	78	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	14	75	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	11	69	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	11	62	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	11	61	13 Sep 2004
20-2F Jalan 4/154D Taman Desa Cheras 56000 Kuala Lumpur	Shop apartment (vacant)	771	Freehold	14	63	8 May 2001
32-1R Jalan 4/154D Taman Desa Cheras 56000 Kuala Lumpur	Shop apartment (staff accomodation)	737	Freehold	14	62	8 May 2001
36-1R Jalan 4/154D Taman Desa Cheras 56000 Kuala Lumpur	Shop apartment (staff accomodation)	737	Freehold	14	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	11	54	13 Sep 2004

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting ("5th AGM") of the Company will be held at Function Room 1 & 2, Level 1, Main Lobby, TPC Kuala Lumpur, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on **Wednesday, 22 November 2017** at **10:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2017 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 RM177,500.00 for the financial year ending 30 June 2018. ***(Ordinary Resolution 1)***

3. To approve the payment of Directors' benefits of up to RM150,000.00 from 31 January 2017 until the next Annual General Meeting of the Company. ***(Ordinary Resolution 2)***

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

   (a) Mr The Cheng Eng ***(Ordinary Resolution 3)***

   (b) Mr Pang Sar ***(Ordinary Resolution 4)***

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

AS SPECIAL BUSINESS:

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

6. **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act') and subject to the Constitution of the Company and the approvals of the relevant governmental/ regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting." ***(Ordinary Resolution 6)***

7. To transact any other business of which due notice is given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board
LIM HOOI MOOI (MAICSA 0799764)
WONG WAI FOONG (MAICSA 7001358)
SUSIE CHEW WEI WEI (MAICSA 7054172)
Company Secretaries
Kuala Lumpur

24 October 2017

NOTES:

1. *A member of the Company entitled to attend, speak and vote at the meeting shall be entitled to appoint up to two (2) proxies to attend, speak and vote at the meeting in his place. A proxy may but need not be a member of the Company.*

2. *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.*

3. *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.*

4. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

5. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised.*

6. *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 at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.*

7. *For the purposes of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting the Record of Depositors as at 14 November 2017. Only a depositor whose name appears on the Record of Depositors as at 14 November 2017 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.*

8. *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 provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 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.

Ordinary Resolution 1
Directors' Fees for the financial year ending 30 June 2018

The Directors' Fees proposed for the financial year ending 30 June 2018 are calculated based on the number of scheduled Board and Board Committee meetings and assuming that all Non-Executive Directors will hold office until the next Annual General Meeting. 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.

Ordinary Resolution 2
Directors' Benefits from 31 January 2017 until the next Annual General Meeting

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries, shall be approved at a general meeting.

Directors' benefits include allowances payable to Directors and in determining the estimated amount, the Board has considered various factors including the board size, number of scheduled meetings for the Board and Board Committee meetings for the period from 31 January 2017 until the next Annual General Meeting. In the event the proposed amount is insufficient, approval will be sought at the next Annual General Meeting for the shortfall.

Ordinary Resolutions 3 and 4
Re-election of Directors

Mr The Cheng Eng and Mr Pang Sar are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Fifth Annual General Meeting.

The Board of Directors has through the Nomination Committee considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

Ordinary Resolution 5
Re-appointment of Auditors

The Board has through the Audit and Risk Management Committee, considered the re-appointment of KPMG PLT as the Auditors of the Company. The factors considered by the Audit and Risk Management Committee in making the recommendation to the Board to table their re-appointment at the Fifth Annual General Meeting are disclosed in the Statement on Corporate Governance of this Annual Report.

KPMG (AF0758) have been converted to KPMG PLT (LLP0010081-LCA) (AF0758), a limited liability partnerships under the Limited Liability Partnerships Act 2012 ("LLP Act 2012"), effective 27 December 2016 ("effective date"). Pursuant to the LLP Act 2012, the business, interests, rights, privileges, liabilities and obligations of KPMG is now taken over by and shall vest in KPMG PLT, on the stated effective date without any changes to the terms of the contract and/or arrangement.

Ordinary Resolution 6
Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

This proposed Resolution, if passed, will empower the Directors to allot up to a maximum of 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. 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, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 23 November 2016 and the mandate will lapse at the conclusion of the Sixth Annual General Meeting.

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

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 Fifth Annual General Meeting of EHB to be held at Function Room 1 & 2, Level 1, Main Lobby, TPC Kuala Lumpur, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on **Wednesday, 22 November 2017** 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.			

Resolutions	For	Against
1. To approve the payment of Directors' Fees for the financial year ending 30 June 2018.		
2. To approve the payment of Directors' benefits from 31 January 2017 until the next Annual General Meeting.		
3. To re-elect Mr The Cheng Eng as Director.		
4. To re-elect Mr Pang Sar as Director.		
5. To re-appoint KPMG PLT as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
6. Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

(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 _____________________ 2017.

____
Signature/Common Seal of Member(s)

Notes:

1. *A member of the Company entitled to attend, speak and vote at the meeting shall be entitled to appoint up to two (2) proxies to attend, speak and vote at the meeting in his place. A proxy may but need not be a member of the Company.*
2. *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.*
3. *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.*
4. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
5. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised.*
6. *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 at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.*
7. *For the purposes of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting the Record of Depositors as at 14 November 2017. Only a depositor whose name appears on the Record of Depositors as at 14 November 2017 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.*
8. *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

www.econpile.com

Level 8, Tower Block, Plaza Dwitasik,
Jalan Sri Permaisuri, Bandar Sri Permaisuri,
56000 Kuala Lumpur

T +603 9171 9999 F +603 9173 6666
E mail@econpile.com.my