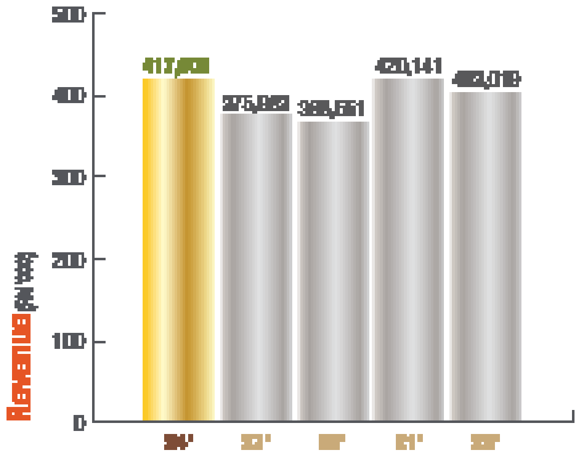
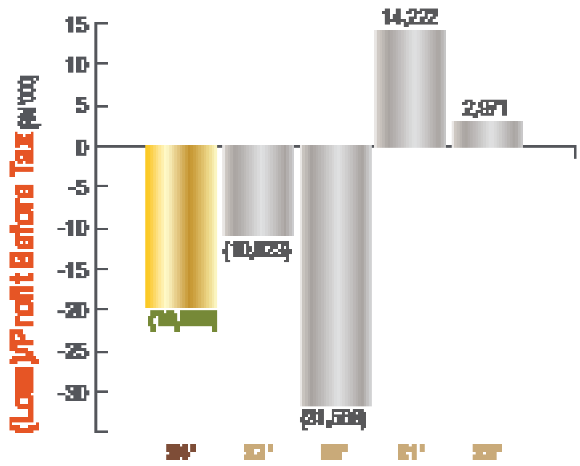
ECONPILE HOLDINGS BERHAD
Registration No.: 201201032676(1017164-M)

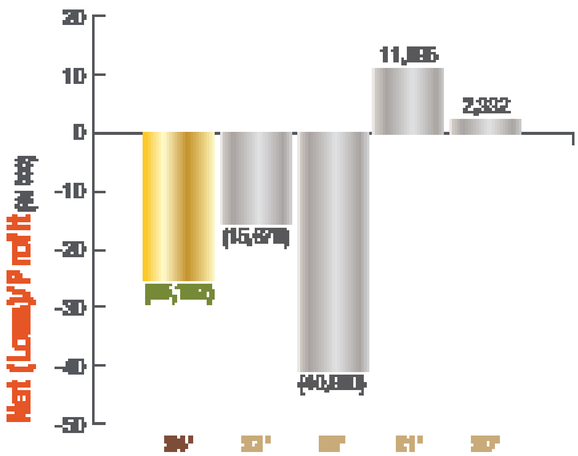
Annual Report **2024**

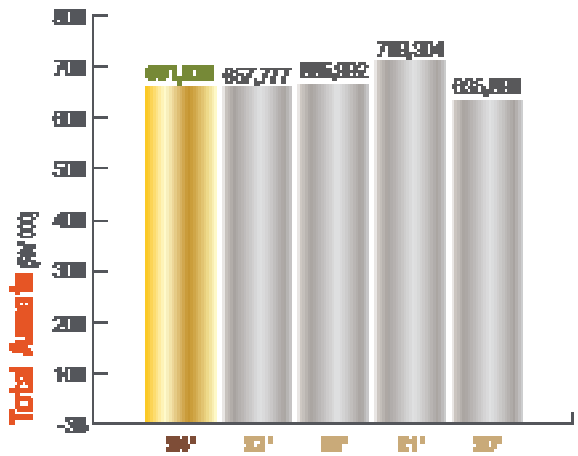
Specialist Piling, Substructure and Infrastructure Contractor

Financial Highlights









FINANCIAL YEAR ENDED	2024	2023	2022	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	417,602	375,983	366,551	420,141	403,019
Depreciation	5,072	8,279	17,370	23,552	26,473
Finance costs	6,425	4,641	3,527	3,053	2,578
(Loss)/Profit before tax	(19,622)	(10,923)	(31,566)	14,222	2,971
(Loss)/Profit before interest and tax	(13,197)	(6,282)	(28,039)	17,275	5,549
(Loss)/Profit before interest, tax and depreciation	(8,125)	1,997	(10,669)	40,827	32,022
Net (loss) / profit for the year	(25,153)	(15,679)	(40,900)	11,095	2,332
Total assets	661,536	657,777	665,992	709,304	635,696
Shareholders' equity	361,180	386,244	401,776	443,153	390,796
Total borrowings	143,707	110,658	112,009	79,424	82,238
Share capital	177,206	177,206	177,206	177,206	136,006
Earnings per share (sen)	(1.77)	(1.11)	(2.89)	0.80	0.17
Net assets backing (sen)	25.48	27.25	28.34	31.26	29.22
Gearing ratio (times)	0.40	0.29	0.28	0.18	0.21
Interest cover ratio (times)	(2.05)	(1.35)	(7.95)	5.66	2.15
Return on equity (%)	(6.96)	(4.06)	(10.18)	2.50	0.60

Corporate Information

Board of Directors

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

The Cheng Eng
Group Managing Director

Pang Sar
Executive Director/Group Chief Executive Officer

The Kun Ann
Executive Director/Deputy Group Chief Executive Officer

Teh Bee Choo
Independent Non-Executive Director

Law Siew Ngan
Independent Non-Executive Director

Hassan Bin Ramadi
Independent Non-Executive Director

Company Secretaries

Foo Pei Koon (MAICSA 7067238) (SSM PC NO. 202108000380)
Te Hock Wee (MAICSA 7054787) (SSM PC NO. 202008002124)

Audit & Risk Management Committee

Teh Bee Choo
Chairperson

Law Siew Ngan
Member

Hassan Bin Ramadi
Member

Nomination Committee

Law Siew Ngan
Chairperson

Teh Bee Choo
Member

Hassan Bin Ramadi
Member

Remuneration Committee

Law Siew Ngan
Chairperson

Teh Bee Choo
Member

Hassan Bin Ramadi
Member

Registered Office

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

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
Website : www.econpile.com

Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222
Email : is.enquiry@vistra.com

Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Auditors

KPMG PLT (Firm No. LLP0010081-LCA & AF0758)
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7721 3388
Fax : 603-7721 3399

Principal Bankers

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

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Construction Sector

Stock Name/Code

ECONBHD/5253

Corporate Structure

ECONPILE HOLDINGS BERHAD
Registration No.: 201201032676
(1017164-M)

- 100% **ECONPILE (M) SDN. BHD.**
  Registration No.: 198701005594
  (164265-P)
  - 100% **PLATINUM PRODUCTION SDN. BHD.**
    Registration No.: 200001013169
    (515775-H)
  - 100% **GLOBAL PILING SOLUTIONS CO., LTD.**
    (Company No.: 00045864)
    (Incorporated in Cambodia)
- 100% **TROPICAL BROADWAY SDN. BHD.**
  Registration No.: 201601019205
  (1190142-K)

Management Discussion & Analysis

Left:
The Cheng Eng
Group Managing Director

Right:
Pang Sar
Executive Director/ Group Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

Challenges in Malaysia's construction sector persisted in the second half of 2023, as building material prices remain elevated. These high prices were driven by volatile commodity prices stemming from supply chain disruptions caused by COVID-19, ongoing geopolitical tensions in Eastern Europe since 2022 and escalating pressures in the Middle East started in October 2023. Many construction players continue to face financial pressures, having to absorb higher costs on ongoing projects that were secured before the price surges.

The tender environment in Malaysia's construction industry has remained subdued throughout the financial year, driven in large part by significant delays in the rollout of public mega infrastructure projects, which have historically been key drivers of industry activity. The scarcity of project has heightened competition within the sector, putting increased pressure on construction companies to secure a limited number of tenders while managing tighter margins. In the financial year ended 30 June 2024 ("FY2024"), Econpile Holdings Berhad ("Econpile") and its subsidiaries ("the Group") were not spared from the challenges, recording a loss primarily due to cost overruns on specific projects, exacerbated by provisions for receivables as a measure of prudence.

Despite these challenges, construction and tender activities in Malaysia have improved in the first half of 2024, supported by RM180 billion worth of jobs in the pipeline for 2024, according to the Ministry of Works. The construction projects include RM90 billion from the government's development expenditure and the other half from the private sector.

Similarly, the Group made significant strides and secured RM432.2 million of new wins in FY2024, surpassing the RM285.9 million achieved in the previous year. These new wins are anticipated to positively impact the Group's earnings going forward.

On behalf of the Board of Directors of Econpile ("the Board"), we present the Annual Report and Audited Financial Statements for FY2024.

ECONOMIC REVIEW

Global challenges prompted the International Monetary Fund to revise Malaysia's Gross Domestic Product ("GDP") growth estimate to 3.2% in 2023, from 3.5% in the previous year. Similarly Bank Negara Malaysia reported a decrease in domestic GDP growth to 3.7% in 2023, compared to 8.7% in 2022. Despite the overall slower economic growth, the construction sector showed positive momentum, with value of work done increasing by 8.4% in 2023, following 8.8% growth in 2022.

2024 looks promising for Malaysia's economy, with GDP increasing by 5% in the first half of 2024 ("1H24"). The construction industry remains a key driver of the economy, growing 17.2% in 1H24, fuelled by strong performance in all sub-sectors, led by civil engineering and residential buildings sub-sectors.

BUSINESS AND OPERATIONS

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

Econpile has two wholly-owned subsidiaries, namely Econpile (M) Sdn. Bhd. and Tropical Broadway Sdn. Bhd.. Econpile (M) Sdn. Bhd. in turn has two wholly-owned subsidiaries – Platinum Production Sdn. Bhd. and Global Piling Solutions Co., Ltd.. Below are the core services provided by the subsidiary companies:

Direct Subsidiary	Principal Activities
Tropical Broadway Sdn. Bhd.	◆ Undertakes property development
Econpile (M) Sdn. Bhd.	◆ Provides piling and foundation services
Indirect Subsidiary	
Platinum Production Sdn. Bhd.	◆ Undertakes regular maintenance of machinery and related accessories ◆ Engages in property investment
Global Piling Solutions Co., Ltd. (incorporated in Cambodia)	◆ Undertakes piling and foundation projects in Cambodia

As an integrated provider, Econpile offers a full suite of piling and foundation services, which includes construction of bored piles, earth retaining systems and substructures. Notable completed projects since inception include piling works for Klang Valley Mass Rapid Transit ("KVMRT"), Light Rail Transit 3 ("LRT 3"), Rapid Transit System Link ("RTS Link") and deep basement works for Pavilion Damansara Heights, Elite Pavilion, W Hotel and The Residences, and Oxley Towers.

Share Performance (1 July 2023 – 30 September 2024)

Year High	RM0.560
Year Low	RM0.185
Year Close	RM0.460
Trading Volume	3,675.5 million
Market Capitalisation as at 30 September 2024	RM652.1 million

OPERATIONAL HIGHLIGHTS

- **New wins in FY2024**

Econpile secured RM432.2 million of new wins in FY2024, surpassing RM285.9 million of wins secured in the previous year.

The wins secured were mainly from Malaysia, in which the Group announced six (6) notable projects, namely: -

1) Pinnacle @ Subang Jaya, Selangor (contract value: RM35.1 million)
   - ◆ Secured on 3 July 2023 from Vestland Resources Sdn. Bhd. to undertake the substructure works for a commercial development comprising SOHO and retail floors.

2) Park Green @ Bukit Jalil, Kuala Lumpur (contract value: RM43.4 million)
   - ◆ Secured on 24 July 2023 from Konzepte + Design Architects for and on behalf of Regal Path Sdn. Bhd. to undertake the substructure works for two (2) blocks of 47-storey serviced apartment comprising 453 units at Lot 101899 (PT15290), with existing commercial development comprising one (1) block of 5-storey retail mall with two (2) levels of basement parking.

3) Arte Star @ Jalan Sungai Besi, Kuala Lumpur (contract value: RM101.3 million)
   - ◆ Secured on 27 September 2023 from Suriamega Development Sdn. Bhd. to undertake the sub-structure works for three (3) blocks of SOHO comprising two (2) blocks of 50-storey SOHO and a block of 51-storey SOHO with podium and basement carpark floors.

4) Office Building @ Shah Alam, Selangor (contract value: RM30.0 million)
   - ◆ Secured on 7 February 2024 from Chingsan Development Sdn. Bhd. to undertake the construction and completion of site clearing, earthworks, substructure and structure works for a 5-storey basement car park (B1-B5), including the floor slab of lower ground 2 (LG2) for one (1) block of a 15-storey office building.

Management Discussion & Analysis (Continued)

5) Eden @ Jalan Gallagher, Kuala Lumpur (contract value: RM83.0 million)
    - Secured on 29 February 2024 from BRDB Developments Sdn. Bhd. to undertake the sub-structure works consisting of earthworks, retaining structure, piling, pile caps and stumps, lowest slab, road deck and ancillary works for a proposed development of 146 units of villa residences consisting of eight (8) blocks of villa residences with two (2) and four (4) levels of basement carpark and two (2) blocks of carpark including common facilities and clubhouse.

6) Cameron Highlands road upgrade works, Pahang (contract value: RM65.5 million)
    - Secured on 1 March 2024 from Ahmad Zaki Resources Berhad to undertake road upgrade works.

- **Progress of ongoing and completed projects**

Econpile worked on a total of 36 projects in FY2024, comprising projects secured in previous years and new wins. At the same time, we completed 20 of these projects, of which 19 was from Malaysia and 1 from Cambodia.

The foundation and structural works for the basement levels of the Naga 3 Project in Phnom Penh, Cambodia, are largely completed with clearing, cleaning, and defect rectification works ongoing.

This ambitious project, set to feature three towers upon full completion, spanned over three years and involved overcoming the challenges of the global pandemic. The scope of work included complex foundation and basement construction, all within a demanding urban setting.

The bored piling works, completed in early 2023, provided the essential foundation for transitioning to the next phase: basement construction. The piling works presented significant challenges, as we had to navigate drilling in a congested urban environment while also socketing the piles into exceptionally hard rock, adding complexity to the task.

Subsequent to piling works, over the past two years, we successfully completed five expansive basement levels, each with slab areas ranging from 11,000m² to 15,000m². To ensure structural integrity and safety, we implemented a semi top-down construction method. This approach began with casting the ground floor slab to reinforce the retaining walls before excavation could proceed. Following this, the basement construction proceeded in a controlled top-down sequence, systematically progressing from the B1 level down to the B4 level. This method enabled simultaneous excavation and construction, optimising time while ensuring structural stability. By reinforcing each level as excavation progressed, we minimised risks of ground movement and structural stress.

The construction of the basement floors is a labour-intensive and technically demanding process that requires precise coordination, planning, and execution. This phase involves a wide range of specialised tasks, from excavation and formwork to concrete pouring and reinforcement installation. We successfully mobilised a peak workforce of around 450 skilled workers on-site during the most critical phases.

On the domestic front in Malaysia, we successfully completed foundation work for several key projects during the financial year, including notable developments such as Kuchai Sentral, River Park Bangsar South, Myara Park, and Times Square II, all in the vicinity of Klang Valley. Among the prominent ongoing projects are Eden Taman Duta, Arte Star @ Sg. Besi, and the road upgrade works in Cameron Highlands.

Eden Taman Duta is a demanding project due to its vast 12-acre area and the complex terrain, characterised by slopes with varying degrees of steepness. Currently, the site is a hive of activity, with drilling rigs strategically positioned from the high ground to the lower sections, actively carrying out bored piling works. Simultaneously, excavators and trucks are engaged in continuous soil removal, clearing the site for upcoming construction phases. To ensure stability across the sloping terrain, reinforced earth wall construction is underway, fortifying key sections of the slopes and mitigating potential erosion or land movement.

The Arte Star @ Sg. Besi project, situated adjacent to the Salak Expressway in Kuala Lumpur, is positioned on a rectangular site that stretches lengthwise parallel to the highway. This project involves the division of piling and substructure works into three sections, ultimately culminating in the development of three high-rise SOHO blocks. We have achieved considerable advancements since September 2023: the bored pile works in Section 1 have been completed, and we are actively casting the basement floors. Meanwhile, in Section 2, bored piling operations are progressing smoothly.

The road upgrade and bridge construction project in Cameron Highlands marks our first venture into the infrastructure sector in the financial year. The current focus is on two locations, less than five kilometres apart, in the town of Brinchang. This project forms part of a broader initiative to develop the Cameron Highlands Bypass, offering alternative route for motorists traveling to this popular tourist destination. Environmental considerations are a significant concern for the project. We anticipate full-scale operations in the coming months, with key preparations such as land acquisition, environmental impact assessments (“EIA”), and slope stabilisation proposals are well underway and partially completed.

Econpile’s order book as at 30 June 2024 stood at RM387.6 million, comprising 16 ongoing jobs and is expected to provide us financial visibility until the financial year ending 30 June 2027. Furthermore, we are leveraging our available resources to tender for new projects, aiming to enhance and expand our order book.

CORPORATE DEVELOPMENT

During the financial year, the Group did not undertake any corporate exercises, such as mergers or acquisitions, nor did it diversify into new businesses. The focus remained on strengthening core operations and improving efficiency, while staying open to future growth opportunities.

With respect to material litigations, the Group remains dedicated to defending its legal position and protecting its interests. We handle all matters carefully, working closely with experienced legal counsel to ensure informed responses and proactive legal approaches. The status updates of various legal proceedings are detailed in the Notes to the Financial Statements.

FINANCIAL REVIEW

STATEMENT OF COMPREHENSIVE INCOME

Due to the Group's increased new wins exceeding RM432.2 million secured in FY2024 and the expedited construction of ongoing projects, Econpile record a revenue of RM417.6 million, representing a 11.1% increase from RM376.0 million in the previous year.

Piling and foundation works for property development projects were the main revenue contributor in FY2024, accounting for RM387.7 million or 93.0% of total group revenue, while works for infrastructure and other related projects made up the balance of RM29.9 million or 7.0%.

Meanwhile, the Group recorded a gross profit of RM8.1 million in FY2024, increasing 27.0% from RM6.4 million previously, attributed to reduction in the burden of legacy projects affected by pandemic challenges.

However, administrative expenses rose by 34.9% to RM24.8 million, up from RM18.4 million previously. The increase was due to a prudent provision of RM4.5 million for a receivable from a customer placed in receivership administration. Additionally, finance costs increased 38.0% to RM6.4 million, from RM4.6 million previously, due to higher borrowings needed to support working capital for new and ongoing projects.

As a result, Econpile recorded higher net loss of RM25.2 million in FY2024, as compared to RM15.7 million previously.

No dividends were paid in FY2024 due to the net loss position of the Group.

Looking ahead, the Group expects gradual improvement in earnings, driven by better returns from newly secured contracts.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024, the Group's total assets stood at RM661.5 million, from RM657.8 million a year ago, on higher property, plant and equipment, investment properties, and cash & cash equivalents. With the construction sector seeing recovery, the Group allocated capital expenditure of RM10 million in the year under review to purchase a new drilling rig, giving us more capacity to take on demanding projects.

Meanwhile, total liabilities increased to RM300.3 million, up from RM271.5 million in the prior year, due to 37.8% increase in short-term borrowings of RM126.3 million, as compared to RM91.7 million previously. The increase was to support working capital of ongoing and new projects in line with the additional wins secured in FY2024.

As a result of the net loss recorded in FY2024, the Group's retained earnings was reduced, leading to a decline in shareholders' equity to RM361.1 million as at 30 June 2024, down from RM386.2 million previously. Despite these challenging conditions, the Group maintained a healthy financial position, with manageable low net gearing of 0.18 times as at 30 June 2024, compared to 0.17 times in the previous year.

RISKS

Econpile's labour supply situation and productivity were normalised in the current financial year. The other principal risks faced by the Group are as follows:

- **CASHFLOW LIQUIDITY RISK**

  Cashflow management remains a key focus for the Group as our customers recover from the prolonged downturn in the property market over recent years.

  We depend on interim payments from clients during construction to discharge the debt accrued. When an interim payment is delayed or not paid, it would affect our ability to continue projects at full capacity or even result in intermittent work stoppages.

  The Group's liquidity risk arises from the credit exposure to its customers from outstanding receivables. Generally, the interim payments due from the newer projects are paid within a reasonable time. Our cash flow is affected by long-overdue payments from some projects completed during and before the COVID-19 pandemic.

Management Discussion & Analysis (Continued)

Our cash and cash equivalent position has shown a modest improvement compared to last year. We believe that this upward trend will continue, in line with anticipated increase in residential property launches, the handover of completed units and the opening of new commercial spaces by our clients.

The Board will continue to actively assess various sources of liquidity risk, including cash flow projections, access to financing, and the risk of payment defaults. These measures are essential for safeguarding the Group against liquidity mismatches that could jeopardise its financial stability and long-term sustainability.

- **PROJECT COST OVERRUN**

Cost overruns in the Group's projects can arise from unforeseen ground conditions, such as soil variability or groundwater issues, which require design changes or costlier construction methods. Delays in site mobilisation due to slow permitting processes, machinery breakdowns, and labour inefficiencies can also contribute to increased costs. Additionally, material price fluctuations, and adverse weather conditions can further complicate timelines and budgets. Unanticipated technical difficulties, such as hard driving conditions, can potentially place further strain on resources and schedules, ultimately driving up overall expenses.

To address these challenges, the Group employs proper planning and prudent budgeting practices to mitigate the impact of these risks. However, the Group acknowledges that significant fluctuations in material prices, such as steel and concrete, are beyond its control and can significantly impact profit margins. Contracts with private sector clients typically lack provisions for price adjustments, leaving the Group exposed to rising costs, as seen from 2020 to 2022 due to the Russia-Ukraine conflict and supply chain disruptions.

While profit margins for new projects are sustainable if material prices remain stable, the risk of sudden price spikes due to external factors, such as rising energy costs and geopolitical tensions, persists. These unforeseen increases could lead to cost overruns, despite ongoing efforts to improve risk management and procurement strategies.

FUTURE OUTLOOK

Presently, the Group is primarily focused on projects in Malaysia, while projects in Cambodia are in their defect rectification stages.

In the first half of 2024 for Cambodia, the Ministry of Land Management, Urban Planning, and Construction approved 1,642 construction projects, totalling USD2.53 billion in investment according to a report from the Ministry of Economy and Finance, Cambodia. However, compared to the same period in 2023, there was an 11% decline in the number of approved projects and an 8.1% drop in total investment.

In early 2024, the National Bank of Cambodia forecasted ongoing challenges for the real estate and construction sectors in its 2024 outlook, with weak demand for luxury projects but some recovery expected in affordable housing.

These statistics and conditions highlight the competitive and challenging tender environment our Group has been navigating in Cambodia throughout the financial year. The evolving market conditions, combined with increased pressure on project margins, have required the Group to adopt a cautious and strategic approach in our bidding activities. Consequently, we are presently taking a cautious approach, observing market trends and evaluating opportunities carefully to ensure that any future commitments are aligned with both our financial stability and long-term growth objectives in the country.

In contrast, the outlook in Malaysia appears to be more positive in the near term.

Bank Negara Malaysia forecasted in September 2024 that Malaysia's GDP growth would range between 4% to 5% for 2024, following better-than-expected expansion in the first half. The economy grew by 5.9% in the second quarter of 2024, up from 2.9% growth a year earlier, driven by higher household spending, exports, investment and tourism.

The latest indicators pointed towards sustained strength in economic activity driven by resilient domestic expenditure and higher export activity.

The domestic construction sector is forecast to grow by 6.8% in 2024 due to better performance in all subsectors. Civil engineering is bolstered by projects such as the Central Spine Road and Pan Borneo Sabah Highway. Additionally, the New Industrial Master Plan 2030 will enhance non-residential building performance by attracting investments.

The residential subsector is also projected to improve, supported by the government's efforts to increase affordable housing and new project launches by the private sector.

Meanwhile, the Department of Statistics Malaysia reported a decrease in the unit price index of steel ranging from 0.6% to negative 4.2% in August 2024 as compared to the same month last year for almost all areas in Peninsular Malaysia, Sabah and Sarawak.

With the construction sector's outlook improving, the Group is poised to capitalise on emerging opportunities in Malaysia by leveraging its core expertise in bored piling and deep foundation works.

GROWTH STRATEGIES

We have identified two core strategies to drive the Group forward:

- **Continue to tender for property development projects**

  With home ownership remaining a key priority nationwide, tenders for property development projects remain active, though often with smaller contract sums as developers adopt a more pragmatic approach. We continue to receive invitations to participate in tenders for high-rise mixed development projects in Klang Valley and aim to remain competitive.

- **Pursue opportunities in infrastructure and industrial sectors**

  During the financial year, our tender book has been predominantly focused on property development projects. However, with the growing momentum in infrastructure and industrial development, we are actively expanding our involvement in these sectors, particularly in industrial buildings and infrastructure projects.

  The demand for industrial properties is rising, driven by multinational corporations looking to establish operations in Malaysia due to its strategic geographic location and favourable policies for foreign direct investment. This presents a significant growth opportunity for the Group.

  In parallel, we are exploring participation in large-scale public infrastructure projects to support Malaysia's development agenda. Currently, we are engaged in road upgrade and bridge structure works in Cameron Highlands, Pahang. This project not only showcases our capabilities but also positions us to secure further road-related infrastructure contracts in the future.

  During the financial year, the Group has signed a memorandum of understanding with Sungai Klang Link Sdn. Bhd. ("SKL") for the construction of an elevated highway project proposed by SKL to the government of Malaysia. Our scope for this project includes providing the knowledge, experience and expertise to plan, construct, complete, and fully provide our services, workforce, material, machinery, and equipment as required for the construction works of the elevated highway project.

  The construction of large-diameter, deep depth piles has long been one of our core competitive advantages, setting us apart from other contractors. As the demand for these foundation piles remains strong, particularly for upcoming large-scale infrastructure projects, we are committed to further strengthening our leadership position in this area. The expected heavy-load requirements of these projects position us favourably to capitalise on this growing market need.

APPRECIATION

We extend our heartfelt gratitude to the Board, management, and our dedicated employees for their unwavering efforts in driving the Group's success. We also sincerely thank our business partners, associates, suppliers, customers, and valued shareholders for their ongoing support.

Sincerely,
The Cheng Eng
Group Managing Director

Pang Sar
Executive Director/ Group Chief Executive Officer

Directors' Profiles

Standing from Left to Right:
HASSAN BIN RAMADI
Independent Non-Executive Director

LAW SIEW NGAN (f)
Independent Non-Executive Director

THE KUN ANN (f)
Executive Director/ Deputy Group Chief Executive Officer

TEH BEE CHOO (f)
Independent Non-Executive Director

Seated from Left to Right:
PANG SAR
Executive Director/ Group Chief Executive Officer

THE CHENG ENG
Group Managing Director

KRISHNAN A/L C K MENON
Non-Independent Non-Executive Chairman

KRISHNAN A/L C K MENON
Non-Independent Non-Executive Chairman

Krishnan A/L C K Menon (Male), a Malaysian aged 74, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 20 February 2014. He does not sit on any Board Committees of the Company. 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 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 6 years and left as the Executive Vice-President in 1994. After serving 2 public-listed companies, he joined Putrajaya Holdings Sdn. Bhd. as Chief Operating Officer from 1997 until 2000.

He was a Non-Executive Director of Petroliam Nasional Berhad from 2010 to 2019. He is presently the Non-Independent Non-Executive Chairman of SCICOM (MSC) Berhad.

Mr Menon has attended all the 6 Board meetings held during the financial year ended 30 June 2024. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

THE CHENG ENG
Group Managing Director

The Cheng Eng (Male), a Malaysian aged 76, is our founder and Group Managing Director. He is also a major shareholder of the Company. He was appointed to our Board on 8 October 2013. As our Group Managing Director and a member of Key Senior Management, he is responsible for oversight of operations as well as directing growth and strategic direction of the Group.

He has over 50 years of extensive experience in the piling and foundation industry. He started his career in Singapore 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. He is currently a trustee of Chong Hwa KL Foundation.

Mr The has attended all the 6 Board meetings held during the financial year ended 30 June 2024. He is the father of Ms The Kun Ann, the Executive Director/Deputy Group Chief Executive Officer of the Group. He has no conflict of interest with the Company except for the related party transaction as disclosed. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

PANG SAR
Executive Director/ Group Chief Executive Officer

Pang Sar (Male), a Malaysian aged 66, is our Executive Director and Group Chief Executive Officer. He is also a major shareholder of the Company. He was appointed to our Board on 8 October 2013. As a member of Key Senior Management, 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 35 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 as Resident Engineer and Project Manager, in consultant firm and construction companies.

Mr Pang has attended all the 6 Board meetings held during the financial year ended 30 June 2024. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

THE KUN ANN
Executive Director/Deputy Group Chief Executive Officer

The Kun Ann (Female), a Malaysian aged 44, is our Executive Director and Deputy Group Chief Executive Officer. She was appointed to our Board on 8 October 2013. As a member of Key Senior Management, she assists the Group Managing Director and Group Chief Executive Officer to provide overall leadership in operations and strategic planning. She graduated with a Bachelor of Business and Commerce Degree and a Master of International Business, both from Monash University, Australia.

Prior to joining the Group in 2010, Ms The has 10 years of 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 6 Board meetings held during the financial year ended 30 June 2024. She is the daughter of Mr The Cheng Eng, the Group Managing Director and major shareholder of the Company. She has no conflict of interest with the Company. She has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

TEH BEE CHOO
Independent Non-Executive Director

Teh Bee Choo (Female), a Malaysian aged 61, is our Independent Non-Executive Director. She was appointed to the Board on 3 August 2022. She is the Chairperson of the Audit & Risk Management Committee and a member of the Nomination Committee and the Remuneration Committee. She graduated from Swinburne Institute of Technology Australia (now known as Swinburne University of Technology) with a Bachelor of Business in Accounting with Data Processing. She is a Chartered Accountant of the Malaysian Institute of Accountants.

Ms Teh has over 30 years of extensive working experience in accounting and financial management. She is the Chief Financial Officer of PESTECH International Berhad ("PESTECH"), currently heading its Accounts and Finance Division. She is responsible for PESTECH's financial reporting, risk management, internal controls, financial and budgetary planning, and taxation.

Prior to joining PESTECH in 2008, her work experience includes holding various senior finance positions in private and public companies as well as running her own company offering corporate management services.

Ms Teh has attended all the 6 Board meetings held during the financial year ended 30 June 2024. She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company. She has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

Directors' Profiles (Continued)

LAW SIEW NGAN
Independent Non-Executive Director

Law Siew Ngan (Female), a Malaysian aged 63, is our Independent Non-Executive Director. She was appointed to the Board on 18 October 2022. She is the Chairperson of the Nomination Committee and Remuneration Committee and a member of the Audit & Risk Management Committee. She is a Chartered Accountant of the Malaysian Institute of Accountants.

Ms Law has over 30 years of extensive experience across financial management, accounting, audit, risk management, human resources and senior level strategic planning. She started her career by serving articleship at Hanafiah, Raslan and Mohamed in 1981 where she left as an audit supervisor in 1989. This is followed by a progressive career in commerce holding various senior positions in finance and corporate in private and public companies from 1990 to 2018.

Ms Law has attended all the 6 Board meetings held during the financial year ended 30 June 2024. She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company. She has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

HASSAN BIN RAMADI
Independent Non-Executive Director

Mr Hassan Bin Ramadi (Male), a Malaysian aged 58, is our Independent Non-Executive Director. He was appointed to the Board on 29 November 2023. He is a member of the Audit & Risk Management Committee, the Nomination Committee, and the Remuneration Committee. He graduated with a Bachelor of Building from the University of New South Wales, Australia.

He has over 30 years of professional experience in the fields of project management and property development. In particular, he underwent several advancements progressively assuming diverse operational and strategic responsibilities at Putrajaya Holdings Sdn Bhd ("PJH") over the course of 26 years since 1996.

He left PJH in 2022 as a Senior General Manager, Development and Operation, responsible for monitoring organisational performance as well as strategising business plans and implementing business initiatives.

Mr Hassan has attended all the 3 Board meetings held after his appointment on 29 November 2023 during the financial year ended 30 June 2024. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

Key Senior Management Profiles

Apart from the Group Managing Director, the Executive Director/Group Chief Executive Officer and the Executive Director/Deputy Group Chief Executive Officer, the Key Senior Management also comprises the following personnel.

Ng Heng Heem (Male), a Malaysian aged 68, is our Senior General Manager (Contracts). He was appointed to this position on 1 July 2014. 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 40 years of experience in contract administration and quantity surveying in the construction sector.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

Amrick Singh A/L Atar Singh (Male), a Malaysian aged 55, is our Chief Operating Officer. He was promoted from Deputy Senior General Manager (Projects) to the current position on 1 June 2023. He is responsible for monitoring project performance and management of site operational matters for all construction projects in Malaysia. He graduated with a Bachelor of Civil Engineering with Honours Degree from Universiti Teknologi Malaysia in 1992. He passed the Safety and Health Officer Examination conducted by National Institute of Occupational Safety and Health in 1999.

He has over 30 years of technical experience in the piling sector involving the foundation construction of infrastructure and commercial developments.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

Choo King Hwa (Male), a Malaysian aged 63, is our Senior General Manager (Projects). He was appointed to this position on 1 July 2014. He is currently based in Cambodia and is responsible for the monitoring and management of site technical activities for all construction projects in Cambodia. He graduated with a Bachelor of Civil Engineering with Honours Degree from Monash University, Australia in 1985. He has over 35 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 and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

Leong Wai Ming (Male), a Malaysian aged 55, is our Senior General Manager (Finance). He is responsible for directing the financial and accounting operations of the Group. He graduated with a Bachelor of Economics Degree from the University of Adelaide, Australia in 1990. He is a member of the Malaysian Institute of Accountants. He has over 30 years of working experience in the areas of financial management, corporate function, restructuring, merger and acquisition. Prior to joining the Group, he has served in various positions in 6 other public listed companies and 2 international accounting firms.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2024.

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

Sustainability Statement

A. LAYING THE FOUNDATION FOR SUSTAINABLE GROWTH

Our Statement at a Glance

Econpile Holdings Berhad ("Econpile" or "the Company") is pleased to present our Sustainability Statement ("the Statement") for the financial year ended 30 June ("FY2024"). The Statement offers valuable insights into our efforts to integrate environmental, social, and governance ("ESG") considerations into our daily operations throughout the Company and its subsidiaries (collectively, "the Group"). As a specialist provider of bored piling and foundation services for high-rise property developments and infrastructure projects, we are committed to building not only strong foundations for structures but also a sustainable future for our industry and communities.

Progressing into a Sustainable Future

In FY2024, Econpile developed an ESG Framework to align our vision and contributions with the United Nations Sustainable Development Goals ("UN SDGs") and address the interests of our stakeholders. This framework systematically integrates sustainability considerations into our business operations, guided by our core values of Professionalism, Achieve, Service, Safety, Integrity, Openness and Nurture. This year, the Group adopted five UN SDGs:

- SDG 8 (Decent Work and Economic Growth)
- SDG 9 (Industry, Innovation and Infrastructure)
- SDG 12 (Responsible Production and Consumption)
- SGD 13 (Climate Action)
- SDG 16 (Peace, Justice and Strong Institutions)

These goals foster increased engagement and commitment to advancing the global sustainability agenda.

Econpile established a Sustainability Policy to guide our initiatives across operations. The policy outlines our approach in managing environmental impact, promoting social responsibility and ensuring long-term economic viability. Additionally, we developed a Terms of Reference ("TOR") to define roles and responsibilities within our sustainability governance structure, ensuring accountability, clarity and effective implementation of our sustainability initiatives.

In response to the growing concerns about climate change and its adverse effects, we have commenced reporting our Scope 1 and Scope 2 Greenhouse Gas ("GHG") emissions for a more comprehensive view of our environmental impact. Through this GHG emissions reporting, we aim to identify key areas for improvement, set reduction targets, and implemented effective strategies to mitigate our environmental impact. This initiative underscores our commitment to sustainability and aligns with global efforts to combat climate change.

In addition to our environmental initiatives, we are equally dedicated to maintaining high standards of health and safety. The Group has achieved an average Safety and Health Assessment System in Construction ("SHASSIC") score of 94.72% (5 stars) for two project sites by Construction Industry Development Board Malaysia ("CIDB"), showcasing our commitment to health and safety at our project sites.

Defining Reporting Scope and Boundaries

The Statement covers FY2024 for the period from 1 July 2023 to 30 June 2024. Where applicable, we have included three financial years of historical data to highlight annual trends in our ESG performance.

Our disclosures encompass data for our main business operations, including subsidiaries located in Malaysia and Cambodia.

Subsidiaries
- Econpile (M) Sdn. Bhd. (Malaysia)
- Global Piling Solutions Co., Ltd. (Cambodia)

The Statement does not cover the Company's direct and indirect subsidiaries, namely Tropical Broadway Sdn. Bhd. and Platinum Production Sdn. Bhd. These subsidiaries operate outside our core business in piling and foundation services and contribute minimally to the Group's overall revenue and profit.

A. LAYING THE FOUNDATION FOR SUSTAINABLE GROWTH (Continued)

Defining Our Reporting Approach

This report is based on Bursa Malaysia Securities Main Market Listing Requirements ("MMLR"), Bursa Malaysia's Sustainability Reporting Guide (3rd edition) and the Illustrative Reporting Guidelines. We were also guided by the Global Reporting Initiatives ("GRI") Standards and the UN SDGs.

Accreditations and Certifications

In FY2024, we retained our certifications for Quality Management Systems, Environmental Management Systems and Occupational Health & Safety Management Systems, highlighting our dedication to achieving high-performance standards.

Accreditations	Brief
ISO 9001:2015 Quality Management Systems	Ensures that our processes are streamlined, efficient, and consistent in meeting customer expectations.
ISO 14001:2015 Environmental Management Systems	Effectively manages our environmental impacts and ensures sustainability across our operations.
ISO 45001:2018 Occupational Health and Safety Management Systems	Ensures our commitment to the health and safety of employees as well as the well-being of our people.

Statement Of Assurance

This Sustainability Statement has not been subjected to an assurance process. Nevertheless, the information and data disclosed have been reviewed by the data owner and respective departments to ensure the Sustainability Statement provides a fair and accurate account of Econpile's sustainability efforts and outcomes.

B. SUSTAINABILITY ACHIEVEMENTS

At Econpile, we are dedicated to enhancing our ESG performance by integrating sustainability principles into the core of our construction operations. This commitment has led to significant accomplishments, highlighting the progress of our sustainability journey.

SUSTAINABLE ECONOMIC GROWTH

95%
Total Local Suppliers and Subcontractors

78%
Average Customer Satisfaction Score in FY2024

STRENGHTENING DIVERSITY, INTEGRITY & GOVERNANCE

100%
Senior Management and Management trained on Anti-Corruption

ZERO
Substantiated Cases of Corruption over the Past Three Years

>30%
Women's Representation on our Board over the Past Three Years

Sustainability Statement (Continued)

B. SUSTAINABILITY ACHIEVEMENTS (Continued)

MINIMISING OUR ENVIRONMENTAL FOOTPRINT

23%
Reduction in Energy Intensity compared to FY2023

16%
Reduction in Scope 1 Emissions compared to FY2023

4%
Reduction in Water Consumption compared to FY2023

STRENGHTENING DIVERSITY, INTEGRITY & GOVERNANCE

3,064
Total Training Hours Across All Employee Categories

ZERO
Substantiated Incidents of Human Rights Violations

RM33,000
Community Investment for Four Organisations

C. MAPPING SIGNIFICANT MILESTONES

Our sustainability journey highlights key events shaping our ESG direction. By integrating ESG considerations into our operations, we progress towards our goals and refine our business practices to deliver long-term value to stakeholders and communities.

FY2024

- Published the Group's Sustainability Statement as per the enhanced Main Market Listing Requirement with reference to Bursa Malaysia's latest Sustainability Reporting Guideline, 3rd Edition
- Adoption of 5 new UN SDGs
  - SDG 8 (Decent Work and Economic Growth)
  - SDG 9 (Industry, Innovation and Infrastructure)
  - SDG 12 (Responsible Production and Consumption)
  - SGD 13 (Climate Action)
  - SDG 16 (Peace, Justice and Strong Institutions)
- Included climate-related disclosures
- Conducted materiality reassessment and identified 14 Material Sustainability Matters
- Established the Sustainability Policy
- Established the ESG Framework
- Established the TOR for Sustainability Governance Structure
- Received two 5-star ratings in the SHASSIC by CIDB

FY2022 -2023

- Adoption of Renumeration Policy, Fit and Proper Policy for the Board
- Inclusion of material wastage management as a sustainability material matter
- Achieved two 4-star ratings in the SHASSIC for construction projects

C. MAPPING SIGNIFICANT MILESTONES (Continued)

FY2021

- Enhanced Stakeholder engagement table to include focus areas, method of engagement and frequency
- Conducted materiality reassessment
- Received two 5-star ratings in the SHASSIC for construction projects

FY2019 - 2020

- Established the Sustainability Governance Structure
- Included one new Stakeholder Group: Suppliers and Subcontractors
- Conducted first materiality assessment
- Identified 9 Material Matters
- Initiated trial questionnaire survey for customer satisfaction
- Adopted an enhanced Whistleblowing Policy and Guidelines
- Migrated from OHSAS 18001 to ISO45001 for health and safety management system

FY2018

- Published the Company's first Sustainability Statement as per Bursa's Main Market Listing Requirements and Bursa Malaysia's Sustainability Reporting Guide, 1st Edition
- Identified 7 Material Sustainability Matters
- Identified 5 key stakeholder groups

D. STRATEGIC SUSTAINABILITY APPROACH

ESG Framework

We developed our inaugural ESG framework to integrate sustainability principles and promote ethical practices across our foundation and piling operations in the financial year. Built on four key sustainability pillars and aligned with the UN SDGs, our framework establishes a clear direction for our sustainability journey in the financial year.

Econpile's Sustainability Policy

Our newly established Sustainability Policy forms the basis of our framework. Aligned with our suite of ESG-related policies, this policy integrates sustainability principles into our corporate decision-making processes. The company is committed to business, environmental, and social responsibilities.

In business, we aim to deliver high-quality products and services through continuous improvement, maintaining professionalism, and adhering to corporate governance and industry standards. We are also committed to anti-bribery practices and to adhere to regulatory and legal requirements in all markets where we operate. Environmentally, the company focuses on enhancing performance, managing resources, controlling pollution, reducing waste, and promoting recycling. We encourage water conservation and fosters environmental stewardship through awareness programs. Socially, we prioritise safe workplaces, employee development, fair labour practices, and minimising community impact during project operations.

D. STRATEGIC SUSTAINABILITY APPROACH (Continued)

Fulfilling Global Goals

The UNSDGs are a set of 17 global objectives designed to address pressing challenges such as poverty, inequality, and climate change by 2030. These goals aim to create a better and more sustainable future for all by promoting social, economic, and environmental well-being worldwide. Currently, we have adopted the five goals most resonant with our values and where our actions yield the most meaningful impact.

UNSDG	Target Alignment	Our Contribution
8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.8:** Protect labour rights and promote safe and secure working environments for all workers	• Safety and Health Management System is certified with ISO 45001 • 2 projects achieved 5-star ratings SHASSIC by CIDB
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Target 9.1:** Develop quality, reliable, sustainable and resilient infrastructure	• Quality Management System is certified with ISO 9001:2015 • Carried out client satisfaction surveys on project quality
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Target 12.5**: Reduce waste generation through prevention, reduction, recycling and reuse	• Set maximum wastage rate targets for our main materials of concrete and steel bar ◆ Bored piling works: ➢ 25% maximum concrete wastage rate ➢ 8% maximum steel bar wastage rate ◆ Reinforced Concrete ("RC") structural works: ➢ 8% maximum concrete wastage rate ➢ 7% maximum steel bar wastage rate • Implemented Reduce, Reuse, Recycle ("3R") efforts at project sites
13 CLIMATE ACTION	**Target 13.1**: Strengthen resilience and adaptation to climate-related hazards	• Environmental Management System is certified with ISO 14001:2015 • Adhered to Best Management Practices to mitigate the risks of erosion and sedimentation
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Target 16.5**: Substantially reduce corruption and bribery	• Provided anti-bribery and anti-corruption training to employees • Enforced established policies, including Anti-Bribery and Anti-Corruption policy and the Whistleblowing Policy & Guidelines

Evaluating Sustainability Outcomes

Key Performance Indicators ("KPIs") are crucial for tracking the Group's progress towards strategic goals. They offer insights into our performance, support informed decision-making, and facilitate continuous improvement, serving as benchmarks for our progress over time. In total, 17 KPIs have been identified to provide insights into our sustainability performance and guide ongoing improvement efforts for the reporting year.

Material Matters	KPIs	Status of Target in FY2024
SUSTAINABLE ECONOMIC GROWTH		
Products and Services	To maintain a client satisfaction score of 70%	Achieved
Supply Chain Management	To maintain 90% of procurement spending on direct materials and subcontractors is locally source.	Achieved
STRENGTHENING INTEGRITY AND GOOD GOVERNANCE		
Regulatory Compliance	Zero incidents of regulatory non-compliance on water quality discharge at project site	Achieved
	To reduce the number of regulatory non-compliance notifications received from Department of Occupational Safety and Health ("DOSH") by 10%	Achieved
Corporate Governance and Anti-Corruption	To ensure that 100% of employees at the managerial level and above complete anti-corruption awareness training	Achieved
Data Privacy and Security	Zero confirmed incidents of breach of customer privacy and losses of customer data	Achieved

D. STRATEGIC SUSTAINABILITY APPROACH (Continued)

Evaluating Sustainability Outcomes (Continued)

Material Matters	KPIs	Status of Target in FY2024
MINIMISING OUR ENVIRONMENTAL FOOTPRINT		
Energy, Emissions and Climate Resilience	To reduce Scope 1 and 2 GHG emissions by 2% by year 2027	In-progress
	To reduce energy intensity (energy/revenue) by 2% by 2027	In-progress
Material Consumption	≤25% of concrete wastage for bored piling works	Achieved
	≤8% of steel bar wastage for bored piling works	Not achieved
	≤8% of concrete wastage for RC structural works	Achieved
	≤7% of steel bar wastage for RC structural works	Achieved
FULFILLING OUR SOCIAL RESPONSIBILITY		
Health and Safety	Zero fatality case	Achieved
	Zero Lost Time Injury	Achieved
	To maintain SHASSIC score of 4 stars and above	Achieved
Diversity and Talent Management	To maintain a 20% women's participation rate of women in managerial positions, including middle management & above	Achieved
	To provide 3 hours of training on average per employee at the executive level and above each year (excluding Health, Safety & Environment ("HSE") related training.	Achieved

Leadership and Governance

Econpile has established a sound governance framework to oversee and manage sustainability initiatives, ensuring effective oversight, strategic alignment, and operational execution.

This three-tier structure, led by the Board of Directors, integrates sustainability across the Group. The Board provides strategic oversight on sustainability strategies, policies, targets, and climate-related risks and opportunities.

The Sustainability Steering Committee ("SSC") oversees the Sustainability Working Committee ("SWC"), which monitors sustainability initiatives and performance across departments, translating strategic goals into tangible actions. The SWC regularly reports the Group's sustainability progress to the SSC.

Roles	Responsibilities
Board of Directors	• Strategic Oversight: Ensures the Group's sustainability efforts comply with laws and regulations • Risk Management: Integrates ESG risks and opportunities into the Group's strategy • Policy Approval: Approves major sustainability policies and the annual report • Sustainability Leadership: Promotes a sustainability culture within the Group
Sustainability Steering Committee	• Strategy and Policy: Develops sustainability policies, strategies, and targets • Performance Oversight: Tracks key sustainability metrics and progress • Risk and Opportunity: Manages ESG and climate-related risks and opportunities • Resource Allocation: Secures resources and budget for sustainability • Reporting: Reports progress to the Board regularly
Sustainability Working Committee	• Implementation: Executes approved sustainability policies and initiatives • Data Analysis: Collects and analyses data to track progress and inform decisions • Coordination: Aligns department activities with sustainability goals • Stakeholder Engagement: Collaborates with clients, suppliers, and communities on sustainability efforts • Continuous Improvement: Suggests better sustainability practices for adoption

D. STRATEGIC SUSTAINABILITY APPROACH (Continued)

Stakeholder Engagement

Econpile engages with stakeholders through various platforms to maintain communication, build trust and create value for both sides.

Frequency

❶ Annually	❷ Quarterly	❸ Monthly	❹ Weekly	❺ As required

Internal Stakeholder

Shareholders and Investors

Our Relationship
Shareholders and investors have a financial interest in the Company's profitability and growth, have voting rights on key decisions, and are exposed to risks if the Company underperforms.

Key Interests and Concerns	Engagement Mode	Strategic Response
• Group financial and operational performance • Economic, Environmental and Social Risk and Opportunity • Strategy and Risk Management • Corporate Governance	❺ Announcements to Bursa Malaysia ❶ Annual report ❶ General Meeting ❺ Small group meetings and conference calls	• Engagement meetings • Regulatory compliances • Corporate information updates

Employees

Our Relationship
Employees contribute to the Company's performance through their work, and have a vested interest in its success, as it directly affects their career and well-being.

Key Interests and Concerns	Engagement Mode	Strategic Response
• Health and safety • Training and career development opportunities • Job security	❸ Departmental meeting	• Open door policy • Strict occupational safety and health procedures • Provide relevant upskilling and development opportunities

External Stakeholder

Regulators and Authorities

Our Relationship
Regulators and authorities enforce laws, standards and regulations that the Company must comply with. Compliance is crucial for the Company to operate without legal or operational disruptions.

Key Interests and Concerns	Engagement Mode	Strategic Response
• Compliance with laws and regulations • Licenses to sustain operation	❺ Statutory reporting ❺ One-to-one and small group meeting	• Regulatory compliance • Engagement meetings

Customers

Our Relationship
Customers rely on the Company to deliver projects that meet their expectations. Their feedback and ongoing engagement directly impact the Company's reputation and profitability.

Key Interests and Concerns	Engagement Mode	Strategic Response
• Price competitiveness • Project delivery schedule • Quality execution of work • Regulatory compliance	❺ One-to-one meeting ❺ Dedicated project chat groups on messaging platform	• Regular meetings • Business resilience and innovation

D. STRATEGIC SUSTAINABILITY APPROACH (Continued)

Stakeholder Engagement (Continued)

Suppliers and Subcontractors		
	Our Relationship Supplier's and subcontractor's materials and services are crucial for project success, and their business depends on the Company's stability and performance.	
Key Interests and Concerns	**Engagement Mode**	**Strategic Response**
• Product and service quality • Delivery schedule • Price competitiveness • Health and safety practice	❺ Routine business review with key suppliers and subcontractor ❺ One-to-one meeting	• Quality, price, delivery and service • Compliance with laws and regulations • Supplier sustainability management

Local Community		
Our Relationship Construction projects can affect the environmental, infrastructure and overall well-being of local community. They can also provide economic benefits through job creation and improved facilities.		
Key Interests and Concerns	**Engagement Mode**	**Strategic Response**
• Environmental and social impacts • Economic benefits	❺ Daily informal interactions ❺ Individual and small group meetings ❺ Providing donations	• Formal and informal engagement meetings • Financial support for community engagement programmes

E. IDENTIFYING KEY MATERIAL MATTERS

Materiality Assessment

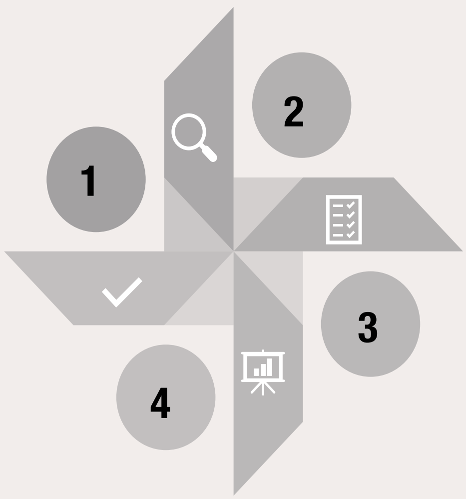
Materiality Assessment is a crucial process in sustainability reporting, as it guides us to identify and prioritise ESG issues that are most significant to both our business and stakeholders. This assessment enables the Group to chart its decision-making, strategies, targets and reporting in terms of the categorisation of these important sustainability issues.

In FY2024, we reassessed our materiality priorities with reference to Bursa Malaysia's MMLR. Our material matters inform our Group's strategic decision-making and guide the prioritisation of our sustainability initiatives.

Materiality Assessment Process

01 Identification:
14 material sustainability matters were identified based on relevance to the Group and our stakeholders. These considerations are benchmarked against best industry standards and streamlined according to Bursa Malaysia's MMLR.

02 Ranking:
The ranking of material matters, prioritised by importance, was completed with input from both internal and external stakeholders via Google survey form, represented by employees responsible for managing these stakeholder relationships.



03 Prioritise:
The responses from the materiality assessment forms were collated and plotted on a matrix using the weighted average method.

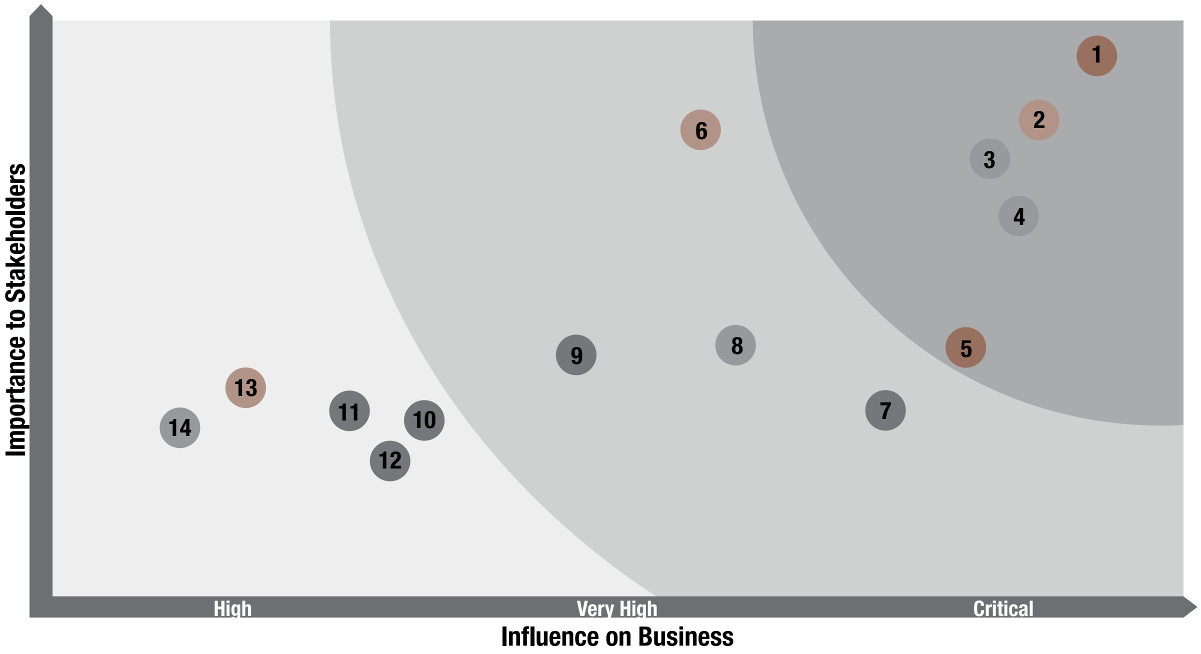
04 Validate:
The resulting materiality matrix was validated by the SSC and approved by the Board of Directors.

E. IDENTIFYING KEY MATERIAL MATTERS (Continued)

Visualising Our Materiality Matters

For FY2024, following our materiality reassessment, 14 material topics were identified and strategically plotted onto a matrix that reflects their influence on our business operations and stakeholders. These concerns were classified into three levels of significance: high, very high and critical.

Following analysis, **Products and Services**, **Regulatory Compliance**, **Health and Safety**, **Labour Practices and Standards**, and **Supply Chain Management** emerged as the top five material sustainability matters for FY2024.



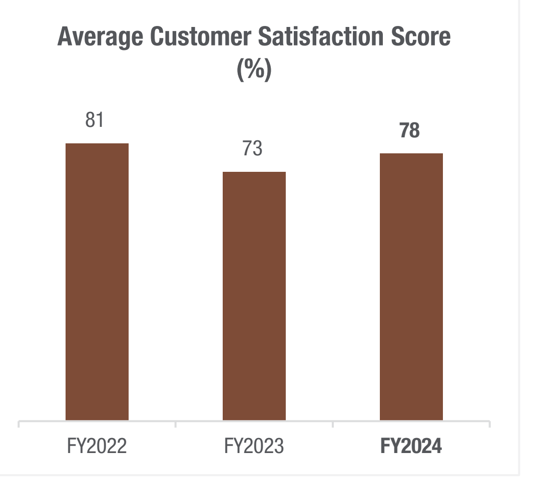
Sustainable Economic Growth		Strengthening Integrity and Good Governance		Minimising Our Environmental Footprint		Fulfilling Our Social Responsibility	
01	Products and Services	02	Regulatory Compliance	07	Material Consumption	03	Health and Safety
05	Supply Chain Management	06	Corporate Governance and Anti-Corruption	09	Energy, Emissions and Climate Resilience	04	Labour Practices and Standards
		13	Data Privacy and Security	10	Waste and Effluent Management	08	Diversity and Talent Management
				11	Air and Noise Pollution Management	14	Community Engagement
				12	Water Management		

F. SUSTAINABLE ECONOMIC GROWTH

Products and Services

Econpile recognises the quality of our offerings is crucial to building strong customer relationships and encouraging repeat business. We maintain a quality management system, certified to ISO 9001:2015 across our core project activities. We conduct customer survey for every project. This survey is essential for gathering feedback and driving continual improvement in the quality of our operations and services.

Our average customer satisfaction score increased by 5% in FY2024, reaching 78% compared to 73% in FY2023.

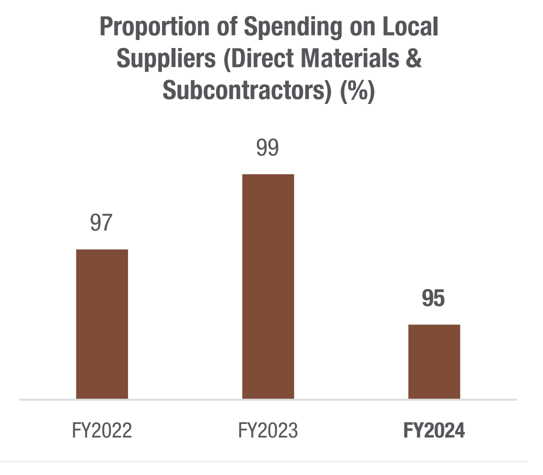


Supply Chain Management

Supplier assessments are conducted in accordance with our ISO 9001:2015 Standard Operating Procedure External Provider Control process which focuses on areas such as product quality and timely delivery.

Our contract department engaged with subcontractors on our projects, while the procurement department ensured a steady supply of materials for our operations.

We prioritise working with local suppliers and subcontractors to support local economy, reduce transportation costs and lower our carbon footprint. This approach aligns with our sustainability goals by minimising environmental impact and promoting resource efficiency. For FY2024, our goal was to source at least 90% of our direct materials (such as steel bar, concrete and fuel) as well as our subcontractors from local suppliers. For the past three years, more than 90% of the Group's procurement spending on direct materials and subcontractors was directed towards local suppliers.



Note:
1. Local contractors and suppliers refer to companies which are local to the projects.

G. STRENGTHENING INTEGRITY AND GOOD GOVERNANCE

Regulatory Compliance

Regulatory compliance is crucial for ensuring adherence to legal standards governing construction, environmental impact and safety. For Econpile, compliance with regulatory requirements mitigates legal risks, fosters stakeholder trust through transparent operations, and enhances operational efficiency. The Group has established an internal system to ensure strict adherence to Bursa Malaysia's Main Market Listing Requirements.

In accordance with the Occupational Safety and Health (Noise Exposure) Regulations 2019, we conduct initial Noise Risk Assessments ("NRA") at every project site. These assessments evaluate the degree of noise exposure to our workers in the lifting, excavator and bore pile areas and examine the effectiveness of current noise control measures.

Compliance with DOSH regulations are critical for us to protect workers from potential hazards on-site and reduce accidents. In FY2024, we have seen a decrease in non-compliance notifications from DOSH due to stringent health and safety measures in place.

	FY2022	FY2023	FY2024
Number of regulatory non-compliance notifications from DOSH	6	28	10

G. STRENGTHENING INTEGRITY AND GOOD GOVERNANCE (Continued)

Corporate Governance and Anti-Corruption

Corporate Governance

In line with the principles of the MCCG, Econpile prioritises corporate governance to maintain accountability, transparency and ethical business conduct across all our operations.

The Audit & Risk Management Committee ("the ARMC") overseen by the Board, is responsible for establishing a formal risk management framework to improve decision making, performance, accountability and outcomes.

Anti-Corruption and Anti-Bribery

Econpile implements its anti-bribery and anti-corruption controls by providing anti-bribery and anti-corruption training to employees as well as by enforcing established policies, including the Anti-bribery and Anti-corruption policy, the Whistleblowing Policy and Guidelines, the Code of Ethics and the Code of Conducts.

In FY2024, we conducted anti-corruption-related training for employees across all levels of our operations. A total of 31% of full-time employees received training on anti-corruption, comprising Senior Management (100%), Middle Management (100%), Executive (30%) and Non-Executive (7%).

Employee Category	Percentage of employees trained on anti-corruption
Senior Management	100%
Middle Management	100%
Executive	30%
Non-Executive	7%

We have maintained zero substantiated cases of corruption and whistleblowing cases for the past three financial years.

	FY2022	FY2023	FY2024
Number of substantiated incidents of corruption	0	0	0
Number of whistleblowing incidents	0	0	0

We have not conducted any corruption risk assessments across our operations in the past three years. However, subsequent to the financial year in July 2024, a corruption risk workshop was held including representatives from every department to identify, assess and prioritise corruption risks of the Group. The corruption risk profile and corresponding action plans are set to be finalised in the coming year.

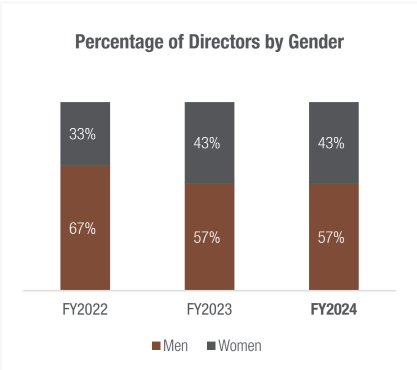
G. STRENGTHENING INTEGRITY AND GOOD GOVERNANCE (Continued)

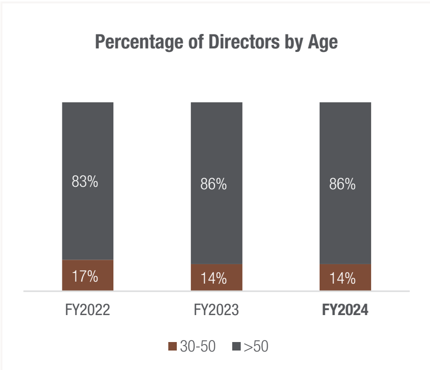
Corporate Governance and Anti-Corruption

Board Diversity

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% women director on Board, whilst ensuring that diversity in age and ethnicity remains a feature of the Board.

Data Privacy and Security





Ensuring data protection is crucial to mitigate legal and financial risks associated with data breaches and non-compliance with data protection regulations.

There were zero substantiated complaints regarding breaches of customer privacy or losses of customer data in FY2024 and the past three years.

	FY2022	FY2023	FY2024
No. of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

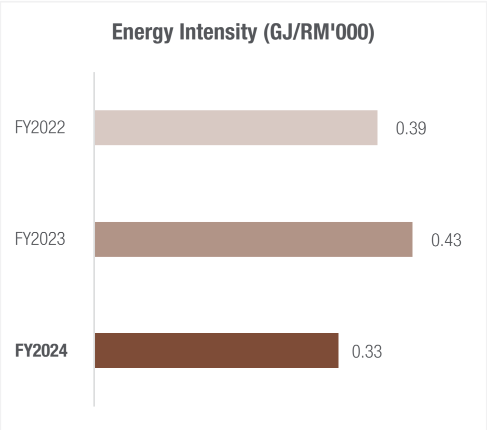
H. MINIMISING OUR ENVIRONMENTAL FOOTPRINT

Energy, Emissions and Climate Resilience

Energy and GHG emissions are crucial for Econpile as they impact operational efficiency and our environmental footprint in construction projects. Effective energy and GHG management ensure that Econpile meets regulatory standards and demonstrates our commitment to environmental stewardship and climate change mitigation.

Energy

At Econpile, the majority (96%) of our energy usage stems from diesel consumption at our construction sites, which powers construction machinery and generator sets. The remaining energy consumption is from petrol consumption and purchased electricity. In FY2024, we recorded a total energy consumption of 138,601 GJ, with an energy intensity of 0.33 GJ/RM'000. This represents a 23% decrease in energy intensity compared to 2023.

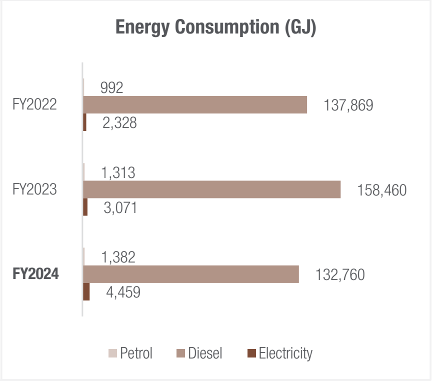


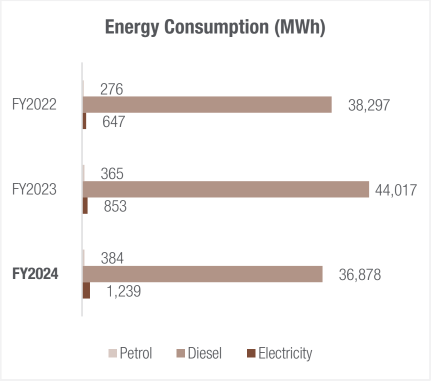
H. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

Energy, Emissions and Climate Resilience (Continued)

The decrease in energy intensity is primarily attributed to a decrease in piling activities which require substantial diesel to power heavy machinery such as drilling rig and crawler crane. This reduction does not indicate significant improvement in our overall energy efficiency. During the financial year, a number of projects progressed into labour-intensive reinforced concrete works for basement structures, which involved less diesel consumption but higher manpower requirements.

Note: The total energy consumption and total energy intensity encompasses operations in Malaysia and Cambodia.



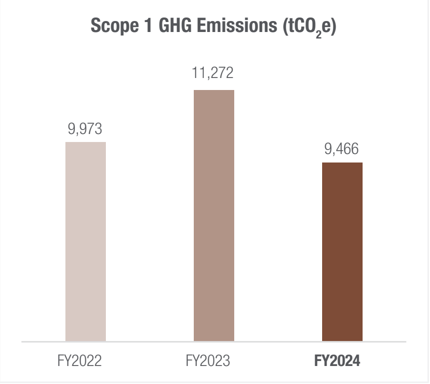


Total GHG Emissions

In FY2024, the Group's total GHG emissions from our operations in Malaysia and Cambodia was 10,193 tCO_2e with Scope 1 comprising of 93% of the total emissions and 7% resulting from Scope 2. There is an overall decrease in total GHG emissions from FY2023 (11,816 tCO_2e) to FY2024, in line with the shift in operational focus from machinery- intensive activities to more labour-intensive tasks. As the demand for heavy equipment decreased, there was a corresponding reduction in diesel consumption and emissions. This operational shift is the main reason of our lowered overall carbon footprint during the financial year.

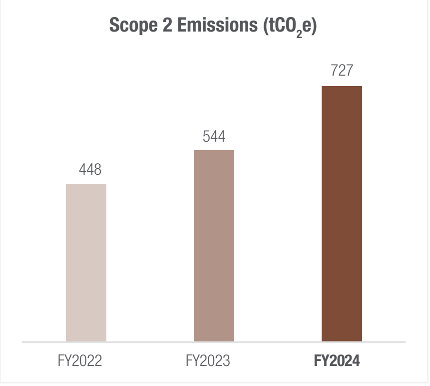
Scope 1 GHG Emissions

The Group's Scope 1 GHG emissions, resulting from petrol and diesel usage for company-owned vehicles and construction machinery totalled 9,466 tCO_2e in FY2024. This represents a 16% decrease compared to FY2023.



Scope 2 GHG Emissions

Scope 2 GHG emissions, attributed to electricity consumption at our offices and project sites, amounted to 727 tCO_2e in FY2024. This represents an increase compared to FY2023, corresponds with the rise in the Group's revenue, reflecting higher electricity consumption driven by increased operational activities.

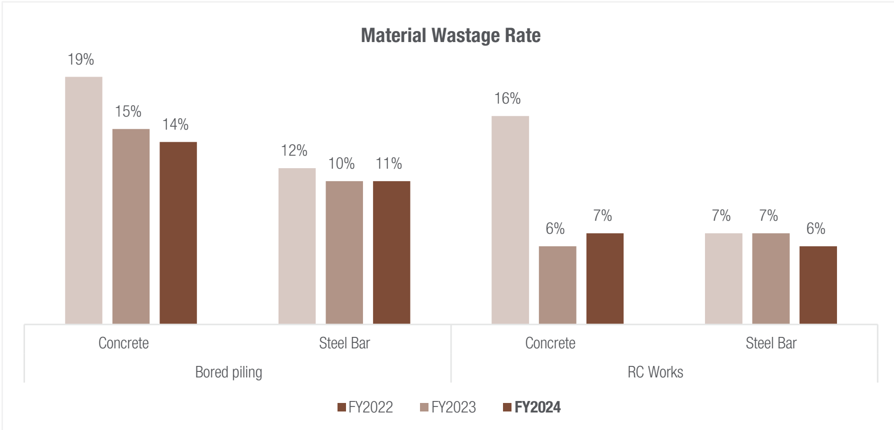


Note:
1. Calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards and IPCC Guidelines for National Greenhouse Inventories.
2. Scope 1 emissions factors were sourced from the UK Government's GHG Conversion Factor 2022, 2023 and 2024.
3. Scope 2 emissions factor for Malaysia was sourced from the National Energy Commission: Grid Emissions Factor (2021).
4. Scope 2 emissions factor for Cambodia was sourced from Institute for Global Environmental Strategies (2012).

H. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

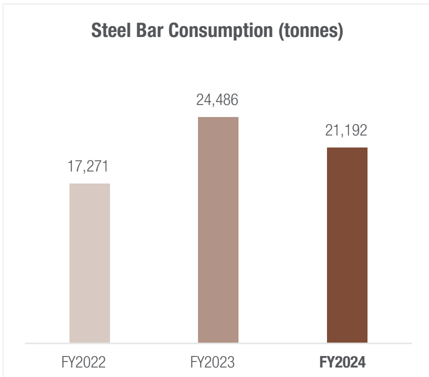
Material Consumption

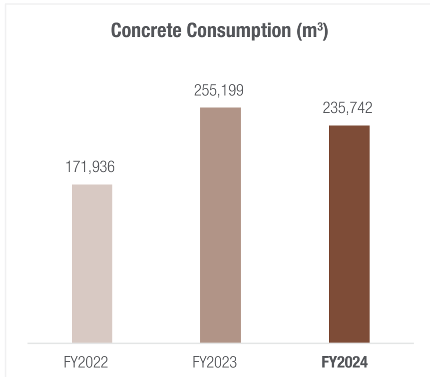
The choice and management of materials impact project efficiency, cost-effectiveness and compliance with industry standards, ensuring that structures are built to last and meet client expectations.



This reporting year, we introduced the disclosure of our main materials consumption, i.e. steel bar and concrete, to enhance accountability in our operations. A decreasing trend was observed for material wastage rates in bored piling works for both concrete and steel bar over the past three years. We achieved our target of maintaining concrete wastage below 25% but steel bar wastage has exceeded 8% in bored piling works.

For RC structural works, concrete wastage decreased significantly from FY2022 (16%) to FY2023 (6%) and increased slightly in FY2024 (7%), while steel bar wastage decreased slightly in FY2024. Both concrete and steel bar wastage rates remained within the target maximum limits of 8% and 7% in RC structural works in the financial year.





The concrete wastage limit is set higher in bored piling works compared to RC structural works due to inherent challenges of the process. Bored piling involves dealing with unpredictable soil conditions and underground environments, making it harder to control concrete use precisely compared to surface-level RC works.

By tracking our material usage, we can better identify inefficiencies and implement targeted improvements. These efforts are helping us to meet operational standards while promoting resource conservation and waste reduction.

In FY2024, our total steel bar consumption amounted to 21,192 tonnes, a 13% decrease compared to FY2023. Concrete consumption decreased by 8% in the same reporting period from 255,199m^3 to 235,742 m^3.

Waste and Effluent Management

Effective management of waste and effluent is critical for minimising our environmental impact and ensuring regulatory compliance in our construction operations. By implementing effective waste reduction strategies and effluent management, Econpile minimises waste generation and mitigates pollution risks.

Scheduled and Non-Scheduled Waste

Our waste generation includes both scheduled and non-scheduled wastes. The Group ensures strict compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 and engages licensed contractors for the proper collection and disposal of all wastes. We ensure compliance with contractual and legislative obligations by conducting regular assessments and on-site inspections.

To promote effective waste segregation, we have equipped our project sites with recycling bins for domestic waste and adopted a Group-wide 3R (Reduce, Reuse, Recycle) programme.

H. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

Waste and Effluent Management (Continued)

In FY2024, our operations in Malaysia generated a total of 269 tonnes of waste, with the majority (83%) being construction waste.

Type of Waste	Unit	FY2023	FY2024
Scheduled Waste			
SW305 - Used Engine Oil	tonne	49.70	42.60
SW306 - Used Hydraulic Oil	tonne	24.90	2.00
SW309 - Oil-water Mixture	tonne	0.18	0.07
SW408 - Contaminated Soil	tonne	0.68	0.10
SW410 - Contaminated Rags	tonne	0.04	0.04
Non-Scheduled Waste			
Construction Waste	tonne	-	223.88

Note: Total waste data encompasses operations in Malaysia only.

Silt Management

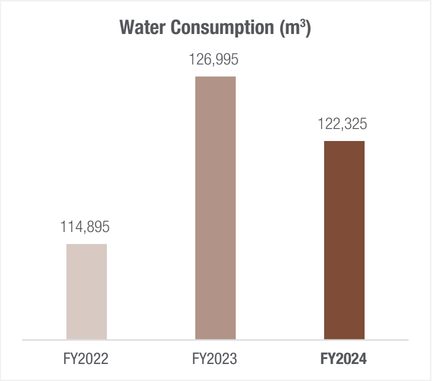
We manage construction-related wastewater using best practices, including silt fences, silt traps and sediment basins. These measures aim to prevent surface runoff and sediment from contaminating nearby bodies of water.

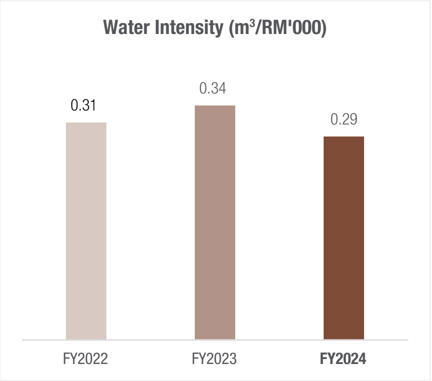
We routinely conduct water quality sampling on the effluent discharged (silt) at our project sites to ensure compliance with standards set by the Department of Environment ("DOE"). Monitoring results indicate that most parameters fall below or within their limits.

	FY2022	FY2023	FY2024
Regulatory Non-Compliance on Water Quality Discharge	0	0	0

Water Management

Effective water management is vital in our construction activities. By implementing water-conservation techniques and raising awareness among our staff, we safeguard resources and ensure sustainable operations.





We monitor water consumption at our headquarters and project sites in both Malaysia and Cambodia. In FY2024, the Group's water consumption totalled 122,235m^3, marking a 4% decrease compared to FY2023 due to decrease in piling activities. Additionally, our water consumption intensity has decreased by 13% compared to FY2023. The reduction in water intensity is primarily driven by the decrease in bored piling activities. Bored piling is water-intensive due to the need for drilling, slurry formation and debris removal processes, which significantly increase water consumption.

H. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

Air and Noise Pollution Management

Managing air and noise pollution is mandatory for Econpile to minimise environmental impact and ensure the well-being of surrounding communities. Effective pollution management reduces air emissions and noise levels from our operations, demonstrating our commitment to regulatory standards and sustainable practices.

Air Quality

The Group conducts regular air quality monitoring at our project sites to ensure compliance with the New Malaysian Ambient Air Quality Standard ("MAAQS") 2013 and the Malaysian Ambient Air Quality Guidelines ("MAAQG") 1989. This includes the measurement of particulate matter ("PM") with upper particle size limit of 10 µm ("PM10") and 2.5 µm ("PM2.5"), as well as total suspended particles ("TSP").

Dust Suppression

Surface damping is our primary dust suppression technique, effectively reducing the spread of soil onto public roads and into the surrounding air at our sites.

In FY2024, our projects in Malaysia have recorded an average PM2.5 concentration of 23 µg/m^3, PM10 concentration of 34 µg/m^3 and total suspended particle ("TSP") concentration of 81 µg/m^3, which is within the compliance limit.

Parameter	Unit	Compliance Limit	Minimum	Maximum	Average
PM2.5	µg/m^3	35	23	23	23
PM10	µg/m^3	100	25	43	34
TSP	µg/m^3	260	60	122	81

Note:
1. The compliance limit for PM2.5 and PM10 is based on the MAAQS 2020, while the compliance limit for TSP is based on the MAAQG 1989.
2. Air quality monitoring disclosure comprises of our Malaysian operations only.

Noise Pollution

Regular noise monitoring is conducted at our project sites to ensure compliance with the 'Guidelines for Noise Labelling and Emission Limits of Outdoor Sources' by the Department of Environment Malaysia.

For the reporting year, the average boundary noise levels at projects sites measured 81 dBA and has seen a consistent trend for the past three years. The noise projected is well within the compliance limit.

Financial Year	Noise Parameter	Unit	Compliance Limit	Average
FY2022	L_{max}	dBA	90	80
FY2023	L_{max}	dBA	90	82
FY2024	L_{max}	dBA	90	81

Note:
1. L_{max} stands for maximum sound level measured within a measurement period.
2. Noise pollution disclosure comprises Malaysian operations only.

I. FULFILLING OUR SOCIAL RESPONSIBILITY

Health and Safety

Ensuring the health and safety of employees is paramount, as it directly influences operational continuity and minimises potential hazards in our piling and construction activities. A strong focus on safety protects our workers and enhances the overall reliability and longevity of the Group's operations.

Our Occupational Health and Safey ("OSH") management system is ISO 45001: 2018 certified, allowing Econpile to systematically assess hazards and implement effective risk control measures. The Health, Safety, Security and Environment ("HSSE") Committee oversees the implementation of this management system, leading to reduced workplace injuries, illness and accidents. The OSH system is reviewed internally by the Quality, Health,Safety, Security and Environment ("QHSSE") Manager.

Additionally, we have established a Safety, Health and Environment ("SHE") Policy, which guides the implementation of safety protocols in the Group.

In FY2024, we benchmarked our OSH performance against industry standards, specifically the CIDB Malaysia SHASSIC national industry average score, and achieved an average score of 94.72% (5 stars).

	FY2022	FY2023	FY2024
SHASSIC Rating	4 stars	4 stars	5 stars

Our workforce accumulated a total of 3,975,132 hours. Notably, we recorded zero work-related fatalities and maintained a record of zero loss-time incident rate over the past three years.

	FY2022	FY2023	FY2024
Total number of hours worked	3,810,904	4,084,152	3,975,132
Total number of work-related fatalities	0	0	0
Total number of recordable work-related injuries and ill health	0	0	0
Lost Time Incident Rate ("LTIR")	0	0	0
Number of employees trained on health and safety standards	130	291	299

Note: LTIR was calculated based on Bursa Malaysia Sustainability Reporting Guide of per 200,000 hours worked.

In FY2024, we provided a total of 1,196 hours of health and safety training to 299 attendees. We are committed to continually enhancing our standards, implementations, training, and programmes to maintain the highest levels of safety and health in all our operations.

Labour Practices and Standards

We are committed to ensuring fair treatment of workers while fostering a positive workplace culture.

Labour Practices

This reporting year, the Group hired a total of 29 employees, with 76% being men and 55% aged below 30. A turnover of 98 employees was recorded for the same year, primarily consisting of men (92%) and Non-Executives (67%).

I. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Labour Practices and Standards (Continued)

Total Number of Full Time Employee New Hires	FY2022	FY2023	FY2024
By Gender			
Men	17	89	22
Women	6	13	7
By Age			
Below 30 years	9	44	16
30-50 years	12	52	10
Above 50 years	2	6	3

Total Number of Full Time Employee Turnover	FY2022	FY2023	FY2024
By Employee Category			
Senior Management	0	0	0
Middle Management	5	6	7
Executive	14	19	25
Non-Executive	15	77	66
By Gender			
Men	29	93	90
Women	5	9	8
By Age			
Below 30 years	11	41	26
30-50 years	17	52	54
Above 50 years	6	9	18

There were zero complaints concerning human rights and zero incidents of discrimination in the past three years.

	FY2022	FY2023	FY2024
No. of substantiated complaints concerning human rights violation	0	0	0

Employee Benefits

We provide our employees with a diverse range of benefits, including healthcare, insurance, flexible work options and professional development opportunities, emphasising their well-being and growth.

Life Insurance	Retirement Provision	Parental Leave
Disability and Invalidity Coverage	Health Insurance	Annual Leave

In FY2024, 4 men and 2 women staff utilised parental leave throughout the Group and recorded a 100% return-to-work rate.

	Men	Women
No. of employees that took parental leave	4	2
No. of employees returned from parental leave	4	2
No. of employees return to work after parental leave ended that were still employed 12 months after their return to work	4	2

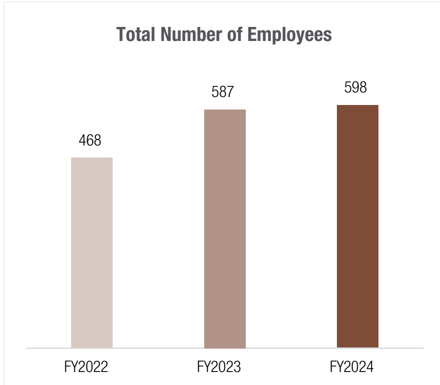
I. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Diversity and Talent Management

At Econpile, we emphasise fair hiring processes that prohibit discrimination based on differences in age, gender, race, nationality, or culture. By doing so, we foster a workplace built on fairness, equality and transparent communication.

Employee Diversity

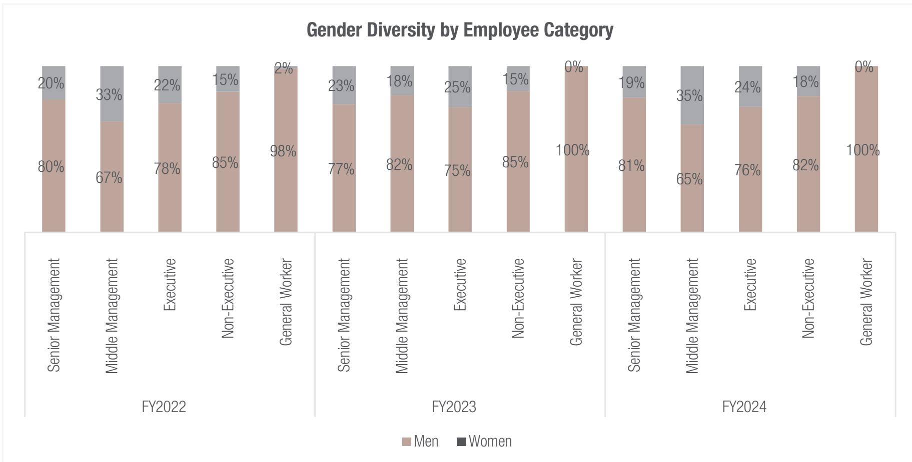
In FY2024, the Group's workforce consisted of 598 individuals, with 398 individuals from non-executive and general workers categories, reflecting the labour-intensive nature of our operations. Men make up over 60% of employees across all categories, reflecting the historical trend of male dominance in the construction industry. While we are committed to equal employment opportunities across all age groups, senior management roles are predominantly held by individuals over 50, leveraging their experience and expertise. In contrast, younger employees under 50 are more prevalent in executive and non-executive roles, aligning with our focus on developing emerging talent.



The group is committed to achieving a target of 20% female representation in management positions. As of the reporting year, women hold 35% of Middle Management roles and 19% of Senior Management roles, resulting in an overall 25% of management positions being held by women. This reflects our ongoing effort to foster diversity and inclusion within leadership roles.

Local employees comprised 61% of our total workforce, underscoring our commitment to providing employment opportunities within local communities and contributing to the national economy. Additionally, 56% of our workforce were permanent employees, highlighting our emphasis on long-term employment stability.

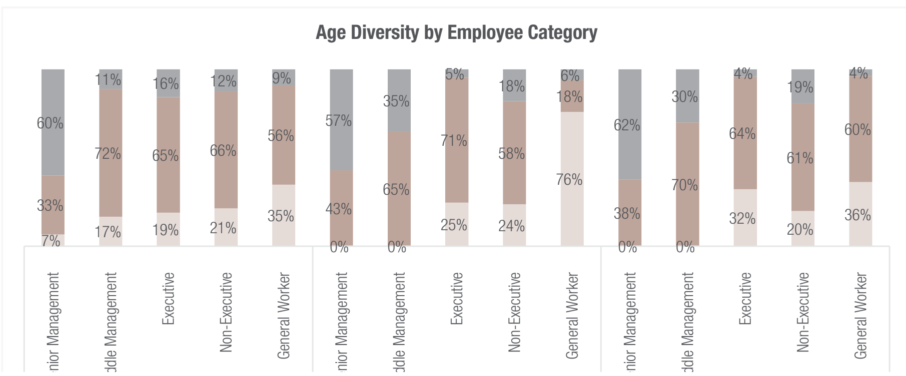
Note: Local employees refer to those who hold citizenship and expatriates who have resided in country with Permanent Residency ("PR") local to the operating country (Malaysia and Cambodia).



Employee Training Hours

Full time employees took part in a total of 3,064 hours of training, which were designed to enhance their performance across a wide range of employee roles.

Recognising the distinct needs at various stages of career development we tailored training hours to suit different employee roles. In FY2024, executive employees received the most training hours (864 hours), followed by senior management (530 hours), non-executive employees (292 hours), and management (182 hours). These figures reflect training across all areas except those related to HSE.

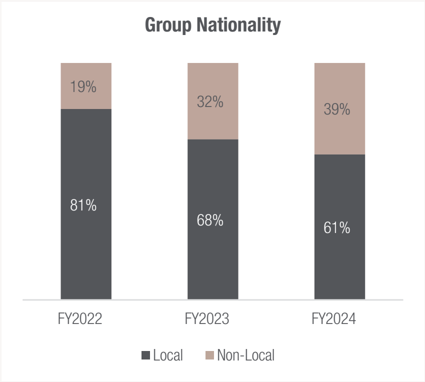


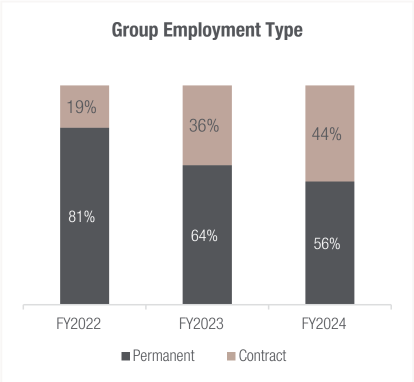
On average, this equates to 8 hours training per employee at the executive level and above. When including HSE training, employees at the executive level and above receives an average training of 14 hours.

Sustainability Statement (Continued)

I. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Diversity and Talent Management (Continued)





Anti Bribery & Anti-Corruption Awareness Training

The training covered MACC Act 2009 and key topics to ensure employees understand their responsibilities in preventing and addressing unethical behaviours.

Developing Performance Management Indicators

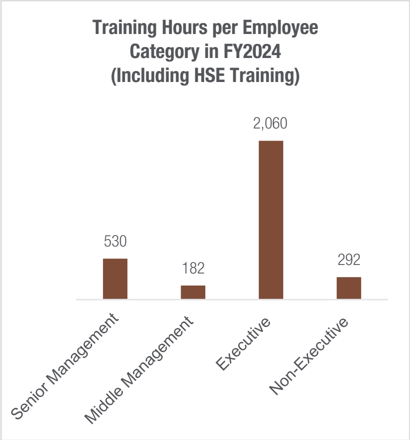
To design and implement KPIs that align with the Company's business strategies for managing employee behaviour and other resources. The attendees comprised of C-suite Executives and the Senior Management Team.

Learning Microsoft Project Basics from Zero

Training on Microsoft Project for Beginners covers creating a project plan, managing tasks and resources, planning duration, cost and time, tracking progress, advanced scheduling, and reporting project information.

I. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Diversity and Talent Management (Continued)



Community Engagement

In FY2024, the Group contributed RM33,000 to four charity organisations.

Community Engagement	FY2024
Amount Contributed to the Community (RM)	33,000
Number of Beneficiaries (Community)	4

J. PAVING THE WAY TO A SUSTAINABLE FUTURE

We are committed to managing the Group sustainability by integrating ESG principles into our operations. As we advance in our sustainability journey, we will continuously strive to enhance the depth and transparency of our sustainability reporting, reflecting our dedication to ongoing improvement and responsible business practices.

K. Summary Performance Table

This performance data table was generated from the ESG Reporting Platform via Bursa LINK system in compliance with the enhanced sustainability reporting requirements set by Bursa Malaysia Securities Berhad.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	-	100.00
Middle Management	Percentage	-	-	100.00
Executive	Percentage	-	-	30.07
Non-Executive	Percentage	-	-	7.45
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	130	291	299
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	39,218.94	45,234.36	38,500.48
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	-	-	530
Middle Management	Hours	-	-	182
Executive	Hours	-	-	2,060
Non-Executive	Hours	-	-	292
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	19.11	36.10	43.59
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Middle Management	Number	5	6	7
Executive	Number	14	19	25
Non-Executive	Number	15	77	66
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	6.67	0.00	0.00
Senior Management Between 30-50	Percentage	33.33	42.86	37.84
Senior Management Above 50	Percentage	60.00	57.14	62.16
Middle Management Under 30	Percentage	16.67	0.00	0.00
Middle Management Between 30-50	Percentage	72.22	64.71	70.00

K. Summary Performance Table (Continued)

Indicator	Measurement Unit	2022	2023	2024
Middle Management Above 50	Percentage	11.11	35.29	30.00
Executive Under 30	Percentage	18.95	24.67	32.17
Executive Between 30-50	Percentage	65.36	70.67	63.64
Executive Above 50	Percentage	15.69	4.67	4.20
Non-Executive Under 30	Percentage	21.39	23.71	19.88
Non-Executive Between 30-50	Percentage	66.17	58.24	60.87
Non-Executive Above 50	Percentage	12.44	18.04	19.25
General Workers Under 30	Percentage	34.85	75.92	36.29
General Workers Between 30-50	Percentage	56.06	17.80	59.92
General Workers Above 50	Percentage	9.09	6.28	3.80
Gender Group by Employee Category				
Senior Management (Male)	Percentage	80.00	77.14	81.08
Senior Management (Female)	Percentage	20.00	22.86	18.92
Middle Management (Male)	Percentage	66.67	82.35	65.00
Middle Management (Female)	Percentage	33.33	17.65	35.00
Executive (Male)	Percentage	77.78	75.33	75.52
Executive (Female)	Percentage	22.22	24.67	24.48
Non-Executive (Male)	Percentage	84.58	85.05	81.99
Non-Executive (Female)	Percentage	15.42	14.95	18.01
General Workers (Male)	Percentage	98.48	100.00	100.00
General Workers (Female)	Percentage	1.52	0.00	0.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	66.67	57.14	57.14
Female	Percentage	33.33	42.86	42.86
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	16.67	14.29	14.29
Above 50	Percentage	83.33	85.71	85.71
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	97.41	99.22	95.10
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	33,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	4
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	114.895000	126.995000	122.325000

Corporate Governance Overview Statement

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

The Board is pleased to share the manner how the three key principles of the MCCG have been applied within the Group throughout the financial year ended 30 June 2024 ("FY2024") as well as its key focus area and future priorities in relation to corporate governance practices. The detailed application of each best practice is furnished in further detail in the Corporate Governance Report ("CG Report") which is made available on the Company's website at www.econpile.com as well as the website of Bursa Malaysia Securities Berhad ("Bursa Securities"). Where a specific best practice has not been applied during the financial year, the non-application, including reasons thereof, and the alternative practice adopted, if any, is also mentioned in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board 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 to ensure that shareholders' 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 communication and engagement with 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 to approve or monitor include but not limited to setting overall Group strategy and direction, approving major corporate plans, approving annual budget (including operating and capital expenditure), approving quarterly and annual financial statements, as well as monitoring risk management and internal control systems of the Group (including financial, operational and compliance controls).

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely Audit & Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). 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. The ultimate responsibility for the final decision on all matters lies with the Board.

2. Board Charter and Policies

The Board Charter is in place and periodically reviewed and updated by the Board to align with best practices. The Board Charter sets out the roles and responsibilities of the Board, Chairman of the Board, Group Managing Director, Group Chief Executive Officer, the Executive and Non-Executive Directors and Company Secretaries, including a formal schedule of matters reserved to the Board. The most recent review of the Board Charter took place on 29 May 2024 with an update to the schedule of matters reserved to the Board.

To strengthen the standards of corporate governance and corporate behaviour, the Board has formalised a Code of Ethics which is to be observed by all Directors. In addition, the Group has a Code of Conduct that sets out the standards of conduct and responsible behaviour expected of all Directors, Management and officers to promote corporate culture which inculcates ethical conduct. The Code of Conduct and Code of Ethics were last reviewed by the Board on 28 August 2024.

The Board encourages employees and associates to report any ongoing or suspected wrongful activities or wrongdoings at the earliest possible stage through the proper channel of reporting so that immediate action can be taken. The Whistleblowing Policy & Guidelines adopted by the Company provides a structured channel for employees to raise concerns regarding malpractices committed within the Group without fear of reprisal. The ARMC is tasked by the Board to perform the oversight function of the whistleblowing policy.

As part of the Company's commitment against all forms of bribery and corruption, the Board has adopted the Anti-Bribery & Anti-Corruption Policy which sets out rules and guidance to Directors, Senior Management, employees and business associate who work for and/or act for or on behalf of the Group on how to deal with improper solicitation, request for bribes and other corrupt activities and issues that may arise in the course of business. The Management will carry out regular assessment on the policy to ensure that it continues to remain relevant, appropriate and effective.

The Company had also in place a Conflict of Interest Policy to provide guidance in identifying and managing any actual, potential and perceived conflict of interest situations between the employees (including Directors) and the Group.

The Directors are aware that they would have to declare their interests in transactions with the Group and abstain from deliberation and voting in respect of such transactions at Board or general meetings convened to consider the matter. The ARMC reviews all related party transactions and conflict of interest situation that arose, persisted or may arise within the Group that may challenge the Group's integrity.

Board Charter and all policies are accessible through the Company's website at www.econpile.com.

3. Strategies Promoting Sustainability

The Board understands that corporate sustainability depends on balancing and meeting the needs of the Company's stakeholders in economic, environmental and social areas. The Board adopted a Sustainability Policy on 28 August 2024, which outlines the Company's principles and commitments to sustainability, and its governance structure. A report on the sustainability activities is contained in the Sustainability Statement of this Annual Report.

4. Composition and Balance

During the FY2024, with the support of the NC, the Board has reviewed and made the following changes to the composition of the Board:

(i) Dato' Rosli Bin Mohamed Nor has stepped down from the Board as a Non-Independent Non-Executive Director on 18 October 2023;
(ii) Krishnan A/L C K Menon has been redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 18 October 2023; and
(iii) Hassan Bin Ramadi has been appointed to the Board as an Independent Non-Executive Director on 29 November 2023.

Consequently, the Board now has 7 members, comprising 3 Executive Directors, 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The composition of the Board fulfils the requirement of Paragraph 15.02(1) of the Listing Requirements. None of the Directors is an active politician.

The profiles of the Directors are presented in the Directors' Profile 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 deliberation and decision-making.

The Non-Executive Directors have met among themselves without the presence of the Executives Directors during the financial year to review and deliberate on topics surrounding the strategic, governance and operations of the Group. The discussion note was subsequently shared with the Executive Directors.

The Board comprises 3 women directors out of the 7 Board members, which represents 43% of the Board's composition.

The Board recognises the importance of a clear division of responsibility between the Chairman, Group Managing Director and Group Chief Executive Officer to ensure a balance of power and authority. The Board adopts the recommendation of the MCCG that the Chief Executive Officer and Chairman shall not be the same person. The roles and responsibilities of the Chairman, Group Managing Director and Group Chief Executive Officer are distinct, separated and clearly defined, and are held by 2 different individuals. The Group Managing Director is responsible for the running of the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board whereas the Group Chief Executive Officer is responsible for managing the daily conduct of business, supervision and management of the Company as well as assisting the Group Managing Director in all his responsibilities. Whilst the Chairman of the Board provides leadership role in the conduct of the Board and its relations with the shareholders and stakeholders.

5. 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 are free from 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 a Non-Executive Director and the Group Managing Director, which further enhances the independence of the Board.

In accordance with the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of 9 years. In the event the Independent Director continues to serve the Board after serving for 9 years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process or the said Independent Director will be re-designated as Non-Independent Director.

Krishnan A/L C K Menon, having served as an Independent Non-Executive Chairman for a cumulative term of more than 9 years of the Company, has been redesignated as Non-Independent Non-Executive Chairman on 18 October 2023.

Corporate Governance Overview Statement (Continued)

6. Board Meeting and Time Commitment

The Board is aware of the time commitment expected from them to attend to matters of the Group. An annual meeting calendar is planned and agreed by the Directors. 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. The Board is satisfied with the level of time commitment given by the Directors in discharging their duties for FY2024.

During the financial year, the Company held 6 Board meetings and the details of attendance of each Board members are as follows:

Name of Director	Designation	Meeting Attendance
Krishnan A/L C K Menon	Non-Independent Non-Executive Chairman (redesignated from Independent Chairman to Non-Independent Chairman on 18 October 2023)	6/6
Teh Bee Choo	Independent Non-Executive Director	6/6
Law Siew Ngan	Independent Non-Executive Director	6/6
Hassan Bin Ramadi	Independent Non-Executive Director (appointed on 29 November 2023)	3/3
The Cheng Eng	Group Managing Director	6/6
Pang Sar	Executive Director and Group Chief Executive Officer	6/6
The Kun Ann	Executive Director and Deputy Group Chief Executive Officer	6/6
Dato' Rosli Bin Mohamed Nor	Non-Independent Non-Executive Director (resigned on 18 October 2023)	2/2

The Board has provided its commitment to the Company as evidenced by the attendance of Directors at Board meetings. All Directors do not hold more than five directorships in public listed companies.

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

In addition, a special board meeting was held on 11 January 2024 to deliberate on the legal issues related to a completed highway project following the receipt of Notice of Arbitration by Econpile (M) Sdn. Bhd. concerning the project in December 2023. The material developments of the arbitration proceeding were announced to Bursa Securities accordingly.

7. Supply and Access to Information and Advice

The Board has full and unrestricted access to any information pertaining to the Group. The Board and Board Committees members are provided with agenda of meetings and meeting papers which contain management and financial information and other matters to be discussed. Sufficient time is given prior to every Board and Board Committees meetings to enable them to obtain further explanation, where necessary, in order to be properly informed before the meeting. The Board also has direct communication channels with the Internal and External Auditors, and the Management and ability to convene meetings with the External Auditors whenever deemed necessary to enable them to discharge their duties.

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

8. Qualified and Competent Company Secretaries

The Company has engaged external qualified company secretaries from Tricor Corporate Services Sdn. Bhd. The Company Secretaries are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and qualified to act under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries attend all Board and Board Committees meetings including general meeting and ensure the meetings are properly convened and all deliberations and decisions made by the Board are accurately minuted, recorded and kept.

The Company Secretaries continuously attend relevant development and training programmes to keep themselves abreast with the regulatory changes and corporate governance development.

9. Appointment to the Board

The Board has a fit and proper policy for the appointment and re-election of directors of the Group accessible at the Company's website at www.econpile.com. This policy outlines the fit and proper criteria that are required of the candidates based on character and integrity, experience and competence, and time and commitment. The Board and the NC shall conduct the fit and proper assessment prior to the appointment of any candidate as Director, or making recommendation for the re-election of retiring director.

The NC 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 NC may identify candidates through recommendation from directors, senior management, major shareholders, and other independent sources such as executive search firms. Upon receipt of the proposal, the NC is responsible to conduct assessment and evaluation on the proposed candidate.

For identification and recommendation of new Directors, due consideration shall be given to:

(a) the candidates' skills, knowledge, expertise and experience, professionalism, character, integrity, reputation, competence, commitment (including time commitment) to effectively discharge his/her role as a Director;
(b) merit and against objective criteria with due regard for the benefits of boardroom diversity, including gender, age, ethnicity and cultural background, experience, skill, character, integrity and competence; and,
(c) in the case of candidates for the position of Independent Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors.

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

Upon completion of evaluation of the proposed candidate, the NC would make its recommendation to the Board. Based on the recommendation of the NC, 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.

In accordance with Paragraph 15.09(a) of the Listing Requirements, the audit committee must comprise at least 3 members. Additionally, the Terms of Reference for the NC and the RC specify that both committees must consist of a minimum of 3 members, all of whom must be Non-Executive Directors, with the majority being independent.

Following the resignation of Dato' Rosli Bin Mohamed Nor as a director of the Company effective 18 October 2023, the composition of all Board Committees was reduced to 2 members. As a result, the Company was required to appoint a new member within 3 months to fill the vacancy in accordance with Paragraph 15.19 of the Listing Requirements.

Consequently, Hassan Bin Ramadi was appointed to the Board of the Company as an Independent Non-Executive Director on 29 November 2023. He was identified through the network of an existing director and recommended to the NC.

The NC had assessed the suitability of Hassan Bin Ramadi including his independence before recommending him for appointment to the Board as Independent Non-Executive Director. The Board opined that the newly appointed Director has the appropriate skills, knowledge and experience and will be able to contribute positively to the Board.

10. Re-election of Directors

In accordance with the Company's Constitution, one-third of the Directors for the time being shall retire by rotation at each Annual General Meeting ("AGM") at least once in every 3 years but shall be eligible for re-election. The Company's Constitution further provides that all newly appointed Directors shall retire from office but shall be eligible for re-election in the next AGM subsequent to their appointment. The NC will, upon the review and evaluation of the Directors' performance and contribution to the Board together with their fit and proper declaration, if satisfactory, submit its recommendation to the Board for approval before tabling the same to the shareholders for approval at the AGM.

The Company Secretaries have the responsibility of ensuring that relevant procedures relating to the appointment of new directors are properly executed.

The Directors who are seeking re-election at the forthcoming AGM are Krishnan A/L C K Menon, The Kun Ann and Hassan Bin Ramadi. The retiring Directors have expressed their intention to seek re-election at the forthcoming AGM.

Corporate Governance Overview Statement (Continued)

11. Board Committees

The Board has established the ARMC, NC and RC, with respective Terms of Reference, to assist it in discharging its responsibilities.

During the FY2024, with the support of the NC, the Board has reviewed and made the following changes to the composition of the Board Committees having considered diversity and other best practices under the MCCG:

(i) Dato' Rosli Bin Mohamed Nor has stepped down from all Board Committees on 18 October 2023 in conjunction with his resignation as a member of the Board; and
(ii) Hassan Bin Ramadi has been appointed as a member to all Board Committees on 29 November 2023 in conjunction with his appointment to the Board.

Consequently, the composition of the Board Committees is as follows:

Audit & Risk Management Committee

Chairperson	Teh Bee Choo (Independent Non-Executive Director)
Member	Law Siew Ngan (Independent Non-Executive Director)
Member	Hassan Bin Ramadi (Independent Non-Executive Director)

Nomination Committee

Chairperson	Law Siew Ngan (Independent Non-Executive Director)
Member	Teh Bee Choo (Independent Non-Executive Director)
Member	Hassan Bin Ramadi (Independent Non-Executive Director)

Remuneration Committee

Chairperson	Law Siew Ngan (Independent Non-Executive Director)
Member	Teh Bee Choo (Independent Non-Executive Director)
Member	Hassan Bin Ramadi (Independent Non-Executive Director)

All Board Committees comprise entirely Independent Non-Executive Directors. The Chairman of the Board does not sit on any Board Committees.

(a) Audit & Risk Management Committee

The ARMC was established to assist the Board in fulfilling its responsibilities relating to financial reporting, conflict of interest and related party transactions, and risk management and internal control. The Terms of Reference of the ARMC is accessible at the Company's website at www.econpile.com and further details on the ARMC and its activities are contained in the ARMC Report of this Annual Report.

(b) Nomination Committee

The NC 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 Terms of Reference of the NC is available on the Company's website at www.econpile.com.

Meetings of the NC are held as and when necessary, and at least once a year. The NC met three (3) times during FY2024 and all members registered full attendance.

The NC carried out the following activities during the FY2024:

(i) reviewed and recommended the appointment of an Independent Non-Executive Director to the Board;
(ii) reviewed and recommended the redesignation of an Independent Director to Non-Independent Director to the Board;
(iii) reviewed the composition of the Board and Board Committees;
(iv) note the updates on the succession planning for the Key Senior Management;
(v) reviewed the required mix of skills and experience and core competencies of the Board;
(vi) assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director and thereafter, recommended the findings to the Board;
(vii) reviewed the independence of the Independent Directors;
(viii) reviewed the terms of office and performance of the ARMC and each of its members;
(ix) reviewed the effectiveness of the Company Secretary;
(x) reviewed and recommended to the Board the re-election of Directors; and
(xi) reviewed the trainings attended by each Director.

11. Board Committees

(b) Nomination Committee (Continued)

The performance assessments of the Board, Board Committees and individual Directors were conducted in-house via self-assessment questionnaires. Each Director was required to complete a set of questionnaires and the aggregate responses were tabled to and reviewed by the NC.

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

For the Board Committees, the assessment criteria among 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 3 Independent Non-Executive Directors are independent and fulfilled the definition of "independence" as set out in the Listing Requirements. The breakdown of the Board by gender, age and ethnicity is as follows:

Gender

Male	4
Female	3

Age

40 to 50	1
50 to 60	1
Above 60	5

Ethnicity (Malaysian)

Malay	1
Chinese	5
Indian	1

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 women representation on the Board, whilst ensuring that diversity in age and ethnicity remains a feature of the Board. The NC is delegated with the overall responsibility for implementation, monitoring and periodic review of the Board Diversity Policy.

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

The NC had on 28 August 2024 reviewed the term of office and performance of the ARMC and each of its members to determine whether the ARMC and its members have carried out their duties in accordance with its Terms of Reference. The Directors' responses were collated by the Management and a summary of the findings was presented to the NC for deliberation. The NC was satisfied with the performance of the Board and Board Committees as a whole, as well as the contribution of each Director.

The NC also reviewed the results of the assessment and evaluation of the Directors who are due for retirement at the 12th AGM, taking into consideration their fit and properness, skill sets, experience, professional qualifications, core competencies, other qualities, contribution to the Company and time commitment, and had recommended to the Board to table their re-election at the 12th AGM.

Based on the report of the NC, the Board is of the view that the current size and composition is well-balanced and fairly reflects the interest of minority shareholders within the Group. In view thereof, the Board will be seeking shareholders' approval to re-elect Krishnan A/L C K Menon, The Kun Ann and Hassan Bin Ramadi as Directors at the 12th AGM.

Corporate Governance Overview Statement (Continued)

11. Board Committees (Continued)

(b) Nomination Committee (Continued)

In addition, the NC reviewed the results of the assessment of the effectiveness of the Company Secretary and was satisfied with the performance of the Company Secretary.

(c) Remuneration Committee

The RC assists the Board in establishing remuneration for Executive Directors, Non-Executive Directors and key senior management.

Meetings of the RC are held as and when necessary, and at least once a year. The RC met twice during the FY2024 and all the members registered full attendance.

The RC reviews the Directors' fees and Directors' benefits, considers the payment of bonus for Executive Directors and key senior management and reviews the remuneration packages of Executive Directors and key senior management on an annual basis and makes recommendation to the Board. The Board as a whole determines the Directors' fees and benefits and remuneration of the Executive Directors with each individual Director abstaining from decision in respect of their own fees, benefits or remuneration.

The Company has adopted a Remuneration Policy which sets out the remuneration principles and guidelines for the Board and key senior management of the Company. The Remuneration Policy aims to attract, motivate and retain qualified Directors and key senior management. The remuneration of Executive Directors and key senior management is made up of fixed component (i.e. basic salary) and variable remuneration components (i.e. annual performance bonus and other benefits). The total reward package takes into account both individual and corporate performance.

For Non-Executive Directors, their remuneration consists of directors' fees and meeting allowances. To compensate for additional responsibility, the Chairmen of the Board and Board 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 Terms of Reference of the RC and the Remuneration Policy are accessible through the Company's website at www.econpile.com.

12. Directors' Training

The Directors have attended various development and training programmes according to their individual needs to keep abreast with developments in the marketplace 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	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia
	MACC Act 2009 & S17A Guidelines on Adequate Procedures	VisionEthics Advisory Services Sdn Bhd
	Empowerment through awareness: Shining the light on human rights in Malaysia	KPMG in Malaysia
The Cheng Eng	Managing Performance Management for C-Suite Executives and Senior Management Team	EminentzGrez Consulting
	MACC Act 2009 & S17A Guidelines on Adequate Procedures	VisionEthics Advisory Services Sdn Bhd
Pang Sar	Managing Performance Management for C-Suite Executives and Senior Management Team	EminentzGrez Consulting
	MACC Act 2009 & S17A Guidelines on Adequate Procedures	VisionEthics Advisory Services Sdn Bhd
The Kun Ann	2023 Board and Audit Committee Priorities	KPMG Board Leadership Centre
	Managing Performance Management for C-Suite Executives and Senior Management Team	EminentzGrez Consulting
	MACC Act 2009 & S17A Guidelines on Adequate Procedures	VisionEthics Advisory Services Sdn Bhd
	Empowerment through awareness: Shining the light on human rights in Malaysia	KPMG in Malaysia

12. Directors' Training (Continued)

Name	Training/Course/Conference Title	Organised by
Teh Bee Choo	2023 Board and Audit Committee Priorities	KPMG Board Leadership Centre
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia
	MACC Act 2009 & S17A Guidelines on Adequate Procedures	VisionEthics Advisory Services Sdn Bhd
	What you need to know about the Bursa's Amended Listing Requirements on Conflict of Interest	KPMG Board Leadership Centre
Law Siew Ngan	2023 Board and Audit Committee Priorities	KPMG Board Leadership Centre
	Navigating AI Governance and ESG Reporting for the Future	KPMG Board Leadership Centre
	MADANI Budget 2024: Navigating Emerging Tax & Legal Issues	Wong & Partners
	MACC Act 2009 & S17A Guidelines on Adequate Procedures	VisionEthics Advisory Services Sdn Bhd
	What you need to know about the Bursa's Amended Listing Requirements on Conflict of Interest	KPMG Board Leadership Centre
	Construction and Arbitration in Asia Pacific 2024	Wong & Partners
Hassan Bin Ramadi	MACC Act 2009 & S17A Guidelines on Adequate Procedures	VisionEthics Advisory Services Sdn Bhd
	What you need to know about the Bursa's Amended Listing Requirements on Conflict of Interest	KPMG Board Leadership Centre
	Bursa Malaysia Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia
	Empowerment through awareness: Shining the light on human rights in Malaysia	KPMG in Malaysia
	Construction and Arbitration in Asia Pacific 2024	Wong & Partners

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.

13. Directors' and Key Senior Management's Remuneration

The RC is principally responsible for recommending to the Board the remuneration package of the Executive Directors and key senior management. The level of remuneration reflects the experience and level of responsibilities undertaken by the Executive Directors and key senior management. The remuneration package offered to the Executive Directors and key senior management as well as fees payable to Non-Executive Directors are the responsibility of the entire Board. The individual Directors are required to abstain from discussion on their own remuneration and fees. In addition, the Directors who are shareholders of the Company will abstain from voting on the resolution at general meetings to approve their own fees.

Fees and benefits payable to the Directors of the Company are subject to yearly approval by shareholders at the AGM. The breakdown of the Directors' remuneration paid in the FY2024 is as follows:

	Fees (RM)	Salaries (RM)	Other emoluments* (RM)	Benefits-in-kind (RM)	Total (RM)
On Company basis					
Executive Directors					
The Cheng Eng	-	120,000	743	-	120,743
Pang Sar	-	120,000	5,543	-	125,543
The Kun Ann	-	36,000	5,371	-	41,371

Corporate Governance Overview Statement (Continued)

13. Directors' and Key Senior Management's Remuneration (Continued)

	Fees (RM)	Salaries (RM)	Other emoluments* (RM)	Benefits-in-kind (RM)	Total (RM)
Non-Executive Directors					
Krishnan A/L C K Menon	77,000	-	3,000	-	80,000
Teh Bee Choo	58,500	-	8,000	-	66,500
Law Siew Ngan	59,000	-	8,000	-	67,000
Hassan Bin Ramadi (appointed on 29 November 2023)	29,487	-	3,000	-	32,487
Dato' Rosli bin Mohamed Nor (resigned on 18 October 2023)	14,904	-	3,500	-	18,404
On Group basis					
Executive Directors					
The Cheng Eng	-	897,250	53,236	19,902	970,388
Pang Sar	-	897,250	91,196	19,902	1,008,348
The Kun Ann	-	337,200	105,841	9,900	452,941
Non-Executive Directors					
Krishnan A/L C K Menon	77,000	-	3,000	-	80,000
Teh Bee Choo	58,500	-	8,000	-	66,500
Law Siew Ngan	59,000	-	8,000	-	67,000
Hassan Bin Ramadi (appointed on 29 November 2023)	29,487	-	3,000	-	32,487
Dato' Rosli bin Mohamed Nor (resigned on 18 October 2023)	14,904	-	3,500	-	18,404

* Other emoluments include bonuses, allowances, contributions to the Employees Provident Fund and Social Security Organisation.

In addition to the remuneration package, Directors also have the benefit of Directors' & Officers' Liability Insurance to ensure that they are adequately covered against liabilities in the course of performing their professional duties.

The core group of senior management currently consists of 7 individuals, i.e. Executive Directors, a Chief Operating Officer ("COO"), a Senior General Manager (Contracts), a Senior General Manager (Projects) and a Senior General Manager (Finance). The remuneration of the COO and Senior General Managers are not disclosed on named basis. The Board is of the view that such disclosure may contribute to talent retention issues as employee poaching is a common phenomenon in the construction industry and is not in the best interest of the Group.

The Board believes that the transparency and accountability aspects of the MCCG on disclosure of the remuneration of senior management are appropriately served disclosures in bands of RM50,000 as follows:

Range of Remuneration	Number of COO and Senior General Manager in senior management
RM300,001-RM350,000	1
RM350,001-RM400,000	2
RM600,001-RM650,000	1

During FY2024, two individuals held the role of chief financial officer for the Company, i.e. the Deputy Senior General Manager (Finance) and the Senior General Manager (Finance). Their total remuneration is combined and reported as a single member of senior management for FY2024.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Financial Reporting

The Board aims to present a balanced, clear and comprehensive assessment of the Group's financial position and performance primarily through its annual reports, quarterly interim financial results and press releases. In the process of preparing 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.

2. 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 to the respective areas of management. All identified key risks were rated and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur. The risk profile of the Group was updated in August 2022 to account for the prevailing business environment and operational challenges at that time. The top five risks identified were (i) project delay, (ii) project cost overrun; (iii) fluctuation of material prices; (iv) liquidity risk; and (v) shortage of skilled workers. Notably, the risks associated with project cost overruns and liquidity continued to exert financial pressure throughout the financial year. To ensure the emerging risks are addressed promptly, subsequent to the financial year end, the Group is currently performing its bi-annual review of its risk register, allowing for a proactive approach in managing and mitigating potential risks to its operations and financial stability.

All identified controllable risks were monitored and appropriately managed through existing internal controls by the Group throughout the financial year under review. The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control of this Annual Report. The scope of work covered by the internal audit function during the financial year under review is provided in the ARMC Report of this Annual Report. The internal audit function was outsourced to an external professional internal audit service provider, Tricor Axcelasia Sdn. Bhd. The scope of work covered by the internal audit function during the financial year under review is provided in the ARMC Report of this Annual Report.

3. 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 3 out of 5 scheduled meetings of the ARMC in FY2024. The term of service of the External Auditors is renewable every year subject to satisfactory performance.

An External Auditors Policy is in place which outlines the guidelines and procedures for the ARMC to assess and review the performance, suitability and independence of the External Auditors. The ARMC reviews the appointment, performance and remuneration of the External Auditors before recommending to the Board and to the shareholders for re-appointment at the AGM. The ARMC has a policy whereby a former audit partner shall observe a cooling-off period of at least 3 years before being appointed as a member of the ARMC.

The ARMC also convenes meetings with the External Auditors without the presence of the Executive Directors and Management whenever it deems necessary. The External Auditors report directly to the ARMC.

Having assessed the External Auditors, the ARMC is satisfied with the competency, independence, experience and resources required to fulfil their duties effectively as the External Auditors of the Company. The External Auditors have also confirmed their independence in accordance with their firm's policies prior to the commencement of audit. In addition, the audit partner responsible for the audit of the Company is subject to a seven-year rotation in accordance with the By-Laws of the Malaysian Institute of Accountants to ensure independence of external auditors.

Corporate Governance Overview Statement (Continued)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Corporate Disclosure Policy, 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 via the Company's website at www.econpile.com as well as the official website of Bursa Securities. In addition, the Group also engages in regular dialogues with institutional investors, fund managers and analysts. At general meetings, the Board encourages shareholders' participation and responds to their questions. Shareholders can also leave written questions for the Board to respond. The primary contact for investors relations matters is:

Ms. The Kun Ann
Deputy Group CEO
Tel: 603-9171 9999
E-mail: ir@econpile.com.my

During the FY2024, the Group had meetings with investors to share the latest updates and pertinent information on the Group's progress with the investment community. Senior management was involved in investor meetings to update on financial results as well as to impart broad insights on the Group's strategic directions.

The Company has in place the Corporate Disclosure Policies and Procedures which provides guidance for disclosure of material information in accordance with the Listing Requirements.

2. 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.

The notice of the AGM together with the Annual Report are despatched to shareholders at least 28 days before the meeting. Sufficient notice period is given to the shareholders in order for them to schedule their time to attend the Company's AGM. The Notice of AGM contains information such as the date, time and venue of the AGM, the shareholders' rights to appoint a proxy and details of the resolutions that will be tabled at the AGM. The resolutions set out in the Notice will be voted by poll and an independent scrutineer will be appointed to validate the votes.

In response to the COVID-19 pandemic and in compliance with legislative measures enabling alternative arrangements for general meetings, the Company has held its AGM virtually since 2020. The 11th AGM was conducted virtually via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") via its TIIH Online website at https://tiih.online. The RPV facilities provided by TIIH is subject to the Personal Data Protection Policy. Necessary security measures have been taken by TIIH to prevent cyber threats.

Administrative guide was issued to assist shareholders on the registration, participation and voting using the RPV facilities. The administrative guide was also published in the Company's website at www.econpile.com to encourage shareholders' participation.

The shareholders were able to raise questions prior to the 11th AGM via TIIH Online website and the questions received were addressed by the Board at the AGM. At the 11th AGM, the Company has also addressed as many live questions as possible from the shareholders, within the allocated timeframe. All questions received in advance and those posed real time during the AGM were made visible to all the meeting participants.

All resolutions set out in the Notice of 11th AGM were voted remotely using the RPV facilities.

The outcome of 11th AGM was announced to Bursa Securities on the same day of the meeting. The minutes of the 11th AGM including the Company's responses to questions raised at the meeting was published on the Company's website at www.econpile.com within 30 business days after the 11th AGM.

With the impact of COVID-19 no longer a pressing concern, the Company will be conducting its 12th AGM in a fully physical format. This decision is aimed at enhancing shareholder engagement by offering a more interactive and transparent platform for dialogue.

KEY FOCUS AREA IN RELATION TO CORPORATE GOVERNANCE PRACTICES

Environmental, Social and Governance (“ESG”)

Amid increasing focus on sustainability and climate change, the Board is committed to progressively integrating ESG principles into the Group’s operations, ensuring that environmental responsibility, social considerations, and sound governance remain key aspects of its business practices.

Succession Plan for Key Senior Management

The Board will continue to prioritise succession planning for key managerial roles, ensuring that only highly qualified individuals with the necessary skills and expertise are appointed to the Board and key management positions within the Company.

PRIORITIES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2025

Path to Financial Recovery

Following the Group’s three consecutive years of losses due to the prolonged impact of COVID-19 and a persistent sluggish construction market, the Board remains focused on strengthening its oversight of the Group’s financial sustainability. In alignment with the broader recovery of the construction market, the effort is aimed at guiding the group toward positive earnings, while safeguarding against potential risks that could undermine its financial turnaround.

Liquidity Risk Management

Building on the efforts of the previous year, cash flow management remains a critical focus for the Group. The Board will continue to actively assess various sources of liquidity risk, including cash flow projections, access to financing, and the risk of payment defaults. These measures are essential for safeguarding the Group against liquidity mismatches that could jeopardise its financial stability and long-term sustainability.

This Corporate Governance Overview Statement was approved by the Board on 17 October 2024.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("Board") is pleased to present its Statement on Risk Management and Internal Control ("the Statement") for the financial year ended 30 June 2024, which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). This statement outlines the nature and state of the risk management and internal control of the Group during the financial year. The Companies Act 2016 and the Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

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.

In view of the limitations that are inherent in any system of risk management and internal controls, 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 AND INTERNAL CONTROL SYSTEM

Whilst the Board maintains ultimate control over risk and control issues, it has delegated to the Audit & Risk Management Committee ("ARMC") to oversee the implementation of the system of risk management and internal control within established parameters and framework.

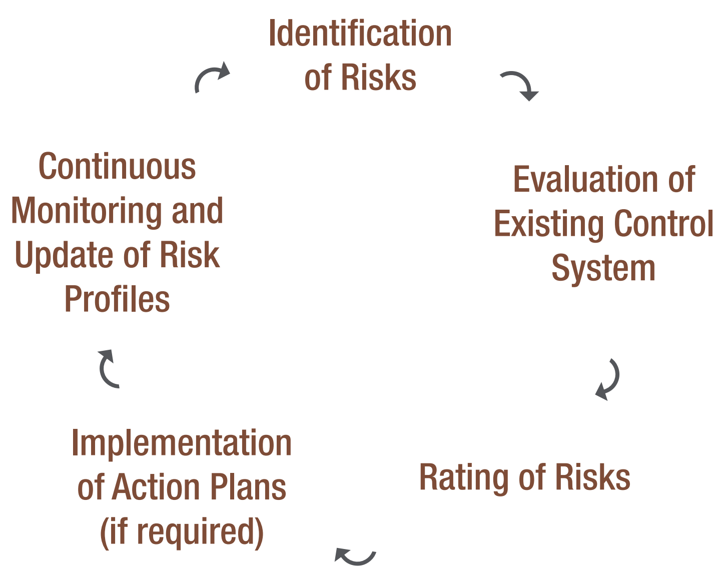
RISK MANAGEMENT FRAMEWORK

The Group adopted the COSO-ERM Integrated Framework, a worldwide recognised comprehensive framework advocated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), as the Group's framework in managing the Enterprise Risk Management of the Group.

The key risks relating to the Group's strategic matters are discussed at the ARMC and Board meetings. The responsibility for identifying and managing the risks of each department lies with the respective Head of Department. During the routine management meetings where significant risks of each department are identified and the corresponding internal controls implemented are communicated to the Executive Directors.

The risk register is updated once every two years. The last update was presented to the ARMC and the Board on 29 August 2022 and we are in the midst of the 2024 review. The risk register was updated by Key Senior Management, with the assistance of a professional services firm. Through this risk assessment conducting update, which took into consideration of the economic and business outlook, risks were identified, assessed and rated, and existing risks were also re-evaluated. In addition, Key Senior Management has also identified mitigating measures or action plans to be implemented to reduce the potential impact from these key risks.

The risk management process adopted in updating the risk register is summarised as follows:



RISK MANAGEMENT FRAMEWORK (Continued)

The key elements of 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 timelines 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 the 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,
- Continuous monitoring to ensure compliance and update the Group's existing key risk profile.

In addition, separately, a corruption risk workshop was held on 22 and 23 July 2024 involving representatives from every department to identify, assess and prioritise corruption risks of the Group. The corruption risk profile and corresponding action plans are set to be finalised in the upcoming year.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function assists the Board and the ARMC by providing an independent assessment of the adequacy and effectiveness of the Group's risk management and internal control systems. Further details of the Internal Audit Function are set out in the ARMC Report in this Annual Report.

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 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 on a monthly basis with the Executive Directors, the Chief Operating Officer and the members of management at the level of General Manager and above in attendance.

d) The Group Managing Director and the senior management in the Project and Technical Department at the level of General Manager and above, undertake visits to project sites and workshop and communicate with various levels of staff. The 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 Securities.

g) The Group's subsidiary, Econpile (M) Sdn. Bhd. ("EMSB"), has an Integrated Management System in place for Quality, Environment, Occupational Health and Safety which is in compliance with international standards ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, respectively ("the IMS ISO Standards"). The scope of certification is the provision of installation, testing of bored piles, micro piles and drive piles and construction of sub-structure. The certifications are valid up to 26 August 2027, 9 September 2027 and 9 September 2027, respectively.

h) The Internal Control and Compliance Department has been established to enhance operational efficiency and ensure adherence to statutory requirements. The key focuses of the department are to maintain EMSB's ongoing compliance with the IMS ISO Standards as well as to mitigate regulatory compliance risks related to projects.

i) The Group implements its anti-bribery and anti-corruption controls by providing anti-bribery and anti-corruption training to employees as well as by enforcing established policies, including the Anti-Bribery and Anti-Bribery Policy, the Whistleblowing Policy & Guidelines, the Code of Ethics and the Code of Conduct.

Statement on Risk Management and Internal Control (Continued)

OTHER KEY ELEMENTS OF INTERNAL CONTROL (Continued)

j) A Sustainability Policy is in place to serve as a guiding framework for integrating sustainable practices across the Group's operations. In particular, the policy's environmental commitments in areas such as responsible resource management, pollution control, energy efficiency, and waste reduction, are aimed to not only reduce the Group's environmental impact but also strengthen its resilience to climate risks.

k) A Safety, Health and Environment Policy is in place and the Quality, Safety, Health and Environment ("QSHE") department is tasked to raise the awareness of QSHE practices throughout the Group and monitors the compliance with the relevant regulations and best practices.

l) Corporate disclosure policies and procedures are in place to provide general guidance to the Directors and employees in the determination and dissemination of material information.

m) An investment policy, which sets forth the parameters and procedures for approval of new investments, is in place to assist the Board to provide oversight of investments, inter-alia, consideration of the quantitative, qualitative and risk analysis of each investment.

n) The Board has established several Board Committees to assist in discharging its duties. These include the ARMC, Nomination Committee and Remuneration Committee. These Board Committees are delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal controls in place are adequate and effective for the financial year under review to safeguard shareholders' interest 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 cognisant 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.

ASSURANCE FROM THE MANAGEMENT

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.

REVIEW ON STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2024 and nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This Statement on Risk Management and Internal Control was approved by the Board on 17 October 2024.

Directors' Responsibility Statement

The Directors are responsible to prepare the financial statements in accordance with the Companies Act 2016 ("the Act") and the applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year.
In preparing the financial statements for the financial year ended 30 June 2024, the Directors have:

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgment, estimates and assumptions based on their best knowledge of current events and actions;
- Ensured adoption of the applicable Financial Reporting Standards in Malaysia and the provisions of the Act; and
- Prepared the financial statements on a going-concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at all times the financial position of the Company and the Group to ensure that the financial statements comply with the Act.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for safeguarding the assets of the Company and the Group for the prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

Additional Compliance Information

1. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable by the Company and its subsidiaries to KPMG PLT and its affiliated firms for the financial year ended 30 June 2024 ("FY2024") are as follows:-

	Company (RM)	Group (RM)
Audit fees	91,000	366,460
Non-audit fees	10,000	347,804

The non-audit fees incurred were mainly for services performed in connection with tax-related matters as well as the review of the Statement on Risk Management and Internal Control.

2. Recurrent Related Party Transactions ("RRPT")

The details of the RRPT undertaken by the Group during the FY2024 are disclosed in Note 29 of the Financial Statements on page 112 of this Annual Report.

As the actual aggregate amount transacted for the RRPT is below the required threshold of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to obtain shareholders' approval, the Board will not be seeking shareholders' mandate for the RRPT at the forthcoming annual general meeting of the Company. The Board (via the Audit & Risk Management Committee) and the Management will continue to monitor and track the value of the RRPT.

3. Material Contracts involving the interests of Directors and Major Shareholders

There were no material contracts entered into by the Group which involved the Directors and major shareholders' interests, either still subsisting at the end of the previous financial year or entered into during the FY2024.

Audit & Risk Management Committee Report

A. COMPOSITION AND MEETINGS

Following the cessation of Dato' Rosli Bin Mohamed Nor as member of the Audit & Risk Management Committee ("ARMC") in conjunction with his resignation as director of the Company on 18 October 2023 and the appointment of Hassan Bin Ramadi as director of the Company and member of ARMC on 29 November 2023, the ARMC comprises the following members:

Chairperson	
Teh Bee Choo	Independent Non-Executive Director
Members	
Law Siew Ngan	Independent Non-Executive Director
Hassan Bin Ramadi (appointed as a member on 29 November 2023)	Independent Non-Executive Director

All members of the ARMC are financially literate. None of the members were former key audit partners of the Company's existing External Auditors. Ms Teh Bee Choo and Ms Law Siew Ngan are members of the Malaysian Institute of Accountants. The composition of the ARMC meets the requirements of paragraph 15.09 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

The ARMC held 5 meetings during the financial year ended 30 June 2024 ("FY2024") which were attended by all members. The details of the attendance of each member of the ARMC are as follows:

ARMC Members	Number of meetings attended/ Number of meetings held
Teh Bee Choo	5/5
Law Siew Ngan	5/5
Hassan Bin Ramadi (appointed as a member on 29 November 2023)	2/2
Dato' Rosli Bin Mohamed Nor (ceased as a member on 18 October 2023)	2/2

The ARMC meets at least once in every quarter. The Executive Directors, Deputy Senior General Manager (Finance)/Senior General Manager (Finance), External Auditors and Internal Auditors also attended the meetings by invitation to facilitate direct communication on matters under the consideration of the ARMC, or which, in their opinion, should be brought to the attention of the ARMC. The Chairman of the ARMC reports to the Board of Directors ("Board") on matters discussed at every ARMC meeting as well as the ARMC's recommendations, to the Board for consideration after the ARMC meeting.

B. TERMS OF REFERENCE

The duties and responsibilities of the ARMC are as set out in the Terms of Reference of the ARMC which is available on the Company's website at www.econpile.com. The Terms of Reference was last reviewed by the ARMC on 28 February 2024.

C. SUMMARY OF WORK PERFORMED BY THE ARMC

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. The activities undertaken by the ARMC in discharging its duties and responsibilities for FY2024 were as follows:

Audit & Risk Management Committee Report (Continued)

C. SUMMARY OF WORK PERFORMED BY THE ARMC (Continued)

External Audit

a) Reviewed the audit plan for FY2024, covering the audit engagement team, materiality, audit scope, independence, significant risk areas and audit timetable prepared by the External Auditors to ensure that their scope of work is adequate, and they are independent.

b) Evaluated the suitability of the External Auditors taking into consideration among others, their independence, performance, competency, audit quality, adequacy of resources, communication and interaction and provision of non-audit services and made recommendation to the Board on their re-appointment and remuneration.

c) Reviewed the audit findings on the statutory audit prepared by the External Auditors.

d) Reviewed the audit fees and non-audit fees and services provided by the External Auditors and recommended the same for Board's approval.

Financial Reporting

a) Reviewed the unaudited quarterly financial results of each quarter and the annual audited financial statements of the Group and the Company for FY2024 prior to recommending to the Board for their approval and subsequent release to Bursa Malaysia Securities Berhad.

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, in particular on changes in accounting policies and practices, significant adjustments resulting from audit, going concern assumption, completeness of disclosures and compliance with applicable accounting standards.

d) Held a private session with the External Auditors without the presence of the Management on 28 August 2024 to discuss issues encountered during the course of the audit and significant matters related to audit plan and strategy to ensure that there were no restrictions on the scope of audit for FY2024. There were no major concerns from the External Auditors.

Internal Audit

a) Reviewed the internal audit reports and recommendations made by the Internal Auditors and the corresponding corrective actions taken by the Management including follow up reviews to ensure satisfactory actions have been taken to address previously reported internal audit findings.

b) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.

c) Held a private session with the Internal Auditors without the presence of the Management on 29 November 2023 to discuss issues encountered during the course of internal audit. There were no major concerns from the Internal Auditors.

Others

a) Reviewed the related party transactions ("RPT") and recurrent related party transactions ("RRPT") entered into by the Group and the Company on quarterly basis. There were no RPT and RRPT that triggered the disclosure threshold under the Listing Requirements and required shareholders' approval.

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

c) Reviewed the adequacy and effectiveness of the system of internal control through the results of work performed by the Internal and External Auditors and discussion with Senior Management.

d) Reviewed the Anti-Bribery and Anti-Corruption Policy.

e) Reviewed the External Auditors' Assessment Policy.

f) Reviewed the Terms of Reference of ARMC.

g) Reviewed the Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control, and Corporate Governance Overview Statement and recommended the same to the Board for approval prior to inclusion in the Annual Report.

h) Reviewed and noted that there was no conflict of interest or any potential conflict of interest situation arose or persisted during the financial year under review.

D. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function, which reports directly to the ARMC, is outsourced to Tricor Axcelasia Sdn. Bhd. The Engagement Executive Director is Ms Noor Lilah Wati Abdul Majid who has 20 years of experience in risk management and risk-based internal audit services. She is an Associate Member of the Institute of Internal Auditors and has a Bachelor's degree in Economics and Social Studies, from the University of Wales, Aberystwyth, United Kingdom.

The number of staff deployed for the internal audit reviews ranges from 3 to 4 staff per visit including the Engagement Director. The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework.

The internal audit activities undertaken during the FY2024 are as follows:

a) Performed internal audit reviews in accordance with the approved audit plan.

b) Evaluating and improving the effectiveness of internal controls system and compliance with established policies and procedures as well as applicable regulatory requirements.

c) Issued internal audit reports incorporating audit recommendations and Management responses.

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

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

The following areas are covered by the Internal Auditors during the financial year under review:

Entity	Auditable Areas
Econpile (M) Sdn. Bhd.	◆ Project Management (for 2 projects) ◆ Project Costing (for 2 projects)

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

The ARMC had reviewed the adequacy of scope, functions, competency and resources of the Internal Audit Function and is satisfied with the performance of the outsourced Internal Auditors. In the interest of greater independence and objectivity, the internal audit function will continue to be outsourced.

The total costs incurred for the outsourcing of the Internal Audit function for the FY2024 was RM50,000.

Financial Statements

Directors' Report

for the year ended 30 June 2024

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

Principal activities

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 6 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 6 to the financial statements.

Results

	Group RM'000	Company RM'000
(Loss)/Profit for the year	(25,153)	1,752

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividend

No dividend was paid during the financial year and the Directors do not recommend any 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 C K Menon
Teh Bee Choo
Law Siew Ngan
Hassan Bin Ramadi (appointed on 29 November 2023)
Dato' Rosli Bin Mohamed Nor (resigned on 18 October 2023)

* *These Directors are also Directors of the Company's subsidiaries.*

Directors' Report (Continued)

for the year ended 30 June 2024

Directors' interests in shares

The interests and deemed interests in the shares and option over 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 1.7.2023	Bought	Sold	At 30.6.2024
Interests in the Company:				
The Cheng Eng				
- own	349,933,118	-	-	349,933,118
- children*	380,000	-	-	380,000
Pang Sar	277,000,012	-	(30,000,000)	247,000,012
The Kun Ann	250,000	-	-	250,000
Krishnan A/L C K Menon	250,000	-	-	250,000

* The Kun Hong and The Kun Ee are the children of The Cheng Eng but are not Directors of the Company. In accordance with Section 59 of the Companies Act 2016, 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.

None of the other Directors holding office at 30 June 2024 had any interest in the shares and option over shares of the Company and of its related corporations during the financial year.

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 those shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 June 2024 are as follows:

	From the Company RM'000	From subsidiary RM'000
Directors of the Company:		
Fees	240	-
Remuneration	313	2,094
Estimated monetary value of any other benefits	-	50
	553	2,144

Directors' benefits (Continued)

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.

Director of subsidiary

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the Director of subsidiary (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Director
Sukumaran Ramadass

Issue of shares and debentures

There were no changes in the 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.

Indemnity and insurance costs

During the financial year, the amounts of indemnity sum and insurance premium paid for the Directors and other officers of Econpile Holdings Berhad and its subsidiaries were RM15,000,000 and RM28,000, respectively. The insurance premium was borne by the holding company. There was no indemnity given to or insurance effected for auditors of the Company and of the Group.

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.

Directors' Report (Continued)

for the year ended 30 June 2024

Other statutory information (Continued)

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 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

The details of remuneration paid by the Group and the Company to the auditors of the Group and of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
Audit fees		
KPMG PLT	289	91
Overseas affiliate of KPMG Malaysia	77	-
Under provision in prior year	1	-
Non-audit fees		
KPMG PLT	10	10
Overseas affiliate of KPMG Malaysia	337	-
	714	101

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

The Cheng Eng

Pang Sar

Kuala Lumpur

Date: 17 October 2024

Statements Of Financial Position

as at 30 June 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Assets					
Property, plant and equipment	3	24,802	20,010	-	-
Right-of-use assets	4	1,495	1,320	-	-
Investment properties	5	18,668	14,014	-	-
Investments in subsidiaries	6	-	-	94,000	94,000
Deferred tax assets	7	3,374	3,374	-	-
Trade and other receivables	8	-	-	95,512	93,842
Total non-current assets		48,339	38,718	189,512	187,842
Trade and other receivables	8	402,540	424,822	5	5
Contract assets	9	104,694	129,613	-	-
Prepayments		6,550	917	11	22
Current tax assets		20,504	16,862	-	-
Other investments	10	1,069	1,124	1,069	1,051
Cash and cash equivalents	11	77,295	45,176	114	122
		612,652	618,514	1,199	1,200
Assets classified as held for sale	12	545	545	-	-
Total current assets		613,197	619,059	1,199	1,200
Total assets		661,536	657,777	190,711	189,042
Equity					
Share capital	13	177,206	177,206	177,206	177,206
Reserves	13	183,974	209,038	13,143	11,391
Equity attributable to owners of the Company		361,180	386,244	190,349	188,597
Liabilities					
Loans and borrowings	14	17,378	18,977	-	-
Lease liabilities		682	639	-	-
Employee benefits	15	6,447	6,447	-	-
Total non-current liabilities		24,507	26,063	-	-
Loans and borrowings	14	126,329	91,681	-	-
Lease liabilities		853	721	-	-
Trade and other payables	16	130,975	140,815	151	201
Provisions	17	3,033	3,946	-	-
Contract liabilities	9	12,314	7,796	-	-
Current tax liabilities		2,345	511	211	244
Total current liabilities		275,849	245,470	362	445
Total liabilities		300,356	271,533	362	445
Total equity and liabilities		661,536	657,777	190,711	189,042

The notes on pages 71 to 112 are an integral part of these financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income

for the year ended 30 June 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue	18	417,602	375,983	-	-
Cost of sales	19	(409,499)	(369,588)	-	-
Gross profit		8,103	6,395	-	-
Other income		2,295	5,027	18	16
Administrative expenses		(20,477)	(19,903)	(1,104)	(1,137)
Net (loss)/reversal on impairment of financial instruments		(4,343)	1,500	-	-
Results from operating activities		(14,422)	(6,981)	(1,086)	(1,121)
Finance income	20	1,225	699	3,550	3,481
Finance costs	21	(6,425)	(4,641)	-	-
Net finance (costs)/income		(5,200)	(3,942)	3,550	3,481
(Loss)/Profit before tax	22	(19,622)	(10,923)	2,464	2,360
Tax expense	23	(5,531)	(4,756)	(712)	(794)
(Loss)/Profit for the year		(25,153)	(15,679)	1,752	1,566
Other comprehensive (expense)/income, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operation		89	147	-	-
(Loss)/Profit and total comprehensive (expense)/ income for the year		(25,064)	(15,532)	1,752	1,566
Basic loss per ordinary share (sen)	24	(1.77)	(1.11)		

The notes on pages 71 to 112 are an integral part of these financial statements.

Consolidated Statement Of Changes In Equity
for the year ended 30 June 2024

	<----------Non-distributable--------->			Distributable	
		Deficit in			
	Share capital	business combination	Translation reserve	Retained earnings	Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2022	177,206	(87,000)	(415)	311,985	401,776
Loss for the year	-	-	-	(15,679)	(15,679)
Foreign currency translation differences for foreign operation	-	-	147	-	147
Loss and total comprehensive expense for the year	-	-	147	(15,679)	(15,532)
At 30 June 2023/ 1 July 2023	177,206	(87,000)	(268)	296,306	386,244
Loss for the year	-	-	-	(25,153)	(25,153)
Foreign currency translation differences for foreign operation	-	-	89	-	89
Loss and total comprehensive expense for the year	-	-	89	(25,153)	(25,064)
At 30 June 2024	177,206	(87,000)	(179)	271,153	361,180
	Note 13	Note 13	Note 13		

The notes on pages 71 to 112 are an integral part of these financial statements.

Statement of Changes In Equity
for the year ended 30 June 2024

Company	*Non-distributable* Share capital RM'000	*Distributable* Retained earnings RM'000	Total equity RM'000
At 1 July 2022	177,206	9,825	187,031
Profit and total comprehensive income for the year	-	1,566	1,566
At 30 June 2023/1 July 2023	177,206	11,391	188,597
Profit and total comprehensive income for the year	-	1,752	1,752
At 30 June 2024	177,206	13,143	190,349
	Note 13		

The notes on pages 71 to 112 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		(19,622)	(10,923)	2,464	2,360
Adjustments for:					
Depreciation of property, plant and equipment	3	3,817	7,154	-	-
Depreciation of right-of-use assets	4	1,195	1,065	-	-
Depreciation of investment properties	5	60	60	-	-
Change in fair value of other investments		(18)	2,423	(18)	(16)
Finance income	20	(1,225)	(699)	(3,550)	(3,481)
Finance costs	21	6,425	4,641	-	-
Gain on disposal of property, plant and equipment	22	(1,148)	(384)	-	-
Gain on disposal of investment property		-	(98)	-	-
Net loss/(gain) on unrealised foreign exchange		1,255	(1,558)	-	-
Gain on disposal of club membership		-	(26)	-	-
Gain on disposal of other investment		(5)	(1,747)	-	-
Net loss/(reversal) on impairment of financial instruments	26.4	4,343	(1,500)	-	-
Operating loss before working capital changes		(4,923)	(1,592)	(1,104)	(1,137)
Change in trade and other receivables and prepayments		5,686	7,517	11	(11)
Change in trade and other payables	(iv)	(9,840)	16,691	(50)	19
Change in contract assets		24,919	(16,439)	-	-
Change in contract liabilities		4,518	(6,156)	-	-
Change in provisions		(913)	(1,933)	-	-
Cash from/(used in) operations		19,447	(1,912)	(1,143)	(1,129)
Interest received		-	-	3,550	3,481
Interest paid		-	(295)	-	-
Tax paid		(6,218)	(530)	(745)	(820)
Interest paid on lease liabilities	(v)	(70)	(74)	-	-
Net cash from/(used in) operating activities		13,159	(2,811)	1,662	1,532

Statements of Cash Flows (Continued)

for the year ended 30 June 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(8,597)	(2,201)	-	-
Acquisition of investment properties	(iii)	(568)	-	-	-
Interest received from fixed deposits		1,225	699	-	-
Proceeds from disposal of property, plant and equipment		1,149	384	-	-
Proceeds from disposal of other investments		78	3,235	-	-
Proceeds from disposal of club membership		-	26	-	-
Increase in advances to subsidiaries		-	-	(1,670)	(1,651)
Net cash (used in)/from investing activities		(6,713)	2,143	(1,670)	(1,651)
Cash flows from financing activities					
Change in pledged deposits		(81)	(90)	-	-
Interest paid on loans and borrowings		(6,355)	(3,968)		
Net drawdown/(repayment) of bankers' acceptances	(vi)	18,630	(8,398)	-	-
Net repayment from bank loans	(vi)	(7,417)	(7,414)	-	-
Net drawdown/(repayment) of hire purchase liabilities	(vi)	6,836	(539)	-	-
Net drawdown of revolving credit	(vi)	15,000	15,000	-	-
Payment of lease liabilities	(v),(vi)	(1,195)	(1,061)	-	-
Net cash from/(used in) financing activities		25,418	(6,470)	-	-
Net increase/(decrease) in cash and cash equivalents		31,864	(7,138)	(8)	(119)
Cash and cash equivalents at 1 July		40,919	47,753	122	241
Effect of exchange rate fluctuations on cash held		174	304	-	-
Cash and cash equivalents at 30 June	(i)	72,957	40,919	114	122

(i) Cash and cash equivalents

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

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash and bank balances	11	69,710	37,754	114	122
Deposit placed with licensed banks	11	7,585	7,422	-	-
		77,295	45,176	114	122
Less: Deposits pledged	11	(4,338)	(4,257)	-	-
		72,957	40,919	114	122

(ii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM8,597,000 (2023: Nil), of which RM7,944,000 (2023: Nil) was acquired by means of hire purchase arrangements.

(iii) Acquisition of investment properties

During the financial year, the Group acquired investment properties with an aggregate cost of RM4,714,000 (2023: Nil), of which RM4,146,000 (2023: Nil) were acquired by means of contra with trade debtors.

(iv) Proceed from disposal of investment properties

In prior year, the Group sold investment properties amounting to RM66,000 to its subcontractor for a total consideration of RM164,000 which were settled by way of contra with payables owing to the subcontractor.

(v) Cash outflows for leases as a lessee

	Note	Group 2024 RM'000	Group 2023 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	22	13,235	10,745
Interest paid in relation to lease liabilities	22	70	74
		13,305	10,819
Included in net cash from financing activities:			
Payment of lease liabilities		1,195	1,061
Total cash outflows for leases		14,500	11,880

Statements of Cash Flows (Continued)

for the year ended 30 June 2024

(vi) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 July 2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Foreign exchange movements RM'000	At 30 June 2023 RM'000
Group					
Bankers' acceptances	49,092	(8,398)	-	-	40,694
Bank loans	33,803	(7,414)	-	-	26,389
Lease liabilities	1,269	(1,061)	1,111	41	1,360
Revolving credit	28,000	15,000	-	-	43,000
Hire purchase liabilities	1,114	(539)	-	-	575
Total liabilities from financing activities	113,278	(2,412)	1,111	41	112,018

	At 1 July 2023 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Foreign exchange movements RM'000	At 30 June 2024 RM'000
Group					
Bankers' acceptances	40,694	18,630	-	-	59,324
Bank loans	26,389	(7,417)	-	-	18,972
Lease liabilities	1,360	(1,195)	1,369	1	1,535
Revolving credit	43,000	15,000	-	-	58,000
Hire purchase liabilities	575	6,836	-	-	7,411
Total liabilities from financing activities	112,018	31,854	1,369	1	145,242

The notes on pages 71 to 112 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 2024 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 2024 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 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 17 October 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16*, Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Notes To The Financial Statements (Continued)

1. Basis of preparation (Continued)

(a) Statement of compliance (Continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- *MFRS 18, Presentation and Disclosure in Financial Statements*
- *MFRS 19, Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, 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 and the Company plan to apply the applicable accounting standards, interpretations and amendments:

- from the annual period beginning on 1 July 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024;
- from the annual period beginning on 1 July 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025;
- from the annual period beginning on 1 July 2026 for amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 July 2027 for the accounting standard that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the applicable accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

1. Basis of preparation (Continued)

(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 as disclosed in the following notes:

- Note 8, Note 10 and Note 26.4 - impairment losses on trade receivables (including retention sums) and contract assets
- Note 18 - revenue from contracts with customers
- Note 28 - contingencies

2. Changes in material accounting policies

2.1 Material accounting policy information

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Piling and site equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost									
At 1 July 2022	5,000	9,388	236,593	17,603	924	412	10,755	1,602	282,277
Additions	-	-	1,937	178	86	-	-	-	2,201
Disposals	-	-	(481)	-	(12)	-	(52)	-	(545)
Effect of movement in exchange rates	-	-	34	24	6	2	21	-	87
At 30 June 2023/ 1 July 2023	5,000	9,388	238,083	17,805	1,004	414	10,724	1,602	284,020
Additions	-	-	8,145	11	77	4	360	-	8,597
Disposals	-	-	(4,209)	-	-	-	(160)	-	(4,369)
Effect of movement in exchange rates	-	-	13	5	1	-	4	-	23
At 30 June 2024	5,000	9,388	242,032	17,821	1,082	418	10,928	1,602	288,271
Depreciation									
At 1 July 2022	-	1,705	227,597	15,284	774	319	10,178	1,514	257,371
Depreciation for the year	-	195	5,547	909	81	30	367	25	7,154
Disposals	-	-	(481)	-	(12)	-	(52)	-	(545)
Effect of movement in exchange rates	-	-	8	6	4	1	11	-	30
At 30 June 2023/ 1 July 2023	-	1,900	232,671	16,199	847	350	10,504	1,539	264,010
Depreciation for the year	-	195	2,769	593	66	30	139	25	3,817
Disposals	-	-	(4,208)	-	-	-	(160)	-	(4,368)
Effect of movement in exchange rates	-	-	4	2	1	-	3	-	10
At 30 June 2024	-	2,095	231,236	16,794	914	380	10,486	1,564	263,469
Carrying amounts									
At 1 July 2022	5,000	7,683	8,996	2,319	150	93	577	88	24,906
At 30 June 2023/ 1 July 2023	5,000	7,488	5,412	1,606	157	64	220	63	20,010
At 30 June 2024	5,000	7,293	10,796	1,027	168	38	442	38	24,802

3. Property, plant and equipment (Continued)

3.1 Property, plant and equipment acquired under hire purchase arrangements

Included in property, plant and equipment of the Group are plant and machinery, motor vehicles and piling and site equipment acquired under hire purchase arrangements with carrying amounts of RM8,931,000 (2023: RM1,077,000), RM347,000 (2023: Nil) and RM67,000 (2023: RM97,000), respectively.

3.2 Security

The freehold land, a commercial property and the corporate office of the Group with a total carrying amount of RM5,688,000 (2023: RM5,830,000) are pledged as security for bank facilities granted to a subsidiary (see Note 14).

3.3 Material accounting policy information

(a) Recognition and measurement

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

(b) Depreciation

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. Freehold land is not depreciated.

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 end of the reporting period, and adjusted as appropriate.

4. Right-of-use assets

Group	Land RM'000	Buildings RM'000	Total RM'000
At 1 July 2022	469	766	1,235
Additions	-	1,111	1,111
Depreciation for the year	(320)	(745)	(1,065)
Effect of movement in exchange rates	16	23	39
At 30 June 2023/1 July 2023	165	1,155	1,320
Additions	376	993	1,369
Depreciation for the year	(354)	(841)	(1,195)
Effect of movement in exchange rates	-	1	1
At 30 June 2024	187	1,308	1,495

The Group leases a piece of land and buildings that run between 1 year and 2 years, with an option to renew the leases after that date.

4. Right-of-use assets (Continued)

4.1 Extension options

Some leases of buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

4.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group applies judgement and assumptions in determining the incremental borrowing rates of the respective leases. The Group first determines the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Restriction imposed by lease

The lease contracts for buildings restrict the Group’s ability to sublease the leased assets in the respective contracts.

4.4 Material accounting policy information

(a) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. Investment properties

	Group RM'000
Cost	
At 1 July 2022	14,521
Disposals	(88)
At 30 June 2023/1 July 2023	14,433
Additions	4,714
At 30 June 2024	19,147
Depreciation	
At 1 July 2022	381
Depreciation for the year	60
Disposals	(22)
At 30 June 2023/1 July 2023	419
Depreciation for the year	60
At 30 June 2024	479
Carrying amounts	
At 1 July 2022	14,140
At 30 June 2023/1 July 2023	14,014
At 30 June 2024	18,668

Included in the investment properties are:

	Note	Group 2024 RM'000	Group 2023 RM'000
Freehold land		929	929
Buildings		2,533	2,593
Work-in-progress	5.1	15,206	10,492
		18,668	14,014

Investment properties comprise freehold land and a number of residential and commercial properties that are leased to a third party or held for capital appreciation purposes.

Notes To The Financial Statements (Continued)

5. Investment properties (Continued)

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

	Group	
	2024	2023
	RM'000	RM'000
Rental income	-	2
Direct operating expenses:		
- non-income generating investment properties	66	69

5.1 Work-in-progress

The amount is in respect of the acquisitions of investment properties which are not available for use as the Group has yet to obtain vacant possession.

5.2 Fair value information

Fair value of investment properties is categorised as follows:

	Group	
	2024	2023
	RM'000	RM'000
Level 3		
Freehold land	1,226	1,009
Buildings	4,488	4,163
Work-in-progress	19,194	13,072
	24,908	18,244

Valuation process applied by the Group for Level 3 fair value

The fair value of freehold land, buildings and work-in-progress are estimated by the Directors using the comparison method. The comparison method requires judgement and 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.

5.3 Material accounting policy information

Investment properties are measured subsequently at cost less any accumulated depreciation and any accumulated impairment losses.

6. Investments in subsidiaries

	Company 2024 RM'000	Company 2023 RM'000
Unquoted shares, at cost	94,000	94,000

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2024 %	Effective ownership interest and voting interest 2023 %
Econpile (M) Sdn. Bhd. and its subsidiaries:	Malaysia	General construction and piling works	100	100
Platinum Production Sdn. Bhd.	Malaysia	Rental of investment properties	100	100
Global Piling Solutions Co., Ltd.[1]	Cambodia	General construction and piling works	100	100
Tropical Broadway Sdn. Bhd.	Malaysia	Property development	100	100

1 Audited by a member firm of KPMG International.

6.1 Material accounting policy information

Investments in subsidiaries are measured at cost less any impairment losses.

7. Deferred tax assets

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Group 2024 RM'000	Group 2023 RM'000
Property, plant and equipment	(1,939)	(4,852)
Right-of-use assets	(244)	(87)
Provisions	5,304	8,225
Lease liabilities	253	88
	3,374	3,374

Notes To The Financial Statements (Continued)

7. Deferred tax assets (Continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2024	2023
	RM'000	RM'000
Unutilised tax losses	60,500	26,476
Unabsorbed capital allowances	18,176	14,912
Other deductible temporary differences	31,304	33,694
	109,980	75,082

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

Pursuant to the latest tax legislation, unutilised tax losses from a year of assessment ("YA") can only be carried forward up to 10 consecutive YAs. The table below shows the unutilised tax losses will expire in the following YA:

	Group	
	2024	2023
Expiry	RM'000	RM'000
YA 2032	19,320	19,320
YA 2033	7,156	7,156
YA 2034	34,024	-
	60,500	26,476

The unabsorbed capital allowances and other deductible temporary differences do not expire under current tax legislation.

8. Trade and other receivables

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Non-current					
Non-trade					
Advances to subsidiaries	8.1	-	-	95,512	93,842
Current					
Trade					
Trade receivables	8.2	398,447	420,787	-	-
Less: Impairment losses		(11,323)	(6,980)	-	-
		387,124	413,807	-	-
Non-trade					
Other receivables		863	3,789	-	-
Deposits		14,553	7,226	5	5
		15,416	11,015	5	5
		402,540	424,822	95,517	93,847

8.1 Advances to subsidiaries

The advances to subsidiaries are unsecured, subject to interest at 3.75% (2023: 3.75%) per annum and repayable on demand. The management has reviewed the expected repayment from the subsidiaries and hence reclassified the advances to subsidiaries as non-current.

8.2 Trade receivables

Included in trade receivables are retention sums of RM156,237,000 (2023: RM154,367,000) relating to construction projects. Retention sums are unsecured, interest free and expected to be collected as follows:

	Group 2024 RM'000	Group 2023 RM'000
Within 1 year	63,718	49,492
More than 1 year	92,519	104,875
	156,237	154,367

Estimation uncertainty and critical judgements

The Group assesses the risk of loss of each customer individually based on their financial information and past trends of payment. Whilst management's assessment is guided by past experiences with consideration of current economic conditions, there may be significant uncertainty about the future recovery of debts.

9. Contract assets/(Contract liabilities)

	Group	
	2024	2023
	RM'000	RM'000
Contract assets	104,694	129,613
Contract liabilities	(12,314)	(7,796)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed when the work is certified by the customers and payment is expected within 120 days after billing.

Included in contract assets is an amount of RM80.1million (2023: RM80.1million) related to a construction contract with a customer which is under litigation as disclosed in Note 28.2(a).

The contract liabilities primarily relate to the advance consideration received from customers for construction contracts, which revenue is recognised overtime from the construction and piling works. The contract liabilities are expected to be recognised as revenue over a period of 30 days.

Significant changes to contract liabilities balances during the year are as follows:

	2024	2023
	RM'000	RM'000
Contract liabilities at the beginning of the period recognised as revenue	(7,796)	(13,952)

10. Other investments

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Current					
Financial assets at fair value through profit or loss:					
- Unit trusts in Malaysia		1,069	1,051	1,069	1,051
- Investment in quoted shares	10.1	-	73	-	-
		1,069	1,124	1,069	1,051

10. Other investments (Continued)

10.1 Equity investment designated at fair value through profit or loss

The Group designated the investment in equity securities as fair value through profit or loss because the investment in equity securities represents investment that the Group intends to hold for trading purpose.

	Fair value at	
	2024	2023
	RM'000	RM'000
Investment in quoted shares	-	73

11. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	69,710	37,754	114	122
Deposits placed with licensed banks	7,585	7,422	-	-
Cash and cash equivalents in the statements of financial position	77,295	45,176	114	122
Deposits pledged with licensed banks	(4,338)	(4,257)	-	-
Cash and cash equivalents in the statements of cash flows	72,957	40,919	114	122

Part of the deposits placed with licensed banks are pledged as security for the bank loans and revolving credit of the Group.

12. Assets classified as held for sale

	Note	Group	
		2024	2023
		RM'000	RM'000
Assets classified as held for sale			
Freehold land	12.1	545	545

12.1 Freehold land

A piece of freehold land is presented as an asset classified as held for sale following the commitment of Tropical Broadway Sdn. Bhd. ("TBSB"), a wholly owned subsidiary to inject the land under an agreement entered with a third-party property developer in 2017 to develop the land into a housing development project. TBSB will provide the land for development whereas the third-party property developer will be responsible to construct and complete the housing development project within two years from the commencement date.

Notes To The Financial Statements (Continued)

12. Assets classified as held for sale (Continued)

12.1 Freehold land (Continued)

As at 30 June 2024, the approval of building plan for the development project has been obtained. The completion of sale is currently pending the approval of required documents from the relevant authorities before construction work can commence.

13. Capital and reserves

Share capital

Group and Company	Number of shares 2024 '000	Amount 2024 RM'000	Number of shares 2023 '000	Amount 2023 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 July/30 June	1,417,500	177,206	1,417,500	177,206

Ordinary shares

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

Reserves

Deficit in business combination

The deficit in business combination arose from the acquisition of the entire equity interest of Econpile (M) Sdn. Bhd. using the reverse acquisition method pursuant to the corporate exercise carried out by the Company in 2014.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entity with functional currency other than RM.

14. Loans and borrowings

	Note	Group 2024 RM'000	Group 2023 RM'000
Non-current			
Bank loans - secured	14.1	11,546	18,971
Hire purchase liabilities - unsecured		5,832	6
		17,378	18,977
Current			
Bank loans - secured	14.1	7,426	7,418
Bankers' acceptances - unsecured	14.2	59,324	40,694
Hire purchase liabilities - unsecured		1,579	569
Revolving credit - secured	14.3	58,000	43,000
		126,329	91,681
		143,707	110,658

14.1 Bank loans - secured

The bank loans are secured by way of a first legal charge over the corporate office of the Group (see Note 3) and deposits pledged with licensed banks (see Note 11).

14.2 Bankers' acceptances - unsecured

The bankers' acceptances of RM59,324,000 (2023: RM40,694,000) are guaranteed by the Company.

14.3 Revolving credit - secured

The revolving credit is secured by deposits pledged with licensed banks (see Note 11), subject to interest at 5.52% - 6.03% (2023: 5.36% - 5.48%) per annum and guaranteed by the Company.

15. Employee benefits

Retirement benefits

	Group	
	2024	2023
	RM'000	RM'000
Defined benefit liability	6,447	6,447

The Group participated in a defined benefit plan that provides pension for two Directors of the Group upon their retirement. The plan which is unfunded entitled the two Directors of the Group a lump sum payment equal to the last drawn salary multiplied by the number of years of service of the two Directors. The two Directors are not required to contribute to the plan.

Effective 1 July 2017, the two Directors had voluntarily ceased accumulation to their retirement benefits plan and the retirement benefits liability will remain in the statement of financial position until settlement occurs. The retirement benefits liability has continued to be classified as non-current as the Group does not anticipate settlement of the liability in the next 12 months.

16. Trade and other payables

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Trade					
Trade payables		108,883	123,370	-	-
Non-trade					
Other payables	16.1	11,940	11,039	-	-
Accrued expenses		10,152	6,406	151	201
		22,092	17,445	151	201
		130,975	140,815	151	201

16.1 Other payables

Included in other payables is an amount due to certain contract customers for acquisition of investment properties of RM10,414,000 (2023: RM10,350,000).

17. Provisions

	Group Onerous contracts RM'000
At 1 July 2022	5,879
Provisions made during the year	568
Provisions utilised during the year	(2,501)
At 30 June 2023/1 July 2023	3,946
Provisions made during the year	2,129
Provisions utilised during the year	(3,042)
At 30 June 2024	3,033

Provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract with customer is lower than the unavoidable cost of meeting its obligations under the contract.

18. Revenue

	Group	
	2024 RM'000	2023 RM'000
Revenue from contracts with customers	417,602	375,983

18.1 Disaggregation of revenue

Group	2024 RM'000	2023 RM'000
Primary geographical markets		
Malaysia	296,370	246,250
Cambodia	121,232	129,733
	417,602	375,983
Major products and services lines		
Construction contracts	417,602	375,983
Timing of recognition		
Over time	417,602	375,983

Notes To The Financial Statements (Continued)

18. Revenue (Continued)

18.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Construction contracts.
Timing of recognition or method used to recognise revenue	Revenue is recognised over time using the cost incurred method.
Significant payment terms	Based on agreed milestones, certified by architects.
Variable element in consideration	The Group may occasionally submit variation orders (for additions or omissions of work) to customers based on actual work performed and may be exposed to liquidated and ascertained damages ("LAD") which are deducted from contract sum.
Obligation for returns or refunds	Not applicable.
Warranty	Generally, defect liability period of between 2 to 5 years is given to customers.

18.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group RM'000
2024	
Construction contracts	387,561
2023	
Construction contracts	410,016

The above revenue does not include variable consideration.

The remaining performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date will be satisfied over the remaining duration of the contracts of 1 to 3 years.

18. Revenue (Continued)

18.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

Variable consideration

Variation orders are integral and significant parts of contract revenue on certain reimbursable contracts. They can also be present in lump sum contracts. Revenue from variation orders are included only when it is highly probable that the revenue will not be reversed. There is a risk that the actual payment of variation orders may differ from the estimated amount.

Liquidated and ascertained damages ("LAD")

LAD are penalties for not achieving defined milestones on time. LAD are common in construction contracts. If a project does not meet the defined milestone in a contract, a provision reducing the transaction price is made unless it is highly probable that LAD will not be imposed. The estimated LAD provision is highly judgemental and based on experience from similar LAD situations and negotiations with customers in addition to an assessment of client relationship and economic impact.

Total contract cost

The estimates of total contract cost can be judgemental and sensitive to changes. The cost estimates can significantly impact revenue recognition for contracts using cost progress, particularly in lump sum construction contracts. In making these estimates, management relied on professionals' estimates and also on past experience of completed projects. The forecasting of total contract cost depends on the ability to properly execute the design phase, availability of skilled resources, productivity and quality factors, performance of subcontractors and sometimes also weather and soil conditions. A change in the estimates will directly affect the revenue to be recognised.

Performance obligations

Significant management judgement is sometimes required in order to identify distinct performance obligations in customer contracts. This includes an analysis of the customer contract to determine if the goods or services are distinct deliveries or inputs to an overall promise to deliver a combined item.

19. Cost of sales

	Group	
	2024	2023
	RM'000	RM'000
Construction costs	409,499	369,588

Notes To The Financial Statements (Continued)

20. Finance income

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- deposits placed with licensed banks	1,225	699	-	-
- advances to subsidiaries	-	-	3,550	3,481
	1,225	699	3,550	3,481

21. Finance costs

	Group 2024 RM'000	Group 2023 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank loans	1,208	1,419
- bankers' acceptances	4,997	2,810
- hire purchase liabilities	150	43
Interest expense on lease liabilities	70	74
Others	-	295
	6,425	4,641

22. (Loss)/Profit before tax

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(Loss)/Profit before tax is arrived at after charging/ (crediting):				
Auditors' remunerations				
Audit fees				
- KPMG PLT	289	289	91	91
- Overseas affiliate of KPMG Malaysia	77	95	-	-
- Under provision in prior year	1	74	-	-
Non-audit fees				
- KPMG PLT	10	10	10	10
- Overseas affiliate of KPMG Malaysia	337	215	-	-
	714	683	101	101

22. (Loss)/Profit before tax (Continued)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
(Loss)/Profit before tax is arrived at after charging/ (crediting): (Continued)					
Material expenses/(income)					
Depreciation of property, plant and equipment	3	3,817	7,154	-	-
Depreciation of right-of-use assets	4	1,195	1,065	-	-
Depreciation of investment properties	5	60	60	-	-
Personnel expenses (including key management personnel):					
- Contributions to Employees' Provident Fund		2,546	2,408	10	15
- Wages, salaries and others		31,349	35,543	278	278
Change in fair value of other investments		(18)	2,423	(18)	(16)
Gain on disposal of other investment		(5)	(1,747)	-	-
Gain on disposal of property, plant and equipment		(1,148)	(384)	-	-
Gain on disposal of investment property		-	(98)	-	-
Net loss/(gain) on unrealised foreign exchange		1,255	(1,558)	-	-
Net gain on realised foreign exchange		(1,932)	(1,490)	-	-
Gain on disposal of club membership		-	(26)	-	-
Expenses arising from leases					
Expenses relating to short-term leases	a	13,235	10,745	-	-
Rental income from:					
- Equipment		(95)	-	-	-
- Investment properties		-	(2)	-	-
Interest expense on lease liabilities		70	74	-	-
Net loss/(reversal) on impairment of financial instruments					
Financial assets at amortised cost		4,343	(1,500)	-	-

Note a

The Group leases equipment, machinery and properties on ad hoc basis or with contract terms of 1 year or less. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes To The Financial Statements (Continued)

23. Tax expense

Recognised in profit or loss

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Current tax expense					
Current year		4,469	2,354	836	794
(Over)/Under provision in prior year		(64)	211	(124)	-
Withholding tax	23.1	1,126	2,191	-	-
Total income tax expense		5,531	4,756	712	794
Reconciliation of tax expense					
(Loss)/Profit before tax		(19,622)	(10,923)	2,464	2,360
Income tax using Malaysian tax rate of 24%		(4,744)	(2,769)	591	566
Effect of tax rates in foreign jurisdictions		(555)	(222)		-
Non-deductible expenses		1,398	1,530	249	232
Non-taxable income		(5)	(965)	(4)	(4)
Effect of unrecognised deferred tax assets		8,375	4,780	-	-
(Over)/Under provision in prior year		(64)	211	(124)	-
Withholding tax	23.1	1,126	2,191	-	-
		5,531	4,756	712	794

23.1 Withholding tax

The withholding tax relates to the tax withheld from billings to its foreign subsidiary.

24. Basic loss per ordinary share (sen)

The calculation of basic loss per ordinary share was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2024	2023
	RM'000	RM'000
Loss attributable to ordinary shareholders (RM'000)	(25,153)	(15,679)
Weighted average number of ordinary shares ('000)		
Weighted average number of ordinary shares at 30 June (basic)	1,417,500	1,417,500
Basic loss per ordinary share (sen)	(1.77)	(1.11)

25. Operating segment

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. The Group's operations are carried out in Malaysia and Cambodia.

The Chief Executive Officer of the Group (the chief operating decision maker) reviews internal management reports at least on a monthly basis.

Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Chief Executive Officer of the Group. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within this industry.

Notes To The Financial Statements (Continued)

25. Operating segment (Continued)

Segment assets and liabilities

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer of the Group. Hence, no disclosure is made on segment assets and liabilities.

Segment capital expenditure is the total costs incurred during the financial year to acquire property, plant and equipment, investment properties and right-of-use assets.

	Group	
	2024	2023
	RM'000	RM'000
Total additions to property, plant and equipment	8,597	2,201
Total additions to investment properties	4,714	-
Total additions to right-of-use assets	1,369	1,111
	14,680	3,312
Segment loss	(25,153)	(15,679)
Included in the measure of segment loss are:		
Revenue from external customers	417,602	375,983
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(5,072)	(8,279)
Net (loss)/reversal on impairment of financial instruments	(4,343)	1,500
Not included in the measure of segment loss but provided to Chief Executive Officer:		
Net finance costs	(5,200)	(3,942)

No reconciliation is performed for reportable segment revenue, profit and depreciation to consolidated figures as there are no differences except for the following:

	Group	
	2024	2023
	RM'000	RM'000
Net finance costs		
Finance income	1,225	699
Finance costs	(6,425)	(4,641)
Consolidated net finance costs	(5,200)	(3,942)

25. Operating segment (Continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Group	
	External revenue	Non-current assets
	RM'000	RM'000
Geographical information		
2024		
Malaysia	296,370	46,907
Cambodia	121,232	1,432
	417,602	48,339
2023		
Malaysia	246,250	36,955
Cambodia	129,733	1,763
	375,983	38,718

Major customer

The following are the major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2024	2023	
	RM'000	RM'000	
All common control companies of:			
Customer A	78,997	129,733	General construction and pilling work
Customer B	45,266	47,255	General construction and pilling work

Notes To The Financial Statements (Continued)

26. Financial instruments (Continued)

26.1 Categories of financial instruments

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

(a) Fair value through profit or loss ("FVTPL");
- Mandatorily required by MFRS 9
- Designated upon initial recognition ("DUIR")

(b) Amortised cost ("AC")

	Carrying amount RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	AC RM'000
2024				
Financial assets				
Group				
Other investments	1,069	1,069	-	-
Trade and other receivables	402,540	-	-	402,540
Cash and cash equivalents	77,295	-	-	77,295
	480,904	1,069	-	479,835
Company				
Other investments	1,069	1,069	-	-
Trade and other receivables	95,517	-	-	95,517
Cash and cash equivalents	114	-	-	114
	96,700	1,069	-	95,631
Financial liabilities				
Group				
Loans and borrowings	(143,707)	-	-	(143,707)
Trade and other payables	(130,975)	-	-	(130,975)
	(274,682)	-	-	(274,682)
Company				
Trade and other payables	(151)	-	-	(151)

26. Financial instruments (Continued)

26.1 Categories of financial instruments (Continued)

	Carrying amount RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	AC RM'000
2023				
Financial assets				
Group				
Other investments	1,124	1,051	73	-
Trade and other receivables	424,822	-	-	424,822
Cash and cash equivalents	45,176	-	-	45,176
	471,122	1,051	73	469,998
Company				
Other investments	1,051	1,051	-	-
Trade and other receivables	93,847	-	-	93,847
Cash and cash equivalents	122	-	-	122
	95,020	1,051	-	93,969
Financial liabilities				
Group				
Loans and borrowings	(110,658)	-	-	(110,658)
Trade and other payables	(140,815)	-	-	(140,815)
	(251,473)	-	-	(251,473)
Company				
Trade and other payables	(201)	-	-	(201)

Notes To The Financial Statements (Continued)

26. Financial instruments (Continued)

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Fair value through profit or loss:				
- Mandatorily required by MFRS 9	18	16	18	16
- Designated upon initial recognition	5	(692)	-	-
Financial assets at amortised cost	(2,441)	5,247	3,550	3,481
Financial liabilities at amortised cost	(6,355)	(4,567)	-	-
	(8,773)	4	3,568	3,497

26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

26.4 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 and investment in unit trusts. The Company's exposure to credit risk arises principally from its investment in unit trusts, advances to subsidiaries and financial guarantees given to banks and suppliers for credit facilities granted to a subsidiary. There are no significant changes as compared to previous year.

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 all customers.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amount of credit impaired trade receivables and contract assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

26. Financial instruments (Continued)

26.4 Credit risk (Continued)

Trade receivables and contract assets

Concentration of credit risk

The Group has 16 (2023: 25) ongoing projects at various stages of completion as at the end of the reporting period. Concentration of credit risk with respect to trade receivables and contract assets are limited except for three (2023: three) customers which accounted for 53% (2023: 48%) of trade receivables (including retention sums) and contract assets as at the end of the reporting period.

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region was:

	Group	
	2024	2023
	RM'000	RM'000
Domestic	462,890	510,684
Cambodia	28,928	32,736
	491,818	543,420

Recognition and measurement of impairment loss

In managing the credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Group's debt recovery process includes debt above 120 days past due after credit term, whereby the Group will start to initiate a debt recovery process which is monitored by the management team.

The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

Notes To The Financial Statements (Continued)

26. Financial instruments (Continued)

26.4 Credit risk (Continued)

Trade receivables and contract assets (Continued)

Recognition and measurement of impairment loss (Continued)

The following table provides information about exposure to credit risk for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature:

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balances RM'000
2024			
Not past due	243,145	-	243,145
Past due 1 - 60 days	27,378	-	27,378
Past due 61 - 120 days	16,238	-	16,238
Past due more than 120 days	205,057	-	205,057
	491,818	-	491,818
Credit impaired			
Individually impaired	11,323	(11,323)	-
	503,141	(11,323)	491,818
Trade receivables	398,447	(11,323)	387,124
Contract assets	104,694	-	104,694
	503,141	(11,323)	491,818
2023			
Not past due	281,228	-	281,228
Past due 1 - 60 days	34,483	-	34,483
Past due 61 - 120 days	23,296	-	23,296
Past due more than 120 days	204,413	-	204,413
	543,420	-	543,420
Credit impaired			
Individually impaired	6,980	(6,980)	-
	550,400	(6,980)	543,420
Trade receivables	420,787	(6,980)	413,807
Contract assets	129,613	-	129,613
	550,400	(6,980)	543,420

26. Financial instruments (Continued)

26.4 Credit risk (Continued)

Trade receivables and contract assets (Continued)

Recognition and measurement of impairment loss (Continued)

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below.

	Trade receivables Credit impaired RM'000
Group	
Balance at 1 July 2022	23,775
Amounts written off	(15,295)
Net remeasurement of loss allowance	(1,500)
Balance at 30 June 2023/1 July 2023	6,980
Net remeasurement of loss allowance	4,343
Balance at 30 June 2024	11,323

As at 30 June 2024, Nil (2023: RM15,295,000) of trade receivables were written off during the financial year but they are still subject to enforcement activity.

Other investments

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has invested in domestic securities which include unit trust. The maximum exposure to credit risk is represented by the carrying amount 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 their obligations.

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks. 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.

These licensed banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

26. Financial instruments (Continued)

26.4 Credit risk (Continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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 Company amounts to RM133,312,000 (2023: RM97,527,000) as at the end of the reporting period.

Recognition and measurement of impairment loss

As at the end of the reporting period, the probability of default by the subsidiary is low and no allowance of impairment is recognised.

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

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries 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 its carrying amount in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advances to be credit impaired when:

- The subsidiary is unlikely to repay its advances to the Company in full;
- The subsidiary's advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and having deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, there was no indication that these advances to subsidiaries are not recoverable. As these amounts are considered to have low credit risk, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

26. Financial instruments (Continued)

26.5 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 and lease liabilities.

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'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
Non-derivative financial liabilities							
Trade and other payables	130,975	-	130,975	130,975	-	-	-
Bank loans - secured	18,972	3.81 - 4.50	19,947	7,785	7,595	3,642	925
Bankers' acceptances - unsecured	59,324	3.92 - 4.53	59,324	59,324	-	-	-
Hire purchase liabilities - unsecured	7,411	2.40 - 2.65	8,260	1,912	1,906	4,442	-
Lease liabilities	1,535	3.75 - 5.90	1,602	1,005	522	75	-
Revolving credit - secured	58,000	5.52 - 6.03	58,000	58,000	-	-	-
	276,217		278,108	259,001	10,023	8,159	925
2023							
Non-derivative financial liabilities							
Trade and other payables	140,815	-	140,815	140,815	-	-	-
Bank loans - secured	26,389	3.81 - 4.50	28,597	8,365	8,070	11,006	1,156
Bankers' acceptances - unsecured	40,694	3.86 - 4.22	40,694	40,694	-	-	-
Hire purchase liabilities - unsecured	575	2.58 - 2.78	589	583	6	-	-
Lease liabilities	1,360	4.00 - 5.90	1,448	768	305	375	-
Revolving credit - secured	43,000	5.36 - 5.48	43,000	43,000	-	-	-
	252,833		255,143	234,225	8,381	11,381	1,156

Notes To The Financial Statements (Continued)

26. Financial instruments (Continued)

26.5 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'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
2024				
Non-derivative financial liabilities				
Trade and other payables	151	-	151	151
Financial guarantees	-	-	133,312	133,312
	151		133,463	133,463
2023				
Non-derivative financial liabilities				
Trade and other payables	201	-	201	201
Financial guarantees	-	-	97,527	97,527
	201		97,728	97,728

26.6 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 significantly exposed to other price risk.

26.6.1 Interest rate risk

The Group's fixed rate loans and borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term other investments, 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 loans and borrowings are managed through the use of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge its debt obligations.

26. Financial instruments (Continued)

26.6 Market risk (Continued)

26.6.1 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	
	2024	2023
	RM'000	RM'000
Fixed rate instruments		
Financial assets	7,585	7,422
Financial liabilities	(126,270)	(85,629)
	(118,685)	(78,207)
Floating rate instruments		
Financial liabilities	(18,972)	(26,389)

	Company	
	2024	2023
	RM'000	RM'000
Fixed rate instruments		
Financial assets	95,512	93,842

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

Notes To The Financial Statements (Continued)

26. Financial instruments (Continued)

26.6 Market risk (Continued)

26.6.1 Interest rate risk (Continued)

Cash flow sensitivity analysis for variable rate instruments

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

	Group	
	30 bps increase RM'000	30 bps decrease RM'000
2024		
Floating rate instruments	(43)	43
2023		
Floating rate instruments	(60)	60

26.7 Fair value information

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

The carrying amounts of hire purchase liabilities also approximate their 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.

26. Financial instruments (Continued)

26.7 Fair value information

The table below analyses other financial instruments at fair value.

Group 2024	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments carried at fair value Level 2 RM'000	Fair value of financial instrumentsnot carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Financial assets					
Other investments	-	1,069	-	1,069	1,069
Financial liabilities					
Bank loans - secured	-	-	(18,610)	(18,610)	18,972
2023					
Financial assets					
Other investments	73	1,051	-	1,124	1,124
Financial liabilities					
Bank loans - secured	-	-	(25,909)	(25,909)	(26,389)
Company					
2024					
Financial assets					
Other investments	-	1,069	-	1,069	1,069
2023					
Financial assets					
Other investments	-	1,051	-	1,051	1,051

Level 1 fair value

Other investments

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets and liabilities that the Group can access at the measurement date.

Level 2 fair value

Other investments

The fair value of investments in unit trusts is determined based on daily net assets value as stipulated in the statements provided by the fund managers of the unit trusts.

Notes To The Financial Statements (Continued)

26. Financial instruments (Continued)

26.7 Fair value information (Continued)

Level 2 fair value (Continued)

Other investments (Continued)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either directions).

Level 3 fair value

The following table shows the valuation technique used in the determination of fair value within Level 3, as well as the significant unobservable inputs used in the valuation model.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Bank loans	Discounted cash flows using a rate based on the current market rate of similar borrowings at the reporting date.

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 accounts department has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

27. Capital management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants. The debt-to-equity ratio is calculated as total debts divided by total equity. The Group includes within total debts, loans and borrowings and lease liabilities.

The debt covenants pertain to a subsidiary. The subsidiary is required to maintain a certain debt-to-equity ratio to comply with the debt covenants, failing which, the bank may call an event of default. The subsidiary is in compliance with the covenants as at the end of the reporting period.

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

28. 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.

28.1 Contingent liabilities not considered remote

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Guarantees given to contract customers in relation to construction contracts	55,674	54,203	8,133	10,397

28.2 Material litigations

a) In March 2019, a subsidiary of the Group, Econpile (M) Sdn. Bhd. ("EMSB") issued a Notice of Determination to a customer on the grounds that the customer had interfered with or obstructed the issuance of interim certificates in respect of EMSB's progress claims for the cost of work performed of RM80.1 million; the customer had failed to issue the relevant interim certificates within 30 days from the date of receipt of EMSB's progress claims and to make payment of the same within the period of honouring certificates.

The Group initiated various legal actions against the customer to recover the value of work performed. Some of the significant legal actions are as follows:-

(i) First Adjudication

In March 2019, EMSB initiated the first adjudication proceeding against the customer in accordance with the Construction Industry Payment and Adjudication Act 2012 to recover the progress claims no. 15 to 23 and the customer was ordered to make payment of RM59.8 million (excluding costs and interest) to EMSB. EMSB successfully enforced the adjudication decision as if it is an order or judgement of the High Court.

Following that, the customer filed appeals to the Court of Appeal against the High Court order which enforced the Adjudication Decision ("Enforcement Order"). The Court of Appeal allowed a stay of the Adjudication Decision pending disposal of an arbitration proceedings between the parties ("COA Stay Order"). EMSB filed a leave application to the Federal Court for leave to appeal against the COA Stay Order and the leave was granted on 3 January 2023.

On 3 October 2023, the Federal Court has allowed EMSB's appeal against the Court of Appeal's decision with costs of RM50,000 payable by the customer to EMSB.

Notes To The Financial Statements (Continued)

28. Contingencies (Continued)

28.2 Material litigations (Continued)

(ii) Second Adjudication

In May 2019, EMSB filed for a second adjudication against the customer on the same grounds as the first adjudication for progress claims no. 25 to 26. In September 2019, the Adjudicator delivered the decision in favour of EMSB's claim of RM5.9 million (excluding costs and interests) to EMSB. EMSB successfully enforced the Adjudication Decision as if it is an order or judgement of the High Court.

Similar to the First Adjudication, the customer filed appeals to the Court of Appeal against the High Court Orders which enforced the Adjudication Decision and the Court of Appeal dismissed the customer's applications to set aside and/or stay the Adjudication Decision.

On 13 April 2023, the Federal Court has granted leave to the customer to appeal against the Court of Appeal's decision.

On 3 October 2023, the Federal Court dismissed the customer's appeal against the Court of Appeal's decision with costs of RM50,000 payable by the customer to EMSB.

(iii) Writ of Seizure and Sale

Notwithstanding the Enforcement Order, the customer refused to make any payment to EMSB. Consequently, EMSB made a writ of seizure and sale (WSS) application to the High Court. EMSB obtained a Prohibitory Order (PO) to prohibit the customer to deal with a piece of land it owned and filed an Order for Sale of the land. The customer applied to set aside the PO with the High Court, High Court Judge in Chambers and Court of Appeal but all of them have dismissed the appeals.

At the same time, EMSB filed an application for Public Auction date which was fixed on 5 July 2022. The customer filed an application to stay EMSB's Public Auction date application pending the disposal of the earlier appeals. The Public Auction date was subsequently vacated due to the COA Stay Order in the first adjudication.

Upon the Public Auction date having been vacated, EMSB proceeded to file an application for the extension of the PO. At the same time, the customer also filed an application to set aside the PO in light of the COA Stay Order. On 24 August 2022, the Registrar dismissed EMSB's application to extend the PO. However, the Registrar also dismissed the customer's application to set aside the PO. Instead, the Registrar has ordered for the WSS and the PO to be stayed based on the COA Stay Order. Both parties have filed notice of appeals against the Registrar's decisions to the High Court Judge in Chambers which was struck out by the High Court on 14 December 2023.

On 5 December 2023, the customer filed an application to be placed in Judicial Management ("JM Application") for a period of 6 months. On 30 September 2024, the High Court dismissed the JM Application with cost of RM10,000 payable by the customer to EMSB.

On 25 September 2024, the High Court has allowed EMSB's application to extend the PO until 12 April 2025. The case management for New Auction Date Application is fixed for 21 October 2024, for parties to update the Court on the outcome of the JM Application.

(iv) Writ of Seizure and Sale (2)

Notwithstanding the High Court order on the second adjudication, the customer refused to make any payment to EMSB. Similar to the first adjudication, EMSB made a writ of seizure and sale (WSS) application to the High Court. EMSB has also obtained a Prohibitory Order until 28 February 2023 against the land to prevent the customer from dealing with the land.

Following that, EMSB on 30 November 2022 has filed an application for an Order for Sale against the land whilst the customer has filed an application to set aside and/or strike out the WSS and PO. During the hearing on 17 October 2023, the customer's Notice of Application dated 30 December 2022 was dismissed and EMSB obtained an Order for Sale against the land.

The public auction for the land was held on 6 December 2023 and 24 July 2024 but it was unsuccessful due to no bidders. The hearing for the Third Auction Date Application and Second New Reserve Price Application is fixed for 21 October 2024. EMSB has also obtained an extension on the Prohibitory Order against the land until 28 February 2025 to prevent the customer from dealing with the land.

28. Contingencies (Continued)

28.2 Material litigations (Continued)

(v) Arbitration

At the same time, EMSB also initiated an arbitration against the customer with the Asian International Arbitration Centre in March 2019. EMSB submitted its points of claim amounting to RM169 million for value of work performed, variations and claims for loss, expense and damages incurred. On the other hand, the customer counter claimed against EMSB for an amount of RM211 million. The arbitration proceeding was stayed due to the JM Application. On 30 September 2024, the High Court dismissed the JM Application with cost of RM10,000 payable by the customer to EMSB. Further directions will be given by the Tribunal during the next case management on 8 November 2024.

Based on the opinion of the solicitors, the Directors are of the view that the Group has a good chance of succeeding in its claim and defending the counterclaim by the customer.

(vi) Preservation of Assets

EMSB has also filed an Originating Summons to preserve the customer's assets but was dismissed by the High Court. Subsequently on 2 March 2023, EMSB filed a Notice of Appeal to the Court of Appeal. The next case management is fixed for 17 October 2024 for parties to update the Court on the outcome of the JM Application.

b) An external party issued a letter of demand against the developer, the main contractor and EMSB (as sub-contractor) for loss and damages amounting to RM4.08 million due to the ongoing construction work at the project site which is adjacent to the tuition centre operated by the external party.

In April 2022, the external party filed an application to amend the Writ of Summons and Statement of Claim to delete sum claimed of RM4.08 million and amend it to 'damages to be assessed by the honourable Court' which was allowed by the Court. On 7 April 2023, the High Court struck out the action and the external party filed an appeal to the Court of Appeal.

On 26 February 2024, the Court of Appeal has allowed to reopen the case and the case was referred back to the High Court for full trial. The external party had filed an application to amend the Amended Statement of Claim (Encl.107) on 30 June 2024 which was subsequently dismissed by the Court on 23 July 2024. On 24 July 2024, the external party filed in the appeal in the Court of Appeal appealing the decision of Encl.107. The case is fixed on 21 October 2024 for the case management.

During the case management on 2 August 2024, the Court has allowed the external party expert evidence and requested EMSB to provide the expert evidence (if any). The Court further fixed a case management on 23 October 2024 to update on the appeal matter.

In the Directors' opinion, as the case is still in the initial stage, the Group is unable to estimate and determine the potential outcome of the case at this juncture and will continue to monitor the case closely.

c) In December 2016, Gabungan Strategik Sdn Bhd (GSSB) had awarded to China Communication Construction Company (M) Sdn Bhd ("CCCC") and EMSB the Sub-Contract for the foundation and substructure works for Sungai Besi-Ulu Kelang Elevated Expressway Package CA3 ("the Sub-Contract"). A joint venture agreement was entered into by CCCC and EMSB defining each party's roles and responsibilities for the purpose of undertaking the works for the Sub-Contract. On 7 January 2022, CCCC has issued a Notice of Termination to GSSB for GSSB's breach and refusal to perform their fundamental obligations under the Sub-Contract resulting in CCCC terminating the sub-contract work. The parties have filed 2 arbitration proceedings:

(i) First Arbitration

GSSB issued a Notice of Arbitration on 22 December 2023 for damages of RM89.74 million for alleged wrongful termination of the Sub-Contract. The Arbitral Tribunal has issued the Procedural Order No. 1 on 27 June 2024. The hearing for the arbitration is fixed from September 2025 to December 2025.

28. Contingencies (Continued)

28.2 Material litigations (Continued)

(ii) *Second Arbitration*

CCCC-EMSB issued a Notice of Arbitration on 29 April 2024 for work done and loss of RM147.08 million. The parties are in the midst of processing the registration of the arbitration with the Arbitration Centre.

In the Directors' opinion, as the case is still in the initial stage, the Group is unable to estimate and determine the potential outcome of the case at this juncture and will continue to monitor the case closely.

29. Related parties

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.

	Transaction amounts for the year ended 30 June			
	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
A. Subsidiaries				
Interest income	-	-	(3,550)	(3,481)
B. Key management personnel				
Directors				
- Fees	240	240	240	240
- Remuneration	2,407	2,108	313	333
	2,647	2,348	553	573
Other key management personnel				
- Remuneration	1,542	1,506	-	-

The estimated monetary value of Directors' benefit-in-kind of the Group is RM50,000 (2023: RM55,000).

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 63 to 112 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

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: 17 October 2024

Statutory Declaration

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

I, **Leong Wai Ming**, 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 63 to 112 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 Leong Wai Ming, MIA CA 13812, in Kuala Lumpur in the Federal Territory on 17 October 2024.

Leong Wai Ming

Before me:

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 2024 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 63 to 112.

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 2024, and of their financial performance and their cash flows for the year then ended in accordance MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 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) Revenue and profit recognition from construction contracts

Refer to Note 18 - Revenue.

The key audit matter

The Group has recorded revenue from construction contracts of RM417,602,000 for the financial year ended 30 June 2024.

Construction contract accounting is identified as a key audit matter due to significant judgements involved in estimating the costs to complete the projects. Revenue from construction contracts is recognised overtime based on the proportion that contract cost incurred for the work performed to date bear to the estimated total contract costs while the cost of sales is recognised as an expense in profit or loss in the accounting periods in which the work is performed.

A change in the estimated costs to complete the contracts could result in a material variance in the revenue recognised to date and in the current period. This may have an individually and collectively significant impact on the financial statements.

Key Audit Matters (Continued)

i) Revenue and profit recognition from construction contracts (Continued)

The key audit matter (Continued)

The key judgements over construction contract accounting arise from the following:

- Estimated costs to complete the contracts;
- The ability to deliver the contract works within the contractual timelines and whether there is any exposure to liquidated and ascertained damages; and
- Provision for onerous contracts due to potential cost overrun.

How the matter was addressed in our audit

Our audit procedures include, among others:

- Assessed the design and implementation of key controls over the recognition of contract revenue and estimation of costs to complete and tested these controls for operating effectiveness;
- Challenged the Group’s key assumptions in the estimated costs to complete by performing the following procedures, among others;
  - Checked the estimated cost to complete to supporting documentation such as approved budgets, contracts and variation orders with sub-contractors; and
  - Corroborated the stage of completion and extent of costs incurred to date by comparing to external quantity surveyors’ report.
- Assessed the timing to complete existing projects through corroborative discussion with finance and operational units and review of project correspondences with contract customers;
- Evaluated the merits of extension of time application submitted to the contract customers to assess the exposure to liquidated and ascertained damages by inspecting relevant correspondences, including on-going negotiations with contract customers for the late delivery of contract works; and
- Assessed the adequacy of the provision for onerous contracts for contracts with cost overrun.

ii) Valuation of trade receivables (including retention sum) and contract assets

Refer to Note 8 - Trade and other receivables, Note 10 - Contract assets, Note 26.4 - Financial Instruments - Credit risk - Trade receivables and contract assets and Note 28 - Contingencies.

The key audit matter

The Group has significant trade receivables (including retention sums) and contract assets as at 30 June 2024 of RM387,124,000 and RM104,694,000, respectively. Included in contract assets is an amount of RM80,100,000 related to a construction contract with a customer which is under litigation.

The Group has assessed the allowance for impairment loss of trade receivables (including retention sums) and contract assets on an individual basis. We identified the valuation of trade receivables (including retention sums) and contract assets as a key audit matter due to significant judgement and the level of uncertainty involved in assessing customer’s specific conditions and credit history.

Independent Auditors' Report (Continued)

To The Members Of Econpile Holdings Berhad

Key Audit Matters (Continued)

ii) Valuation of trade receivables (including retention sum) and contract assets (Continued)

How the matter was addressed in our audit

Our audit procedures included, among others:

- Checked the Expected Credit Loss ("ECL") model developed by the Group for compliance with the requirements of MFRS 9 Financial Instruments;
- Checked the accuracy of trade receivables ageing;
- Assessed the adequacy of impairment loss provided by the Group by evaluating past 12 month's collection trend from contract customers as well as collection subsequent to the end of reporting period and inquired management of their assessment;
- For all retention sums that were due, assessed the recoverability of the balance by inspecting correspondences and assessing the past payment trend of the contract customers and inquired management of their assessment; and
- Inspected subsequent approved progress billings from contract customers to assess the recoverability of contract assets.
- For contract assets under litigation, performed the following procedures, among others:
  - Inquired management of the status and their assessment of contract asset under litigations which was reviewed and noted by the audit and risk management committee;
  - Obtained the status of contract asset under litigations and relevant legal opinions from external legal counsel; and
  - Assessed the adequacy of the Group's disclosures made in respect of litigations.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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.

Responsibilities of the 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 MFRS Accounting Standards, IFRS Accounting 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 the 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 Directors' 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 of 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.

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.

Independent Auditors' Report (Continued)

To The Members Of Econpile Holdings Berhad

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

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, actions taken to eliminate threats or safeguards applied.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 6 to the financial statements.

Other Matter

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

Lee Hean Kok
Approval Number: 02700/12/2025 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 17 October 2024

Analysis Of Shareholdings

As At 30 September 2024

Total Number of Issued Shares	:	1,417,500,025
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Total Shareholdings	%
Less than 100 shares	107	4,078	0.001
100 to 1,000 shares	687	407,052	0.029
1,001 to 10,000 shares	3,109	19,026,627	1.342
10,001 to 100,000 shares	2,837	97,810,970	6.900
100,001 to less than 5% of issued shares	596	834,568,168	58.876
5% and above of issued shares	3	465,683,130	32.852
Total	**7,339**	**1,417,500,025**	**100.000**

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders, the following are the substantial shareholders of the Company:

	Direct Interest		Indirect Interest	
Shareholders	No. of Shares	%	No. of Shares	%
The Cheng Eng	349,933,118	24.69	380,000*	0.03
Pang Sar	247,000,012	17.43	-	-
Employees Provident Fund Board	121,056,100	8.54	-	-

Notes:-
* Deemed interested 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	349,933,118	24.69	380,000*	0.03
Pang Sar	247,000,012	17.43	-	-
The Kun Ann	250,000	0.02	-	-
Krishnan A/L C K Menon	250,000	0.02	-	-
Teh Bee Choo	-	-	-	-
Law Siew Ngan	-	-	-	-
Hassan Bin Ramadi	-	-	-	-

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

Analysis Of Shareholdings (Continued)

As At 30 September 2024

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2024

NO.	NAME	HOLDINGS	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR THE CHENG ENG	250,000,000	17.637
2	PANG SAR	140,750,012	9.929
3	THE CHENG ENG	74,933,118	5.286
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	46,895,400	3.308
5	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	45,508,100	3.210
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	38,417,500	2.710
7	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR	29,000,000	2.046
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	28,711,200	2.025
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR PANG SAR (PB)	28,624,500	2.019
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR THE CHENG ENG (PB)	25,000,000	1.764
11	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	20,000,000	1.411
12	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR (THIRD PARTY)	19,750,000	1.393
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (PRINCIPAL)	19,433,000	1.371
14	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	18,397,800	1.298
15	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR PANG SAR (PB-0J0028)	16,375,500	1.155
16	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR (THIRD PARTY)	12,500,000	0.882
17	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	12,000,000	0.847
18	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI EQUITY FUND	10,494,100	0.740
19	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL MALAYSIA TITANS FUND	9,975,400	0.704
20	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	9,900,000	0.698
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	8,405,200	0.593
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	8,009,700	0.565
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CPIAM EQ)	8,000,000	0.564

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2024

NO.	NAME	HOLDINGS	%
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIMAN)	7,825,600	0.552
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	7,521,300	0.531
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NIAM EQ)	7,492,600	0.529
27	AMANAHRAYA TRUSTEES BERHAD ASN EQUITY 5	7,231,800	0.510
28	AMANAHRAYA TRUSTEES BERHAD ASN EQUITY 2	6,700,250	0.473
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	6,300,000	0.444
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	6,192,000	0.437
		930,344,080	65.633

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 12th Annual General Meeting of Econpile Holdings Berhad ("the Company") will be held at **Banquet Hall, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia** on **Wednesday, 27 November 2024** at **10.00 a.m.** for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 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 up to an aggregate amount of RM270,000.00 for the financial year ending 30 June 2025. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' benefits up to an aggregate amount of RM150,000.00 for the period from 28 November 2024 until the next Annual General Meeting of the Company. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Constitution of the Company:-

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

   (b) The Kun Ann **(Ordinary Resolution 4)**

5. To re-elect Hassan Bin Ramadi who is retiring in accordance with Clause 78 of the Constitution of the Company. **(Ordinary Resolution 5)**

6. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolution, with or without modifications:-

7. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 7)**

"**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant 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 to be issued pursuant to this resolution, when aggregated with the total number of such shares issued during the preceding twelve (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 authorised to do all such things as they may deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company held after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

FOO PEI KOON (MAICSA 7067238) (SSM PC NO. 202108000380)
TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)
Company Secretaries
Kuala Lumpur

29 October 2024

NOTES:

1. *For the purpose of determining who shall be entitled to attend the 12th Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 November 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*

2. *A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*

3. *A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the general meeting.*

4. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than 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.*

Notice Of Annual General Meeting (Continued)

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

6. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 12th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

    (i) *In hard copy form*
    To be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia.

    (ii) *By electronic means via Tricor TIIH Online website at https://tiih.online*
    Please refer to the procedure as set out in the Administrative Guide of the 12th AGM for further information on electronic submission of proxy form via TIIH Online.

8. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

9. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

10. *Last date and time for lodging the proxy form is* ***Monday, 25 November 2024 at 10.00 a.m.***

11. *Please bring an* ***ORIGINAL*** *of the following identification papers (where applicable) and present it to the registration staff for verification:*

    a. *Identity card (NRIC) (Malaysian), or*
    b. *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*
    c. *Passport (Foreigner).*

12. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the* ***ORIGINAL*** *certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia if this has not been lodged with the Company's Share Registrar earlier.*

13. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 12th AGM will be put to vote by way of poll.*

EXPLANATORY NOTES TO THE AGENDA

(i) ***Item 1 of the Agenda***
Audited Financial Statements for the financial year ended 30 June 2024

This item is meant for discussion only. The provision of Section 248(2) and Section 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 AGM. As such, this agenda item is not a business which requires a motion to be put forward to vote by shareholders.

(ii) ***Ordinary Resolution 1***
Directors' fees for the financial year ending 30 June 2025

The Directors' fees proposed for the financial year ending 30 June 2025 are calculated based on the current board size and assuming that all Non-Executive Directors will hold office until the next AGM. This resolution is to facilitate payment of Directors' fees on current financial year basis.

(iii) ***Ordinary Resolution 2***
Directors' benefits for the period from 28 November 2024 until the next AGM

Directors' benefits are meeting allowance payable to Non-Executive Directors, inclusive of Independent Directors and Non-Independent Non-Executive Directors and in determining the estimated amount, the Board of Directors ("Board") has considered various factors including the current board size and number of scheduled meetings for the Board and Board Committees for the period from 28 November 2024 until the next AGM as well as the number of Non-Executive Directors involved in the meeting. In the event the proposed amount is insufficient (due to more meetings or enlarged board size), approval will be sought at the next AGM for the shortfall.

(iv) ***Ordinary Resolutions 3 to 5***
Re-election of Directors

Mr Krishnan A/L C K Menon, Ms The Kun Ann and Encik Hassan Bin Ramadi are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 12th AGM.

Their profiles are disclosed in the Profile of the Board of Directors of the 2024 Annual Report.

Saved as disclosed, the retiring Directors have no conflict of interest with the Company and have no family relationship with any Director and/or major shareholder of the Company.

Mr Krishnan A/L C K Menon has exercised due care and carried out his duties professionally and proficiently during his tenure as a Non-Independent Non-Executive Director of the Company. He remains objective in expressing his view and participating in the Board's deliberation.

Ms The Kun Ann is the daughter of Mr The Cheng Eng, who is the Group Managing Director of the Company. She possess relevant qualification, knowledge and experience which complement the Board's competencies.

Encik Hassan Bin Ramadi has exercised due care and carried out his duties professionally and proficiently during his tenure as an Independent Non-Executive Director of the Company.

The Nomination Committee ("NC") had also considered the performance and contribution, time and commitment, calibre and personality, as well as fit and proper assessment of the retiring Directors. Based on the recommendation of the NC, the Board is supportive of their re-election.

Notice Of Annual General Meeting (Continued)

(v) ***Ordinary Resolution 6***
Re-appointment of Auditors

The Board had, through the Audit & Risk Management Committee, considered the re-appointment of KPMG PLT as the Auditors of the Company. The factors considered by the Audit & Risk Management Committee in making the recommendation to the Board to table their re-appointment at the 12th AGM are disclosed in the Audit & Risk Management Committee Report of the 2024 Annual Report.

(vi) ***Ordinary Resolution 7***
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed resolution, if passed, will empower the Directors to issue and 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 best 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 AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

This is a renewal of the mandate obtained from shareholders at the last AGM held on 29 November 2023. 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, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for 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 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 AGM held on 29 November 2023 and the mandate will lapse at the conclusion of the 12th AGM.

ECONPILE HOLDINGS BERHAD (Registration No.: 201201032676 (1017164-M))
(Incorporated in Malaysia)

Proxy Form

CDS Account No.	
No. of shares held	

I/We____**Tel:**____________________
[Full name in block, NRIC/Passport/Company No.]

of____
[Full address]

____

being member(s) of **ECONPILE HOLDINGS BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting, as my/our proxy/proxies to vote for me/us and on my/our behalf at the 12th Annual General Meeting of the Company which will be held at **Banquet Hall, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia** on **Wednesday, 27 November 2024** at **10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
To approve the payment of Directors' fees up to an aggregate amount of RM270,000.00 for the financial year ending 30 June 2025.	Ordinary Resolution 1		
To approve the payment of Directors' benefits up to an aggregate amount of RM150,000.00 for the period from 28 November 2024 until the next Annual General Meeting of the Company.	Ordinary Resolution 2		
To re-elect Krishnan A/L C K Menon as Director.	Ordinary Resolution 3		
To re-elect The Kun Ann as Director.	Ordinary Resolution 4		
To re-elect Hassan Bin Ramadi as Director.	Ordinary Resolution 5		
To re-appoint KPMG PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.	Ordinary Resolution 6		
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 7		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this__________day of________________, 2024

____
Signature#
Member

 # Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two authorised officers, one of whom shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

1. *For the purpose of determining who shall be entitled to attend the 12th Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 November 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*

2. *A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*

3. *A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the general meeting.*

4. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

6. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 12th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

   (i) In hard copy form
   To be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia.

   (ii) By electronic means via Tricor TIIH Online website at https://tiih.online
   Please refer to the procedure as set out in the Administrative Guide of the 12th AGM for further information on electronic submission of proxy form via TIIH Online.

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AFFIX
STAMP

THE SHARE REGISTRAR OF
ECONPILE HOLDINGS BERHAD
(Registration No.: 201201032676 (1017164-M))
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

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8. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

9. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

10. *Last date and time for lodging the proxy form is* ***Monday, 25 November 2024 at 10.00 a.m.***

11. *Please bring an* ***ORIGINAL*** *of the following identification papers (where applicable) and present it to the registration staff for verification:*

    a. Identity card (NRIC) (Malaysian), or
    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
    c. Passport (Foreigner).

12. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the* ***ORIGINAL*** *certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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, Malaysia if this has not been lodged with the Company's Share Registrar earlier.*

13. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 12th AGM will be put to vote by way of poll.*

ECONPILE HOLDINGS BERHAD
(Registration No.: 201201032676)(1017164-M)

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