

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

**MINUTES OF THE 10<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY  
CONDUCTED VIRTUALLY FROM THE BROADCAST VENUE AT MEETING ROOM, LEVEL 8,  
TOWER BLOCK, PLAZA DWITASIK, JALAN SRI PERMAISURI, BANDAR SRI PERMAISURI,  
56000 KUALA LUMPUR, MALAYSIA ON MONDAY, 28 NOVEMBER 2022 AT 10.00 A.M.**

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Present at the broadcast venue	:	Mr Krishnan A/L C K Menon – Chairman Mr The Cheng Eng – Group Managing Director Mr Pang Sar – Group Chief Executive Officer Mr Lau Kent Lit – Deputy Senior General Manager of Finance
Participated via video conference	:	Dato’ Rosli Bin Mohamed Nor – Non-Independent Non-Executive Director Ms Teh Bee Choo – Independent Non-Executive Director Ms Law Siew Ngan – Independent Non-Executive Director Ms The Kun Ann – Executive Director Ms Te Hock Wee } Company Secretaries Ms Foo Pei Koon } Mr Chan Chee Keong – Representing KPMG PLT, the External Auditors

The shareholders/corporate representatives/proxies who attended the 10<sup>th</sup> AGM remotely via Remote Participation and Voting (“RPV”) facility are as per the Summary of Attendance List.

**1. CHAIRMAN**

The Chairman, Mr Krishnan A/L C K Menon, welcomed all shareholders, proxies and invitees who participated in the 10<sup>th</sup> AGM of the Company.

He then introduced the members of the Board, the Deputy Senior General Manager of Finance, Company Secretary and the External Auditors.

**2. QUORUM**

The Chairman informed that for a virtual general meeting, the quorum would be determined by the number of members who logged in at the commencement of the meeting. Upon confirming the presence of the requisite quorum, the Chairman called the meeting to order.

**3. NOTICE OF MEETING**

The notice of the 10<sup>th</sup> AGM (“Notice”), having been circulated to all the shareholders of the Company within the prescribed period, was taken as read.

**4. POLLING PROCEDURE AND ADMINISTRATIVE MATTERS**

The Chairman informed the meeting that all resolutions set out in the Notice must be voted by poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman further informed that the Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. (the Company’s Share Registrar) as Poll Administrator to facilitate the poll voting process, and Asia Securities Sdn. Berhad as independent scrutineer to verify the poll results. Pursuant to the Constitution of the Company, the Chairman demanded for a poll to be conducted on all resolutions set forth in the Notice.

The guide on the remote voting procedure and the manner to pose questions at the meeting through the RPV application were then presented to the shareholders and proxies.

Prior to the deliberation on the agenda items, Mr Lau Kent Lit gave a brief presentation on the Group's key financial and project highlights for the financial year ended 30 June 2022, as well as the key challenges faced by the construction sector and the Group's growth strategy.

**5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon ("AFS 2022"), having been circulated to all the shareholders of the Company within the statutory period, were tabled to the meeting for discussion.

The Chairman informed the meeting that the AFS 2022 were meant for discussion only as the Companies Act 2016 does not require a formal approval of the shareholders. Hence, it was not put forward for voting. He further informed that the Board would address the questions raised by the shareholders or proxies during the Question-and-Answer ("Q&A") session, after all items on the agenda were dealt with.

There being no objections, the Chairman declared that the AFS 2022 were duly received by the shareholders.

**6. ORDINARY RESOLUTIONS AND SPECIAL RESOLUTION**

The Chairman went through each of the motions set out in the Notice.

The Chairman informed the meeting that the Company had not received any notice from shareholders for other business to be transacted at this meeting in accordance with the Constitution of the Company and the Companies Act 2016.

**7. Q&A SESSION**

The meeting continued with the Q&A session. Questions raised by the shareholders that were submitted before and during the meeting were addressed by the Board. The summary of the questions and the responses, which forms part of this minutes, is set out in Appendix A attached therein.

**8. POLL VOTING SESSION**

After dealing with all questions raised, the shareholders and proxies were invited to cast their votes via RPV application.

Upon the closing of the voting session, the meeting proceeded for the tabulation of the poll results.

**9. ANNOUNCEMENT OF POLL RESULTS**

The poll results obtained from the independent scrutineer were presented to the meeting. The Chairman declared that all resolutions set out in the Notice were duly passed by the shareholders of the Company, as follows:-

**ORDINARY RESOLUTION 1**

**PAYMENT OF DIRECTORS' FEES OF UP TO AN AGGREGATE AMOUNT OF RM244,500 FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023**

By a vote of 821,004,138 shares (representing 99.9277%) voted for and 593,842 shares (representing 0.0723%) voted against the resolution, it was **RESOLVED:-**

THAT the payment of Directors' fees of up to an aggregate amount of RM244,500 for the financial year ending 30 June 2023 be and is hereby approved.

**ORDINARY RESOLUTION 2**

**PAYMENT OF DIRECTORS' BENEFITS OF UP TO AN AGGREGATE AMOUNT OF RM150,000 FOR THE PERIOD FROM 29 NOVEMBER 2022 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

By a vote of 821,003,013 shares (representing 99.9276%) voted for and 594,967 shares (representing 0.0724%) voted against the resolution, it was **RESOLVED:-**

THAT the payment of Directors' benefits of up to an aggregate amount of RM150,000 for the period from 29 November 2022 until the next Annual General Meeting of the Company be and is hereby approved.

**ORDINARY RESOLUTION 3**

**RE-ELECTION OF DIRECTOR – MR KRISHNAN A/L C K MENON**

By a vote of 720,545,690 shares (representing 97.4430%) voted for and 18,907,490 shares (representing 2.5570%) voted against the resolution, it was **RESOLVED:-**

THAT Mr Krishnan A/L C K Menon, who retired in accordance with Clause 76(3) of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 4**

**RE-ELECTION OF DIRECTOR – MS THE KUN ANN**

By a vote of 821,230,490 shares (representing 99.9261%) voted for and 607,490 shares (representing 0.0739%) voted against the resolution, it was **RESOLVED:-**

THAT Ms The Kun Ann, who retired in accordance with Clause 76(3) of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 5**

**RE-ELECTION OF DIRECTOR – MS TEH BEE CHOO**

By a vote of 821,366,490 shares (representing 99.9426%) voted for and 471,490 shares (representing 0.0574%) voted against the resolution, it was **RESOLVED:-**

THAT Ms Teh Bee Choo, who retired in accordance with Clause 78 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 6**

**RE-ELECTION OF DIRECTOR – MS LAW SIEW NGAN**

By a vote of 821,366,490 shares (representing 99.9426%) voted for and 471,490 shares (representing 0.0574%) voted against the resolution, it was **RESOLVED:-**

THAT Ms Law Siew Ngan, who retired in accordance with Clause 78 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 7**  
**RE-APPOINTMENT OF AUDITORS**

By a vote of 821,415,490 shares (representing 99.9468%) voted for and 437,490 shares (representing 0.0532%) voted against the resolution, it was **RESOLVED:-**

THAT KPMG PLT be and are hereby re-appointed as Auditors of the Company for the ensuing year AND THAT the Board of Directors be authorised to fix their remuneration.

**SPECIAL RESOLUTION**  
**WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016**

By a vote of 761,909,290 shares (representing 92.7115%) voted for and 59,897,690 shares (representing 7.2885%) voted against the resolution, it was **RESOLVED:-**

THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 12(3) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares in the Company ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the company to the allottees subject to the passing of Ordinary Resolution 8 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.

**ORDINARY RESOLUTION 8**  
**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

By a vote of 761,927,363 shares (representing 92.7092%) voted for and 59,919,617 shares (representing 7.2908%) voted against the resolution, it was **RESOLVED:-**

THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 and pursuant to Sections 75 and 76 of the Companies Act 2016, 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 until the conclusion of the next Annual General Meeting, 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 earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.

**10. CLOSURE**

The meeting concluded at 10.52 a.m. with a vote of thanks to the Chair.

**CONFIRMED AS A CORRECT RECORD**

**CHAIRMAN**

Dated: 10 January 2023

## APPENDIX A

**ECONPILE HOLDINGS BERHAD  
(201201032676) (1017164-M)  
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**RESPONSES TO QUESTIONS ASKED BEFORE AND DURING THE 10<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY CONDUCTED VIRTUALLY FROM THE BROADCAST VENUE AT MEETING ROOM, LEVEL 8, TOWER BLOCK, PLAZA DWITASIK, JALAN SRI PERMAISURI, BANDAR SRI PERMAISURI, 56000 KUALA LUMPUR, MALAYSIA ON MONDAY, 28 NOVEMBER 2022 AT 10.00 A.M.**

<b>QUESTIONS</b>	<b>ANSWERS</b>
<p><b>Door Gifts/E-Vouchers</b></p> <ol style="list-style-type: none"><li>1. Dear BOD – Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ.</li><li>2. Will the Board consider giving door gift such as e-voucher or e-wallets for those participating in this AGM as a token of appreciation?</li><li>3. Good morning Mr Chairman and Board of Directors. Kindly give us RM20 Touch-n-Go e-wallet for being shareholders and attending this AGM. Times are bad now. Please be considered to us shareholders during this trying times. Thank you.</li><li>4. Dear BOD, please reward the shareholders for the participation in the AGM. Thank you.</li><li>5. Hopefully the chairman will give door gifts to shareholders who participate in the virtual meeting as a token of appreciation. Thank you.</li><li>6. Would the BOD kindly give participant with e-voucher as a token of appreciation for attending today’s meeting.</li></ol>	<ul style="list-style-type: none"><li>• Thank you for attending the virtual AGM. However, we have a “no door gift” policy as advised in our Administrative Guide for the AGM circulated together with our Notice of the 10<sup>th</sup> AGM.</li></ul>
<p><b>Management Plans and Future Outlook</b></p> <ol style="list-style-type: none"><li>1. What are the Companies’ plan on overseas projects? Any countries in particular?</li></ol>	<ul style="list-style-type: none"><li>• We are focusing on building our brand in Cambodia as we are progressing well in our existing project. We are currently one of the largest piling contractors in Cambodia and we hope to take up more jobs to cement our strong presence there in the future.</li></ul>

<p>2. What is the Company action plan?</p> <p>3. What is the action taken to turnaround the business? Any targeted timeline to turn profitable?</p> <p>4. Dear BOD team, the business records do not show promising progress. What's the short-term strategy in new business opportunities?</p>	<ul style="list-style-type: none"> <li>• The external environment of construction sector in Malaysia is marked by uncertainty with fluctuating cost of building materials, protracted economic impact from the COVID-19 pandemic, as well as the slow roll out of public infrastructure projects.</li> <li>• Aside from investing and growing our reach in Cambodia, we will remain steadfast in enhancing our operations efficiency and focus on securing viable jobs to improve our earnings.</li> </ul>
<p>5. What would benefit from new government forming?</p>	<ul style="list-style-type: none"> <li>• The unity Government is pro-development, which would be positive for the construction sector. We hope to provide our piling expertise in new infrastructure projects to support the new Government's initiatives.</li> </ul>
<p>6. May I know what is the Company's future outlook?</p> <p>7. What is the outlook?</p> <p>8. What is the management's views in the future of the Company?</p>	<ul style="list-style-type: none"> <li>• Current order book of RM450 million will keep us busy in the mid-term, and we are actively tendering for mixed development projects in Malaysia.</li> <li>• Our focus remains on leveraging the Group's core expertise of deep foundation and deep basement works, seeking new growth markets and enhancing our efficiency. We trust that with the economic situation normalising, Econpile is slated to yield positive outcome in the years ahead.</li> </ul>
<p>9. Does the Company have capability on providing full solutions needed to industrial such as (1) oil and gas; (2) chemical; (3) marine; (4) underground services; (5) mining and refining; (6) food processing; (7) medical; and (8) energy and utilities?</p>	<ul style="list-style-type: none"> <li>• We are able to offer our clients a wide range of deep foundation solutions as well as a full spectrum of time and cost efficient design-build solutions.</li> <li>• We are well resourced to undertake piling works for most structures (including industrial structures) and soil types. Our project portfolio spans across different sectors from piling and pile cap works for highways and railways to full construction of multi-level basement structures.</li> </ul>
<p>10. What are the major risks and challenges that you foresee in the next financial year?</p>	<ul style="list-style-type: none"> <li>• As businesses recover from the lingering effects of the COVID-19 pandemic, most of our customers in property development segment are still experiencing cash flow challenges. We believe our liquidity position will remain tight in the near term but will gradually improve</li> </ul>

	<p>in line with the continuing recovery of property market in Malaysia.</p> <ul style="list-style-type: none"> <li>• The replenishment of order book will remain slow and gradual as the new Government settles into its role and works on its development agenda.</li> </ul>
11. Any advantage of the Company in positioning the business?	<ul style="list-style-type: none"> <li>• Malaysia is still actively developing; hence we believe there are still a lot of opportunities for piling jobs.</li> <li>• We are one of the largest piling companies in the country. Our strong track record will continue to help us to secure new wins.</li> </ul>
<b>Financial Management</b>	
1. With interest rate hiking up, what is the Company's plan to manage the debts, risk, and raw material?	<ul style="list-style-type: none"> <li>• In terms of debt, we are still in a healthy position with a net gearing ratio of 0.15 times. To keep borrowing costs low, aside from internally generated funds, we use mainly short-term borrowings such as banker's acceptance to finance the Company's working capital needs.</li> <li>• We do not foresee operational risk or raw material disruption in a higher interest rate environment.</li> <li>• The Management will continue to focus on collection of trade receivables moving forward.</li> </ul>
2. What is the Group's total orderbook up to date?	<ul style="list-style-type: none"> <li>• Our current order book is approximately RM450 million.</li> </ul>
3. Total trade receivables is getting higher and how many percent of trade receivables will be impaired and become bad debt?	<ul style="list-style-type: none"> <li>• About 1/3 of our total trade receivables (RM427.1 million) is made up of retention sum (RM151.2 million). Trade receivables for the financial year ended 30 June 2022 ("FY2022") includes higher retention sum of RM151.2 million compared to RM138.1 million in the financial year ended 30 June 2021.</li> <li>• We have delivered project works and are following up closely on progress payment to minimise chances of write-off.</li> <li>• The larger receivables are from repeating clients with long-established track records. We believe our liquidity position will gradually improve in line with the continuing recovery of property market in Malaysia.</li> </ul>



<p>4. Please provide the detailed breakdown of the projects which had been provided for the expected losses.</p>	<ul style="list-style-type: none"> <li>We are unable to disclose this due to business sensitivity concerns. The Group took a prudent approach in view of the overall landscape and going forward will focus on tendering for viable projects.</li> </ul>
<p>5. There is none loss allowance for trade receivables past due more than 120 days. How the auditors / Management satisfied themselves that not even a single RM of loss allowance to be provided under the expected credit loss approach? How Econpile will be able to recover this sum and the estimated timeline for recovery?</p> <p>6. Should the contract asset in dispute of RM80.1 million be classified as non-current assets as the settlement from that customer does not seem to materialise anytime soon?</p>	<ul style="list-style-type: none"> <li>The majority of the debtors are large reputable companies with long business relationship with the Group. There have been recurring payments made to us at periodical intervals. In line with the recovery of property market post-pandemic, we are confident that the receivables will be recovered and these clients will eventually be able to settle their obligations in the near future.</li> <li>We are undergoing the necessary legal process to recover the RM80.1 million in progress claim. We expect the complete resolution of the legal disputes in the financial year ending 30 June 2023.</li> </ul>
<p>7. Note 23 Tax expense - What is the RM3,639,000 withholding tax related to? It is stated as tax withheld from billings to its foreign subsidiary but not specified in the Company's related party disclosures.</p>	<ul style="list-style-type: none"> <li>Econpile (M) Sdn. Bhd. provides services and receive interest income from, our Cambodia's subsidiary. It is subjected to withholding tax under the Cambodia's tax ruling.</li> </ul>
<p>8. Will the Company revise wages and salaries to reduce overall cost of operation?</p>	<ul style="list-style-type: none"> <li>The Group has undertaken necessary measures to balance contribution and financial prudence for long-term sustainability.</li> </ul>
<p>9. Based on my knowledge, Econpile is one of the most reputable piling company in Malaysia. Being the leader of the industry, can you share what is the main reasons for being losses continuously?</p>	<ul style="list-style-type: none"> <li>The losses were mainly due to the project progress affected by the COVID-19 lockdowns and higher steel prices leading to increased cost input for our projects. The whole construction sector faced this.</li> <li>We still remain a leader in the piling industry and are hopeful of improving our standing as the industry stabilises and viable job flows resume.</li> </ul>
<p>10. Any LAD incurred over the past year? If yes, can you explain further? Thanks.</p>	<ul style="list-style-type: none"> <li>The Company has made Liquidated Ascertained Damages ("LAD") provisions in the latest audited financial statements.</li> <li>The estimated LAD provision is judgemental and based on experience from similar LAD situations and negotiations with customers in addition to an assessment of client relationship and</li> </ul>

	economic impact.
<b>Construction Industry Issues/ Operational matters</b>	
<ol style="list-style-type: none"> <li>1. Has the application of foreign workers return to normalcy and when will the new applied foreign workers to reach?</li> <li>2. What is the latest situation pertaining to the labour supply chain disruptions to Econpile?</li> <li>3. Had the business environment improved as compared to last financial year in terms of the labour shortage?</li> </ol>	<ul style="list-style-type: none"> <li>• We were granted the quota for foreign workers by the Ministry of Human Resources and necessary arrangements have been made to bring in foreign manpower to fulfil our workforce needs. We are optimistic that the labour shortage will start easing towards beginning of 2023.</li> </ul>
<ol style="list-style-type: none"> <li>4. For Cambodia projects, is the Group facing difficulty in collection of payments and shortage of workers?</li> </ol>	<ul style="list-style-type: none"> <li>• Collections from the Cambodia project have been steady. Labour supply is not an issue in Cambodia.</li> </ul>
<ol style="list-style-type: none"> <li>5. What is the Group's view on future price of building materials such as steel, cement &amp; etc?</li> <li>6. What is the latest situation pertaining to the increase in costs of key building materials to Econpile?</li> <li>7. Had the business environment improved as compared to last financial year in terms of material prices?</li> </ol>	<ul style="list-style-type: none"> <li>• We are not expecting prices to fluctuate like in the last 2 years because supply chains have been stabilised.</li> <li>• Market forces will determine prices; so we will manage accordingly.</li> <li>• In general, the current market consensus is that the steel prices are unlikely to increase significantly in the near term as the demand from steel-consuming industries is expected to remain subdued.</li> </ul>
<ol style="list-style-type: none"> <li>8. Any ongoing project of 2021?</li> </ol>	<ul style="list-style-type: none"> <li>• We had a total of 20 ongoing projects as at 30 June 2022, of which 6 projects were secured in FY2021.</li> </ul>
<b>Material Litigation</b>	
<ol style="list-style-type: none"> <li>1. Can the Group explain further on material litigation against ASMKL and how confident the Group is?</li> <li>2. What is the subject matter pertaining to the material litigation Note 28.2 (b)? Is the external party has reasonable ground for the case?</li> </ol>	<ul style="list-style-type: none"> <li>• The major legal actions initiated against ASMKL for the recovery of the value of work performed are (i) adjudication proceedings pursuant to Construction Industry Payment and Adjudication Act 2012 (CIPAA 2022); and (ii) arbitration proceeding at the Asian International Arbitration Centre (AIAC).</li> <li>• Based on the opinion of our solicitors, we believe that we have a good chance of succeeding in our claims. We expect a complete resolution of the dispute within a year.</li> </ul>
<ol style="list-style-type: none"> <li>3. Please provide updates to the various material litigations including the adjudication, writ of seizure and sale, arbitration, and</li> </ol>	<ul style="list-style-type: none"> <li>• Kindly refer to pages 104-107 in our FY2022 annual report for clearer understanding. We have provided updates on the following</li> </ul>

preservation of assets.	matters including the adjudication, writ of seizure and sale, arbitration, and preservation of assets.
<b>AGM-related Matters</b>	
1. How much does the Company spend on this virtual AGM?	<ul style="list-style-type: none"> <li>The Company spent approximately RM15,000 for the Remote Participation and Voting ("RPV") facilities on this virtual AGM.</li> </ul>
2. I would like to request a printed hard copy of the Company's annual report.	<ul style="list-style-type: none"> <li>You may request the printed copy of Annual Report from our Share Registrar, Tricor Investor &amp; Issuing House Services Sdn Bhd's website at <a href="https://tjih.online">https://tjih.online</a> by selecting "Request for Annual Report / Circular" under the "Investor Services", or through telephone/e-mail to our Share Registrar at +603-2783 9299 / <a href="mailto:is.enquiry@my.tricorglobal.com">is.enquiry@my.tricorglobal.com</a>. The Annual Report will be sent to you by ordinary post as soon as possible upon receiving your request.</li> </ul>
3. May I know when the Company is going back to physical meeting?	<ul style="list-style-type: none"> <li>We will continue to stay guided by the Malaysian Code on Corporate Governance on the best practices to conduct general meetings.</li> </ul>