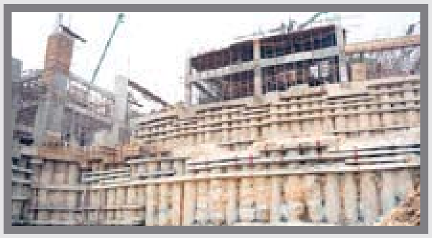
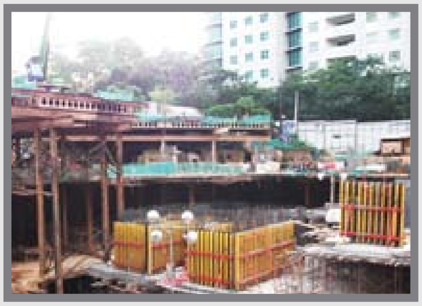
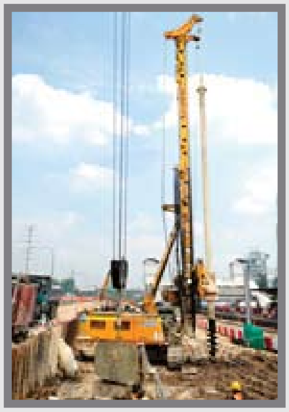
ECONPILE HOLDINGS BERHAD
(1017164-M)



2014
ANNUAL REPORT




Piling and Foundation
Specialist

VISION

TO BE THE LEADING PILING AND FOUNDATION SPECIALIST IN MALAYSIA RECOGNISED FOR CONSISTENT TIMELY DELIVERY OF INNOVATIVE, HIGH QUALITY AND COST EFFECTIVE SOLUTIONS.

OVERVIEW

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

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

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting ("2nd AGM") of the Company will be held at Roof Garden Lounge, Level R, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Friday, 28 November 2014** at **9:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2014 together with the Reports of the Directors and Auditors thereon. **(Please refer to the Explanatory Notes to the Agenda)**

2. To approve the payment of Directors' Fees of **RM79,322.90** for the financial year ended 30 June 2014. **(Ordinary Resolution 1)**

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

   (a) Mr The Cheng Eng **(Ordinary Resolution 2)**

   (b) Mr Pang Sar **(Ordinary Resolution 3)**

4. To re-elect Mr Krishnan A/L C K Menon the Director retiring in accordance with Article 134 of the Articles of Association of the Company. **(Ordinary Resolution 4)**

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

AS SPECIAL BUSINESS:

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

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

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Ordinary Resolution 6)**

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

"THAT the following Articles of Association of the Company be hereby amended:- **(Special Resolution 1)**

Existing Article	Proposed Amended Article
Article 181 A copy of the reports by the Directors and auditors of the Company, the profit and loss accounts, balance sheets and group accounts (if any) (including all documents required by law to be annexed or attached to all or any of them) shall be sent (not later than six (6) Months after the close of the financial year and at least twenty-one (21) days before the general meeting at which they are to be laid) to all Members, holders of debentures and all other persons entitled to receive notices of general meetings under the Act or these Articles. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and auditors' reports shall not exceed four (4) Months.	Article 181 A copy of the reports by the Directors and auditors of the Company, the profit and loss accounts, balance sheets and group accounts (if any) (including all documents required by law to be annexed or attached to all or any of them) shall be sent ~~(not later than six (6) Months after the close of the financial year and~~ at least twenty-one (21) days before the general meeting at which they are to be laid) to all Members, holders of debentures and all other persons entitled to receive notices of general meetings under the Act or these Articles. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and auditors' reports shall not exceed four (4) Months.
Article 183 Subject to the compliance with the requirements of the Bursa Securities and any other relevant laws and regulations, if any, the Company may issue its annual report in compact disc read-only memory ('CD-ROM') or digital video disc read-only memory ('DVD-ROM') format or in a format that may be developed in future for the playback of images.	Article 183 Subject to the compliance with the requirements of the Bursa Securities and any other relevant laws and regulations, if any, the Company may issue its annual report in **other electronic** ~~compact disc read-only memory ('CD-ROM') or digital video disc read-only memory ('DVD-ROM')~~ format or in a format that may be developed in future for the playback of images.

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

By Order of the Board
Lim Hooi Mooi (MAICSA 0799764)
Wong Wai Foong (MAICSA 7001358)
Company Secretaries
Kuala Lumpur
Date : 6 November 2014

NOTES :

1. *For the purposes of determining a member who shall be entitled to attend and vote at this meeting, the Company shall be requesting the Record of Depositors as at 21 November 2014. Only a depositor whose name appears on the Record of Depositors as at 21 November 2014 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her stead.*

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

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

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

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

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

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

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

9. *The Form of Proxy must be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

EXPLANATORY NOTES TO THE AGENDA

Item 1 of the Agenda

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

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

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

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

Item 7 of the Agenda – Special Resolution 1
Proposed Amendments to the Articles of Association of the Company

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

Corporate Information

Board of Directors

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

The Cheng Eng
Group Managing Director

Pang Sar
Executive Director/ Group Chief Executive Officer

The Kun Ann
Executive Director

Dato' Rosli Bin Mohamed Nor
Independent Non-Executive Director

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

Company Secretaries

Lim Hooi Mooi (MAICSA 0799764)

Wong Wai Foong (MAICSA 7001358)

Audit and Risk Management Committee

Dato' Rosli Bin Mohamed Nor
Chairman

Krishnan A/L C K Menon
Member

Ong Poay Wah @ Chan Poay Wah
Member

Nomination Committee

Ong Poay Wah @ Chan Poay Wah
Chairman

Dato' Rosli Bin Mohamed Nor
Member

Krishnan A/L C K Menon
Member

Remuneration Committee

Dato' Rosli Bin Mohamed Nor
Chairman

Krishnan A/L C K Menon
Member

Ong Poay Wah @ Chan Poay Wah
Member

Registered Office

Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603-2264 8888
Fax : 603-2282 2733

Head Office

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

Registrar

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603-2264 3883
Fax : 603-2282 1886

Auditors

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

Principal Bankers

CIMB Bank Berhad

Ambank (M) Berhad

Malayan Banking Berhad

Alliance Bank Malaysia Berhad

United Overseas Bank (Malaysia) Bhd

Stock Exchange Listing

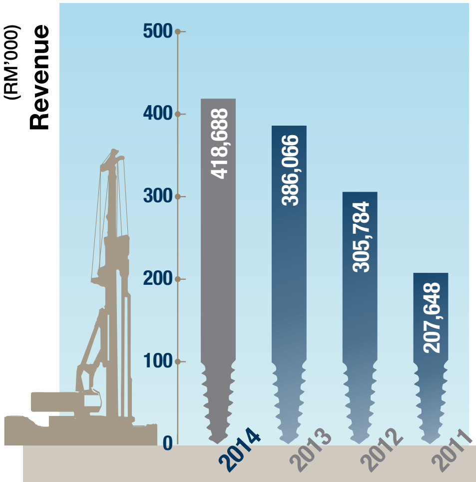
Main Market of Bursa Malaysia Securities Berhad

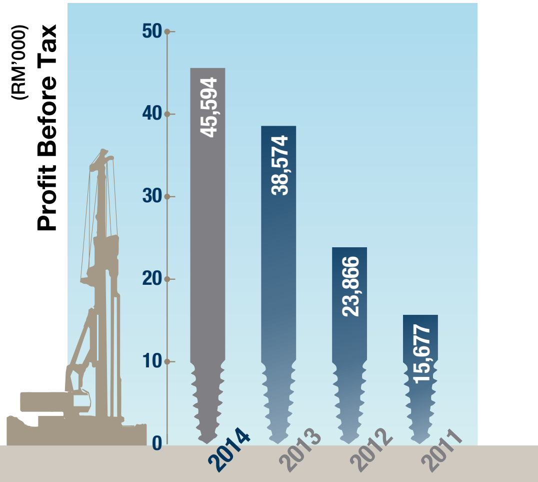
Stock Name / Code

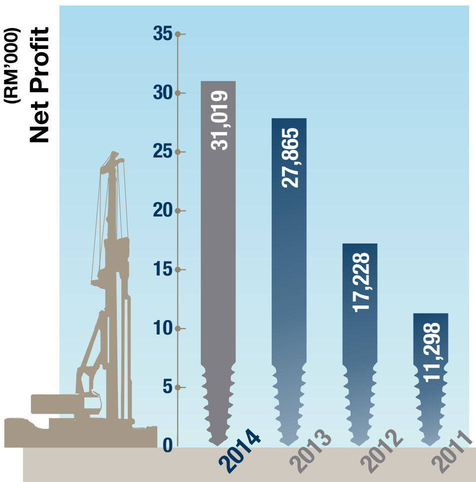
ECONBHD / 5253

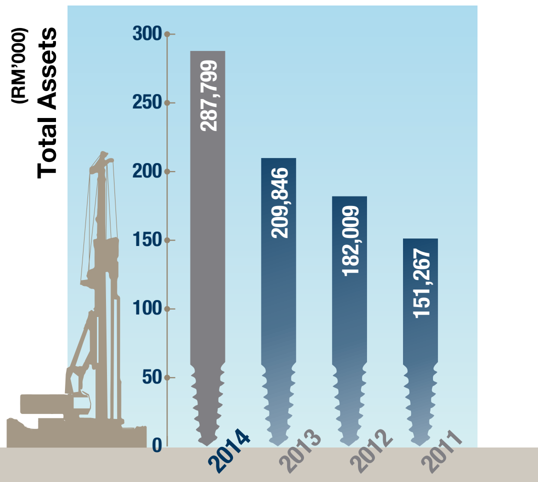
Corporate Structure

Financial Highlights

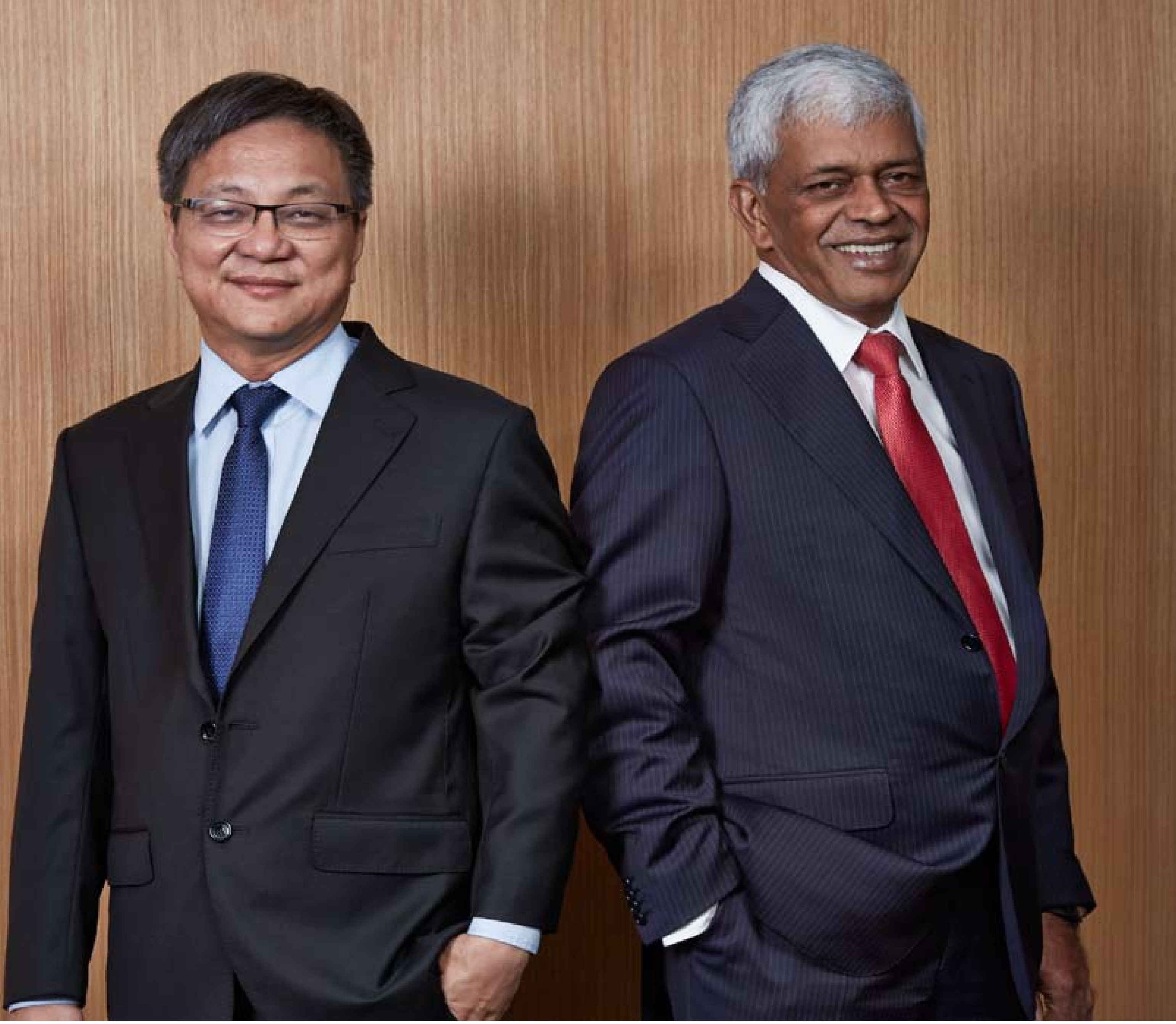








Financial year ended 30 June	2014	2013	2012	2011
Profitability (in RM'000)				
Revenue	418,688	386,066	305,784	207,648
Depreciation	14,565	12,621	10,146	10,144
Finance costs	1,759	1,626	1,214	866
Profit before tax	45,594	38,574	23,866	15,677
Profit before interest and tax	47,353	40,200	25,080	16,543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



From left to right :

Pang Sar
Executive Director/ Group Chief Executive Officer

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

The financial year ended 30 June 2014 ("FY2014") will always be etched in our corporate history as a truly momentous year, as Econpile Holdings Berhad successfully completed the Initial Public Offering ("IPO") on the Main Market of Bursa Malaysia Securities Berhad on 30 June 2014.

The IPO, which raised RM48.6 million in proceeds for the Group, also elevated our profile amongst our stakeholders as a leading piling and foundation specialist in Malaysia. The higher awareness, coupled with our strong 27-year track record, certainly places us on a strong foundation to continue our growth story in the future.

The significant milestone of the Group's listing was accompanied by our sterling financial performance in the year under review; achieved on the back of healthy expansion in the domestic construction and property sectors.

Therefore, as the Chairman of the Board of Directors of Econpile, it gives me utmost pleasure to present to you the audited financial statements and Annual Report of the Group and Company for FY2014.

Financial review

Econpile attained group revenue of RM418.7 million in FY2014, rising 8.4% year-on-year compared to RM386.1 million a year ago. The topline expansion was in tandem with higher demand for the Group's piling and foundation services.

The higher revenue and favourable project mix resulted in the Group's profitability increasing commendably, with group profit before tax ("PBT") jumping 18.2% year-on-year from RM38.6 million in the previous year to RM45.6 million in FY2014.

This led to Econpile marking record-high net profit of RM31.0 million in FY2014, compared to RM27.9 million a year ago.

Based on the Group's enlarged share base of 535 million shares, basic earnings per share improved 11.1% to 7.0 sen in the year under review, versus 6.3 sen previously.

Our balance sheet as at 30 June 2014 demonstrated the Group's strong net cash position. Cash and cash balances amounting to RM74.2 million (including proceeds raised from the IPO) exceeded total borrowings of RM30.0 million. Coupled with shareholders' equity of RM166.8 million, Econpile stands in good financial position to implement its growth strategies as and when required.

Business outlook

In its Annual Report, Bank Negara Malaysia ("BNM") estimated for the overall domestic economy to record Gross Domestic Product growth of between 4.5% and 5.5% in 2014.

BNM further expects the construction-related cluster to expand by approximately 10% year-on-year, supported by the continued implementation of various construction projects undertaken by the public and private sectors.

The outlook of the piling and foundation services industry is closely related to the construction sector. Therefore, the anticipated growth in the construction sector bodes well for Econpile going forward. Further details are included in the Management Review in the subsequent pages.

Appreciation

It is my honour to serve as the Chairman of Econpile, and I would like to record my appreciation to fellow Board members for their contributions in the year just past.

I would like to also acknowledge the leadership of the Group Managing Director Mr. The Cheng Eng and Executive Director/ Group Chief Executive Officer Mr. Raymond Pang in ably guiding the management team and team of employees towards achieving the Group's accomplishments thus far.

We would also like to convey our sincere thanks to our business partners and associates, suppliers, bankers, customers, regulatory authorities and shareholders for their support to the Group. Econpile has indeed charted an illustrious journey, and we look forward to your continued partnership as we seek to reach for even greater heights.

Thank you.

Krishnan A/L C K Menon
Chairman

Group CEO Operations' Review

Operations overview

We are heartened that FY2014 was a significant year for Econpile, marked not only by the coming of age by joining the listed entities on Bursa Malaysia, but also by attaining record-highs in financial performance.

Econpile effectively rode the boom of the domestic property development and construction sectors in the year under review. The property development sector constituted RM289.1 million of 69% of group revenue, while the infrastructure sector made up the balance RM129.6 million or 31%.

Also, Econpile won new contracts worth a total of RM522.6 million in the year under review.

I am proud to note that our ongoing projects include numerous noteworthy undertakings in the heart of Kuala Lumpur; among them are technically rigorous substructure works for Elite Pavilion, an extension to the existing Pavilion Kuala Lumpur and Arte+ @ Jalan Ampang, an upscale development located at Jalan Ampang. In addition, we are currently constructing our first pedestrian tunnel project, which will eventually link Fahrenheit 88 and Elite Pavilion along the bustling shopping belt of Jalan Bukit Bintang.

Deep basement projects in the congested city environment call on Econpile's expertise in deep foundation drilling and adoption of top-down construction methodology. Construction of multilevel basements in the city centre requires overcoming issues with basement retention, limited site access and material delivery during construction. Hence, our capability in these areas is well sought-after in urban property developments, where high-level technical capabilities and the ability to work within constrained spaces are required to ensure timely project delivery.

Besides the property development sector, Econpile provides piling services for significant infrastructure projects, such as the Klang Valley Mass Rapid Transit ("KVMRT").

These votes of confidence from our customers, backed by our vast experience and track record, spur us to achieve greater heights as a leading piling and foundation services provider in Malaysia. Indeed, I am pleased to note that Econpile has been awarded more than RM150 million worth of since the close of FY2014; indicating the Group's bright prospects ahead.

Industry outlook

The Budget 2015 announcement forecasts for Malaysia's construction sector to grow by 10.7% in 2015, led mainly by public sector infrastructure projects.

Projects with national impact such as the Light Rail Transit extensions, High-Speed Rail link between Kuala Lumpur and Singapore, numerous highways in the Klang Valley as well as the iconic Tun Razak Exchange financial district - bolster the positive outlook for the sector in the next five to six years.

At the same time, the steady development of affordable and mid-range residential properties - in line with measures by private developers and the Government to meet rising demand for affordable housing from low- and middle-income earners – also bodes well for the construction sector.

Nonetheless, the industry is also mindful of challenges ahead, most notable being the rising cost of building materials and escalating operating costs, including labour and electricity. The shortage of skilled labour in the construction sector may also impede the industry's expansion in the long-term.

Growth strategies

Cognizant of the challenging landscape, we at Econpile remain resolute in charting the next milestones in our corporate history, as we seek to grow our market share in the domestic piling and foundation sector.

Firstly, we intend to continue expanding our market reach by extending our presence from the Klang Valley to the other high-growth areas of Johor and Penang. We are currently undertaking piling and foundation projects in the two states, and intend to leverage further on our presence there, given the accelerating developments by the private and public sectors.

Secondly, we will constantly invest in technology and skilled workforce to upgrade our capabilities, improve workflow and achieve higher operational efficiency. This would enable us to mitigate labour shortage while upholding the quality of work delivered.

Finally, we plan to enhance our resource management towards boosting the Group's profitability. To this end, we target to achieve full compliance to ISO 14001:2004 standards of environmental management system. We believe this accreditation would enable us to tap into the growing market for Green Building Index - certified buildings, en route to helping the nation enhance its environmental friendliness.

All said, we are optimistic of our prospects going forward and count on your continuing support to attain the next level of growth.

Pang Sar
Executive Director/ Group Chief Executive Officer

Board of Directors

From left to right :

The Kun Ann
Executive Director

The Cheng Eng
Group Managing Director

Pang Sar
Executive Director/ Group Chief Executive Officer

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

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

Dato' Rosli Bin Mohamed Nor
Independent Non-Executive Director

Directors' Profiles

KRISHNAN A/L C K MENON

Mr Krishnan A/L C K Menon, a Malaysian aged 64, is our Independent Non-Executive Chairman. He was appointed to our Board on 20 February 2014. He is also a member of the Audit and Risk Management, Remuneration and Nomination Committees. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

He spent thirteen (13) years in public practice at Hanafiah, Raslan and Mohamed, seven (7) of those years as a Partner. He then joined Public Bank Berhad as a General Manager, and was subsequently promoted to Executive Vice-President. After serving with two public-listed companies, he joined Putrajaya Holdings Sdn Bhd as its Chief Operating Officer from 1997 until 2000.

He is presently the Non-Independent Non-Executive Director & Chairman of SCICOM (MSC) Berhad and Independent Non-Executive Director & Chairman of KLCC Property Holdings Berhad. He is also the Independent Non-Executive Director of Petroliam Nasional Berhad and MISC Berhad. In addition, he acts as the Chairman of KLCC (Holdings) Sdn Bhd and KLCC REIT Management Sdn Bhd.

Mr Menon has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2014. He has no family relationship with any director or substantial shareholder of the Group.

Mr Menon has no conflict of interest with the Group and he has no convictions of any offences within the past ten (10) years other than traffic offences.

THE CHENG ENG

Mr The Cheng Eng, a Malaysian aged 66, is our founder and Group Managing Director. He is also a substantial shareholder of the Group. He was appointed to our Board on 8 October 2013. As our founder and Group Managing Director, he is responsible for our Group's business growth direction, major corporate development plans and activities monitoring of daily on-site operations.

He completed his secondary education at Tsun Jin High School, Kuala Lumpur with school certificate in 1967.

He started his career in 1968 as the site supervisor with United Engineers Pte Ltd, Singapore, where he was involved in various foundation and piling projects. In 1973, he joined Caisson Piling Pte Ltd as the Senior Site Manager, where he managed, led and acquired extensive knowledge in various piling systems. He left Caisson Piling Pte Ltd to pursue his entrepreneurial venture in the fields of geotechnical and civil engineering. He subsequently founded Econpile (M) Sdn Bhd in 1987.

Mr The has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2014. He is the father of Ms The Kun Ann, an Executive Director of the Group.

Mr The has no conflict of interest with the Group and he has no convictions of any offences within the past ten (10) years other than traffic offences.

Mr Pang Sar, a Malaysian aged 55, is our Executive Director and Group Chief Executive Officer. He is also a substantial shareholder of the Group. He was appointed to our Board on 8 October 2013. He is responsible for the overall strategic management, office operations of our Group. He graduated with a Bachelor of Science with Honours Degree in Civil Engineering from University of Leeds, United Kingdom in 1981. He is a member of the Institution of Engineers, Malaysia, and a Registered Professional Engineer with the Board of Engineers, Malaysia.

He began his professional career at Hussein & KH Chong Consultant Sdn Bhd as a Resident Engineer before joining South East Asia Driller Sdn Bhd, which was a subsidiary company of Sime Darby Berhad then, a specialist foundation contractor, as an Assistant Project Manager in 1983. He was then seconded to Sime-UEP Development Sdn Bhd (now known as Sime Darby USJ Development Sdn Bhd, which is a subsidiary company of Sime Darby Berhad) in 1987. His last position was the Consumer Services and Property Manager at Sime-UEP Development Sdn Bhd.

Mr Pang has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2014. He has no family relationship with any director or substantial shareholder of the Group.

Mr Pang has no conflict of interest with the Group and he has no convictions of any offences within the past ten (10) years other than traffic offences.

Ms The Kun Ann, a Malaysian aged 33, is our Executive Director. She was appointed to our Board on 8 October 2013. She joined our Group in 2010 and is responsible for the business development and corporate affairs of our Group. She graduated with a Bachelor of Business and Commerce Degree and a Master of International Business, both from Monash University, Australia in 2002 and 2004, respectively.

She started her career in 2005 as a Business Development Executive in the environmental industry at Advanced Pyrotech Sdn Bhd where she gained experience in handling marketing activities and public relations. She subsequently joined the Department of Government Affairs at the American Malaysian Chamber of Commerce, a non-governmental organisation, in 2008, where she participated extensively in advocacy efforts to promote mutually-prosperous commercial relations between American and Malaysian businesses.

Ms The has attended all the Board meetings held during her tenure in office for the financial year ended 30 June 2014. She is the daughter of Mr The Cheng Eng, the Group Managing Director and a substantial shareholder of the Group.

Ms The has no conflict of interest with the Group and she has no convictions of any offences within the past ten (10) years other than traffic offences.

Dato' Rosli Bin Mohamed Nor, a Malaysian aged 55, is our Independent Non-Executive Director. He was appointed to the Board on 8 October 2013. He is the Chairman of Audit and Risk Management and Remuneration Committees. He is also a member of Nomination Committee. He graduated with a Bachelor of Science in Civil Engineering from Brighton Polytechnic (presently known as Brighton University), United Kingdom in 1982.

He began his career in 1982 as a Design Engineer with Engineering and Environmental Consultants Sdn Bhd. He held various positions in the said design firm before joining United Engineers (M) Bhd in 1988 as a Senior Manager.

In 1992, he left United Engineers (M) Bhd and started his own construction business by forming Benar Antara Sdn Bhd, a PKK Class A and CIDB Grade "7" registered Bumiputera Contractor. The company undertook various projects that include highways, LRT tunnels, water reservoirs and rail lines.

He then moved on to other new businesses, such as, KMK Plus Sdn Bhd, which is involved in construction, KMK Ventures Sdn Bhd, which is involved in mining, Landas Idaman Sdn Bhd which is involved in development of Malay Reserve land and Guomara Sdn Bhd which is a coal trader. In 2010, he was engaged as the Business Development Advisor of TRC Infra Sdn Bhd.

He is also a Director of EXIM Bank Berhad since 2009. At EXIM Bank Berhad, he sits on credit, risk, audit, nomination and remuneration committees, of which he is chairman of the latter. In 2011, he was sent to Harvard Business School to attend a course in finance. In 2013, he was part of the bank's team for United States Dollar 1.00 billion sukuk roadshow covering Singapore and Hong Kong.

Dato' Rosli has attended all the Board meetings held during his tenure in office for the financial year ended 30 June 2014. He has no family relationship with any director or substantial shareholder of the Group.

Dato' Rosli has no conflict of interest with the Group and he has no convictions of any offences within the past ten (10) years other than traffic offences.

Ms Ong Poay Wah @ Chan Poay Wah, a Malaysian aged 45, is our Independent Non-Executive Director. She was appointed to our Board on 8 October 2013. She is the Chairman of Nomination Committee and a member of Audit and Risk Management and Remuneration Committees. She graduated with a Bachelor of Accountancy with Honours Degree from Universiti Utara Malaysia in 1993.

She began her professional career with an audit firm, namely Messrs KK Chow & Co. in May 1992 as an Audit Trainee and subsequently as an Audit Senior. During her tenure with Messrs KK Chow & Co., she was exposed to various audit and tax assignments.

She joined Merge Power Sdn Bhd in June 1994 as the Group Accountant and was later promoted as General Manager in charge of Finance and Corporate Planning Division. She was subsequently appointed to the board of directors of Merge Housing Berhad ("MHB") as an Executive Director on 13 February 2001 with the overall responsibility for the accounting and financial operations of the MHB group which is involved in property development activities.

She resigned from the board of directors of MHB on 28 October 2011 subsequent to the privatisation of MHB (now known as Merge Housing Sdn Bhd) and has since remained as the General Manager in Finance and Accounts.

She has more than 20 years of experience in the areas of audit, finance and accounts for both public and private companies and is well versed with regulatory reporting, financial management, corporate restructuring as well as business and budget planning.

Ms Ong has attended all the Board meetings held during her tenure in office for the financial year ended 30 June 2014.

Ms Ong has no conflict of interest with the Group and she has no convictions of any offences within the past ten (10) years other than traffic offences.

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

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

A. Board of directors

Board Responsibilities

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

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

Board Charter

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

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

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

Composition and Balance

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

The profiles of the Directors are presented on page 14 to page 16 of this annual report. The Board members have diverse professional and entrepreneurial background, varied skills and experiences for effective management of the Group. The Independent Non-Executive Directors provides the necessary check and balance in the Board's exercise of its functions and independent evaluation of the Board's decision making process. The Board have female representatives and is in compliance with the recommendation of the Code with regards to female representation.

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

Reinforced Independence

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

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

Board Meetings

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

A. Board of directors (Cont'd)

Board Meetings (Cont'd)

Econpile Holdings Berhad ("the Company" or "Econpile") was listed on the Main Board of Bursa Malaysia Securities Berhad on 30 June 2014. The current Board met twice during the financial year.

During the financial year, the Company held two board meetings and the details of attendance of the Board members were as follows:

Name	Designation	Date of Appointment	Meeting Attendance	Percentage of Attendance
Krishnan A/L C K Menon	Independent Non-Executive Chairman	20 February 2014	2/2	100%
Dato' Rosli Bin Mohamed Nor	Independent Non-Executive Director	8 October 2013	2/2	100%
Ong Poay Wah @ Chan Poay Wah	Independent Non-Executive Director	8 October 2013	2/2	100%
The Cheng Eng	Group Managing Director	8 October 2013	2/2	100%
Pang Sar	Executive Director and Group Chief Executive Officer	8 October 2013	2/2	100%
The Kun Ann	Executive Director	8 October 2013	2/2	100%
Chong Lee Chang	Independent Non-Executive Chairman	8 October 2013 (Resigned w.e.f. 20 February 2014)	0/0	-
Wong Wai Foong	Company Director	14 September 2012 (Resigned w.e.f. 8 October 2013)	0/0	-
Lim Hooi Mooi	Company Director	14 September 2012 (Resigned w.e.f. 8 October 2013)	0/0	-

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

Supply of Information

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

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

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

Re-Election of Directors

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

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

A. Board of directors (Cont'd)

Board Committees

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

(a) Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") was established on 9 October 2013. It assists the Board in fulfilling its responsibilities relating to financial reporting, risk management and internal control, and reviewing the works of external and internal auditors. The terms of reference of the ARMC are set out on page 26 to page 27 of this annual report.

(b) Nomination Committee

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

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

The Nomination Committee assists the Board in nominating new directors, reviewing the composition and size of the Board, and assessing the effectiveness of the Board as a whole, Board Committees and the contribution of each Director. The Nomination Committee is to meet at least once a year under its terms of reference .

(c) Remuneration Committee

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

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

The Remuneration Committee assists the Board in establishing remuneration for Executive Directors and Non-Executive Directors. The Remuneration Committee is to meet at least once a year under its terms of reference.

Directors' Training

All the Directors of the Company have attended and completed their Mandatory Accreditation Programme.

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

A. Board of directors (Cont'd)

Directors' Training (Cont'd)

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	Breakfast Session with Board Chairman (Corporate Governance Practice)	Bursa Malaysia Securities Berhad
	Corporate Integrity Advocacy Programme	Petronas Nasional Bhd
	9th Corporate and Tax Seminar	Tricor Tax Services Sdn Bhd
	GST Conference 2014	Tricor Tax Services Sdn Bhd
	On Leasing Accounting	MISC Berhad
	Audit Committee Conference 2014 -Stepping Up for Better Governance	The Institute of Internal Auditors Malaysia and Malaysian Institute of Accountants
	Briefing Session on Corporate Governance Guide – Towards Boardroom Excellence	Bursa Malaysia Securities Berhad
The Cheng Eng	Piling and Deep Foundations Asia Conference 2013	IQPC Worldwide Pte Ltd
	BAUMA Munich 2013 – International Trade Fair for Construction Machinery, Building Material Machines, Mining Machines, Construction Vehicles and Construction Equipment	Messe München GmbH Germany
	Bauer In-House Exhibition 2014	Bauer Group Germany
Pang Sar	Slope Management Seminar – Overcoming Challenges and the Way Forward	Construction Industry Development Board
	Soil Structure Interaction in Geotechnical Design	The Institution of Engineers
	High Strength and Temperature Limits - a Balancing Act in Tropical Climates	YTL Cement Berhad
	Jack-In Piling System in Malaysia	Master Builders Association Malaysia
The Kun Ann	Nil	
Dato' Rosli Bin Mohamed Nor	Directors Forum 6/2014: "The Innovation Zone: Unleashing the Mindset"	Malaysian Directors Academy
	Corporate Credit Analysis & Financial Modeling	Euromoney Asia
Ong Poay Wah @ Chan Poay Wah	GST Series for Specific Industries - Workshop 1 : GST Impact on Property Developers, Construction and its Related Services	Malaysian Institute of Accountants

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

B. Directors' remuneration

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

B. Directors' remuneration (Cont'd)

The aggregate Directors' remuneration paid and payable to all Directors of the Group by the Group for the financial year, and categorised into appropriate components and bands are as follows:

	Executive Directors (RM)	Non-Executive Directors (RM)
Salaries and other emoluments	3,171,419	-
Fees	-	79,323

	Number of Directors	
Range of Remuneration	**Executive Directors**	**Non- Executive Directors**
RM1– RM50,000	-	3
RM151,001 – RM 200,000	1	-
RM1,450,001 – RM1,500,000	2	-

C. Shareholders

Investors Relations and Shareholders Communication

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

Annual General Meeting

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

D. Accountability and audit

Financial Reporting

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

Statement of Directors' Responsibility

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

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

Internal Control

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

The Statement on Risk Management and Internal Control, which provides an overview of the state of the internal control within is Group, is set out on pages 23 to 24 of this annual report.

D. Accountability and audit (Cont'd)

Relationship with External Auditors

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

Corporate Social Responsibility

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

(a) Environment

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

(b) Community

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

(c) Workplace

The Group is committed to a continuous effort to improve the wellbeing of its employees. The Group is moving to a new headquarters before the end of 2014 with a combined office space of 15,000 square feet to meet its space needs and planned growth. The upgrading of the work environment would help to increase the employees' productivity in addition to improving the quality of life of the employees.

The Group provides and offers both internal and external training to continuously improve the skills and knowledge of its employees. In addition, the Group organises gatherings and trips to foster team spirit and a sense of belonging amongst employees.

(d) Marketplace

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

Compliance Statement

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

Introduction

The Board is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2014, which has been prepared pursuant to paragraph 15.26 (b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), in this annual report. This statement outlines the nature and state of the internal controls of the Group.

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 integrity. Such system covers not only financial controls but also operational and compliance controls.

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

Risk management framework

The Board, with the assistance of a professional service firm, has completed a Risk Management Framework in August 2014 to provide an integrated risk management infrastructure to identify, respond to and monitor the strategic key enterprise risks. It is the responsibility of Key Management Personnel and Heads of Department to identify, evaluate and manage risks faced by Group on an ongoing basis within defined parameters.

Internal audit function

The Internal Audit function of the Group is outsourced to a professional services firm, is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM") and subscribes to the standards issued by IIAM. The ARMC will evaluate and monitor the performance of the internal audit function to assess its effectiveness in discharging its defined duties and responsibilities. The first Internal Audit will be performed for in October 2014.

Other key elements of internal control

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

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

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

(c) Management meetings are conducted monthly with the Executive Directors, Key Management Personnel and/or Head of Departments in attendance.

(d) The Group Managing Director and Key Management Personnel in Projects and Technical Department undertake regular 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 site 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 there is adequate insurance coverage against any mishap that may result in material losses to the Group.

Other key elements of internal control (Cont'd)

(f) The Group has announced two quarterly financial results on 12 June 2014 and 21 August 2014 respectively. Both announcements were reviewed by ARMC and approved by the Board upon recommendation of the ARMC before announcing to Bursa Malaysia Securities Berhad.

(g) Some of the Group's operations, i.e. the provision of installation and testing of bored piles, micro piles and driven piles and construction of substructure, are ISO 9001:2008 certified. Yearly ISO audits are conducted by external parties so as to ensure compliance with the standards of the certification.

Conclusion

The Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. The Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control within the Group.

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

This statement is made in accordance with the Board's resolution dated 21 October 2014.

1. Utilisation of Proceeds

As at 21 October 2014, the gross proceeds of RM48,600,000 raised from the public issue of 90,000,000 new ordinary shares of RM0.20 each at an issue price of RM0.54 per ordinary shares, were utilised in the following manner:

Details of Utilisation	Timeframe for Utilisation Upon Listing	Total Amount (RM'000)	Utilised Amount (RM'000)	Unutilised Balance (RM'000)
Purchase of Machinery and Equipment	Within 18 months	14,580	9,093	5,487
Repayment of Bank Borrowings	Within 24 months	12,150	11,276	874
Working Capital	Within 24 months	18,160	18,160	-
Listing Expenses	Upon Listing	3,710	3,710	-
	Total	48,600	42,239	6,361

2. Non-Audit Fees

The amount of non-audit fees paid by the Group to the external auditors for the financial year amounted to RM441,200.

3. Material Contracts

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

4. Share Buybacks

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

5. Imposition of Sanctions/Penalties

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

6. Profit Guarantee

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

7. Revaluation Policy on Landed Properties

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

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

During the financial year, the Group had entered into RRPT as disclosed in the financial statement.

9. Share Issuance Scheme

The Group has not implemented any Share Issuance Scheme.

10. Depository Receipt Programme

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

A. Membership and Meetings

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

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

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

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

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

The detailed profiles of the ARMC members are set out on page 14 and page 16 of this annual report.

The ARMC members met once during the financial year and the attendance of each member of the ARMC is as follows:

Name	Meeting Attendance	Percentage of Attendance
Dato' Rosli Bin Mohamed Nor	1/1	100%
Krishnan A/L C K Menon	1/1	100%
Ong Poay Wah @ Chan Poay Wah	1/1	100%

B. Terms of reference

Objectives

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

Membership and Composition

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

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

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

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

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

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

Duties and Functions

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

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

B. Terms of reference (Cont'd)

Duties and Functions (Cont'd)

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

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

(d) Financial Reporting
- i. To review the quarterly results and annual financial statements, prior to approval by the Board, focusing particularly on:
  - Changes in or implementation of accounting policies and practices;
  - Significant or unusual event;
  - Litigation that could affect the Group results materially;
  - Going concern assumptions; and
  - Compliance with accounting standards and other legal requirements.
- ii. To review corporate disclosure policies and procedures of the Group to ensure that they comply with the disclosure requirements as set out in the Listing Requirements of Bursa Malaysia Securities Berhad.

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

(f) Employee Share Option Scheme ("ESOS")
To verify the criteria for the allocation of shares to the eligible employees pursuant to the criteria set out in the by-laws of the ESOS in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.

(g) Reporting Responsibilities
- i. To promptly report to Bursa Malaysia Securities Berhad on matters conveyed to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements; and
- ii. To highlight significant matters and resolutions at each Board Meeting.

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

C. Meetings

Frequency of Meeting

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

C. Meetings (Cont'd)

Frequency of Meeting (Cont'd)

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

Quorum

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

Notice of Meeting and Submission of Paper

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

Attendance

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

Voting

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

Minutes of Meetings

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

D. Authority

The ARMC is authorised by the Board and shall:

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

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

E. Summary of activities during the financial year

As the Group was listed on Bursa Malaysia Securities Berhad on 30 June 2014, the ARMC had only met once on 3 June 2014 during the financial year. In line with the terms of reference, the ARMC carried out the following activities in the discharge of its functions and duties:

(a) Reviewed the third quarter interim financial report prior to the submission to the Board for consideration and approval.
(b) Reviewed the audit plans for the Group prepared by both the external auditors and outsourced internal auditors
(c) Reviewed and recommend the terms of reference of ARMC to the Board for approval.
(d) Reviewed the related party transactions entered into by the Group.

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The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2014.

Principal activities

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

Conversion of company status

On 14 August 2013, the Company converted from a private limited liability company to a public limited liability company. Upon conversion, the Company changed its name from Econpile Holdings Sdn. Bhd. to Econpile Holdings Berhad.

Results

	Group RM	Company RM
Profit for the year	31,019,417	5,309,608

Reserves and provisions

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

Dividends

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 since the date of the last report are:

The Cheng Eng
Pang Sar
The Kun Ann
Dato' Rosli bin Mohamed Nor
Ong Poay Wah @ Chan Poay Wah
Krishnan A/L CK Menon (appointed on 20 February 2014)
Chong Lee Chang (resigned on 20 February 2014)

Directors' interests in shares

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

Directors' interests in shares (Cont'd)

	Number of ordinary shares of RM0.20 each			
	At 1.7.2013/ date of appointment	Acquired	Sold	At 30.6.2014
Interests in the Company:				
The Cheng Eng				
- own	-	222,500,005	(27,500,000)	195,000,005
- children*	-	152,000	-	152,000
Pang Sar	-	222,500,005	(27,500,000)	195,000,005
The Kun Ann	-	100,000	-	100,000
Dato' Rosli Bin Mohamed Nor	-	100,000	-	100,000
Ong Poay Wah @ Chan Poay Wah	-	100,000	-	100,000
Krishnan A/L CK Menon	-	100,000	-	100,000

* The Kun Hong and The Kun Ee are the children of The Cheng Eng. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of The Kun Hong and The Kun Ee in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall be treated as the interests of The Cheng Eng.

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

Directors' benefits

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in a company which purchased motor vehicles from the Group as disclosed in Note 25 to the financial statements.

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

Issue of shares and debentures

On 26 September 2013, the Company subdivided its authorised share capital from 200,000 ordinary shares of RM0.50 each to 500,000 ordinary shares of RM0.20 each. Subsequently, the Company increased its authorised share capital to 1,000,000,000 ordinary shares of RM0.20 each through the creation of 999,500,000 new ordinary shares of RM0.20 each.

Issue of shares and debentures (Cont'd)

During the financial year, the Company issued:

a) 2 new ordinary shares of RM0.50 at par on 6 September 2013 for a total cash consideration of RM1 for working capital purposes.

On 26 September 2013, the Company subdivided its issued and paid-up share capital from 4 ordinary shares of RM0.50 each to 10 ordinary shares of RM0.20 each. Prior to the subdivision, the shares of the Company were held by Lim Hooi Mooi and Wong Wai Foong, who were the First Directors of the Company, in equal proportion. Their shares were subsequently disposed of to The Cheng Eng and Pang Sar in equal proportion and they resigned as Directors of the Company.

b) 445,000,000 new ordinary shares of RM0.20 each on 3 October 2013 as the purchase consideration for Econpile (M) Sdn. Bhd. to The Cheng Eng and Pang Sar.

The Company had on 26 September 2013 entered into a Share Sale Agreement with The Cheng Eng and Pang Sar to acquire their 100% equity interest in Econpile (M) Sdn. Bhd. for a purchase consideration of RM89,000,000 to be satisfied through the issuance of 445,000,000 new ordinary shares of RM0.20 each of the Company. Upon completion of the above acquisition, Econpile (M) Sdn. Bhd. became a wholly-owned subsidiary of the Company.

c) 30,500,000 new ordinary shares of RM0.20 each at RM0.54 per ordinary share on 30 June 2014 via an Initial Public Offering ("IPO") for a total cash consideration of RM16,470,000; and

59,500,000 new ordinary shares of RM0.20 each at RM0.54 per ordinary share on 30 June 2014 via private placements for a total cash consideration of RM32,130,000 as part of the IPO.

The proceeds are intended to be utilised mainly to purchase machinery and equipment, repay bank borrowings and for working capital purposes.

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

Options granted over unissued shares

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

Other statutory information

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

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

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

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

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

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

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

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

Other statutory information (Cont'd)

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 2014 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

i) On 26 September 2013, the Company subdivided its authorised share capital from 200,000 ordinary shares of RM0.50 each to 500,000 ordinary shares of RM0.20 each. Subsequently, the Company increased its authorised share capital to 1,000,000,000 ordinary shares of RM0.20 each through the creation of 999,500,000 new ordinary shares of RM0.20 each.

   On 6 September 2013, the Company increased its issued and paid-up share capital from 2 ordinary shares to 4 ordinary shares of RM0.50 each. Subsequently on 26 September 2013, the Company subdivided its issued and paid-up share capital from 4 ordinary shares of RM0.50 each to 10 ordinary shares of RM0.20 each.

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

   Upon completion of the above acquisition, Econpile (M) Sdn. Bhd. became a wholly-owned subsidiary of the Company.

iii) In November 2013, the Company submitted its IPO application to the Securities Commission Malaysia ("SC") for the listing of and quotation for its entire issued and paid-up share capital of 535,000,010 shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

   In March 2014, the IPO was approved by SC subject to certain terms and conditions. Further approvals from the Ministry of International Trade and Industry and Bursa Securities were obtained in April 2014. The Company was listed on the Main Market of Bursa Securities on 30 June 2014 and all 90,000,000 shares issued via the IPO were fully subscribed and paid for.

Auditors

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

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

....
The Cheng Eng

....
Pang Sar
Kuala Lumpur,

Date: 21 October 2014

Statements of Financial Position

as at 30 June 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Assets					
Property, plant and equipment	3	48,654,136	52,073,285	-	-
Investment properties	4	2,228,740	2,255,605	-	-
Investments in subsidiaries	5	-	-	89,000,000	-
Other investments	6	2,295,664	2,233,752	-	-
Total non-current assets		53,178,540	56,562,642	89,000,000	-
Trade and other receivables	7	157,076,340	127,075,827	5,860,341	3,000
Prepayments		3,366,086	2,380,001	53	-
Current tax assets		-	7,000	-	-
Cash and cash equivalents	8	74,177,891	23,820,154	46,578,871	1
Total current assets		234,620,317	153,282,982	52,439,265	3,001
Total assets		287,798,857	209,845,624	141,439,265	3,001
Equity					
Share capital	9	107,000,002	1	107,000,002	1
Share premium	9	29,005,561	-	29,005,561	-
(Deficit)/Reserve in business combination		(87,000,000)	1,999,999	-	-
Retained earnings		117,760,155	86,740,738	5,309,608	-
Total equity		166,765,718	88,740,738	141,315,171	1
Liabilities					
Loans and borrowings	10	9,141,308	13,492,691	-	-
Employee benefits	11	3,690,967	-	-	-
Deferred tax liabilities	12	690,447	2,496,217	-	-
Total non-current liabilities		13,522,722	15,988,908	-	-
Loans and borrowings	10	20,805,346	19,807,456	-	-
Trade and other payables	13	83,213,535	83,231,522	124,094	3,000
Current tax liabilities		3,491,536	2,077,000	-	-
Total current liabilities		107,510,417	105,115,978	124,094	3,000
Total liabilities		121,033,139	121,104,886	124,094	3,000
Total equity and liabilities		287,798,857	209,845,624	141,439,265	3,001

The notes on pages 40 to 74 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2014

		Group		Company	
	Note	1.7.2013 to 30.6.2014 RM	1.7.2012 to 30.6.2013 RM	1.7.2013 to 30.6.2014 RM	14.9.2012 to 30.6.2013 RM
Revenue	14	418,687,750	386,066,497	6,000,000	-
Cost of sales	15	(356,745,022)	(328,405,019)	-	-
Gross profit		61,942,728	57,661,478	6,000,000	-
Other income		8,115,926	3,875,301	211,937	10,858
Administrative expenses		(23,465,982)	(21,849,284)	(902,329)	(10,858)
Results from operating activities		46,592,672	39,687,495	5,309,608	-
Finance income	16	760,238	512,879	-	-
Finance costs	17	(1,759,041)	(1,626,200)	-	-
Net finance costs		(998,803)	(1,113,321)	-	-
Profit before tax	18	45,593,869	38,574,174	5,309,608	-
Tax expense	19	(14,574,452)	(10,709,205)	-	-
Profit for the year and total comprehensive income for the year/period		31,019,417	27,864,969	5,309,608	-
Basic earnings per ordinary share	20	0.07	0.06		

The notes on pages 40 to 74 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2014

	Non-distributable			Distributable	
	Share capital RM	Share premium RM	Reserve/ (Deficit) in business combination RM	Retained earnings RM	Total equity RM
Group					
At 1 July 2012	1	-	1,999,999	64,875,769	66,875,769
Profit and total comprehensive income for the year	-	-	-	27,864,969	27,864,969
Dividends paid by a subsidiary to its previous owners	-	-	-	(6,000,000)	(6,000,000)
At 30 June 2013/1 July 2013	1	-	1,999,999	86,740,738	88,740,738
Effect of acquisition of subsidiaries	-	-	(88,999,998)	-	(88,999,998)
Issue of ordinary shares	107,000,001	30,600,000	(1)	-	137,600,000
Share issue expenses deducted against share premium	-	(1,594,439)	-	-	(1,594,439)
Profit and total comprehensive income for the year	-	-	-	31,019,417	31,019,417
At 30 June 2014	107,000,002	29,005,561	(87,000,000)	117,760,155	166,765,718
	Note 9	Note 9			

The notes on pages 40 to 74 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2014

	Non-distributable		Distributable	
	Share capital RM	**Share premium RM**	**Retained earnings RM**	**Total equity RM**
Company				
At 14 September 2012 (date of incorporation)	1	-	-	1
Profit and total comprehensive income for the period	-	-	-	-
At 30 June 2013/1 July 2013	1	-	-	1
Issue of ordinary shares	107,000,001	30,600,000	-	137,600,001
Share issue expenses deducted against share premium	-	(1,594,439)	-	(1,594,439)
Profit and total comprehensive income for the year	-	-	5,309,608	5,309,608
At 30 June 2014	107,000,002	29,005,561	5,309,608	141,315,171
	Note 9	Note 9		

The notes on pages 40 to 74 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2014

	Group		Company	
	1.7.2013 to 30.6.2014 RM	1.7.2012 to 30.6.2013 RM	1.7.2013 to 30.6.2014 RM	14.9.2012 to 30.6.2013 RM
Cash flows from operating activities				
Profit before tax	45,593,869	38,574,174	5,309,608	-
Adjustments for:				
Depreciation of investment properties	26,865	26,865	-	-
Depreciation of property, plant and equipment	14,537,790	12,594,540	-	-
Fair value gain from other investments	(61,912)	(58,989)	-	-
Finance costs	1,759,041	1,626,200	-	-
Finance income	(760,238)	(512,879)	-	-
Gain on disposal of property, plant and equipment	(1,075,004)	(795,375)	-	-
Operating profit before changes in working capital	60,020,411	51,454,536	5,309,608	-
Change in employee benefits	3,690,967	-	-	-
Change in trade and other receivables and prepayments	(30,986,598)	(10,463,096)	2,947	(3,000)
Change in trade and other payables	418,690	(3,296,881)	557,772	3,000
Cash generated from operations	33,143,470	37,694,559	5,870,327	-
Interest paid	(133)	(2,086)	-	-
Tax paid	(14,975,545)	(10,575,220)	-	-
Tax refunded	16,859	3,828	-	-
Net cash from operating activities	18,184,651	27,121,081	5,870,327	-

The notes on pages 40 to 74 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2014 (Cont'd)

	Group		Company	
	1.7.2013 to 30.6.2014 RM	1.7.2012 to 30.6.2013 RM	1.7.2013 to 30.6.2014 RM	14.9.2012 to 30.6.2013 RM
Cash flows from investing activities				
Acquisition of investment properties	-	(355,532)	-	-
Acquisition of property, plant and equipment	(5,138,422)	(15,053,247)	-	-
Interest received from fixed deposits	760,238	512,879	-	-
Net cash acquired from reverse acquisition	2	-	-	-
Proceeds from disposal of other investments	-	116,573	-	-
Proceeds from disposal of property, plant and equipment	1,175,433	1,058,300	-	-
Net cash used in investing activities	(3,202,749)	(13,721,027)	-	-
Cash flows from financing activities				
Decrease in amounts to Directors	-	(302,236)	-	-
Dividends paid by a subsidiary to its previous owners	-	(6,000,000)	-	-
Drawdown of bankers' acceptances	937,000	2,406,000	-	-
Increase in amount due from a subsidiary	-	-	(5,860,341)	-
Interest paid on loans and borrowings	(1,758,908)	(1,624,114)	-	-
Proceeds from issue of share capital, net of issue expenses	46,568,884	-	46,568,884	-
Placement of deposits pledged with licensed banks	(1,738,122)	(3,321,669)	-	-
(Repayment)/Drawdown of bank loan	(94,600)	2,861,324	-	-
Repayment of finance lease liabilities	(10,276,541)	(9,392,051)	-	-
Repayment of revolving credits	-	(2,315,018)	-	-
Net cash from/(used in) financing activities	33,637,713	(17,687,764)	40,708,543	-
Net increase/(decrease) in cash and cash equivalents	48,619,615	(4,287,710)	46,578,870	-
Cash and cash equivalents at 1 July 2013/ 1 July 2012/ 14 September 2012	10,116,551	14,404,261	1	1
Cash and cash equivalents at 30 June	58,736,166	10,116,551	46,578,871	1

Cash and cash equivalents

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

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	8	57,591,787	9,008,783	46,578,871	1
Deposits placed with licensed banks	8	16,586,104	14,811,371	-	-
		74,177,891	23,820,154	46,578,871	1
Less: Deposits pledged	8	(15,441,725)	(13,703,603)	-	-
		58,736,166	10,116,551	46,578,871	1

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM11,219,070 (2013: RM30,924,874), of which RM6,080,648 (2013: RM15,871,627) was acquired by means of finance leases.

The notes on pages 40 to 74 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 Securities since 30 June 2014. 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
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2014 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 2014 do not include other entities.

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

These financial statements were authorised for issue by the Board of Directors on 21 October 2014.

1. Basis of preparation

(a) Statement of compliance

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

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014
- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 138, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 141, Agriculture - Agriculture: Bearer Plants*

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

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

MFRSs, Interpretations and amendments effective from a date yet to be confirmed
- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

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

- from the annual period beginning on 1 July 2014 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014 and 1 July 2014, except for IC Interpretation 21 and Amendments to MFRS 2 which are not applicable to the Group and to the Company.

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

- from the annual period beginning on 1 July 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.

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

MFRS 9, *Financial Instruments*

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

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

MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts and MFRS 118, Revenue on the recognition and measurement of revenue. MFRS 15 also replaces certain IC Interpretations, which are not applicable to the Group.

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

(b) Presentation format

As disclosed in Note 26(ii), the Company entered into a business combination exercise with Econpile (M) Sdn. Bhd., hereinafter referred to as "the Acquisition".

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

The implication of the reverse acquisition accounting on the presentation of the consolidated financial statements is as follows:

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

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

1. Basis of preparation (Cont'd)

(b) Presentation format (Cont'd)

ii) The consolidated statements of profit or loss and other comprehensive income and cash flows for the comparative period comprises solely the audited financial results and cash flows of Econpile (M) Group for the year from 1 July 2012 to 30 June 2013.

iii) The consolidated statements of changes in equity for the current reporting period comprise:

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

iv) The consolidated statements of changes in equity for the comparative period comprise solely the audited equity transactions of Econpile (M) Group for the year from 1 July 2012 to 30 June 2013.

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

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

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

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

- Note 2(k)(i) - revenue from construction contracts
- Note 4 - valuation of investment properties
- Note 7 - impairment on receivables
- Note 11 - valuation of retirement benefits
- Note 24 - contingencies

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

The Group adopted MFRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

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

(ii) Business combinations

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

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

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

(iii) Transactions eliminated on consolidation

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

(b) Financial instruments

(i) Initial recognition and measurement

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

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

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

2. Significant accounting policies (Cont'd)

(b) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

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

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

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

(b) Loans and receivables

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

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

Financial liabilities

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

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

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

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

(iii) Financial guarantee contracts

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

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

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

2. Significant accounting policies (Cont'd)

(b) Financial instruments (Cont'd)

(iv) Derecognition (Cont'd)

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

(c) Property, plant and equipment

(i) Recognition and measurement

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

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

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date and in accordance to Note 2(q).

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

2. Significant accounting policies (Cont'd)

(d) Leased assets

(i) Finance lease

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

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

(ii) Operating leases

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

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

(e) Investment properties

Investment properties carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land, freehold buildings and leasehold buildings which in substance is a finance lease held for a currently undetermined future use.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses similarly to property, plant and equipment as disclosed in Note 2(c).

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

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

(f) Construction work-in-progress

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

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

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits.

2. Significant accounting policies (Cont'd)

(h) Impairment

(i) Financial assets

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

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

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

(ii) Other assets

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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

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

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

(i) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (Cont'd)

(j) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(iii) Defined benefit plans

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

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

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

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

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

(k) Revenue and other income

(i) Construction contracts

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

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

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

2. Significant accounting policies (Cont'd)

(k) Revenue and other income (Cont'd)

(ii) Goods sold

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

(iii) Rental income

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

(iv) Interest income

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

(l) Borrowing costs

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

(m) Income tax

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

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

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

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

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

(n) Earnings per ordinary share

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

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

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

2. Significant accounting policies (Cont'd)

(o) Operating segments

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

(p) Contingencies

Contingent liabilities

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

(q) Fair value measurement

From 1 July 2013, the Group adopted MFRS 13, Fair Value Measurement which prescribed that fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

3. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Piling and site equipment RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Cost									
At 1 July 2012	5,000,000	1,500,000	72,846,573	2,170,344	299,515	67,521	8,223,817	152,584	90,260,354
Additions	-	4,619,070	24,387,781	968,818	-	-	949,205	-	30,924,874
Disposals	-	-	(146,149)	(1,780)	-	-	(2,112,145)	-	(2,260,074)
At 30 June 2013/ 1 July 2013	5,000,000	6,119,070	97,088,205	3,137,382	299,515	67,521	7,060,877	152,584	118,925,154
Additions	-	788,900	9,169,060	-	49,632	-	1,069,240	142,238	11,219,070
Disposals	-	-	(1,528,492)	-	-	-	(64,000)	-	(1,592,492)
At 30 June 2014	5,000,000	6,907,970	104,728,773	3,137,382	349,147	67,521	8,066,117	294,822	128,551,732
Depreciation									
At 1 July 2012	-	73,170	49,974,339	993,798	218,848	60,755	4,781,615	151,953	56,254,478
Depreciation for the year	-	113,569	10,924,090	457,382	33,701	5,400	1,059,784	614	12,594,540
Disposals	-	-	(100,000)	(1,780)	-	-	(1,895,369)	-	(1,997,149)
At 30 June 2013/ 1 July 2013	-	186,739	60,798,429	1,449,400	252,549	66,155	3,946,030	152,567	66,851,869
Depreciation for the year	-	140,800	12,661,133	497,619	22,486	1,320	1,198,889	15,543	14,537,790
Disposals	-	-	(1,430,163)	-	-	-	(61,900)	-	(1,492,063)
At 30 June 2014	-	327,539	72,029,399	1,947,019	275,035	67,475	5,083,019	168,110	79,897,596
Carrying amounts									
At 30 June 2013/ 1 July 2013	5,000,000	5,932,331	36,289,776	1,687,982	46,966	1,366	3,114,847	17	52,073,285
At 30 June 2014	5,000,000	6,580,431	32,699,374	1,190,363	74,112	46	2,983,098	126,712	48,654,136

3. Property, plant and equipment (Cont'd)

3.1 Leased plant and machinery and motor vehicles

At 30 June 2014, the net carrying amounts of leased plant and machinery and motor vehicles of the Group were RM25,471,213 (2013: RM24,749,393) and RM2,372,036 (2013: RM2,798,304), respectively.

3.2 Security

Property, plant and equipment of the Group with a carrying amount of RM10,803,364 (2013: RM10,932,331) were pledged as security and as fixed charges to secure bank facilities granted to a subsidiary (see Note 10).

3.3 Title

At 30 June 2014, title to a building of the Group with a carrying amount of RM777,067 has yet to be transferred to a subsidiary.

4. Investment properties

	Group RM
Cost	
At 1 July 2012	2,095,245
Addition	355,532
At 30 June 2013/1 July 2013/30 June 2014	2,450,777
Depreciation	
At 1 July 2012	168,307
Depreciation for the year	26,865
At 30 June 2013/1 July 2013	195,172
Depreciation for the year	26,865
At 30 June 2014	222,037
Carrying amounts	
At 30 June 2013/1 July 2013	2,255,605
At 30 June 2014	2,228,740

Included in the above are:

	Group	
	2014 RM	**2013 RM**
Freehold land	1,107,534	1,107,534
Buildings on freehold land	439,024	450,048
Buildings on leasehold land	682,182	698,023
	2,228,740	2,255,605

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

Freehold land and buildings of the Group with a carrying amount of RM996,784 (2013: RM1,005,115) were pledged as security and as fixed charges to secure bank facilities granted to a subsidiary (see Note 10).

4. Investment properties (Cont'd)

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

	Group	
	2014 RM	2013 RM
Rental income	28,800	21,707
Direct operating expenses:		
- income generating investment properties	9,985	9,985
- non-income generating investment properties	29,732	30,617

Fair value information

Fair value of investment properties is categorised as follows:

	Group	
	2014 RM	2013 RM
Level 3		
Freehold land	6,475,000	5,700,000
Buildings	2,200,000	2,100,000
	8,675,000	7,800,000

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 2 fair values of land and building have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2013: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Valuation process applied by the Group for Level 3 fair value

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

5. Investments in subsidiaries

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost	89,000,000	-

Details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2014 %	Effective ownership interest and voting interest 2013 %
Econpile (M) Sdn. Bhd. and its subsidiary:-	Malaysia	General construction and piling works	100	-
Platinum Production Sdn. Bhd.	Malaysia	Rental of investment properties and machinery and trading of machinery and related accessories	100	-

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

6. Other investments

	Group 2014 RM	Group 2013 RM
Financial assets at fair value through profit or loss:		
Unit trusts, in Malaysia	2,245,664	2,183,752
Club membership	50,000	50,000
	2,295,664	2,233,752
Representing items:		
At cost	50,000	50,000
At fair value	2,245,664	2,183,752
	2,295,664	2,233,752

7. Trade and other receivables

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade					
Trade receivables	7.1	132,212,457	116,930,888	-	-
Less: Individual impairment allowance		(6,985,935)	(9,275,997)	-	-
		125,226,522	107,654,891	-	-
Amounts due from contract customers	7.2	23,479,660	16,715,016	-	-
		148,706,182	124,369,907	-	-
Non-trade					
Other receivables		498,732	1,678,245	-	3,000
Deposits		7,871,426	1,027,675	-	-
Amount due from a subsidiary	7.3	-	-	5,860,341	-
		8,370,158	2,705,920	5,860,341	3,000
		157,076,340	127,075,827	5,860,341	3,000

7.1 Trade receivables

Included in trade receivables of the Group at 30 June 2014 are retention sums of RM60,461,224 (2013: RM47,985,861) relating to construction work-in-progress. Retention sums are unsecured and interest-free.

7.2 Construction work-in-progress

	Note	Group 2014 RM	Group 2013 RM
Aggregate costs incurred to date		309,366,817	178,985,801
Add: Attributable profits		43,775,247	14,414,272
		353,142,064	193,400,073
Less: Progress billings		(351,329,015)	(195,221,493)
		1,813,049	(1,821,420)
Represented by:			
Amounts due from contract customers		23,479,660	16,715,016
Amounts due to contract customers	13	(21,666,611)	(18,536,436)
		1,813,049	(1,821,420)

7.3 Amount due from a subsidiary

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

7.4 Estimation uncertainty and critical judgements

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

8. Cash and cash equivalents

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	57,591,787	9,008,783	46,578,871	1
Deposits placed with licensed banks	16,586,104	14,811,371	-	-
	74,177,891	23,820,154	46,578,871	1

Included in deposits placed with licensed banks of the Group is RM15,441,725 (2013: RM13,703,603) pledged for bank facilities granted to a subsidiary (see Note 10).

9. Capital and reserves

Share capital	Group and Company	
	Amount RM	Number of shares
Authorised:		
Ordinary shares of RM0.50 each		
At 1 July 2013/1 July 2012/14 September 2012	100,000	200,000
Ordinary shares of RM0.20 each		
Share split to RM0.20 each	100,000	500,000
Created during the year	199,900,000	999,500,000
At 30 June 2014	200,000,000	1,000,000,000
Issued and fully paid up:		
Ordinary shares of RM0.50 each		
At 1 July 2013/1 July 2012/14 September 2012	1	2
Issued during the year	1	2
	2	4
Ordinary shares of RM0.20 each		
Share split to RM0.20 each	2	10
Issued during the year	107,000,000	535,000,000
At 30 June 2014	107,000,002	535,000,010

Ordinary shares

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

Share premium

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

10. Loans and borrowings

	Note	Group 2014 RM	Group 2013 RM
Non-current			
Bank loan - secured	10.1	2,827,687	2,870,900
Finance lease liabilities	10.3	6,313,621	10,621,791
		9,141,308	13,492,691
Current			
Bank loan - secured	10.1	99,713	151,100
Bankers' acceptances - secured	10.2	10,496,000	9,559,000
Finance lease liabilities	10.3	10,209,633	10,097,356
		20,805,346	19,807,456
		29,946,654	33,300,147

10.1 Bank loan

The bank loan is secured by way of a first legal charge over the buildings of the Group with a carrying amount of RM4,449,704 (2013: RM4,542,086) and is also personally guaranteed by certain Directors of the Company.

10.2 Bankers' acceptances

The bankers' acceptances are secured over the freehold land and buildings of the Group with a carrying amount of RM7,350,444 (2013: RM7,395,360) and deposits pledged with licensed banks of the Group with a carrying amount of RM15,441,725 (2013: RM13,703,603) and are also personally guaranteed by certain Directors of the Company.

10.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments 2014 RM	Interest 2014 RM	Present value of minimum lease payments 2014 RM	Future minimum lease payments 2013 RM	Interest 2013 RM	Present value of minimum lease payments 2013 RM
Less than one year	10,824,972	(615,339)	10,209,633	10,460,515	(363,159)	10,097,356
Between one and five years	6,520,299	(206,678)	6,313,621	11,476,566	(854,775)	10,621,791
	17,345,271	(822,017)	16,523,254	21,937,081	(1,217,934)	20,719,147

11. Employee benefits

Retirement benefits

	Group 2014 RM	2013 RM
Defined benefit liability	3,690,967	-

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

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

Funding

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

Movement in defined benefit liability

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

	Group RM
Included in profit or loss	
Current service cost	45,958
Past service cost	3,563,826
Interest cost	81,183
Balance at 30 June 2014	3,690,967

Defined benefit obligation

In July 2013, a service agreement was signed by a subsidiary with two of the Directors of the subsidiary, providing them with pension payment upon their retirement. As a consequence of signing the service agreement, a past service cost was recognised immediately in profit or loss.

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period:

	Group 2014	2013
Discount rate	5.5%	-
Future salary growth	8.0%	-

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

At 30 June 2014, the weighted-average duration of the defined benefit obligation was 9 years.

11. Employee benefits (Cont'd)

Retirement benefits (Cont'd)

Sensitivity analysis

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

	Group	
	Increase	Decrease
Discount rate (1% movement)	(9%)	9%
Future salary growth (1% movement)	9%	(9%)

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

12. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group	
	2014 RM	2013 RM
Property, plant and equipment	4,349,054	4,815,217
Provisions	(3,658,607)	(2,319,000)
	690,447	2,496,217

Movement in temporary differences during the year

Group	At 1.7.2012 RM	Recognised in profit or loss RM	At 30.6.2013/ 1.7.2013 RM	Recognised in profit or loss RM	At 30.6.2014 RM
		(Note 19)		(Note 19)	
Property, plant and equipment	1,319,441	3,495,776	4,815,217	(466,163)	4,349,054
Provisions	-	(2,319,000)	(2,319,000)	(1,339,607)	(3,658,607)
	1,319,441	1,176,776	2,496,217	(1,805,770)	690,447

13. Trade and other payables

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Trade					
Trade payables		57,608,201	60,924,515	-	-
Amounts due to contract customers	7.2	21,666,611	18,536,436	-	-
		79,274,812	79,460,951	-	-
Non-trade					
Other payables		217,981	1,669,748	-	-
Accrued expenses		3,720,742	2,100,823	124,094	3,000
		3,938,723	3,770,571	124,094	3,000
		83,213,535	83,231,522	124,094	3,000

14. Revenue

	Group		Company	
	1.7.2013 to 30.6.2014 RM	1.7.2012 to 30.6.2013 RM	1.7.2013 to 30.6.2014 RM	14.9.2012 to 30.6.2013 RM
Construction contracts	418,681,600	385,766,497	-	-
Dividends	-	-	6,000,000	-
Rental income from machinery	-	300,000	-	-
Sale of goods	6,150	-	-	-
	418,687,750	386,066,497	6,000,000	-

15. Cost of sales

	Group	
	2014 RM	2013 RM
Construction contracts	356,731,332	328,405,019
Rental expense on machinery	10,000	-
Purchase of goods	3,690	-
	356,745,022	328,405,019

16. Finance income

	Group	
	2014 RM	2013 RM
Interest income of financial assets that are not at fair value through profit or loss:		
- fixed deposits	760,238	512,879

17. Finance costs

	Group	
	2014 RM	2013 RM
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank overdrafts	133	2,086
- bank loan	134,823	18,131
- bankers' acceptances	543,518	499,084
- finance lease liabilities	1,080,567	1,106,899
	1,759,041	1,626,200

18. Profit before tax

	Group		Company	
	1.7.2013 to 30.6.2014 RM	1.7.2012 to 30.6.2013 RM	1.7.2013 to 30.6.2014 RM	14.9.2012 to 30.6.2013 RM
Profit before tax is arrived after charging:				
Auditors' remuneration:				
- Statutory audit fees	135,000	88,000	30,000	2,000
- Non-audit fees	15,000	-	15,000	-
- Others	70,000	-	15,000	-
Depreciation on investment properties	26,865	26,865	-	-
Depreciation on property, plant and equipment	14,537,790	12,594,540	-	-
Impairment loss on trade receivables	3,350,601	8,262,348	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	1,749,402	1,429,285	24,402	-
- Expenses related to defined benefit plan	3,690,967	-	-	-
- Wages, salaries and others	23,270,922	21,442,826	201,194	-
Rental expense in respect of:				
- Equipment and machinery	3,043,549	6,465,918	-	-
- Motor vehicles	1,200	7,300	-	-
- Properties	643,275	469,434	-	-
and after crediting:				
Fair value gain from other investments	61,912	58,989	-	-
Gain on disposal of property, plant and equipment	1,075,004	795,375	-	-
Rental income in respect of:				
- Equipment	863,740	924,866	-	-
- Properties	28,800	21,707	-	-
Reversal of impairment loss on trade receivables	5,640,663	1,318,540	-	-
Waiver of expenses paid on behalf	-	-	211,937	10,858

19. Tax expense

Recognised in profit or loss

	Note	Group 1.7.2013 to 30.6.2014 RM	Group 1.7.2012 to 30.6.2013 RM	Company 1.7.2013 to 30.6.2014 RM	Company 14.9.2012 to 30.6.2013 RM
Current tax expense					
Current year		14,081,536	10,085,000	-	-
Prior year		2,298,686	(552,571)	-	-
Total current tax recognised in profit or loss		16,380,222	9,532,429	-	-
Deferred tax expense				-	-
Origination and reversal of temporary differences		(1,304,832)	191,507	-	-
Effect of change in tax rate		(28,769)	-	-	-
(Over)/Under provision in prior year		(472,169)	985,269	-	-
Total deferred tax recognised in profit or loss	(Note 12)	(1,805,770)	1,176,776	-	-
Total income tax expense		14,574,452	10,709,205	-	-

Reconciliation of tax expense

	Group 1.7.2013 to 30.6.2014 RM	Group 1.7.2012 to 30.6.2013 RM	Company 1.7.2013 to 30.6.2014 RM	Company 14.9.2012 to 30.6.2013 RM
Profit before tax	45,593,869	38,574,174	5,309,608	-
Income tax using Malaysian tax rate of 25%	11,398,467	9,643,544	1,327,402	-
Effect of lower tax rate *	-	(25,000)	-	-
Non-deductible expenses	1,378,237	657,963	172,598	-
Effect of change in tax rate	(28,769)	-	-	-
Tax-exempt income	-	-	(1,500,000)	-
Under provision in prior year	1,826,517	432,698	-	-
	14,574,452	10,709,205	-	-

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to the corporate tax at 20% on chargeable income up to RM500,000.

20. Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 June 2014 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2014 RM	Group 2013 RM
Profit attributable to ordinary shareholders	31,019,417	27,864,969

20. Basic earnings per ordinary share (Cont'd)

	Group	
	2014 RM	2013 RM
Weighted average number of ordinary shares at 30 June *	445,246,585	445,000,000

* Adjusted for reverse acquisition during the financial year

	Group	
	2014 RM	2013 RM
Basic earnings per ordinary share	0.07	0.06

21. Segment reporting

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

22. Financial instruments

22.1 Categories of financial instruments

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

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

22. Financial instruments (Cont'd)

22.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	L&R/ (FL) RM	FVTPL -HFT RM
2014			
Financial assets			
Group			
Unit trusts	2,245,664	-	2,245,664
Trade and other receivables	157,076,340	157,076,340	-
Cash and cash equivalents	74,177,891	74,177,891	-
	233,499,895	231,254,231	2,245,664
Company			
Trade and other receivables	5,860,341	5,860,341	-
Cash and cash equivalents	46,578,871	46,578,871	-
	52,439,212	52,439,212	-
2014			
Financial liabilities			
Group			
Loans and borrowings	(29,946,654)	(29,946,654)	-
Trade and other payables	(83,213,535)	(83,213,535)	-
	(113,160,189)	(113,160,189)	-
Company			
Trade and other payables	(124,094)	(124,094)	-
2013			
Financial assets			
Group			
Unit trusts	2,183,752	-	2,183,752
Trade and other receivables	127,075,827	127,075,827	-
Cash and cash equivalents	23,820,154	23,820,154	-
	153,079,733	150,895,981	2,183,752
Company			
Trade and other receivables	3,000	3,000	-
Cash and cash equivalents	1	1	-
	3,001	3,001	-
2013			
Financial liabilities			
Group			
Loans and borrowings	(33,300,147)	(33,300,147)	-
Trade and other payables	(83,231,522)	(83,231,522)	-
	(116,531,669)	(116,531,669)	-
Company			
Trade and other payables	(3,000)	(3,000)	-

22. Financial instruments (Cont'd)

22.2 Net gains and losses arising from financial instruments

	Group	
	2014 RM	2013 RM
Net gains/(losses) on:		
Fair value through profit or loss - held for trading	61,912	58,989
Loans and receivables	3,050,300	(6,430,929)
Financial liabilities measured at amortised cost	(1,759,041)	(1,626,200)
	1,353,171	(7,998,140)

22.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

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

Receivables

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually. The exposure of credit risk for trade receivables as at the end of the current and previous reporting periods by geographic region was solely domestic.

22. Financial instruments (Cont'd)

22.4 Credit risk (Cont'd)

Receivables (Cont'd)

Impairment losses

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

	Gross RM	Individual impairment RM	Net RM
2014			
Group			
Not past due	82,907,654	(1,285,304)	81,622,350
Past due 1 - 60 days	34,774,529	-	34,774,529
Past due 61 - 120 days	3,294,689	-	3,294,689
Past due more than 120 days	11,235,585	(5,700,631)	5,534,954
	132,212,457	(6,985,935)	125,226,522
2013			
Group			
Not past due	67,582,585	(1,333,410)	66,249,175
Past due 1 - 60 days	32,968,501	(1,096,493)	31,872,008
Past due 61 - 120 days	5,131,511	(832,307)	4,299,204
Past due more than 120 days	11,248,291	(6,013,787)	5,234,504
	116,930,888	(9,275,997)	107,654,891

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

	Group	
	2014 RM	2013 RM
At 1 July 2013/2012	9,275,997	2,366,074
Impairment loss recognised	3,350,601	8,262,348
Impairment loss reversed	(5,640,663)	(1,318,540)
Impairment loss written off	-	(33,885)
At 30 June	6,985,935	9,275,997

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

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

22. Financial instruments (Cont'd)

22.4 Credit risk (Cont'd)

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities.

Exposure to credit risk, credit quality and collateral

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

The investments are unsecured.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured financial guarantees to contract customers of construction contracts.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group amounts to RM43,363,444 (2013: RM25,119,115), representing the financial guarantees given to contract customers as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the Group would default on its obligations under the construction contracts.

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

22.5 Liquidity risk

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

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

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

22. Financial instruments (Cont'd)

22.5 Liquidity risk

Maturity analysis

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

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Group							
2014							
Non-derivative financial liabilities							
Trade and other payables	83,213,535	-	83,213,535	83,213,535	-	-	-
Bank loan - secured	2,927,400	*	4,361,439	229,424	229,424	688,272	3,214,319
Bankers' acceptances - secured	10,496,000	4.42 - 4.99	10,496,000	10,496,000	-	-	-
Finance lease liabilities	16,523,254	4.70 - 7.00	17,345,271	10,824,972	5,279,210	1,241,089	-
	113,160,189		115,416,245	104,763,931	5,508,634	1,929,361	3,214,319
2013							
Non-derivative financial liabilities							
Trade and other payables	83,231,522	-	83,231,522	83,231,522	-	-	-
Bank loan - secured	3,022,000	*	4,588,478	229,424	229,424	688,272	3,441,358
Bankers' acceptances - secured	9,559,000	4.77 - 5.88	9,559,000	9,559,000	-	-	-
Finance lease liabilities	20,719,147	4.70 - 7.00	21,937,081	10,460,515	7,998,390	3,478,176	-
	116,531,669		119,316,081	103,480,461	8,227,814	4,166,448	3,441,358
Company							
2014							
Non-derivative financial liabilities							
Trade and other payables	124,094	-	124,094	124,094	-	-	-
2013							
Non-derivative financial liabilities							
Trade and other payables	3,000	-	3,000	3,000	-	-	-

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

22. Financial instruments (Cont'd)

22.6 Market risk

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

22.6.1 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

Exposure to interest rate risk

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

	Group	
	2014 RM	2013 RM
Fixed rate instruments		
Financial assets	16,586,104	14,811,371
Financial liabilities	(27,019,254)	(30,278,147)
	(10,433,150)	(15,466,776)
Floating rate instruments		
Financial liabilities	(2,927,400)	(3,022,000)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Group	
	30 bps increase RM	30 bps decrease RM
2014		
Floating rate instruments	(6,587)	6,587
2013		
Floating rate instruments	(6,800)	6,800

22. Financial instruments (Cont'd)

22.7 Fair value information

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

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

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

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value *		
2013	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total RM	Total fair value RM	Carrying amount RM
Financial assets							
Unit trusts	-	2,183,752	-	2,183,752	-	2,183,752	2,183,752
Financial liabilities							
Bank loan - secured	-	-	-	-	(3,022,000)	(3,022,000)	(3,022,000)

* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of MFRS 13.

22. Financial instruments (Cont'd)

22.7 Fair value information (Cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

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

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Unit trusts

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

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For bank loan, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2013: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities. For financial instruments not carried at fair value, the Group has applied discounted cash flows valuation technique in the determination of fair values within Level 3. The Group Senior Finance Manager has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

23. Capital management

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

The debt-to-equity ratios at 30 June 2014 and 30 June 2013 were as follows:

		Group	
	Note	2014 RM	2013 RM
Total loans and borrowings	10	29,946,654	33,300,147
Less: Cash and cash equivalents (exclude deposits pledged)	8	(58,736,166)	(10,116,551)
Net debt		(28,789,512)	23,183,596
Total equity		166,765,718	88,740,738
Debt-to-equity ratios		N/A	0.26

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

24. Contingencies

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

	Group	
	2014 RM	2013 RM
Guarantees given to contract customers in relation to construction contracts	43,363,444	25,119,115

25. Related parties

Identity of related parties

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

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

The Group has related party relationship with its significant investors, subsidiaries and Directors.

Significant related party transactions

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
A. Subsidiary				
Waiver of expenses paid on behalf	-	-	(211,937)	(10,858)
B. Company with common Directors				
Sale of motor vehicles	-	525,000	-	-
C. Key management personnel				
Directors				
Remuneration	3,171,419	1,839,040	225,338	-
Post-employment benefits	3,690,967	-	-	-

26. Significant events

i) On 26 September 2013, the Company subdivided its authorised share capital from 200,000 ordinary shares of RM0.50 each to 500,000 ordinary shares of RM0.20 each. Subsequently, the Company increased its authorised share capital to 1,000,000,000 ordinary shares of RM0.20 each through the creation of 999,500,000 new ordinary shares of RM0.20 each.

On 6 September 2013, the Company increased its issued and paid-up share capital from 2 ordinary shares to 4 ordinary shares of RM0.50 each. Subsequently on 26 September 2013, the Company subdivided its issued and paid-up share capital from 4 ordinary shares of RM0.50 each to 10 ordinary shares of RM0.20 each.

26. Significant events (Cont'd)

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

Upon completion of the above acquisition, Econpile (M) Sdn. Bhd. became a wholly-owned subsidiary of the Company.

iii) In November 2013, the Company submitted its IPO application to the Securities Commission Malaysia ("SC") for the listing of and quotation for its entire issued and paid-up share capital of 535,000,010 shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

In March 2014, the IPO was approved by SC subject to certain terms and conditions. Further approvals from the Ministry of International Trade and Industry and Bursa Securities were obtained in April 2014. The Company was listed on the Main Market of Bursa Securities on 30 June 2014 and all 90,000,000 shares issued via the IPO were fully subscribed and paid for.

27. Acquisition of subsidiaries

The acquisition of Econpile (M) Group as disclosed in Notes 1(b) and 26(ii) is accounted for using the reverse acquisition method as upon completion, the shareholders of Econpile (M) Sdn. Bhd. became the shareholders of the Company.

Deficit in business combination

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

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

28. Comparative figures

As disclosed in Note 1(b), the comparatives of the Group comprise solely the financial position and results of Econpile (M) Group for the year from 1 July 2012 to 30 June 2013.

29. Supplementary financial information on the breakdown of realised and unrealised profits or losses

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiaries				
- realised	118,214,690	89,062,955	5,309,608	-
- unrealised	(454,535)	(2,322,217)	-	-
Total retained earnings	117,760,155	86,740,738	5,309,608	-

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

Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 34 to 73 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2014 and of their financial performance and cash flows the financial year then ended.

In the opinion of the Directors, the information set out in Note 29 on page 74 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

....
The Cheng Eng

....
Pang Sar

Kuala Lumpur,

Date: 21 October 2014

Statutory Declaration

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

I, **Pang Sar**, the Director primarily responsible for the financial management of Econpile Holdings Berhad., do solemnly and sincerely declare that the financial statements set out on pages 34 to 74 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Federal Territory on 21 October 2014.

....
Pang Sar

Before me:

Hajjah Jamilah Ismail
No. W626
Commissioner for Oaths

Report on the Financial Statements

We have audited the financial statements of Econpile Holdings Berhad, which comprise the statements of financial position as at 30 June 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 73.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

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

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 29 on page 74 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

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

Petaling Jaya, Selangor

Date: 21 October 2014

Analysis of Shareholdings

as at 26 September 2014

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

Distribution of shareholdings

Size of Shareholdings	No. of Shareholders	Total Shareholdings	%
Less than 100 shares	17	440	0.00
100 to 1,000 shares	193	155,190	0.03
1,001 to 10,000 shares	2,042	13,104,580	2.45
10,001 to 100,000 shares	1,175	38,490,890	7.19
100,001 to less than 5% of issued shares	134	93,248,900	17.43
5% and above of issued shares	2	390,000,010	72.90
Total	**3,563**	**535,000,010**	**100.00**

Substantial shareholders

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

	Direct Interest		Indirect Interest	
Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
The Cheng Eng	195,000,005	36.45	152,000*	0.03
Pang Sar	195,000,005	36.45	-	-

Notes:-

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

Directors' shareholdings

	Direct Interest		Indirect Interest	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
The Cheng Eng	195,000,005	36.45	152,000*	0.03
Pang Sar	195,000,005	36.45	-	-
The Kun Ann	100,000	0.02	-	-
Krishnan A/L C K Menon	100,000	0.02	-	-
Dato' Rosli Bin Mohamed Nor	100,000	0.02	-	-
Ong Poay Wah @ Chan Poay Wah	100,000	0.02	-	-

Notes:-

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

Analysis of Shareholdings

as at 26 September 2014 (Cont'd)

List of 30 largest sharesholders as at 26 September 2014

No	Name Of Shareholders	Shares Held	%
1	Pang Sar	195,000,005	36.45
2	The Cheng Eng	195,000,005	36.45
3	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB-Principal Equity Fund 2	17,362,300	3.25
4	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for RHB-OSK Capital Fund (200189)	7,717,800	1.44
5	Citigroup Nominees (Tempatan) Sdn Bhd Allianz Life Insurance Malaysia Berhad (MEF)	4,350,000	0.81
6	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt an for Affin Hwang Asset Management Berhad (TSTAC/CLNT-T)	3,167,900	0.59
7	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB-Principal Balanced Income Fund	2,789,100	0.52
8	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad for Yayasan Mohd Noah	2,732,600	0.51
9	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Hwang Select Asia (Ex Japan) Opportunity Fund (5410)	2,031,600	0.38
10	Amanahraya Trustees Berhad Kumipa Balanced Fund	1,750,000	0.33
11	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Ming Tzer	1,700,000	0.32
12	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB-Principal Asset Management Berhad for Khadijah Binti Abdul Rahman	1,645,700	0.31
13	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Julian Foo Kuan Lin	1,600,000	0.30
14	Foong Chee Hoe	1,510,000	0.28
15	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for RHB-OSK Thematic Growth Fund (6210-401)	1,500,000	0.28
16	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (KNGA SML CAP FD)	1,493,700	0.28
17	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for CIMB-Principal Balanced Fund (980060)	1,478,900	0.28
18	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Affin Hwang Flexi Fundi	1,451,400	0.27
19	RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Universiti Malaya	1,383,600	0.26
20	Citigroup Nominees (Tempatan) Sdn Bhd Allianz Life Insurance Malaysia Berhad (ULIFE)	1,305,200	0.24

No	Name Of Shareholders	Shares Held	%
21	Chiang Hock Thong	1,300,000	0.24
22	Lim Ming Tzer	1,300,000	0.24
23	Tan Pu Yean	1,030,000	0.19
24	Dahlan Bin Mohd Rasaid	938,000	0.18
25	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for CIMB-Principal Income Plus Balanced Fund (980070)	902,900	0.17
26	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (HWNG SML CAP FD)	841,000	0.16
27	Yap Yee Hock	806,000	0.15
28	Teo Boon Tong	802,000	0.15
29	Citigroup Nominees (Tempatan) Sdn Bhd Allianz Life Insurance Malaysia Berhad (ULIFE2)	754,600	0.14
30	Yap Teck Fui	750,000	0.14
		456,394,310	85.31

List of Properties

Properties	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Building (Years)	Net Book Value as at 30 June 2014 (RM '000)	Date of Acquisition
No. 5, 7, 9, 11, 13, Jalan Kenanga 5, Seksyen BB11, Bandar Bukit Beruntung, 48300 Rawang, Selangor Darul Ehsan.	Land with workshop cum office premises (workshop cum office building)	230,788	Freehold	12	6,354	3 Sep 2001 (Date of last revaluation: 1 Jul 2010)
Unit C/T08 (7th Floor), Block C, Plaza Dwitasik, Jalan Sri Permaisuri 1, Bandar Sri Permaisuri, 56000 Kuala Lumpur.	Office building (office)	5,595	Leasehold for 99 years and expiring on 11 Jan 2095	13	2,225	26 Sep 2012
Unit C/T09 (8th Floor), Block C, Plaza Dwitasik, Jalan Sri Permaisuri 1, Bandar Sri Permaisuri, 56000 Kuala Lumpur.	Office building (office)	5,595	Leasehold for 99 years and expiring on 11 Jan 2095	13	2,225	26 Sep 2012
P-2.5, Podium Block, Plaza Dwitasik, Jalan Sri Permaisuri 1, Bandar Sri Permaisuri, 56000 Kuala Lumpur.	Office building (office)	3,830	Leasehold for 99 years and expiring on 11 Jan 2095	13	777	14 Oct 2013
Lot 4480 BT 7 ½, Jalan Meru, 41050 Klang, Selangor Darul Ehsan.	A parcel of agricultural land (vacant)	130,680	Freehold	N/A	385	22 Jul 1993
Geran Mukim 3832, Lot 6063, Mukim Bernam Timor, Daerah Batang Padang, Negeri Perak.	A parcel of agricultural land (vacant)	199,262	Freehold	N/A	356	28 Jun 2013
No. 2, Jalan PJ16D/5, Precinct 16, 62150 Putrajaya, Wilayah Persekutuan, Putrajaya.	Town house (rental income)	2,045	Freehold	10	344	09 Feb 2001
No. 4, Jalan PJ16D/5, Precinct 16, 62150 Putrajaya, Wilayah Persekutuan, Putrajaya.	Town house (rental income)	1,693	Freehold	10	269	09 Feb 2001
23, Lorong Cakera Purnama 12/23, Section 12, 42300 Bandar Puncak Alam, Selangor Darul Ehsan.	Terrace house (vacant)	1,080	Leasehold for 99 years and expiring on 15 Jul 2109	11	129	12 Sep 2005
6-6-5, Queen's Avenue, Block 6, Jalan Bayam, Cheras, 55100 Kuala Lumpur.	Shop office (vacant)	527	Leasehold for 99 years and expiring on 19 Mar 2088	9	123	17 Jul 2006

Properties	Description (Existing Use)	Approximate Area (Square Feet)	Tenure	Age of Building (Years)	Net Book Value as at 30 June 2014 (RM '000)	Date of Acquisition
B-16-11, Block B, Pangsapuri Cemara, No. 2, Jalan Tasik Permaisuri 3, Bandar Sri Permaisuri, 56000 Kuala Lumpur.	Apartment (staff accomodation)	750	Leasehold for 99 years and expiring on 23 June 2098	12	84	28 Feb 2001
Pangsapuri Putra Ria (7th Floor), 2-6-38, Jalan Pinggiran Putra 31, Taman Pinggiran Putra, Seksyen 2, 43300 Seri Kembangan, Selangor Darul Ehsan.	Apartment (staff accomodation)	752	Leasehold for 99 years and expiring on 27 March 2099	11	81	14 Oct 2008
21A, Tingkat 1, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan.	Shop office (vacant)	803	Leasehold for 99 years and expiring on 25 Sep 2095	8	74	13 Sep 2004
21B, Tingkat 1, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan.	Shop office (vacant)	805	Leasehold for 99 years and expiring on 25 Sep 2095	8	67	13 Sep 2004
21A, Tingkat 2, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan.	Shop office (vacant)	805	Leasehold for 99 years and expiring on 25 Sep 2095	8	66	13 Sep 2004
20-2F, Jalan 4/154D, Taman Desa Cheras, 56000 Kuala Lumpur.	Shop house (vacant)	771	Freehold	11	66	8 May 2001
32-1R, Jalan 4/154D, Taman Desa Cheras, 56000 Kuala Lumpur.	Shop house (vacant)	737	Freehold	11	64	8 May 2001
36-1R, Jalan 4/154D, Taman Desa Cheras, 56000 Kuala Lumpur.	Shop house (vacant)	737	Freehold	11	64	8 May 2001
21B, Tingkat 2, Jalan Dinar B, U3/B, Seksyen U3, 40150 Shah Alam, Selangor Darul Ehsan.	Shop office (vacant)	767	Leasehold for 99 years and expiring on 25 Sep 2095	8	58	13 Sep 2004

Proxy Form

ECONPILE HOLDINGS BERHAD
(1017164-M)

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

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

of ____
[Full address]

being a *member/members of ECONPILE HOLDINGS BERHAD ("EHB") hereby appoint the following person(s) or failing *him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the Second Annual General Meeting of EHB to be held at Roof Garden Lounge, Level R, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Friday, 28 November 2014** at **9:00 a.m.** and at any adjournment thereof.

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

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

Resolutions		For	Against
Ordinary Resolutions			
1.	To approve the payment of Directors' Fees.		
2.	To re-elect Mr The Cheng Eng as Director.		
3.	To re-elect Mr Pang Sar as Director.		
4.	To re-elect Mr Krishnan A/L C K Menon as Director.		
5.	To re-appoint Messrs KPMG as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
6.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
Special Resolution			
1.	Proposed Amendments to the Articles of Association of the Company.		

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

Signed this ____________________ day of ____________________ 2014.

____
Signature/Common Seal of Member(s)

Notes:

1. *For the purposes of determining a member who shall be entitled to attend and vote at this meeting, the Company shall be requesting the Record of Depositors as at 21 November 2014. Only a depositor whose name appears on the Record of Depositors as at 21 November 2014 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her stead.*
2. *A member entitled to attend and vote at the meeting shall be entitled to appoint any person as his proxy to attend and vote at the meeting. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *A member may appoint up to two (2) proxies to attend and vote in his place.*
4. *Where a member is an Authorised Nominee, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for the Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
6. *Where a member or an Authorised Nominee appoints two (2) proxies or where an Exempt Authorised Nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
8. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised.*
9. *The Form of Proxy must be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

Please fold here

AFFIX
STAMP

THE COMPANY SECRETARY
ECONPILE HOLDINGS BERHAD (1017164-M)
Level 18, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia

Please fold here

ECONPILE HOLDINGS BERHAD
(1017164-M)

Level 8, Tower Block, Plaza Dwitasik,
Jalan Sri Pemaisuri, Bandar Sri Pemaisuri,
56000 Kuala Lumpur, Malaysia.
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