



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

Annual Report 2026

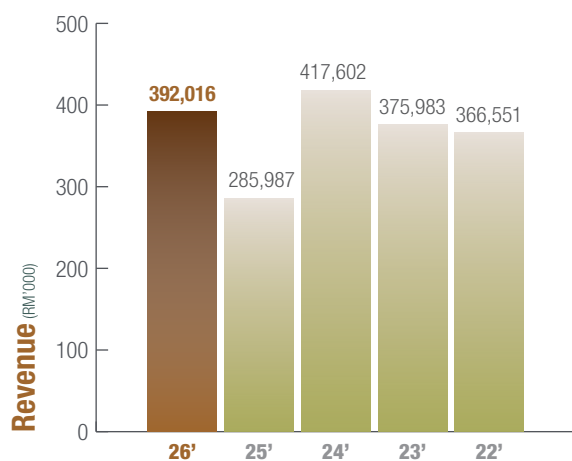
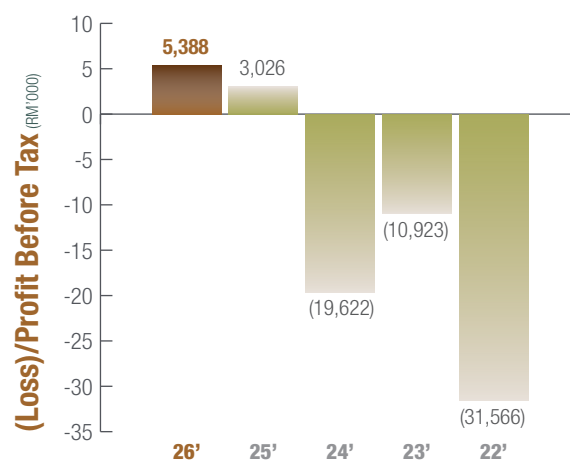
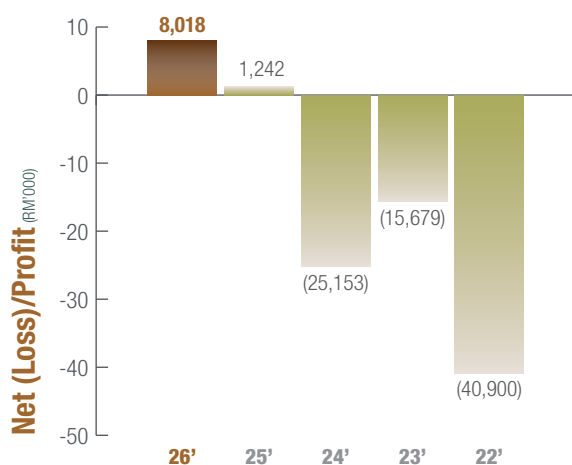
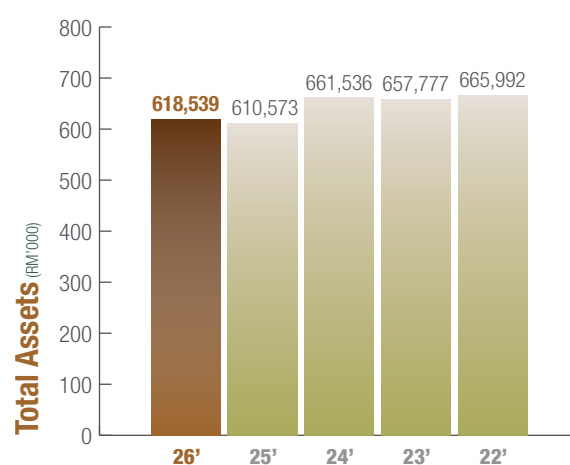
SPECIALIST Piling, Substructure and Infrastructure Contractor



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Financial Highlights



FINANCIAL YEAR ENDED	2026	2025	2024	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	392,016	285,987	417,602	375,983	366,551
Depreciation	4,898	5,236	5,072	8,279	17,370
Finance costs	5,135	6,492	6,425	4,641	3,527
Profit/(Loss) before tax	5,388	3,026	(19,622)	(10,923)	(31,566)
Profit/(Loss) before interest and tax	10,523	9,518	(13,197)	(6,282)	(28,039)
Profit/(Loss) before interest, tax and depreciation	15,421	14,754	(8,125)	1,997	(10,669)
Net (loss) / profit for the year	8,018	1,242	(25,153)	(15,679)	(40,900)
Total assets	618,539	610,573	661,536	657,777	665,992
Shareholders' equity	366,878	359,577	361,180	386,244	401,776
Total borrowings	104,289	108,275	143,707	110,658	112,009
Share capital	177,206	177,206	177,206	177,206	177,206
Earnings per share (sen)	0.57	0.09	(1.77)	(1.11)	(2.89)
Net assets backing (sen)	25.88	25.37	25.48	27.25	28.34
Gearing ratio (times)	0.28	0.30	0.40	0.29	0.28
Interest cover ratio (times)	2.05	1.47	(2.05)	(1.35)	(7.95)
Return on equity (%)	2.19	0.35	(6.96)	(4.06)	(10.18)

Corporate Information

Board of Directors

Krishnan A/L C K Menon

Non-Independent Non-Executive Chairman

The Cheng Eng

Group Managing Director

Pang Sar

Executive Director/Group Chief Executive Officer

The Kun Ann

Executive Director/Deputy Group Chief Executive Officer

Teh Bee Choo

Independent Non-Executive Director

Law Siew Ngan

Independent Non-Executive Director

Datuk Syed Azmi Bin Syed Othman

Independent Non-Executive Director

Company Secretaries

Foo Pei Koon (MAICSA 7067238) (SSM PC NO. 202108000380)

Te Hock Wee (MAICSA 7054787) (SSM PC NO. 202008002124)

Audit & Risk Management Committee

Teh Bee Choo

Chairperson

Law Siew Ngan

Member

Datuk Syed Azmi Bin Syed Othman

Member

Nomination Committee

Law Siew Ngan

Chairperson

Teh Bee Choo

Member

Datuk Syed Azmi Bin Syed Othman

Member

Remuneration Committee

Law Siew Ngan

Chairperson

Teh Bee Choo

Member

Datuk Syed Azmi Bin Syed Othman

Member

Registered Office

Unit 30-01, Level 30, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : 603-2783 9191

Fax : 603-2783 9111

Email : info@vistra.com

Head Office

Level 8, Tower Block

Plaza Dwtasik

Jalan Sri Permaisuri

Bandar Sri Permaisuri

56000 Kuala Lumpur

Tel : 603-9171 9999

Fax : 603-9173 6666

Website : www.econpile.com

Registrar

Vistra Investor & Issuing House Services Sdn. Bhd.

(formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.)

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : 603-2783 9299

Email : is.enquiry@vistra.com

Auditors

KPMG PLT (Firm No. LLP0010081-LCA & AF0758)

Level 10, KPMG Tower

8, First Avenue, Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Tel : 603-7721 3388

Fax : 603-7721 3399

Principal Bankers

Alliance Bank Malaysia Berhad

Ambank (M) Berhad

CIMB Bank Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

RHB Bank Berhad

United Overseas Bank (Malaysia) Bhd.

Stock Exchange Listing

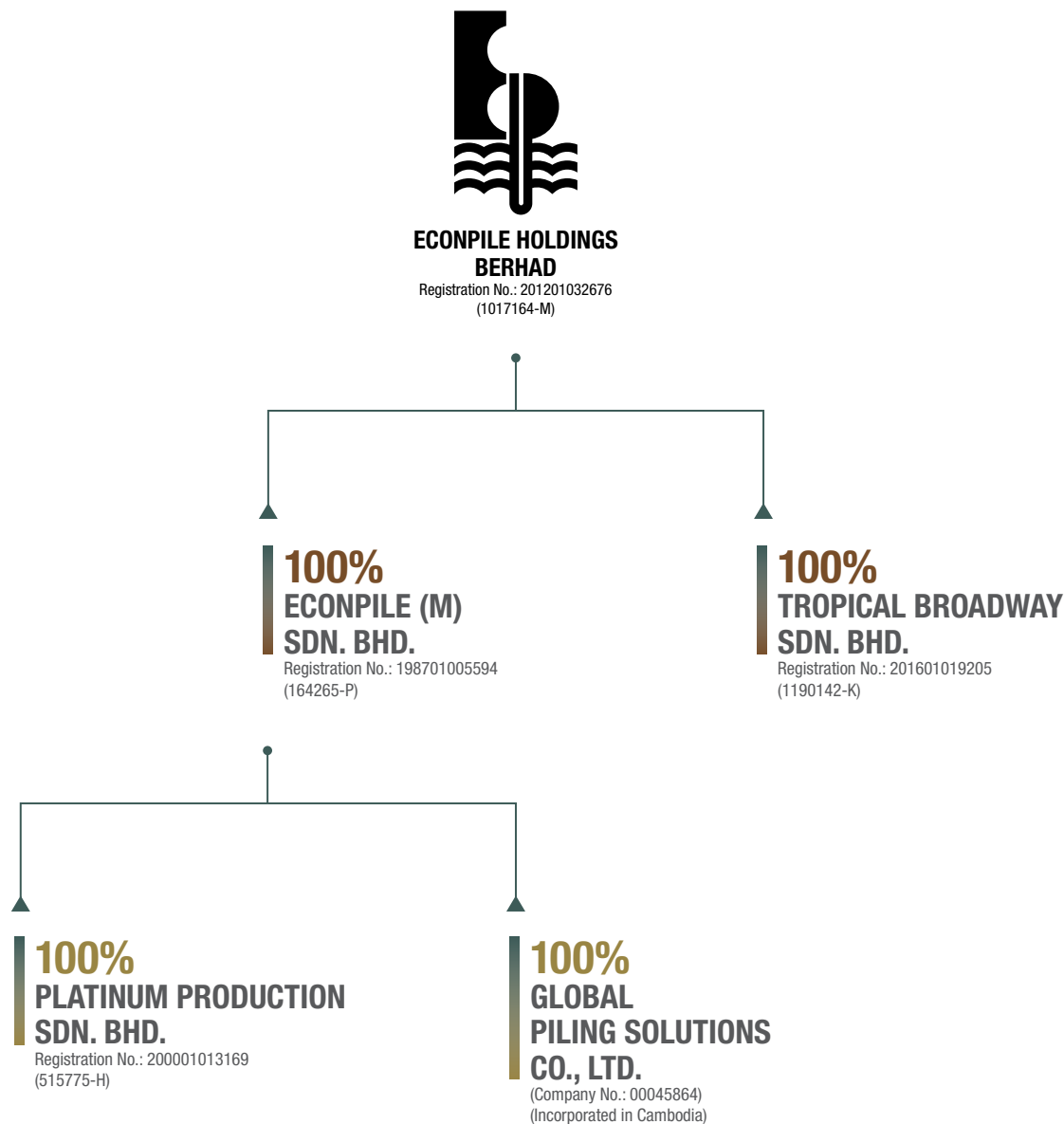
Main Market of Bursa Malaysia Securities Berhad

Construction Sector

Stock Name/Code

ECONBHD/5253

Corporate Structure



Management Discussion & Analysis



Left:
The Cheng Eng
Group Managing Director

Right:
Pang Sar
Executive Director/ Group Chief Executive Officer

Econpile Holdings Berhad (“Econpile”) and its subsidiaries (“the Group”) achieved a net profit of RM8.0 million for the financial year ended 30 June 2026 (“FY2026”), underpinned by a 37.1% higher revenue and a favourable project mix. During the year, the Group secured RM404.4 million in new contract wins, comprising property development, infrastructure and other projects.

The Group’s robust performance was achieved against a backdrop of broad-based growth in the Malaysian construction sector in 2025, shaped by continued government infrastructure spending and resilient private-sector investment. As the country continued its transition towards a high-value economy, data centre developments, advanced manufacturing facilities and logistics infrastructure emerged as key growth areas, driving construction activity.

Major infrastructure projects, including the Penang Mutiara Light Rail Transit (“Penang LRT”), progressed well during the year. Coupled with sustained demand for residential and commercial properties, these developments contributed to a steady flow of construction opportunities.

Amid this environment, we maintained rigorous cost management and disciplined project execution to mitigate inflationary and operational pressures, supporting margin resilience for the financial year.

ECONOMIC REVIEW

According to Bank Negara Malaysia (“BNM”), the Malaysian economy recorded stronger-than-expected growth of 5.2% in 2025, supported by resilient domestic demand and favourable export performance. Reflecting these conditions, the construction sector continued to gain momentum, with the total value of work done increasing by 12.5% to RM178.6 billion.

This positive momentum continued into the first half of 2026 (“1H26”), with the Malaysian economy expanding by 5.7% year-on-year despite a challenging global environment. The construction sector maintained its strong growth trajectory, with the total value of work done increasing by 8.7% year-on-year to RM94.3 billion, fuelled by positive growth across all subsectors.

BUSINESS AND OPERATIONS

Econpile’s core business is in piling and foundation services, primarily for high-rise property developments and infrastructure projects in Malaysia.

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

Management Discussion & Analysis (Continued)

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

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

Share Performance (1 July 2025 – 30 September 2026)

Highest Price	RM0.435
Lowest Price	RM0.105
Closing Price as at 30 September 2026	RM0.115
Trading Volume	1.9 billion
Market Capitalisation as at 30 September 2026	RM163.0 million

OPERATIONAL HIGHLIGHTS

• New wins in FY2026

Econpile secured RM404.4 million of new contracts in FY2026, compared to RM390.1 million awarded in the previous year. The new wins spanned infrastructure, property development and industrial projects, reflecting a diversified project mix. The Group announced 7 notable projects, namely:

Property Development

	Project	Announced Date	Amount Awarded (RM'mil)
1.	ME City @ Kelana Jaya, Petaling Jaya	9 July 2025	27.0
2.	Levia Residence @ Puchong, Selangor	29 August 2025	23.5
3.	MK31 Phase 2 @ Jalan Kiara, Kuala Lumpur	12 December 2025	66.3
4.	DaMai Residence @ Taman Melawati, Selangor	29 January 2026	24.0
5.	Armani Hallson @ Jalan Pavilion, Kuala Lumpur	26 June 2026	48.8

Infrastructure

6.	Penang LRT (Komtar to East Jelutong package)	8 September 2025	54.0
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Others

7.	Malaysia Milk Plant Extension @ Klang, Selangor	11 July 2025	98.2
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• Progress of ongoing and completed projects

During FY2026, Econpile undertook a total of 31 projects, of which 9 were completed during the financial year, including residential projects such as Eden Taman Duta and Park Green Pavilion Bukit Jalil.

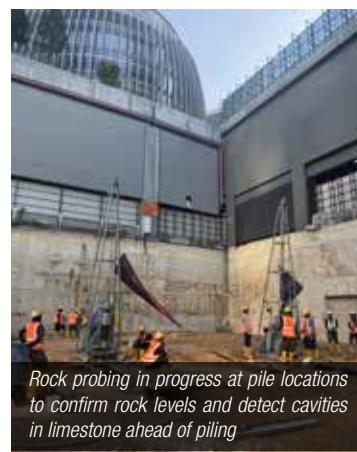
In FY2026, the Group achieved a more diversified project mix. Property development remained the largest revenue contributor of 64%, down from 83% in FY2025, while infrastructure and other projects increased their contributions. This broader mix supported higher total revenue of RM392.0 million, compared with RM286.0 million in FY2025.



Management Discussion & Analysis (Continued)



Given the irregular rock profile, a rock probe was carried out at every pile location before piling commenced to establish the rock level, identify potential cavities and ensure each pile was founded on competent rock. The TRX project demonstrated Eonpile's capability to execute large-diameter bored piling efficiently in shallow, hard and highly variable limestone conditions.



• Progress of ongoing and completed projects (Continued)

A notable achievement during the year was the bored piling works for a high-rise mixed development at Tun Razak Exchange ("TRX"), Kuala Lumpur. Eonpile installed 251 bored piles, ranging from 0.75 metres to 1.5 metres in diameter, in less than eight months.

The site is underlain by highly variable Kuala Lumpur Limestone, with moderately strong limestone generally encountered 6 to 10 metres below original ground level beneath layers of sand, silty sand and gravel. The limestone is karstic, with cavities and loose boulders, while rock levels varied from approximately 3 to 18 metres across the site.

With the shallow rock profile, all 251 piles involved rock drilling. Piles averaged 8 to 12 metres in length, with rock socket accounting for close to 80% of the average pile length. In total, over 2,000 metres of rock was drilled.

To improve productivity, two down-the-hole ("DTH") hammer rigs were deployed alongside three conventional rotary rigs. DTH technology is particularly suited to hard and fractured limestone, enabling faster penetration through rock and floaters. The two DTH hammer rigs installed 195 of the 251 piles and accounted for approximately 85% of the total rock drilling volume.

The Malaysia Milk plant extension in Kapar, Klang was the Group's largest revenue-contributing project in FY2026, generating RM79.4 million, or approximately 20% of total revenue. The project encompasses bored piling, diaphragm wall and top-down basement works for two new blocks, demonstrating the Group's ability to undertake complex foundation and substructure works as an integrated package.

The site is characterised by soft, waterlogged marine clay and a high groundwater table, with competent founding strata located at considerable depth. Certain pile locations also required rock coring, demanding specialist geotechnical expertise and careful site control.

260 bored piles had been installed to support the new blocks, with an average depth of about 74 metres and diameters of up to 2.5 metres. Nearly half of the piles were 2.2 metres in diameter or larger. The Group's own fleet of high-capacity rigs, with up to five deployed at peak, provided the capacity required to undertake the large-diameter, deep piling works efficiently.

Works have since progressed to the top-down basement construction stage, which is well suited to soft-ground conditions as the permanent floor slabs progressively brace the diaphragm wall during excavation. Block D has been completed, while Block C is targeted for completion by the end of 2026. The project further strengthens Eonpile's track record in deep foundations and basement construction under challenging soft-ground conditions.



Management Discussion & Analysis (Continued)



• Progress of ongoing and completed projects (Continued)

Alongside Malaysia Milk from the industrial segment, infrastructure projects also made an increasing contribution to the Group's activities in FY2026. Works for the Penang LRT gained momentum during the year, with the Group undertaking two packages comprising close to 900 bored piles across locations including Komtar, Macallum, East Jelutong and Gelugor. Both packages are expected to continue contributing to revenue in the coming financial year.



Bored piling works in progress for the Penang LRT, alongside viaduct pier.

In Cameron Highlands, the Group's infrastructure project had reached approximately the halfway mark as at June 2026. The works span two key areas: the upgrading of a section of Federal Route 59, comprising mainly slope stabilisation, road widening and associated works, and the construction of a one-way loop at Kea Farm incorporating bridge and foundation works. Bored piling works for the bridge structures had been completed, with the project progressing to structural, road, drainage and other associated works, which are expected to continue into FY2027.



Bridge pier works in progress for the one-way loop at Kea Farm.



Road widening and retaining wall works along Federal Route 59 near Brinchang.

As at 30 June 2026, the Group's orderbook stood at RM548.0 million, comprising 22 ongoing projects and providing earnings visibility through FY2028. Looking ahead, the Group is actively bidding within a robust tender pipeline of approximately RM1.5 billion, mainly comprising residential, commercial and industrial projects.

CORPORATE DEVELOPMENT

During the financial year, the Group did not undertake any corporate exercises, including mergers or acquisitions, or enter into new business areas. Our efforts continued to centre on strengthening operational capabilities and enhancing efficiency, while pursuing opportunities that support sustainable growth.

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

FINANCIAL REVIEW

STATEMENT OF COMPREHENSIVE INCOME

Econpile recorded higher revenue of RM392.0 million in FY2026, representing a 37.1% increase from RM286.0 million in the previous year. The increase was driven by improved project execution and site progress following the resolution of authority approval delays that had previously affected several ongoing projects.

Piling and foundation works for property development projects remained the Group's largest revenue contributor, generating RM250.5 million or 64% of total Group revenue in FY2026, compared with RM237.2 million in FY2025. The FY2025 comparative was restated following the reclassification of certain projects as part of the Group's enhanced reporting practices.

Management Discussion & Analysis (Continued)

STATEMENT OF COMPREHENSIVE INCOME (Continued)

Concurrently, revenue from infrastructure and other projects increased significantly to RM141.5 million in FY2026 from RM48.7 million in the previous year, supported by revenue recognition from the Malaysia Milk Plant Extension project in Klang and Cameron Highlands Road upgrading project. The segment accounted for the remaining 36% of total Group revenue, reflecting a more diversified revenue mix.

The Group recorded a higher gross profit of RM37.0 million in FY2026, representing a 11.1% increase from RM33.3 million in the previous year. The improvement stemmed from higher revenue and a favourable project mix, though margins were partially moderated by elevated diesel and ready-mix concrete prices. Cost pressures arose from supply chain disruptions in the first half of FY2026 and were subsequently compounded by geopolitical tensions in the Middle East in the second half of FY2026.

The Group's net profit increased significantly to RM8.0 million from RM1.2 million in the previous year, underpinned by the improved gross profit. The bottom-line performance was further supported by the accounting recognition of previously unrecognised deferred tax assets.

No dividend was declared for FY2026, as the Board of Directors ("the Board") resolved to conserve cash to fund the working capital requirements of the Group's RM548.0 million order book and support the deployment costs of upcoming projects.

Looking ahead, the Group expects steady project progress to support revenue recognition. Meanwhile, we remain focused on strategically replenishing our orderbook with higher-value projects.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026, the Group's total assets stood at RM618.5 million, compared to RM610.6 million a year earlier. The increase was mainly attributable to higher contract assets, as well as cash and cash equivalents. Contract assets expanded by 29.2% to RM147.6 million in FY2026 from RM114.1 million in FY2025, reflecting higher project activity from the Group's enlarged orderbook. Furthermore, cash and cash equivalents and other investments increased by 61.6% to RM88.9 million in FY2026 from RM55.0 million in FY2025, driven by healthy operating cash flow.

The Group did not incur any material capital expenditure during the year under review, as the existing machinery remained adequate to support current operational requirements.

Total liabilities remained relatively stable at RM251.7 million as at 30 June 2026, compared to RM251.0 million in the previous year, notwithstanding a 61.7% reduction in contract liabilities to RM12.6 million from RM32.9 million previously. In addition, loans and borrowings decreased by 3.7% to RM104.3 million in FY2026, from RM108.3 million in FY2025.

With the improved net profit in FY2026, the Group's retained earnings increased, resulting in shareholders' equity rising to RM366.9 million as at 30 June 2026 from RM359.6 million in the previous year.

The Group maintained a healthy financial position, with net gearing further reduced to 0.04 times as at 30 June 2026 from 0.15 times in the previous year, reflecting lower loans and borrowings and higher cash and cash equivalents.

RISKS

Econpile remains vigilant in identifying and mitigating risks that could significantly impact our operations and growth. The key risks identified by the Group include:

• PROJECT COST OVERRUN

As a specialist piling contractor, the Group is exposed to sector-specific uncertainties, including unforeseen ground conditions, design modifications, machinery downtime and labour inefficiencies. Adverse weather and technical challenges, particularly those involving complex or variable soil profiles, may further lead to delays and rework, requiring additional resources and increasing project costs.

During the financial year, the construction industry was affected by inflationary pressures arising from geopolitical tensions and supply chain disruptions, which drove higher expenses for building materials, energy, and logistics. Contractors remained particularly vulnerable to material price fluctuations under contracts without price fluctuation clauses, which can place pressure on project margins when costs rise unexpectedly.

To manage these commercial and execution risks, the Group adopts a disciplined approach through prudent planning, robust procurement, and careful tender pricing. By ensuring new contract bids accurately reflect the latest cost environment, the Group aims to protect future margins as new projects replenish our order book. Operationally, enhanced documentation and closer subcontractor monitoring strengthen project controls and accountability. Furthermore, ongoing digitalisation efforts are also improving oversight of project budgets, progress and variations.

Nonetheless, sharp fluctuations in material pricing remain inherent to the industry and could continue to place pressure on project margins despite these mitigation measures.

Management Discussion & Analysis (Continued)

• PROJECT DELAY

The Group's performance is closely dependent on the timely progress and completion of projects. Project execution may be affected by delays in obtaining regulatory and authority approvals, which had impacted certain projects in prior periods. These constraints eased during FY2026, and conditions had largely normalised for the affected projects, allowing works to progress more steadily.

In the year under review, increased construction activity in Malaysia, including the rapid expansion of data centre developments, also intensified competition for skilled and qualified personnel and subcontractor resources. Prolonged resource constraints could increase the Group's exposure to contractual claims and temporarily moderate revenue recognition. However, the Group's strengthened cash position of RM88.9 million provides robust liquidity to navigate timing mismatches without compromising operational commitments.

The Group mitigates these risks through closer project monitoring, regular inter-functional coordination and increased use of digital tools to strengthen contract administration, cost control and oversight of budget and schedule variations. Where necessary, the Group also supplements its internal workforce by outsourcing skilled personnel, while continuing to broaden its subcontractor base and maintain close engagement with clients and other stakeholders.

FUTURE OUTLOOK

The Group's outlook remains closely linked to the performance of the domestic economy. In view of the relatively ample opportunities and the Group's proven track record in the local market, the Group continues to strategically focus on Malaysia.

The near-term outlook for Malaysia remains encouraging. According to BNM, the Malaysian economy is projected to grow by 4% to 5% in 2026, primarily driven by resilient domestic demand and private sector spending. In the second quarter of 2026, Malaysia's Gross Domestic Product ("GDP") grew by 6.0%, accelerating from 4.4% in the corresponding quarter of the previous year.

In light of the positive economic outlook, the construction sector is poised for continued growth, underpinned by the ongoing implementation of national development plans across both the public and private sectors, including the 13th Malaysia Plan, the National Industrial Master Plan 2030, and the National Semiconductor Strategy. These masterplans are expected to drive investment in high-value developments such as semiconductor plants, data centres and advanced manufacturing facilities, supporting contract flows in the non-residential building subsector. Concurrently, ongoing public investment projects, particularly in the transport and energy sectors, are expected to create further contract opportunities.

The residential subsector is likewise expected to remain resilient, bolstered by favourable interest rates and the Government's continued efforts to promote home ownership and affordable housing. High-rise residential developments, particularly in the Klang Valley, are expected to remain a key area of activity, supported by population concentration and sustained housing needs.

While the demand outlook remains positive, cost pressures continue to be a key consideration for the construction sector amid geopolitical tensions and fluctuations in energy prices. Oil prices remain an essential cost factor, while steel prices averaged approximately RM3,400 to RM3,500 per tonne in 2026, below the elevated levels recorded in mid-2024.

In Cambodia, given the slower pace of construction activity, the Group is progressively rationalising its resources and scaling down its operating footprint. Where appropriate, machinery and human capital will be redeployed to Malaysia to support the Group's growing project pipeline in Malaysia.

GROWTH STRATEGIES

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

• Continue to tender for property development projects

High-rise developments remain a key area of opportunity for the Group, particularly in the Klang Valley, where tender activity continues to be supported by urban renewal, affordable housing initiatives, and rising commercial activity.

Econpile's established track record in piling and foundation works for high-rise developments positions us to pursue growing opportunities in this space. Building on our technical capabilities and execution experience, we will continue to focus on projects that are aligned with our core expertise and growth strategies.

Management Discussion & Analysis (Continued)

- **Increase participation in infrastructure and industrial development projects**

Demand for industrial properties is rising, driven by multinational corporations looking to establish operations in Malaysia due to its strategic geographic location and favourable policies for foreign direct investment. The growing pipeline of high-value industrial developments, including manufacturing plants and industrial facilities, is expected to create opportunities for the Group to secure new projects and expand the orderbook.

In the infrastructure segment, the Group is currently undertaking two packages for the Penang LRT project, together with a bridge construction project across the Kuala Lipis River in Pahang and ongoing works in Cameron Highlands. These projects strengthen Econpile's track record in public infrastructure works and enhance its positioning for further opportunities in this segment.

In the industrial segment, the Group is progressing towards completion of the Malaysia Mlik plant extension in Klang, while also undertaking a data centre project in Kuala Lumpur and piling works for an extension to a semiconductor manufacturing facility in the Sungai Way Free Trade Zone. These projects expand the Group's exposure to industrial development and support its diversification beyond traditional property development projects.

The Group's expertise in constructing large-diameter, deep piles serves as a key competitive advantage. As the demand for these foundation piles remains strong, particularly for large-scale infrastructure projects, we are well-positioned to leverage our capabilities to capture future opportunities.

APPRECIATION

We sincerely thank our Board, management and employees for their dedication and contributions to the Group's continued progress. We also extend our appreciation to our business partners, suppliers, customers and shareholders for their continued trust, confidence and support.

Sincerely,

The Cheng Eng

Group Managing Director

Pang Sar

Executive Director/ Group Chief Executive Officer



Data Centre project in Cheras, Kuala Lumpur



Bridge works in Kuala Lipis, Pahang

Directors' Profiles



From Left to Right:
1. LAW SIEW NGAN (f)
 Independent Non-Executive Director
5. THE CHENG ENG
 Group Managing Director

2. DATUK SYED AZMI BIN SYED OTHMAN
 Independent Non-Executive Director
6. TEH BEE CHOO (f)
 Independent Non-Executive Director

3. PANG SAR
 Executive Director/ Group Chief Executive Officer
7. THE KUN ANN (f)
 Executive Director/ Deputy Group Chief Executive Officer

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

KRISHNAN A/L C K MENON

Non-Independent Non-Executive Chairman

Krishnan A/L C K Menon (Male), a Malaysian aged 76, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 20 February 2014. He does not serve on any Board Committees of the Company. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants and The Malaysian Institute of Certified Public Accountants.

He brings extensive senior management and operational experience, having served as Chief Operating Officer of Putrajaya Holdings Sdn. Bhd. and Executive Vice-President at Public Bank Berhad.

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

He attended all six (6) Board meetings held during the financial year ended 30 June 2026. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

THE CHENG ENG

Group Managing Director

The Cheng Eng (Male), a Malaysian aged 78, is our founder and Group Managing Director. He is also a major shareholder of the Company. He was appointed to our Board on 8 October 2013. As our Group Managing Director and a member of Key Senior Management, he is responsible for overseeing the Group's operations and directing its growth and strategic direction.

He has over 50 years of extensive experience in the piling and foundation industry. He started his career in Singapore as a Site Supervisor with United Engineers Pte. Ltd., and later as a Senior Site Manager with Caisson Piling Pte. Ltd. He pursued several entrepreneurial ventures in the field of geotechnical engineering before founding Econpile (M) Sdn. Bhd. in 1987. He is currently a trustee of Chong Hwa KL Foundation.

He attended all six (6) Board meetings held during the financial year ended 30 June 2026. He is the father of Ms The Kun Ann, the Executive Director/ Deputy Group Chief Executive Officer. He has no conflict of interest with the Company except for the related party transaction as disclosed. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

Directors' Profiles (Continued)

PANG SAR

Executive Director/Group Chief Executive Officer

Pang Sar (Male), a Malaysian aged 68, is our Executive Director and Group Chief Executive Officer. He is also a major shareholder of the Company. He was appointed to our Board on 8 October 2013. As a member of Key Senior Management, he is responsible for managing the day-to-day operations and establishing the overall strategic direction of the Group. He graduated with a Bachelor of Science with Honours Degree in Civil Engineering from the University of Leeds, United Kingdom. He is a member of the Institution of Engineers, Malaysia, and a Registered Professional Engineer with the Board of Engineers, Malaysia.

He has over 35 years of experience in managing on-site and off-site operations in the piling and foundation sector. Prior to joining Econpile (M) Sdn. Bhd. in 1991, he held various positions, including as a Resident Engineer and Project Manager, at a consultancy firm and various construction companies.

He attended all six (6) Board meetings held during the financial year ended 30 June 2026. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

THE KUN ANN

Executive Director/Deputy Group Chief Executive Officer

The Kun Ann (Female), a Malaysian aged 46, is our Executive Director and Deputy Group Chief Executive Officer. She was appointed to our Board on 8 October 2013. As a member of Key Senior Management, she assists the Group Managing Director and Group Chief Executive Officer in providing overall leadership in the Group's operations and strategic planning. She graduated with a Bachelor of Business and Commerce Degree and a Master of International Business, both from Monash University, Australia.

Prior to joining the Group in 2010, she had 10 years of experience in commercial and non-profit operations. She began her career with an environmental company, where she was responsible for business development activities, before joining the Department of Government Affairs of the American Malaysian Chamber of Commerce.

She attended all six (6) Board meetings held during the financial year ended 30 June 2026. She is the daughter of Mr The Cheng Eng, the Group Managing Director and major shareholder of the Company. She has no conflict of interest with the Company. She has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

TEH BEE CHOO

Independent Non-Executive Director

Teh Bee Choo (Female), a Malaysian aged 63, is our Independent Non-Executive Director. She was appointed to the Board on 3 August 2022. She is the Chairperson of the Audit & Risk Management Committee and a member of the Nomination Committee and Remuneration Committee. She graduated from Swinburne Institute of Technology Australia (now known as Swinburne University of Technology) with a Bachelor of Business in Accounting with Data Processing. She is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

She has over 30 years of extensive experience in accounting and financial management. Her work experience includes holding various senior finance positions in private and public companies, as well as managing her own company providing corporate management services. In 2008, she joined PESTECH International Berhad as Chief Financial Officer, where she headed its Accounts and Finance Division until her retirement in June 2025.

She attended all six (6) Board meetings held during the financial year ended 30 June 2026. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company. She has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

LAW SIEW NGAN

Independent Non-Executive Director

Law Siew Ngan (Female), a Malaysian aged 65, is our Independent Non-Executive Director. She was appointed to the Board on 18 October 2022. She is the Chairperson of the Nomination Committee and Remuneration Committee and a member of the Audit & Risk Management Committee. She is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

She has over 30 years of extensive experience in financial management, accounting, audit, risk management, human resources and senior-level strategic planning. She began her career by serving her articleship at Hanafiah, Raslan and Mohamed in 1981, where she subsequently left as an Audit Supervisor in 1989. This was followed by a progressive career in commerce, during which she held various senior positions in finance and corporate functions in private and public companies from 1990 to 2018.

She attended all six (6) Board meetings held during the financial year ended 30 June 2026. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company. She has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

Directors' Profiles (Continued)

DATUK SYED AZMI BIN SYED OTHMAN

Independent Non-Executive Director

Datuk Syed Azmi Bin Syed Othman (Male), a Malaysian aged 70, is our Independent Non-Executive Director. He was appointed to the Board on 29 August 2025. He is a member of the Audit & Risk Management Committee, Nomination Committee and Remuneration Committee. He graduated from Monash University, Australia with a Bachelor of Engineering. He is a member of the Institution of Engineers, Malaysia, and a Registered Professional Engineer with the Board of Engineers, Malaysia.

He has over 40 years of experience in the construction and engineering industry, with a strong track record in senior leadership and executive management across infrastructure, property development, engineering consultancy and power generation. He has held leadership roles at the United Engineers (Malaysia) Berhad and Projek Lebuhraya Utara-Selatan Berhad, and subsequently served as Managing Director/Chief Executive Officer and Chief Commercial Officer of Tadmax Indah Power Sdn. Bhd. (now known as Pulau Indah Power Plant Sdn. Bhd.) before his retirement in 2021.

He is currently the Independent Non-Executive Director of Prolintas Managers Sdn. Bhd. (PMSB). PMSB acts as the Trustee-Manager of Prolintas Infra Business Trust, which is listed on the Main Market of Bursa Malaysia Securities Berhad.

He attended all six (6) Board meetings held during the financial year ended 30 June 2026. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

Key Senior Management Profiles

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

Ng Heng Heem (Male), a Malaysian aged 70, is our Senior General Manager (Contracts). He was appointed to this position on 1 July 2014. He is responsible for the management, execution and monitoring of the Group's tender and contract functions. He graduated with a Bachelor of Quantity Surveying (Honours) from the University of Technology Malaysia in 1979. He is a member of the Royal Institution of Surveyors Malaysia and a professional member of the Royal Institution of Chartered Surveyors. He is also a Quantity Surveyor registered with Lembaga Juruukur Bahan Malaysia. He has over 40 years of experience in contract administration and quantity surveying in the construction sector.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

Amrick Singh A/L Atar Singh (Male), a Malaysian aged 57, is our Chief Operating Officer. He was promoted from Deputy Senior General Manager (Projects) to the current position on 1 June 2023. He is responsible for monitoring the Group's project performance and managing site operational matters for all construction projects. He graduated with a Bachelor of Civil Engineering with Honours Degree from the University of Technology Malaysia in 1992. He passed the Safety and Health Officer Examination conducted by the National Institute of Occupational Safety and Health in 1999. He has over 30 years of technical experience in the piling sector, involving foundation construction for infrastructure and commercial developments.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

Choo King Hwa (Male), a Malaysian aged 65, is our Senior General Manager (Projects). He was appointed to this position on 1 July 2014. He provides technical oversight for selected major and technically challenging projects. He graduated with a Bachelor of Civil Engineering with Honours Degree from Monash University, Australia, in 1985. He has over 35 years of experience in various technical and managerial roles locally and internationally, covering tendering, design and project execution through to the completion of construction of projects.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

Leong Wai Ming (Male), a Malaysian aged 57, is our Senior General Manager (Finance). He was appointed to this position on 15 April 2024. He is responsible for directing the financial and accounting operations of the Group. He graduated with a Bachelor of Economics from the University of Adelaide, Australia, in 1990. He is a member of the Malaysian Institute of Accountants. He has over 30 years of working experience in financial management, corporate functions, restructuring, mergers and acquisitions. Prior to joining the Group, he held various positions in six other publicly listed companies and two international accounting firms.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has not been convicted of any offences within the past 5 years (other than traffic offences, if any) nor has been imposed of any public sanctions or penalties by any relevant regulatory bodies during the financial year ended 30 June 2026.

Note:

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

Sustainability Statement

A. INTRODUCTION

Econpile Holdings Berhad (“Econpile” or “the Company”) is pleased to present this Sustainability Statement (the “Statement”), which sets out the sustainability targets and performance of Econpile and its subsidiaries (collectively referred to as “the Group”) for the financial year ended 30 June 2026 (“FY2026”). Econpile views sustainability as an integrated commitment that balances business growth, environmental stewardship, social responsibility and sound governance to ensure long-term value creation for stakeholders.

B. REPORTING SCOPE AND BOUNDARIES

This Statement provides an overview of our activities during the period from 1 July 2025 to 30 June 2026. Where applicable, we have included three financial years of historical data to highlight annual trends in our sustainability performance.

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

Investment Holding Company

- Econpile Holdings Berhad

Subsidiaries

- Econpile (M) Sdn. Bhd. (Malaysia) (“EMSB”)
- Global Piling Solutions Co., Ltd (Cambodia) (“GPSCL”)

This Statement primarily focuses on the sustainability activities and performance of EMSB. Following the substantial winding down of GPSCL’s operations in Cambodia, which now contributes minimally to the Group’s revenue, its FY2026 environmental data is limited to overhead activities and excludes project sites. Historical data for the preceding two financial years covers all active project sites of both subsidiaries, where applicable.

C. BASIS OF PREPARATION

This Statement is prepared based on Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”), Bursa Malaysia’s Sustainability Reporting Guide (3rd edition) and the Illustrative Reporting Guidelines. We were also guided by the Global Reporting Initiative (“GRI”) Standards and the United Nations Sustainable Development Goals (“UNSDGs”).

This Statement has not been subjected to internal audit review or external assurance. Nevertheless, the key sustainability data has been internally verified by the Group’s management personnel.

D. ACCREDITATIONS AND CERTIFICATIONS

In FY2026, EMSB, the Group’s principal revenue-generating entity, continued to maintain its ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health and Safety Management System) certifications, which remain valid until 26 August 2027, 9 September 2027 and 9 September 2027 respectively. These recertifications reaffirm our commitment to sustainability by strengthening environmental stewardship and workplace safety while maintaining compliance with globally recognised standards.

E. CONTRIBUTION TO THE UNITED NATION SUSTAINABLE DEVELOPMENT GOALS

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

Sustainability Statement (Continued)

E. CONTRIBUTION TO THE UNITED NATION SUSTAINABLE DEVELOPMENT GOALS (Continued)

UNSDGs	Target Alignment	Our Contribution
	Target 8.8: Protect labour rights and promote safe and secure working environments for all workers	<ul style="list-style-type: none"> Maintained certification under Safety and Health Management System ISO 45001 2 projects achieved 5-star ratings in the Safety and Health Assessment System in Construction ("SHASSIC") conducted by the Construction Industry Development Board ("CIDB") Provided ongoing safety training and awareness programs.
	Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure	<ul style="list-style-type: none"> Maintained certification under Quality Management System ISO 9001:2015 Carried out client satisfaction surveys on project quality Supported local communities by engaging local contractors, contributing to resilient local supply chains
	Target 12.5: Reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> Maintained maximum wastage rate targets for our main materials, namely concrete and steel reinforced bars <ul style="list-style-type: none"> Bored piling works: <ul style="list-style-type: none"> 25% maximum concrete wastage rate 8% maximum steel reinforcement bar wastage rate Reinforced concrete structure works: <ul style="list-style-type: none"> 8% maximum concrete wastage rate 7% maximum steel reinforcement bar wastage rate Maintained Reduce, Reuse, Recycle efforts at project sites
	Target 13.1: Strengthen resilience and adaptation to climate-related hazards	<ul style="list-style-type: none"> Maintained certification under Environmental Management System ISO 14001:2015 Adhered to Best Management Practices to mitigate the risks of erosion and sedimentation
	Target 16.5: Substantially reduce corruption and bribery	<ul style="list-style-type: none"> Provided anti-bribery and anti-corruption training to employees Enforced established policies, including Anti-Bribery and Anti-Corruption policy and the Whistleblowing Policy & Guidelines

F. SUSTAINABILITY TARGETS AND PERFORMANCE SCORECARD

Key Performance Indicators ("KPIs") are crucial for tracking the Group's progress towards strategic goals. They offer insights into our performance, support informed decision-making, and facilitate continuous improvement, serving as benchmarks for our progress over time. In total, 17 KPIs have been identified in FY2024 to provide insights into our sustainability performance and guide improvement efforts. For the year under review, we continue to report against these established KPIs to ensure comparability and accountability in measuring progress.

While most targets were achieved in FY2026, certain areas require further improvement, particularly regulatory compliance. The number of non-compliance notifications received from the Department of Occupational Safety and Health ("DOSH") increased during the year, against the targeted 10% reduction. The Group recognises the need to strengthen safety performance through improved controls, supervision and consistent implementation of safety practices across all project sites.

Material Matters	KPIs	FY2026	FY2025
SUSTAINABLE ECONOMIC GROWTH			
Products and Services	To maintain a client satisfaction score of 70%	Achieved	Achieved
Supply Chain Management	To maintain that 90% of subcontractors and suppliers at each project site are locally sourced	Achieved	Achieved

Sustainability Statement (Continued)

F. SUSTAINABILITY TARGETS AND PERFORMANCE SCORECARD (Continued)

Material Matters	KPIs	FY2026	FY2025
STRENGTHENING INTEGRITY AND GOOD GOVERNANCE			
Regulatory Compliance	Zero non-compliance to water quality discharge at project sites	Not achieved	Achieved
	To reduce the number of regulatory non-compliance notifications received from the Department of Occupational Safety and Health ("DOSH") by 10%	Not achieved	Achieved
Corporate Governance and Anti-Corruption	To ensure that 100% of employees at the managerial level and above complete anti-corruption awareness training	Not achieved	Achieved
Data Privacy and Security	Zero confirmed incidents of breach of customer privacy and losses of customer data	Achieved	Achieved
MINIMISING OUR ENVIRONMENTAL FOOTPRINT			
Energy, Emissions and Climate Resilience	To reduce Scope 1 and 2 Greenhouse Gas ("GHG") emissions by 2% by year 2027	Behind target	On track
	To reduce energy intensity (energy/revenue) by 2% by 2027	Behind target	Behind target
Material Consumption	≤25% of concrete wastage for bored piling works	Achieved	Achieved
	≤8% of steel bar wastage for piling works	Achieved	Not achieved
	≤8% of concrete wastage for reinforced concrete structure works ("RC Works")	Not achieved	Achieved
	≤7% of steel bar wastage for RC Works	Achieved	Achieved
FULFILLING OUR SOCIAL RESPONSIBILITY			
Health and Safety	Zero fatality case	Achieved	Not achieved
	Zero Lost Time Injury (non-fatal)	Achieved	Achieved
	To maintain SHASSIC score of 4 stars and above	Achieved	Achieved
Diversity and Talent Management	To maintain at least 20% women's participation in managerial positions (including middle management and above)	Achieved	Achieved
	To provide an average of 3 training hours per employee at the executive level and above each year (including health, safety and environment-related training)	Achieved	Achieved

G. GOVERNANCE FRAMEWORK

Econpile has established a sustainability governance framework to guide oversight, alignment, and implementation across the Group. It adopts a three-tier structure led by the Board of Directors of the Company ("the Board"), supported by the Sustainability Steering Committee ("SSC") and the Sustainability Working Committee ("SWC"). The Board provides strategic direction, while the SSC and SWC coordinate initiatives and monitor progress to ensure sustainability is progressively embedded into the Group's operations.



Sustainability Statement (Continued)

G. GOVERNANCE FRAMEWORK (Continued)

Roles	Responsibilities
Board of Directors	<ul style="list-style-type: none"> Strategic Oversight: Ensures the Group's sustainability efforts comply with laws and regulations Risk Management: Integrates ESG risks and opportunities into the Group's strategy Policy Approval: Approves major sustainability policies and the annual report Sustainability Leadership: Promotes a sustainability culture within the Group
Sustainability Steering Committee	<ul style="list-style-type: none"> Strategy and Policy: Develops sustainability policies, strategies, and targets Performance Oversight: Tracks key sustainability metrics and progress Risk and Opportunity: Manages ESG and climate-related risks and opportunities Resource Allocation: Secures resources and budget for sustainability Reporting: Reports progress to the Board regularly
Sustainability Working Committee	<ul style="list-style-type: none"> Implementation: Executes approved sustainability policies and initiatives Data Analysis: Collects and analyses data to track progress and inform decisions Coordination: Aligns department activities with sustainability goals Stakeholder Engagement: Collaborates with clients, suppliers, and communities on sustainability efforts Continuous Improvement: Suggests better sustainability practices for adoption

H. STAKEHOLDERS ENGAGEMENT

The six stakeholder groups identified remain unchanged from the previous year, consistent with the Group's business operations and operating environment. The Group views engagement as integral to its sustainability commitments, enabling the Group to understand stakeholder interests and concerns, strengthen relationships, and create shared value. Our established channels facilitate transparent communication of key policies and information, while supporting the early resolution of gaps or conflicts.

Frequency

① Annually	② Quarterly	③ Monthly	④ Weekly	⑤ As required
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Internal Stakeholder

Shareholders and Investors



Our Relationship

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

Key Interests and Concerns	Engagement Mode	Strategic Response
<ul style="list-style-type: none"> Group financial and operational performance Economic, Environmental and Social Risk and Opportunity Strategy and Risk Management Corporate Governance 	<ul style="list-style-type: none"> ⑤ Announcements to Bursa Malaysia ① Annual report ① General Meeting ⑤ Small group meetings and conference calls 	<ul style="list-style-type: none"> Engagement meetings Regulatory compliances Corporate information updates

Employees

Our Relationship

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



Key Interests and Concerns	Engagement Mode	Strategic Response
<ul style="list-style-type: none"> Health and safety Training and career development opportunities Job security 	<ul style="list-style-type: none"> ③ Departmental meeting 	<ul style="list-style-type: none"> Open door policy Strict occupational safety and health procedures Provide relevant upskilling and development opportunities

Sustainability Statement (Continued)

H. STAKEHOLDERS ENGAGEMENT (Continued)

External Stakeholder

Regulators and Authorities



Our Relationship

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

Key Interests and Concerns	Engagement Mode	Strategic Response
<ul style="list-style-type: none"> Compliance with laws and regulations Licenses to sustain operation 	<ul style="list-style-type: none"> Statutory reporting One-to-one and small group meeting 	<ul style="list-style-type: none"> Regulatory compliance Engagement meetings

Customers

Our Relationship

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



Key Interests and Concerns	Engagement Mode	Strategic Response
<ul style="list-style-type: none"> Price competitiveness Project delivery schedule Quality execution of work Regulatory compliance 	<ul style="list-style-type: none"> One-to-one meeting Dedicated project chat groups on messaging platform 	<ul style="list-style-type: none"> Regular meetings Business resilience and innovation

Suppliers and Subcontractors



Our Relationship

Supplier's and subcontractor's materials and services are crucial for project success, and their business depends on the Company's stability and performance.

Key Interests and Concerns	Engagement Mode	Strategic Response
<ul style="list-style-type: none"> Product and service quality Delivery schedule Price competitiveness Health and safety practice 	<ul style="list-style-type: none"> Routine business review with key suppliers and subcontractors One-to-one meeting 	<ul style="list-style-type: none"> Quality, price, delivery and service Compliance with laws and regulations Supplier sustainability management

Local Community

Our Relationship

Construction projects can affect the environmental, infrastructure and overall well-being of local community. They can also provide economic benefits through job creation and improved facilities.

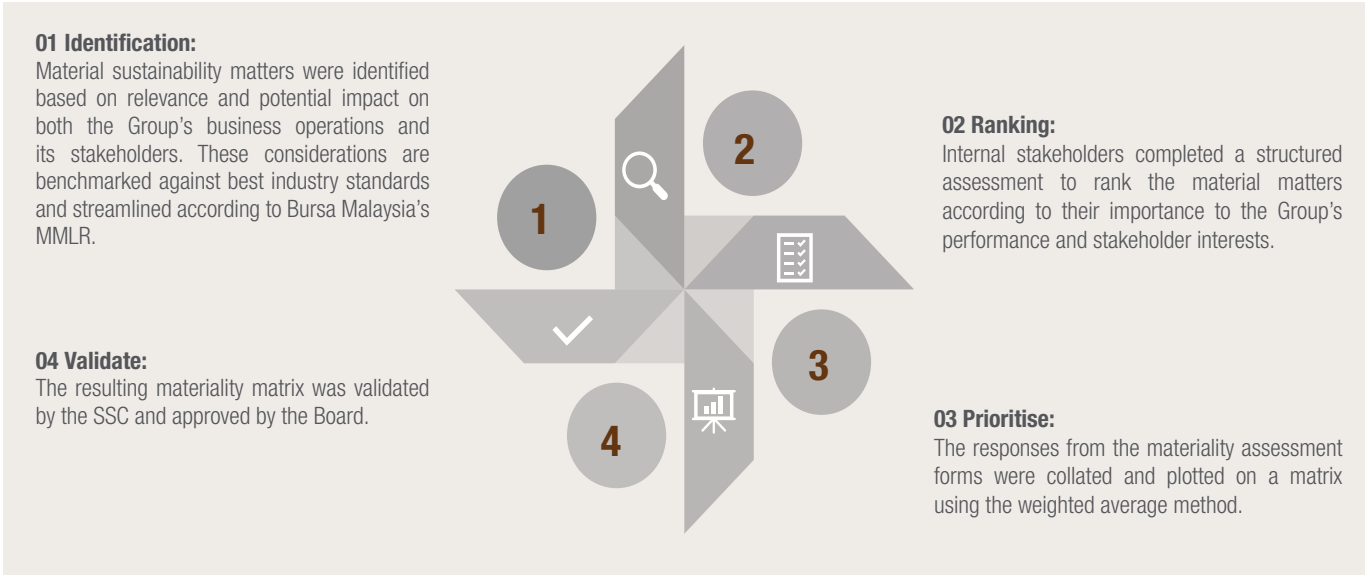


Key Interests and Concerns	Engagement Mode	Strategic Response
<ul style="list-style-type: none"> Environmental and social impacts Economic benefits 	<ul style="list-style-type: none"> Daily informal interactions Individual and small group meetings Providing donations 	<ul style="list-style-type: none"> Formal and informal engagement meetings Financial support for community engagement programmes

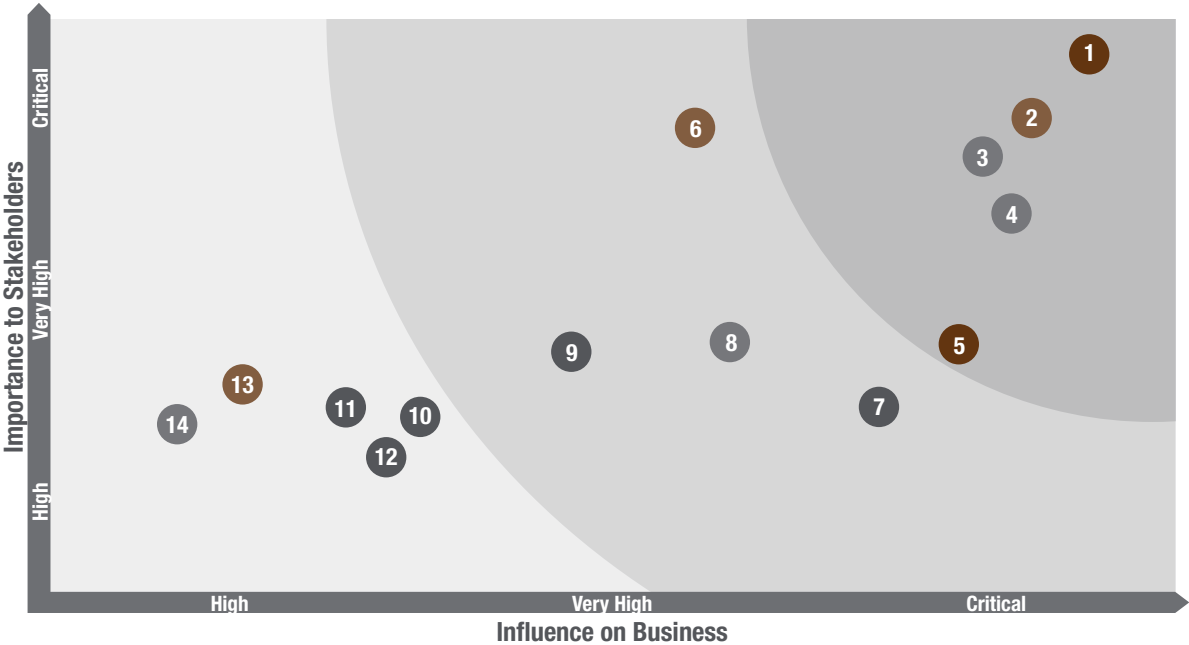
Sustainability Statement (Continued)

I. MATERIALITY ASSESSMENT

Following a comprehensive materiality assessment in FY2024 and subsequent reviews in FY2025 and FY2026, the Group reaffirmed the continued relevance of its identified material sustainability matters, given the absence of significant changes in its core business activities or external factors, including industry conditions and the regulatory environment. The Group will continue to reassess its material matters periodically to reflect evolving stakeholder expectations and industry development. Econpile’s materiality assessment process is as illustrated as follows:



The materiality matrix below illustrates the Group’s key sustainability matters. Those positioned in the upper-right quadrant represent topics most material to both the business and its stakeholders. Consistent with FY2025, the top five material sustainability matters are Products and Services, Regulatory Compliance, Health and Safety, Labour Practices and Standards, and Supply Chain Management. These matters continue to reflect the Group’s strategic focus areas in FY2026.



Sustainability Statement (Continued)

I. MATERIALITY ASSESSMENT (Continued)

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

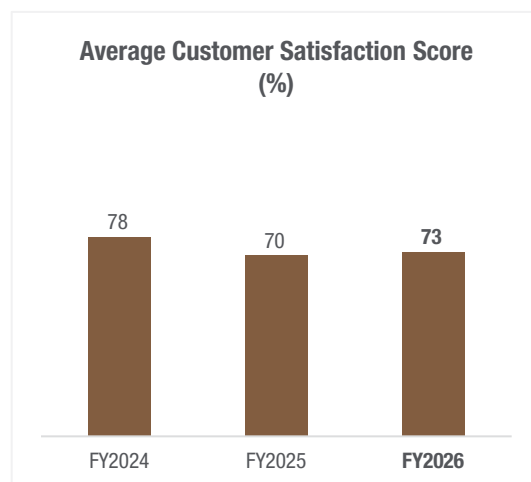
J. SUSTAINABLE ECONOMIC GROWTH

Products and Services

Econpile recognises that the quality of our product and services is crucial to building strong customer relationships and encouraging repeat business. We maintain a quality management system, certified to ISO 9001:2015 across our core project activities. For reporting purposes, the annual customer satisfaction scores are based on projects completed during the financial year, providing an assessment of clients' overall satisfaction upon project completion.

In FY2026, we recorded an average customer satisfaction score of 73%, improving slightly from 70% in FY2025. Over the three-year period, customer satisfaction scores remained relatively stable, consistently meeting or exceeding the Group's internal target of 70%. This reflects a generally sustained level of customer satisfaction with the Group's project delivery and services.

The Group remains committed to maintaining and progressively improving customer satisfaction through continued enhancements to project execution and monitoring processes. Key initiatives include improving the management of subcontractor labour resources to minimise work bottlenecks and digitalising project monitoring and reporting to enhance visibility, coordination and timely decision-making.

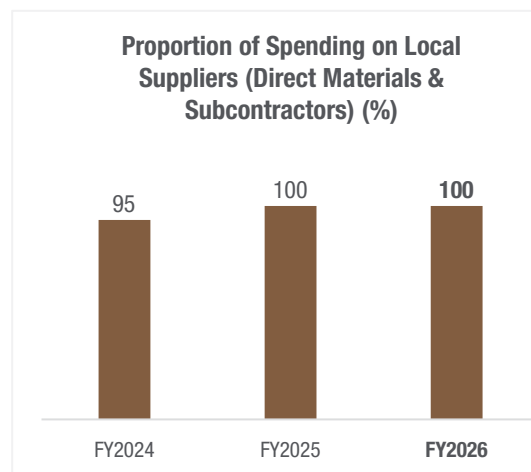


Supply Chain Management

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

Within the contracts department, responsibilities covered both the engagement and management of subcontractors as well as the procurement to ensure a steady supply of materials for our operations.

The construction industry is inherently local in nature, characterised by its reliance on contractors and suppliers that are based in, or operate within, the immediate project locations. This localisation stems from the need for timely access to labour, materials, and specialised services, all of which are most effectively sourced from the surrounding communities. As such, local participation is integral not only to the efficiency and cost-effectiveness of project delivery, but also to supporting the socio-economic development of the areas in which projects are undertaken.



Sustainability Statement (Continued)

J. SUSTAINABLE ECONOMIC GROWTH (Continued)

Supply Chain Management (Continued)

The Group has consistently exceeded its 90% local procurement target over the past three years, achieving 95% in FY2024 and about 100% in both FY2025 and FY2026. The slightly lower proportion in FY2024 reflected the engagement of Malaysian subcontractors for projects in Cambodia, which were classified as foreign procurement. With operations subsequently concentrated in Malaysia, local procurement remained at 100% for the past two years.

K. STRENGTHENING INTEGRITY AND GOOD GOVERNANCE

Regulatory Compliance

Regulatory compliance remains a critical pillar of governance and operational integrity for Econpile. The Group is committed to upholding all applicable laws, regulations, and standards, including those prescribed under the MMLR, which emphasise sound corporate governance, accountability, and transparency.

Compliance with occupational health and safety regulations, particularly those issued by DOSH, is of utmost importance given the inherent risks and safety sensitivities of the construction sector. Adhering to these requirements not only safeguards the well-being of our workforce but also protects the Group from potential regulatory actions, project interruptions, and reputational risks.

In FY2026, the Group received 17 non-compliance notifications from DOSH. The non-compliances identified primarily concerned machinery and lifting safety, work-at-height safety, site safety procedures and personal protective equipment compliance. These findings highlighted areas for improvement in workplace safety practices, including risk assessments, preventive measures and site supervision, particularly for higher-risk construction activities.

	FY2026	FY2025	FY2024
Number of regulatory non-compliance notifications from DOSH	17	4	10

Corporate Governance and Anti-Corruption

Corporate Governance

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

The Audit & Risk Management Committee (“the ARMC”) under the oversight of the Board, is responsible for establishing and maintaining a formal risk management framework to support effective decision-making, enhance performance, strengthen accountability and improve organisational outcomes.

Anti-Corruption and Anti-Bribery

Econpile implements its anti-bribery and anti-corruption controls by providing anti-bribery and anti-corruption training to employees as well as by enforcing established policies, including the Anti-Bribery and Anti-Corruption policy, the Whistleblowing Policy and Guidelines, the Code of Ethics and the Code of Conduct. In FY2026, the Group conducted Anti-Bribery and Anti-Corruption (“ABAC”) training across all employee categories, focusing on awareness of bribery risks, integrity in business conduct, and compliance with the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”). Training participation reached 96% among employees at managerial level and above, slightly below the Group’s 100% target. The shortfall was largely attributable to a timing difference, as new employees joined after the scheduled training sessions before the financial year end cut-off. This also contributed to lower participation rates among other employee categories.

The Group’s training programme remains in place, with subsequent sessions planned to cover new employees and reinforce awareness of the Group’s ABAC requirements across the workforce.

Sustainability Statement (Continued)

K. STRENGTHENING INTEGRITY AND GOOD GOVERNANCE (Continued)

Corporate Governance and Anti-Corruption (Continued)

Anti-Corruption and Anti-Bribery (Continued)

Employee Category	Percentage of employees trained on anti-corruption
Senior Management	100%
Middle Management	91%
Executive	82%
Non-Executive	77%

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

Corruption risk assessment workshops were conducted during the reporting year across all key departments and business units, supported by the submission of updated risk registers. Each session began with an awareness briefing on the MACC Act and Section 17A Corporate Liability provisions to reinforce understanding of compliance obligations and accountability.

The assessment identified potential corruption risks across core operations, particularly in areas involving procurement and subcontractor management, regulatory approvals, project execution, financial reporting and dealings with third parties. These risks primarily relate to bribery, fraudulent claims, improper business practices and regulatory non-compliance. The identified risks were assessed based on their likelihood and potential impact, with residual risk ratings determined after considering existing controls to guide the prioritisation of further mitigation measures.

	FY2026	FY2025	FY2024
Percentage of operations assessed for corruption risk	100%	100%	0%
Number of substantiated incidents of corruption	0	0	0
Number of whistleblowing incidents	0	0	0

Board Diversity

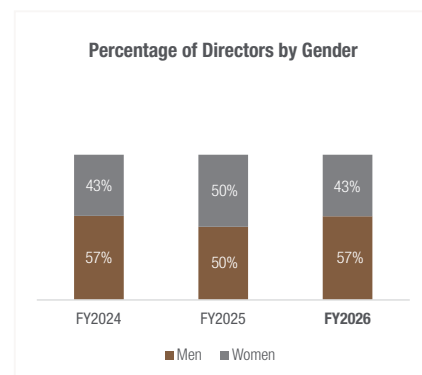
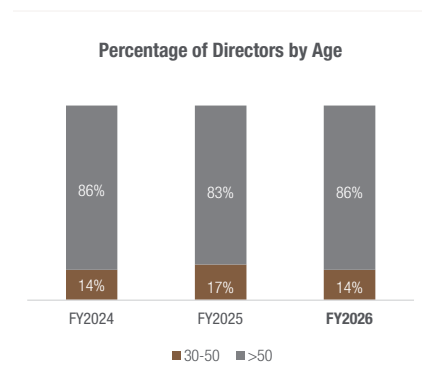
The Company has established a Board Diversity Policy to ensure that the Board comprises individuals with a broad range of perspectives, experiences, competencies and skills that are relevant to the Group's strategic direction and oversight responsibilities.

In line with Bursa Malaysia's Corporate Governance requirements, the Board recognises that diversity encompasses multiple dimensions, including but not limited to gender, age, ethnicity, nationality, professional background and tenure. The Board believes that a diverse Board composition contributes to more effective decision-making and robust governance.

The Board is committed to maintaining at least 30% women director on Board, whilst ensuring that diversity in age and ethnicity remains a feature of the Board.

As at 30 June 2026, women represented 43% of the Board, while directors below the age of 50 accounted for 14%.

The Group continues to recognise the importance of maintaining diversity in Board composition, including gender and age diversity, to support a broader range of perspectives and experience in its decision-making.



Sustainability Statement (Continued)

K. STRENGTHENING INTEGRITY AND GOOD GOVERNANCE (Continued)

Data Privacy and Security

The Company recognises that data privacy and information security are critical to maintaining stakeholder trust and ensuring compliance with applicable data protection laws and regulations, including the Personal Data Protection Act 2010 ("PDPA").

We are committed to upholding the highest standards of data governance, with robust policies, systems and controls in place to safeguard the confidentiality, integrity and availability of all personal and sensitive information under our care. This includes employee, customer, supplier and business partner data.

For the past three years, the Company recorded zero substantiated complaints related to breaches of customer privacy or loss of customer data.

Moving forward, we remain committed to maintaining our strong track record on data privacy and security, and to enhancing our internal governance to minimise legal, reputational and financial risks related to data breaches.

	FY2026	FY2025	FY2024
No. of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

L. MINIMISING OUR ENVIRONMENTAL FOOTPRINT

Energy, Emissions and Climate Resilience

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

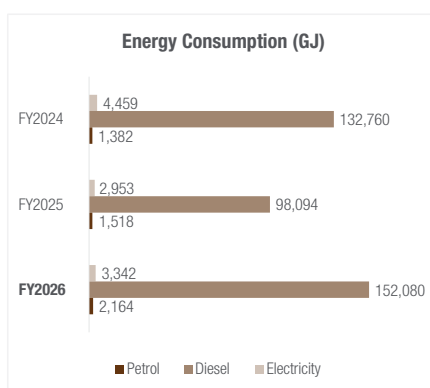
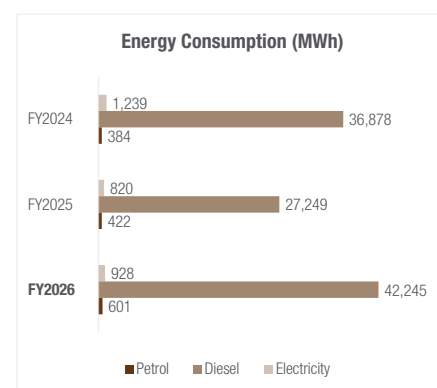
Energy

From FY2024 to FY2026, our total energy consumption broadly tracked revenue performance, declining in FY2025 before increasing in FY2026, reflecting corresponding changes in project activity and machinery utilisation. In FY2026, total energy consumption rose to 157,587 GJ, alongside a 37.1% increase in revenue. Overall, energy consumption increased by approximately 13.7% over the three-year period, from 138,601 GJ in FY2024.

Diesel remained the primary source of energy due to the machinery-intensive nature of our core operations, particularly piling works, which require heavy equipment such as drilling rigs and crawler cranes. These machines are predominantly diesel-powered to meet the high-power demands and operational requirements of construction activities.

Electricity and petrol continued to account for a relatively small proportion of our overall energy consumption. Although electric-powered machinery and alternative energy technologies offer opportunities to reduce reliance on diesel, their application in heavy-duty construction operations remains limited by technological capabilities, equipment availability, cost considerations and the availability of supporting infrastructure at construction sites.

Over the three-year period, the Group's energy intensity increased from 0.33 GJ/RM'000 in FY2024 to 0.36 GJ/RM'000 in FY2025 and 0.40 GJ/RM'000 in FY2026, indicating higher energy consumption per unit of revenue.



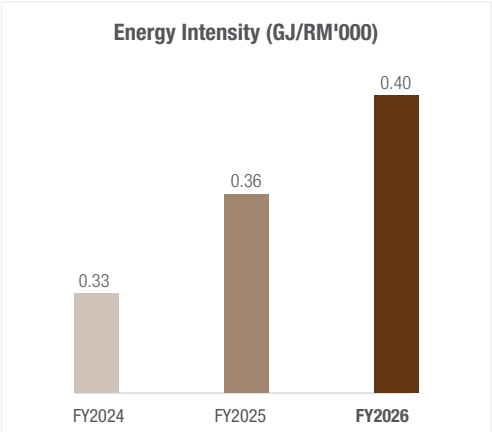
L. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

Energy, Emissions and Climate Resilience (Continued)

Energy (Continued)

Most of the FY2026 increase was mainly due to our bored piling works at Tun Razak Exchange (“TRX”), Kuala Lumpur, where more than 250 bored piles were completed in challenging limestone formations with shallow and highly variable rock levels. Every pile needed rock drilling, making the project technically demanding and energy-intensive. To maintain productivity, down-the-hole (“DTH”) hammer rigs were deployed alongside conventional rotary rigs. DTH hammers are powered by high-pressure compressed air supplied by diesel-driven compressors, which resulted in substantially higher diesel consumption. Excluding TRX, the Group’s FY2026 energy intensity would have been approximately 0.37 GJ/RM’000, broadly consistent with FY2025.

Nevertheless, the Group recognises a gradual upward trend in energy intensity over the three-year period and will continue to monitor energy performance at project level and evaluate opportunities to improve fuel efficiency.

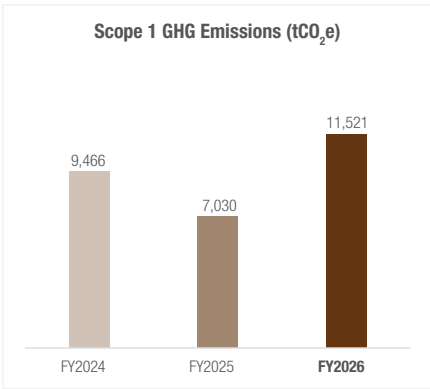


Total GHG Emissions

In FY2026, the Group recorded 12,203 tCO₂e of combined Scope 1 and Scope 2 GHG emissions, with Scope 1 accounting for 94%. This marks an increase from 7,641 tCO₂e in FY2025, largely attributable to the increase in revenue and the corresponding higher project activities. With more active sites and higher demand for heavy machinery, diesel consumption increased significantly. As diesel constitutes over 95% of the Group’s energy mix, this increase directly translated into higher Scope 1 emissions and an overall increase in the Group’s carbon footprint for the year.

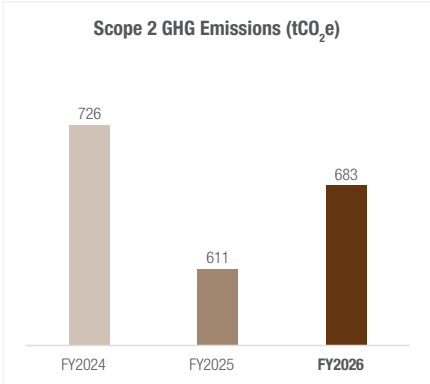
Scope 1 GHG Emissions

Scope 1 emissions, which account for the bulk of the Group’s carbon footprint, are primarily attributable to diesel consumption by heavy construction machinery. Over the past three years, emissions broadly followed the trend in project activity, declining from 9,466 tCO₂e in FY2024 to 7,030 tCO₂e in FY2025, before rising to 11,521 tCO₂e in FY2026. The increase in FY2026 was mainly due to higher project activity and the corresponding increase in diesel consumption from the use of construction machinery across project sites.



Scope 2 GHG Emissions

The Group’s Scope 2 GHG emissions from electricity consumption at offices and project sites amounted to 683 tCO₂e in FY2026, increasing from 611 tCO₂e in FY2025, representing an approximately 12% increase. This increase is primarily attributable to higher electricity demand at project sites in line with increased construction activities, alongside stable consumption at office premises. Scope 2 emissions form a relatively small portion of the Group’s overall carbon footprint compared with Scope 1, reflecting the predominantly diesel-powered nature of the Group’s heavy construction operations.



Note:

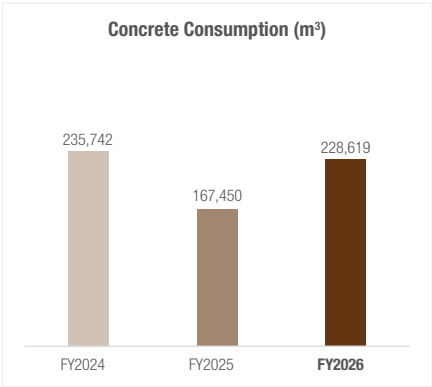
- 1. Calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards and IPCC Guidelines for National Greenhouse Inventories.
- 2. Scope 1 emissions factors were sourced from the UK Government’s GHG Conversion Factor 2022, 2023, 2024, 2025 and 2026.
- 3. Scope 2 emissions factor for Malaysia was sourced from the National Energy Commission: Grid Emissions Factor (2024).
- 4. Scope 2 emissions factor for Cambodia was sourced from Institute for Global Environmental Strategies (2024).

Sustainability Statement (Continued)

L. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

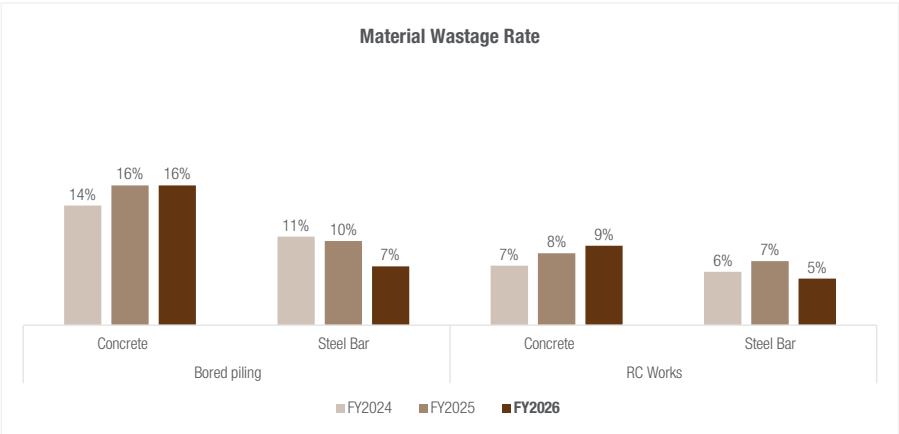
Material Consumption

Concrete and reinforcement steel bar (“rebar”) consumption varied over the past three years, reflecting changes in the nature, scale and progress of construction works undertaken by the Group. Basement reinforced concrete (“RC”) works generally consume more steel reinforcement per cubic metre of concrete. In contrast, bored piling works can consume equally substantial or greater quantities of concrete, particularly for large-diameter and deep piles. Overall, material consumption depends on the nature, scale and progress of construction works undertaken and may not necessarily move in line with revenue. Both concrete and rebar consumption declined in FY2025, by 29.0% and 22.4% respectively, with the reduction in steel consumption partly reflecting reduced RC activities at certain projects. In FY2026, concrete consumption increased significantly by 36.5% from 167,450 m³ in FY2025 to 228,619 m³ in FY2026, approaching FY2024 levels, while rebar consumption remained relatively stable at 16,496 tonnes, a marginal increase and approximately 22% below FY2024 levels.



The diverging trends in FY2026 were largely attributable to a shift in the nature of construction works undertaken, with a greater emphasis on bored piling activities, which accounted for approximately 71% of total concrete consumption in FY2026, compared with approximately half in FY2025. The increase was supported by substantial bored piling activities across several projects, particularly the Malaysia Milk plant extension project in Klang, which was a major contributor to concrete consumption. Conversely, RC activities declined, with lower material consumption at projects such as Pavilion Square and Pavilion Damansara Heights Podium. The change in construction activities contributed to the substantial increase in concrete consumption without a corresponding rise in rebar consumption.

Material wastage continued to be monitored against the Group’s internal targets for bored piling and RC works, with three of the four targets achieved in FY2026. Concrete and rebar wastage for bored piling works stood at 16% and 7%, respectively, while the corresponding rates for RC works were 9% and 5%. RC concrete wastage marginally exceeded the internal target of 8%, while other indicators remained within their respective targets.

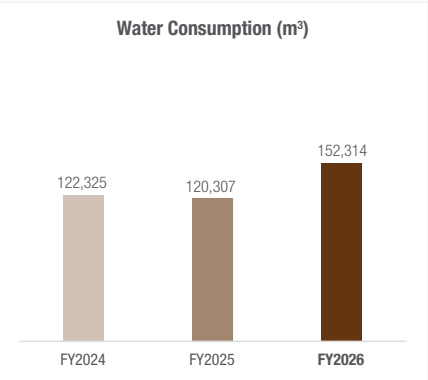
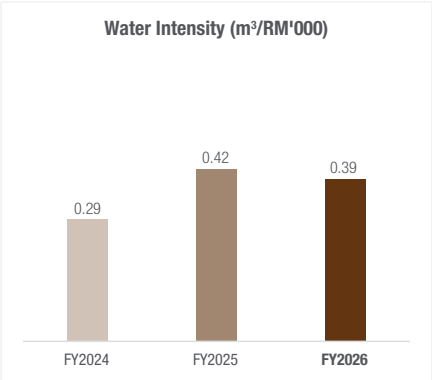


Over the three-year period, concrete wastage remained relatively stable for bored piling works, while RC concrete wastage increased slightly. Rebar wastage for bored piling works improved steadily. These results reflect the Group’s continued efforts to improve material planning, quantity estimation and monitoring of material usage.

Water Management

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

Total water consumption increased by 26.6% from 120,307 m³ in FY2025 to 152,314 m³ in FY2026, primarily driven by increased bored piling activities, which require substantial water for drilling operations, slurry preparation and borehole cleaning. Substructure works, including concrete curing, dewatering and site cleaning, also contributed to overall water consumption. Despite the higher consumption, water intensity remained broadly comparable to the previous year, declining slightly from 0.42 in FY2025 to 0.39 in FY2026, reflecting a relatively stable level of water usage in relation to revenue.



L. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

Waste and Effluent Management

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

Waste Management

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

Effluent Management

As part of our water quality management efforts, we manage construction effluent and surface runoff through erosion and sediment control measures to minimise potential impacts on surrounding water bodies.

Measures implemented at our project sites include silt fences, silt traps and sediment basins to control soil erosion and sediment runoff. These controls are subject to regular inspection, maintenance and de-silting to maintain their effectiveness.

During FY2026, the Group received three notices from the Department of Environment (“DOE”) and local authorities concerning environmental compliance matters, primarily relating to erosion, sediment control and surface runoff management. The matters identified included siltation observed outside a project site and deficiencies in the management of a sediment basin. Following the notices, corrective actions were undertaken at the affected areas, including rectification and improvement of sediment control measures, together with enhanced inspection and maintenance activities to minimise the recurrence of similar incidents.

Water quality sampling is also routinely conducted on effluent discharged from our project sites to monitor compliance with applicable regulatory requirements. Monitoring results indicated that the majority of parameters tested during the reporting period were within the applicable limits. We continue to strengthen site-level monitoring and erosion and sediment control practices to improve environmental performance across our projects.



	FY2026	FY2025	FY2024
Regulatory Non-Compliance on Water Quality Discharge	3	0	0

During the financial year, the Group carried out construction activities at several environmentally sensitive locations, subject to Environmental Impact Assessment (“EIA”) or other stringent site- specific environmental controls. These activities included slope stabilisation, road-widening and piling works in Cameron Highlands; construction works for a new bridge across Sungai Lipis in Kuala Lipis, Pahang; piling works at Federal Hill Kuala Lumpur known for its green landscape; and various foundation works in Mont Kiara on elevated and sloping terrain adjacent to Bukit Kiara Forest Reserve. Given the nature of these projects and their respective site conditions, the Group implemented monitoring and mitigation measures to manage potential impacts on water quality, soil erosion, sedimentation, air quality and noise.

For the Kuala Lipis Bridge project, the Group continued water quality monitoring at two points located upstream and downstream of the project site along Sungai Lipis, based on assessments initiated in the past year.

Environmental controls, including silt fences, earth drains and check dams, were maintained to manage surface runoff and minimise sediment discharge into the watercourse. Their effectiveness was continuously monitored to mitigate potential environmental impacts from construction activities.

In Cameron Highlands, the Group is undertaking construction activities at two key locations. Site A involves the upgrading of a one-kilometre stretch of Federal Route 59, comprising primarily slope stabilisation and road-widening works. Site B involves the construction of a one-way loop at Kea Farm, where the major foundation works for the proposed bridge structures have been largely completed. As the project areas intersect with Sungai Burung, Sungai Bertam and Sungai Ulu Telom, water quality monitoring is conducted quarterly at five points at Site A and eight points at Site B.



Sustainability Statement (Continued)

L. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

Waste and Effluent Management (Continued)

Effluent Management (Continued)

Given the slope-cutting activities and sensitive highland environment at Site B, enhanced water-protection measures were implemented. These include sedimentation ponds to control silt and suspended solids, quarterly river water quality monitoring, and monthly reporting on erosion and sediment-control measures through the EIA monitoring system ("SPEIA"). Collectively, these measures support the protection of surrounding water resources and minimise potential environmental impacts on downstream areas.

At the Federal Hill project, foundation works involved excavation works in an environmentally sensitive area, necessitating more stringent controls of surface runoff and sediment discharge. Enhanced site drainage, sediment-control and housekeeping measures were maintained to minimise potential impacts on the surrounding area. Meanwhile, at the Mont Kiara project, construction activities were undertaken on hillside and sloping terrain, requiring close attention to slope stability, soil erosion, and surface runoff. Close site monitoring and appropriate mitigation measures were implemented to minimise sediment movement and associated environmental impacts.



Air and Noise Pollution Management

The Group manages construction-related air emissions and noise through monitoring and control measures to minimise disturbances to surrounding communities and ensure compliance with applicable regulatory and project requirements.

During the financial year, the Group carried out air quality and noise monitoring at various project sites, with particular attention given to those in Kuala Lipis, Cameron Highlands, Federal Hill and Mont Kiara. The scope and frequency of monitoring were determined based on the respective project conditions, surrounding environment and nature of construction activities undertaken at each location.

For the Kuala Lipis project, the Group continued monitoring air quality, noise and vibration at two designated sampling stations situated at opposite ends of the proposed bridge across Sungai Lipis. All recorded results remained within the prescribed regulatory limits during the monitoring periods.



At the Cameron Highlands project, quarterly air quality and noise monitoring was conducted at three locations within Site A and four locations within Site B to facilitate early identification of potential environmental impacts and timely mitigation measures. In accordance with Public Works Department's Environmental Management Control Procedure, additional measures were implemented to manage air emissions, noise and vibration. These included suppressing dust along haul roads and at stockpile areas, covering vehicles transporting construction materials, and regularly calibrating monitoring equipment to maintain measurement reliability. Monitoring results at identified sensitive receptors were verified by accredited laboratories, while independent environmental audits confirmed that the prescribed controls were in place, supporting the responsible management of environmental impacts in the sensitive highland environment.

At the Federal Hill project, air quality and noise monitoring was focused on dust emissions from excavation activities and noise generated from machinery and other site operations. Similarly, at the Mont Kiara project, monitoring focused on dust and noise arising from construction works on sloping terrain.

Air Quality

The Group conducts regular air quality monitoring at our project sites to ensure compliance with the New Malaysian Ambient Air Quality Standard ("NMAAQS") 2020. This includes the measurement of particulate matter ("PM") with upper particle size limit of 10 µm ("PM10") and 2.5 µm ("PM2.5"), as well as total suspended particles ("TSP").

To maintain air quality and minimise dust emissions at its project sites, the Group implements a range of preventive control measures. Surface damping is the primary method used to suppress dust and reduce the movement of loose soil onto public roads and into surrounding areas. This measure is supported by water bowsters and sprinkler systems, which operate at scheduled intervals throughout the day to dampen haul roads, high-traffic areas and locations with active construction works.

To further minimise dust generation and maintain safe site operations, a speed limit of 20 km/h is enforced for vehicles travelling within construction zones and along site access roads. Stockpiles of soil, sand and aggregates are also covered with geotextile material to prevent fine particles from being dispersed by wind into the surrounding environment.

Sustainability Statement (Continued)

L. MINIMISING OUR ENVIRONMENTAL FOOTPRINT (Continued)

Air and Noise Pollution Management (Continued)

Noise Pollution

For noise monitoring, measurements were conducted over a 24-hour period at designated sampling points to assess noise levels under both daytime and nighttime conditions. The results were evaluated against the maximum permissible sound levels for designated commercial areas, as set out in Schedule 1 of the Planning Guidelines for Environmental Noise Limits and Control (DOE, 2019).

During piling activities, the noise monitoring is conducted monthly using a calibrated noise level meter, recorded for L_{Aeq} , L_{Amin} , L_{Amax} , L_{A10} , and L_{A90} to ensure comprehensive tracking and compliance with relevant standards.

The Group strengthened its noise management practices through a range of operational control measures. Piling activities were carefully scheduled and rotated to manage workers' exposure and minimise cumulative noise levels, while activities generating elevated noise were restricted to daytime hours. Regular maintenance of vehicles and machinery, together with controls on unnecessary engine idling, further reduced avoidable noise emissions.

Environmental monitoring of noise and air quality was conducted regularly at the project sites to assess compliance with the applicable standards prescribed by the DOE. Monitoring results indicated that most assessed parameters remained within or below the relevant regulatory limits. These monitoring and control measures support the early identification and management of potential pollution risks. In FY2026, the Group received zero notice of non-compliance from the DOE relating to air quality or noise management.



	FY2026	FY2025	FY2024
Number of regulatory Non-Compliance on Air and Noise control	0	0	0

M. FULFILLING OUR SOCIAL RESPONSIBILITY

Health and Safety

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

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

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

In FY2026, we benchmarked our OSH performance against industry standards, specifically the CIDB Malaysia SHASSIC (Safety and Health Assessment System in Construction Industry) national industry average score, and achieved an average score of 92.54% (5 stars).

	FY2026	FY2025	FY2024
SHASSIC Rating	5 stars	5 stars	5 stars

Our workforce accumulated a total of 3.9 million working hours across various project sites.

Sustainability Statement (Continued)

M. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Health and Safety (Continued)

	FY2026	FY2025	FY2024
Total number of hours worked	3,900,372	3,349,524	3,975,132
Total number of work-related fatalities	0	1	0
Total number of recordable work-related injuries and ill health	0	0	0
Lost Time Incident Rate ("LTIR")	0	0	0
Number of employees trained on health and safety standards	40	333	299

During the reporting period, the Group recorded zero workplace fatalities and maintained its focus on workplace safety, particularly in operations involving heavy machinery, lifting works and other high-risk construction activities.

Safety measures implemented at our project sites include regular review of risk assessments and work procedures, Permit-to-Work controls, designated exclusion zones, and supervision during high-risk activities. These are reinforced through regular inspections, toolbox briefings, and workforce engagement to minimise workplace risks and maintain a safe working environment.

In FY2026, the Group recorded a total of 422 hours of health and safety training. The number of employees reported as trained on health and safety standards stood at 40, compared with several hundred in each of the preceding two years. The significant decrease was primarily due to a refinement in the Group's reporting methodology, following a review of the classification of training activities in previous years.

The FY2026 figure excludes routine daily on-site safety briefings and coaching, focusing instead on safety personnel who attended structured health and safety training programmes, including lifting operations, incident reporting, excavation supervisor training, and other formal or competency-based safety courses.

As the reporting basis differs from previous years, the figures are not directly comparable. The Group remains committed to strengthening workforce safety awareness and competency through ongoing training and site-based engagement.

During the reporting year, the Group participated in an HSE and Sustainability event organised by our client at the TRX project. The event included an emergency response drill and a Zero Mineral Water Bottle environmental campaign to promote safety preparedness and reduce single-use plastic waste. The Group also participated in Occupational Safety and Health Day, organised by our client at the Mont Kiara project site. The programme reinforced workplace safety awareness, hazard identification and safe work practices, while encouraging employees to take shared responsibility for preventing accidents and maintaining a safe working environment.



Labour Practices and Standards

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

Labour Practices

During FY2026, the Group recorded 145 new hires, up from 52 in FY2025 and 29 in FY2024, primarily driven by the increase in project activities and the corresponding demand for operational manpower. Most new employees were below 50 years old, with men comprising the majority, consistent with the workforce profile and operational demands of the construction industry. Employee turnover declined from 98 employees in FY2024 to 59 in FY2026, while senior management turnover remained at zero for three consecutive years, underscoring strong leadership continuity and management stability.

Sustainability Statement (Continued)

M. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Labour Practices and Standards (Continued)

Labour Practices (Continued)

Total Number of Full-Time Employee New Hires	FY2026	FY2025	FY2024
By Gender			
Men	114	36	22
Women	31	16	7
By Age			
Below 30 years	62	22	16
30-50 years	68	27	10
Above 50 years	15	3	3
Total Number of Full-Time Employee Turnover	FY2026	FY2025	FY2024
By Employee Category			
Senior Management	0	0	0
Middle Management	3	7	7
Executive	38	39	25
Non-Executive	18	26	66
By Gender			
Men	44	57	90
Women	15	15	8
By Age			
Below 30 years	29	34	26
30-50 years	26	30	54
Above 50 years	4	8	18

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

	FY2026	FY2025	FY2024
No. of substantiated complaints concerning human rights violation	0	0	0

Sustainability Statement (Continued)

M. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Labour Practices and Standards (Continued)

Employee Benefits

The Group provides employees with a range of benefits that support their well-being and work life balance. These include healthcare, insurance, and leave entitlements, complemented by opportunities for learning and professional development.

In line with our commitment to employee welfare, we also provide parental leave to support family responsibilities. In FY2026, nine employees utilised parental leave, all of whom returned to work upon completion of their leave, representing a 100% return-to-work rate. The Group continues to support employees in balancing their professional and family responsibilities.

	Men	Women
No. of employees that took parental leave	9	0
No. of employees returned from parental leave	9	0
No. of employees who returned of to work after parental leave ended that were still employed 12 months after their return to work	9	0

Diversity and Talent Management

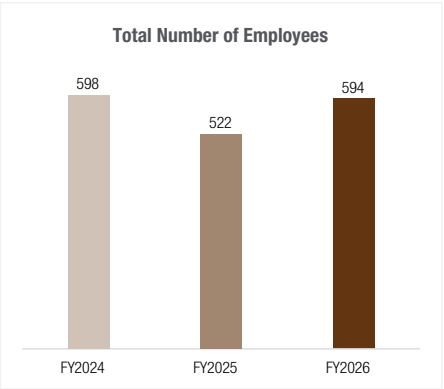
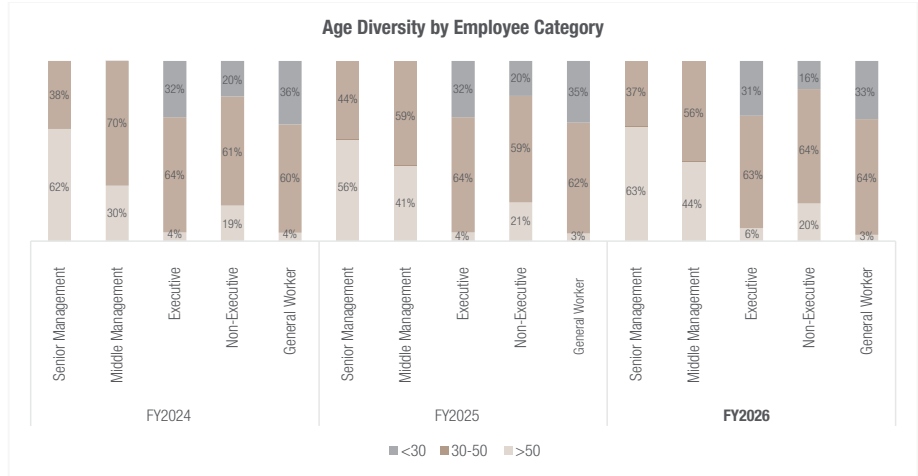
At Econpile, we emphasise fair hiring processes that prohibit discrimination based on differences in age, gender, race, nationality, or culture. By doing so, we foster a workplace built on fairness, equality and transparent communication.

Employee Diversity

The overall headcount increased in FY2026, in line with the higher level of project activity recorded during the year. This growth was driven by increased staffing requirements at active project sites and the number of new hires exceeding employee turnover.

In FY2026, the Group's workforce consisted of 594 employees, including 187 non-executive and 183 general workers, reflecting the labour-intensive nature of our operations. Men made up about 84% of the total workforce, consistent with industry demographics.

Across the three-year period, the Group maintained a relatively stable age profile across employment categories. In FY2026, senior management was predominantly aged above 50, accounting for 63%, providing extensive industry knowledge and experience to support the Group's strategic direction and decision-making. Middle management comprised a mix of experienced personnel, with 56% aged between 30 and 50 in FY2026.



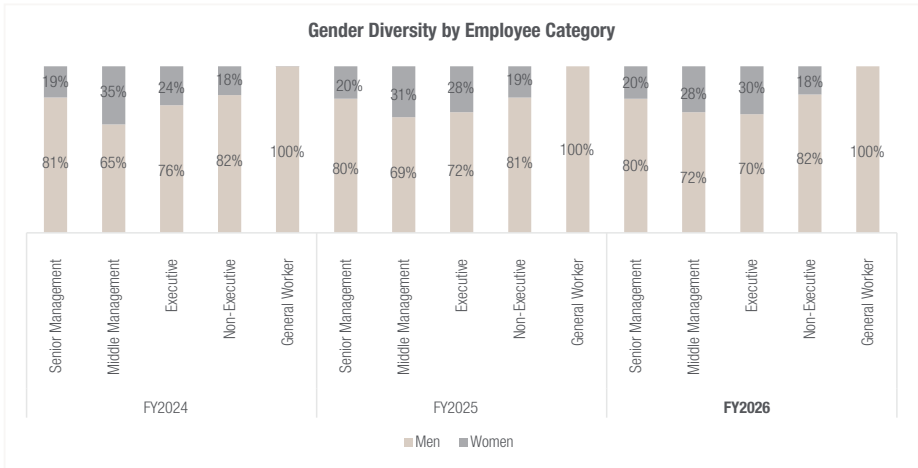
M. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Diversity and Talent Management (Continued)

Employee Diversity (Continued)

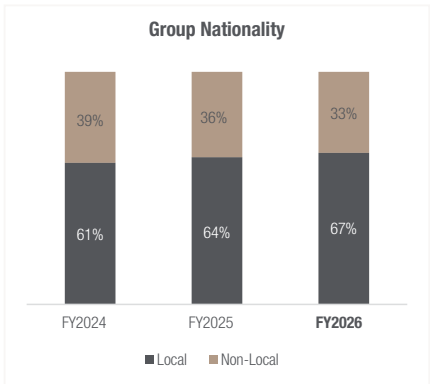
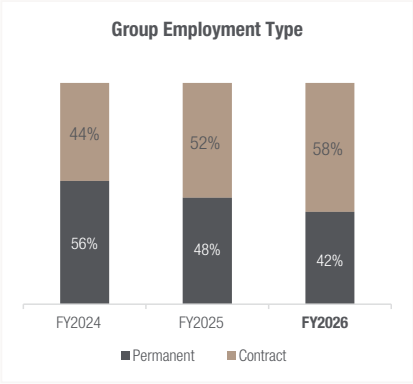
Meanwhile, most employees in executive, non-executive and general worker positions were below 50, supporting workforce renewal and operational capability within the physically demanding construction sector. This balanced age composition underscores the importance of continued talent development, knowledge transfer and succession planning to maintain business continuity.

Over the three-year period, female representation in senior management remained stable at around 20%, while middle management declined from 35% in FY2024 to 28% in FY2026. Conversely, female representation at the executive level increased from 24% to 30%, reflecting a growing pool of female talent. Representation among non-executive employees remained relatively stable at 18% to 19%, while general worker positions remained entirely male. Overall, female representation across management levels reached 24% in FY2026, exceeding the Group's 20% target. The Group remains committed to the development of qualified female talent and to strengthening its pipeline for future leadership positions.



In FY2026, local employees accounted for 67% of the Group's total workforce, reflecting our commitment to supporting domestic employment and contributing to the Malaysian economy. Excluding general workers, who are typically engaged to meet project-specific labour requirements, the Group's core workforce consists predominantly of local skilled personnel and management employees.

Over the three-year period, the proportion of contract employees increased from 44% in FY2024 to 58% in FY2026, reflecting the Group's evolving operational manpower requirements and the project-based nature of its activities. This category includes foreign general workers engaged under fixed-term arrangements. Permanent employees continue to provide operational continuity and the retention of critical skills and institutional knowledge. Meanwhile, the proportion of local employees rose steadily from 61% to 67% over the same period.



Sustainability Statement (Continued)

M. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Diversity and Talent Management (Continued)

Employee Training Hours

During FY2026, the Group conducted training programmes covering governance, integrity and workplace safety, with key initiatives including:

1. Governance and Integrity

Anti-Bribery and Anti-Corruption Awareness Training was conducted across various employee levels to reinforce ethical conduct and regulatory compliance. The training covered key provisions of the Malaysian Anti-Corruption Commission Act 2009, including Section 17A on corporate liability, conflicts of interest, gifts and hospitality, and the reporting of suspected misconduct.

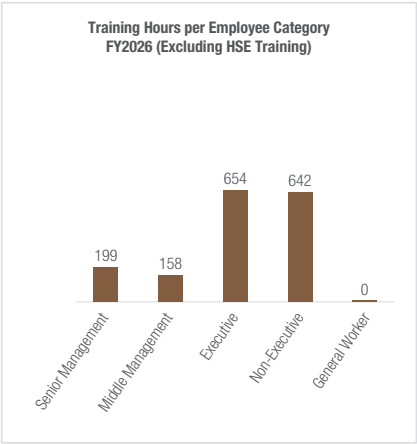
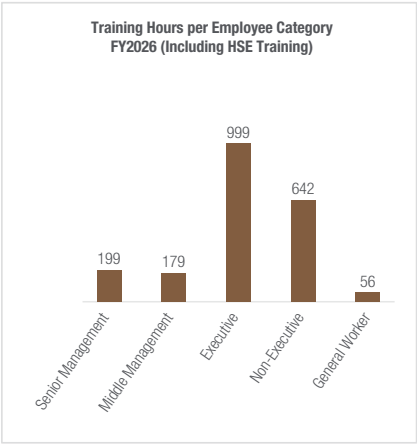


2. Occupational Safety and Health

Heavy Machinery Safety Awareness Training was conducted at one of our project sites in Kuala Lumpur City Centre focusing on safe equipment operations, hazard identification, pre-operation inspections and communication between operators and site personnel. In addition, Excavation Supervisor Training was conducted at various sites to strengthen supervisory competency in managing excavation-related risks, including ground stability, protective systems, site inspections and accident prevention.



In FY2026, executives recorded the highest number of training hours at 654 hours, followed by non-executive employees with 642 hours, senior management with 199 hours, and middle management with 158 hours, excluding HSE-related training. When HSE-related sessions were included, total training hours increased to 999 hours for executives, while non-executive employees remained 642 hours, and general workers recorded 56 training hours, all HSE-related. On average, employees at the executive level and above completed 4.5 training hours per person, increasing to 6.1 hours when HSE training was included.



Sustainability Statement (Continued)

M. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Diversity and Talent Management (Continued)

Employee Engagement

The Group promotes an open, inclusive, and transparent culture anchored by an active open-door policy. Our senior management team maintains regular and genuine engagement with employees at all levels, making open communication a natural part of our daily operations. This approach nurtures collaboration, mutual respect, and a sense of belonging.

To further promote employee well-being and work-life balance, the Group's Sports Club actively organises recreational and team-building activities. During the reporting year, the club held biweekly badminton sessions, futsal sessions and a staff bowling tournament, encouraging active participation and fostering camaraderie across departments. These initiatives support a healthy, motivated, and connected workforce.



Community Engagement

In FY2026, the Group contributed RM44,500 to six organisations.

Community Engagement	FY2026
Amount Contributed to the Community (RM)	44,500
Number of Beneficiaries (Organisation)	6

1. BRDB Rotary Children's Residence

The Group contributed RM20,000 to the Rotary BRDB Trust in support of the BRDB Rotary Children's Residence ("BRCR"), which provides shelter, care and life-skills development for underprivileged and at-risk children. The residence cares for approximately 65 children, at an annual cost of RM9,500 per child.

2. Project Community Engagement

During the reporting year, the Group engaged directly with residents and other relevant stakeholders through structured engagement sessions in connection with a project in Mont Kiara. The engagement facilitated information sharing and dialogue on matters related to project activities, safety, environmental practices and community concerns. It also enabled the project team to better understand stakeholder expectations and address relevant issues in a timely and responsible manner.



Sustainability Statement (Continued)

M. FULFILLING OUR SOCIAL RESPONSIBILITY (Continued)

Community Engagement (Continued)

3. Blood Donation Programme

A total of 71 employees and 42 members of the local community near the Group's heardquarters in Bandar Sri Permaisuri volunteered in various capacities for a Blood Donation Programme organised in collaboration with the National Blood Centre of Malaysia, a recognised medical institution in the public health system. Each blood donation can potentially save up to three lives. With 54 bags of blood collected, the initiative could benefit an estimated 162 potential individual beneficiaries in need. Participants collectively contributed an estimated 120 volunteer-hours, generating significant value through employee engagement and social contribution.



4. Kuala Lipis Flood Relief

In late 2025, Kuala Lipis experienced severe flooding brought about by the northeast monsoon, affecting local communities and the Group's ongoing bridge construction project along Sungai Lipis, where some of its machinery was submerged by floodwater. Despite facing operational disruptions of its own, the Group extended assistance to affected communities through a flood relief initiative, contributing essential supplies to help alleviate their immediate needs. Employees also participated in the relief efforts, reflecting the Group's commitment to supporting local communities during challenging times.



ECONPILE HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-23_16:07:10
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	100	100	To ensure that 100% of employees at the managerial level and above complete anti-corruption awareness training	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Middle Management	Percentage	100	91	To ensure that 100% of employees at the managerial level and above complete anti-corruption awareness training	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - executive	Percentage	100	82	NA	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	100	77	NA	No assurance
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	NA	No assurance
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	NA	No assurance
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	1	0	Zero fatality case	No assurance
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	Zero Lost Time Injury (non-fatal)	No assurance
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	333	40	NA	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Data privacy and security)	Bursa C6(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	Zero confirmed incidents of breach of customer privacy and losses of customer data	No assurance
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Megawatt	28,490.61	43,774.16	NA	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Senior Management	Hours	469	199	To provide an average of 3 training hours per employee at the executive level and above each year (including health, safety and environment-related training)	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Middle Management	Hours	1325	179	To provide an average of 3 training hours per employee at the executive level and above each year (including health, safety and environment-related training)	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Executive	Hours	1751	999	To provide an average of 3 training hours per employee at the executive level and above each year (including health, safety and environment-related training)	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Non-Executive	Hours	426	642	NA	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - General Worker	Hours	0	56	NA	No assurance
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	51.72	58.25	NA	No assurance

ECONPILE HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-23_16:07:10
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Senior Management	Number	0	0	NA	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Middle Management	Number	7	3	NA	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	39	38	NA	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-Executive	Number	26	18	NA	No assurance
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Senior Management Under 30	Percentage	0	0	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Senior Management Between 30-50	Percentage	44	36.67	NA	No assurance

ECONPILE HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-23_16:07:10
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Senior Management Above 50	Percentage	56	63.33	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Middle Management Under 30	Percentage	0	0	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Middle Management Between 30-50	Percentage	58.62	56.25	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Middle Management Above 50	Percentage	41.38	43.75	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive Under 30	Percentage	32.00	31.48	NA	No assurance

ECONPILE HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-23_16:07:10
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive Between 30-50	Percentage	64.00	62.96	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive Above 50	Percentage	4.00	5.56	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-Executive Under 30	Percentage	20.13	16.04	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-Executive Between 30-50	Percentage	59.09	64.17	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-Executive Above 50	Percentage	20.78	19.79	NA	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - General Workers Under 30	Percentage	35.45	32.79	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - General Workers Between 30-50	Percentage	61.90	64.48	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - General Workers Above 50	Percentage	2.65	2.73	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Senior Management (Male)	Percentage	80.00	80.00	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Senior Management (Female)	Percentage	20.00	20.00	To maintain at least 20% women's participation in managerial positions (including middle management and above)	No assurance

ECONPILE HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-23_16:07:10
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Middle Management (Male)	Percentage	68.97	71.88	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Middle Management (Female)	Percentage	31.03	28.13	To maintain at least 20% women's participation in managerial positions (including middle management and above)	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Executive (Male)	Percentage	72.00	70.37	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Executive (Female)	Percentage	28.00	29.63	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Non-Executive (Male)	Percentage	80.52	81.82	NA	No assurance

ECONPILE HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-23_16:07:10
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Non-Executive (Female)	Percentage	19.48	1818	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - General Workers (Male)	Percentage	100.00	100.00	NA	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - General Workers (Female)	Percentage	0.00	0.00	NA	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	50.00	5714	NA	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	50.00	42.85	NA	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0.00	0.00	NA	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Between 30-50	Percentage	16.67	14.28	NA	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Above 50	Percentage	83.33	85.71	NA	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.93	100.00	To maintain that 90% of subcontractors and suppliers at each project site are locally sourced	No assurance
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	223,700.30	44,500.00	NA	No assurance
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4	6	NA	No assurance
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	120.306614	152.314000	NA	No assurance
(Bursa) Emissions management	Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes of carbon dioxide equivalent (tCO ₂ e)	7029.80	11,520.58	To reduce combined Scope 1 and 2 GHG emissions by 2% by FY2027 (baseline FY2024)	No assurance
(Bursa) Emissions management	Bursa C11(b) Scope 2 emissions in tonnes of CO ₂	Metric tonnes of carbon dioxide equivalent (tCO ₂ e)	611.03	682.70	To reduce combined Scope 1 and 2 GHG emissions by 2% by FY2027 (baseline FY2024)	No assurance

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Econpile Holdings Berhad (“the Company”) is supportive of the adoption of the principles and best practices as set out in the Malaysian Code on Corporate Governance (“MCCG”). The Board is committed to maintaining high standards of corporate governance within the Company and its subsidiaries (“the Group”) so as to protect and enhance stakeholders’ value, as well as the interests of the Group.

The Board is pleased to share how the three key principles of the MCCG have been applied within the Group throughout the financial year ended 30 June 2026 (“FY2026”), as well as its key focus areas and future priorities in relation to corporate governance practices. The detailed application of each best practice as set out in the MCCG is disclosed in the Corporate Governance Report (“CG Report”), which is made available on the Company’s website at www.econpile.com as well as the website of Bursa Malaysia Securities Berhad (“Bursa Securities”). Where a recommended best practice has not been applied, the reasons for the departure and the alternative practice adopted, where applicable, are also included in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

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

The responsibilities of the Board include reviewing the Group’s strategic plans to ensure that shareholders’ value is protected and enhanced, overseeing and evaluating the conduct of business of the Group to ensure compliance with legal and regulatory requirements, overseeing communication and engagement with shareholders and relevant stakeholders, and overseeing the Group’s business operations and financial performance. The Board also identifies the main risks associated with the Group, reviews the procedures and internal control systems to mitigate the risks, and provides input to succession plans for executive and management roles. Key matters reserved for the Board to approve or monitor include, but are not limited to, setting the overall Group strategy and direction, approving major corporate plans and the annual budget (including operating and capital expenditure), approving quarterly and annual financial statements, as well as monitoring the Group’s risk management and internal control systems (including financial, operational and compliance controls).

To assist in the discharge of its stewardship role, the Board has established three (3) Board Committees, namely the Audit & Risk Management Committee (“ARMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”). The Board Committees have the authority to examine issues within their respective Terms of Reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters lies with the Board.

2. Board Charter and Policies

The Board Charter is in place and periodically reviewed and updated by the Board to align with best practices. The Board Charter sets out the roles and responsibilities of the Board, Chairman of the Board, Group Managing Director, Group Chief Executive Officer, Executive and Non-Executive Directors and Company Secretaries, including a formal schedule of matters reserved for the Board. The Board Charter was last reviewed by the Board on 26 August 2026.

To strengthen the standards of corporate governance and corporate behaviour, the Board has formalised a Code of Ethics which is to be observed by all Directors. In addition, the Group has a Code of Conduct that sets out the standards of conduct and responsible behaviour expected of all Directors, Management and officers to promote corporate culture which inculcates ethical conduct. The Code of Conduct and Code of Ethics were last reviewed by the Board on 26 August 2026.

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

As part of the Company’s commitment against all forms of bribery and corruption, the Board has adopted the Anti-Bribery and Anti-Corruption Policy which sets out rules and guidance to Directors, Senior Management, employees and business associates who work for and/or act for or on behalf of the Group on how to deal with improper solicitation, request for bribes and other corrupt activities and issues that may arise in the course of business. Management conducts periodic reviews and assessments of the policy to ensure that it remains relevant, appropriate and effective in addressing bribery and corruption risks within the Group.

Corporate Governance Overview Statement (Continued)

2. Board Charter and Policies (Continued)

The Company has also put in place a Conflict of Interest Policy to provide guidance on identifying, disclosing and managing actual, potential and perceived conflicts of interest involving Directors and employees of the Group.

Directors are required to declare any interests in transactions involving the Group and to abstain from deliberations and voting on such transactions at Board and general meetings. The ARMC reviews all related party transactions and conflict of interest situations that arise, persist or may arise within the Group to ensure that they do not compromise the Group's integrity.

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

3. Strategies Promoting Sustainability

The Board understands that corporate sustainability depends on balancing and meeting the needs of the Company's stakeholders in economic, environmental, social and governance areas. The Company has in place a Sustainability Policy which outlines the Company's principles and commitments to sustainability, as well as its governance structure. The Group's sustainability activities, including its sustainability strategies and priorities, are set out in the Sustainability Statement of this Annual Report.

4. Composition and Balance

Following the appointment of Datuk Syed Azmi Bin Syed Othman on 29 August 2025, the Board comprises seven (7) members as at 30 June 2026. The Board consists of three (3) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman, with women Directors representing 43% of the Board's composition. The composition of the Board fulfils the requirement of Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Securities ("MMLR"). None of the Directors is an active politician.

The profiles of the Directors are presented in the Directors' Profile of this Annual Report. The Directors come from diverse professional and entrepreneurial backgrounds, bringing with them a broad range of skills and experiences that enable effective oversight of the Group. The Independent Non-Executive Directors, in particular, provide the necessary checks and balances to the Board's deliberations and decision-making.

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

The Board recognises the importance of a clear division of responsibility between the Chairman, Group Managing Director and Group Chief Executive Officer to ensure a balance of power and authority. The positions of the Chairman, Group Managing Director and Group Chief Executive Officer are distinct and separated, and their respective roles and responsibilities are clearly defined in the Board Charter. The Group Managing Director is responsible for overseeing the affairs of the Group under the authority delegated by the Board and implementing the policies and strategies approved by the Board. The Group Chief Executive Officer is responsible for managing the day-to-day conduct of the Group's business and overseeing the supervision and management of the Group, as well as assisting the Group Managing Director in discharging his responsibilities. The Chairman, on the other hand, provides leadership to the Board and facilitates effective engagement between the Board, shareholders and other stakeholders.

5. Reinforced Independence

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

In accordance with the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of 9 years. Where an Independent Director continues to serve on the Board beyond 9 years, the Board shall provide justification and seek shareholders' approval annually through a two-tier voting process. Otherwise, the Independent Director shall be re-designated as Non-Independent Director.

Corporate Governance Overview Statement (Continued)

6. Board Meeting and Time Commitment

The Directors are aware of the time commitment required to effectively discharge their responsibilities in relation to the Group. An annual meeting calendar is prepared in advance, agreed upon by the Directors, and reviewed on a quarterly basis. The Board meets on a quarterly basis, with additional meetings convened as and when necessary to, inter alia, consider and approve the Group's annual business plans and budgets, operational and financial performance reports, investments and capital expenditures, and quarterly financial results. The Board is satisfied with the level of time commitment demonstrated by the Directors in discharging their duties during FY2026.

During the financial year, the Company held six (6) Board meetings, and the details of attendance of each Board member are as follows:

Name of Director	Designation	Meeting Attendance
Krishnan A/L C K Menon	Non-Independent Non-Executive Chairman	6/6
Teh Bee Choo	Independent Non-Executive Director	6/6
Law Siew Ngan	Independent Non-Executive Director	6/6
Datuk Syed Azmi Bin Syed Othman	Independent Non-Executive Director (appointed on 29 August 2025)	6/6
The Cheng Eng	Group Managing Director	6/6
Pang Sar	Executive Director/Group Chief Executive Officer	6/6
The Kun Ann	Executive Director/Deputy Group Chief Executive Officer	6/6

At present, none of the Directors holds more than five directorships in listed issuers.

7. Supply and Access to Information and Advice

The Board has full and unrestricted access to all information pertaining to the Group to enable it to discharge its duties and responsibilities effectively. The Board and Board Committee members are provided with the meeting agenda, minutes of the previous meeting and relevant meeting papers containing management and financial information, as well as other pertinent matters, to facilitate effective deliberation and informed decision-making. Meeting materials are circulated sufficiently in advance of each Board and Board Committee meeting to allow Board members adequate time to review the information and seek further clarification or explanation, where necessary, prior to the meeting. The Board also has direct access to Management and maintains direct communication channels with the Internal and External Auditors. Where necessary, the Board may convene meetings with the External Auditors without the presence of Management to facilitate the effective discharge of its duties and responsibilities.

The Directors, collectively or individually, may seek independent professional advice, where necessary, at the Company's expense, in furtherance of their duties and responsibilities.

8. Qualified and Competent Company Secretaries

Both the Company Secretaries are Associate Members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries attend all Board and Board Committee meetings, including general meetings, and ensure that meetings are properly convened, and that the deliberations and decisions made by the Board and Board Committees are accurately recorded and properly maintained.

The Company Secretaries continuously undertake relevant professional development and training programmes to keep themselves abreast of regulatory changes and developments in corporate governance.

The Board has unrestricted access to the professional advice and services of the Company Secretaries to ensure the effective functioning of the Board.

Corporate Governance Overview Statement (Continued)

9. Appointment to the Board

The Board has adopted a Fit and Proper Policy governing the appointment and re-election of Directors of the Group, which is available on the Company's website at www.econpile.com. The Policy sets out the fit and proper criteria for the assessment of candidates and Directors, encompassing character and integrity, experience and competence, as well as time and commitment. The Board and the NC shall conduct a fit and proper assessment prior to the appointment of any candidate as a Director and before making recommendation for the re-election of a retiring Director.

The NC is responsible for identifying and recommending suitable candidates to the Board when a vacancy arises or when there is a need to appoint additional Directors to strengthen the composition of the Board. In identifying potential candidates, the NC may consider recommendations from existing Directors, Senior Management, major shareholders, as well as independent sources such as executive search firms. Upon receiving a nomination or proposal, the NC shall assess and evaluate the suitability of the proposed candidate before making its recommendation to the Board for consideration.

In the identification and recommendation of new Directors, the NC shall give due consideration to the following factors:

- (a) skills, knowledge, expertise, experience, professionalism, character, integrity, reputation, competencies and commitment, including time commitment, to effectively discharge the role of a Director;
- (b) boardroom diversity, including gender, age, ethnicity and cultural background, skills, experience, character, integrity and competence; and
- (c) in the case of candidates for appointment as Independent Directors, their ability to exercise independent judgement and discharge the responsibilities and functions expected of Independent Directors.

Following the NC's initial assessment of the candidate's qualifications and the completion of the necessary legal and background checks, the NC may, at its discretion, arrange for the candidate to be interviewed by the Chairman of the Board, other Board members and/or the Company's Senior Management as part of the evaluation process.

Upon completion of the evaluation, the NC shall make its recommendation to the Board for consideration and approval. Upon the Board's approval, the Chairman of the Board shall extend an invitation or offer to the candidate to join the Board. The candidate shall be appointed as a Director of the Company upon acceptance of the offer.

In accordance with Paragraph 15.09(1)(a) of the MMLR, the Audit Committee must comprise at least 3 members. Additionally, the Terms of Reference for the NC and the RC require each committee to comprise a minimum of 3 members, all of whom must be Non-Executive Directors, with a majority being Independent Directors.

Datuk Syed Azmi Bin Syed Othman was appointed to the Board of the Company as an Independent Non-Executive Director on 29 August 2025 in place of Hassan Bin Ramadi. He was identified through the network of the Executive Directors and subsequently recommended to the NC for consideration.

The NC assessed the suitability of Datuk Syed Azmi Bin Syed Othman, including his qualifications, experience, competencies and independence, before recommending his appointment as an Independent Non-Executive Director to the Board. Having considered the recommendation of the NC, the Board was satisfied that Datuk Syed Azmi Bin Syed Othman possesses the appropriate skills, knowledge and experience to discharge his duties effectively and contribute positively to the Board.

10. Re-election of Directors

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

The Company Secretaries are responsible for ensuring that all relevant procedures relating to the appointment of new directors are properly carried out.

The Directors who are seeking re-election at the forthcoming AGM are The Cheng Eng and Pang Sar. The retiring Directors have expressed their intention to seek re-election at the forthcoming AGM.

Corporate Governance Overview Statement (Continued)

11. Board Committees

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

Hassan Bin Ramadi stepped down from all Board Committees on 31 May 2025 in conjunction with his resignation as a member of the Board. Accordingly, the Board Committees were temporarily reduced to 2 members each from 1 June 2025 until Datuk Syed Azmi Bin Syed Othman was appointed as a member of all Board Committees on 29 August 2025, in conjunction with his appointment to the Board and with the support of the NC.

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

Audit & Risk Management Committee

Chairperson	Teh Bee Choo (Independent Non-Executive Director)
Member	Law Siew Ngan (Independent Non-Executive Director)
Member	Datuk Syed Azmi Bin Syed Othman (Independent Non-Executive Director)

Nomination Committee

Chairperson	Law Siew Ngan (Independent Non-Executive Director)
Member	Teh Bee Choo (Independent Non-Executive Director)
Member	Datuk Syed Azmi Bin Syed Othman (Independent Non-Executive Director)

Remuneration Committee

Chairperson	Law Siew Ngan (Independent Non-Executive Director)
Member	Teh Bee Choo (Independent Non-Executive Director)
Member	Datuk Syed Azmi Bin Syed Othman (Independent Non-Executive Director)

All Board Committees comprise entirely Independent Non-Executive Directors. The Chairman of the Board is not a member of any Board Committees.

(a) Audit & Risk Management Committee

The ARMC was established to assist the Board in discharging its responsibilities relating to financial reporting, conflict of interest and related party transactions, as well as the Group's risk management and internal control systems. The Terms of Reference of the ARMC is accessible on the Company's website at www.econpile.com. Further details on the ARMC and the activities undertaken during the financial year are set out in the ARMC Report in this Annual Report.

(b) Nomination Committee

The NC assists the Board in identifying and recommending suitable candidates for appointment as new Directors, reviewing the composition and size of the Board, and assessing the effectiveness of the Board as a whole and its Board Committees, as well as the performance and contribution of each individual Director. The Terms of Reference of the NC is available on the Company's website at www.econpile.com.

Meetings of the NC are held as and when necessary, and at least once a year. The NC met once during FY2026 and all members registered full attendance.

The NC carried out the following activities during FY2026:

- (i) reviewed the composition of the Board and Board Committees and recommended the appointment of a new Independent Director;
- (ii) noted the updates on the succession planning for the Group Managing Director and the Group Chief Executive Officer;
- (iii) reviewed the required mix of skills and experience and core competencies of the Board;
- (iv) assessed the effectiveness of the Board as a whole and the Board Committees, as well as the contribution of each individual Director, and thereafter, recommended the findings to the Board;
- (v) reviewed the independence of the Independent Directors;
- (vi) reviewed the terms of office and performance of the ARMC and each of its members;
- (vii) reviewed the effectiveness of the Company Secretary;
- (viii) reviewed and recommended to the Board the re-election of retiring Directors; and
- (ix) reviewed the training programmes attended by the Directors and determined their training needs.

Corporate Governance Overview Statement (Continued)

11. Board Committees (Continued)

(b) Nomination Committee (Continued)

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

The assessment criteria for the Board's performance include, but are not limited to, board composition, board processes, board independence and interaction with management.

For the Board Committees, the assessment criteria include, among others, the membership and composition of the respective committees, their effectiveness in assisting the Board in discharging its oversight responsibilities, and their interaction with management.

In assessing the performance and contribution of individual Directors, the assessment criteria include, but are not limited to, integrity, strategic perspectives, commitment, communication ability and value-adding contributions.

As for Independent Directors, the assessment of their independence is based on criteria such as their tenure, involvement in transactions with the Company, and relationships with the Company and its substantial shareholders.

The Independent Non-Executive Directors are independent and fulfilled the definition of "independence" as set out in the MMLR. The breakdown of the Board by gender, age and ethnicity is as follows:

Gender	No.
Male	4
Female	3
Age	
40 to 50	1
51 to 60	0
Above 60	6
Ethnicity (Malaysian)	
Malay	1
Chinese	5
Indian	1

The Company has a Board Diversity Policy with the objective to ensure that the Board comprises an appropriate diversity of perspectives, experience and skills to facilitate effective oversight of the Group. Board diversity includes, but is not limited to, gender, age and ethnicity. The Board is committed to maintaining at least 30% women representation on the Board, while ensuring that diversity in age and ethnicity remains a feature of the Board. The NC is delegated with the overall responsibility for the implementation and monitoring of the Board Diversity Policy, as well as its periodic review to ensure its continued relevance and effectiveness.

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

The NC had also reviewed the term of office and performance of the ARMC and each of its members to assess whether the ARMC and its members had carried out their duties in accordance with its Terms of Reference. The Directors' responses were collated by Management, and a summary of the findings was presented to the NC for deliberation. Following its review, the NC was satisfied with the overall performance and effectiveness of the Board and Board Committees, as well as the contribution of each individual Director.

Corporate Governance Overview Statement (Continued)

11. Board Committees (Continued)

(b) Nomination Committee (Continued)

The NC also reviewed the results of the assessment and evaluation of the two (2) Directors due for retirement at the 14th AGM, taking into consideration their fit and properness, skills, experience, professional qualifications, core competencies, other relevant qualities, contributions to the Company and time commitment. Based on its assessment, the NC recommended to the Board that the re-election of the two (2) retiring Directors be tabled for shareholders' approval at the 14th AGM.

Based on the NC's assessment and recommendation, the Board is of the view that the current size and composition are well-balanced and appropriate, and adequately reflect the interests of the Company's shareholders, including minority shareholders. In view thereof, the Board will seek shareholders' approval for the re-election of The Cheng Eng and Pang Sar as Directors at the 14th AGM.

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

(c) Remuneration Committee

The RC assists the Board in establishing an appropriate remuneration framework for the Executive Directors, Non-Executive Directors and Key Senior Management.

Meetings of the RC are held as and when necessary, and at least once a year. The RC met once during FY2026, and all the members registered full attendance.

The RC reviews the Directors' fees and benefits, considers the payment of bonuses to the Executive Directors and Key Senior Management, and reviews the remuneration packages of the Executive Directors and Key Senior Management on an annual basis and makes recommendation to the Board. The Board as a whole determines the remuneration of the Executive Directors and recommends the Directors' fees and benefits for shareholders' approval. Each individual Director shall abstain from deliberation and decision-making in respect of his or her own fees, benefits or remuneration.

The Company has adopted a Remuneration Policy which sets out the remuneration principles and guidelines for the Board and Key Senior Management of the Company. The Remuneration Policy aims to attract, motivate and retain qualified Directors and Key Senior Management. The remuneration of Executive Directors and Key Senior Management is made up of fixed component (i.e. basic salary) and variable remuneration components (i.e. annual performance bonus and other benefits). The total reward package takes into account both individual and corporate performance. During FY2026, the RC reviewed and recommended to the Board the key performance indicators and incentive framework for Key Senior Management and staff, with the aim of aligning rewards with organisational performance, enhancing project delivery, as well as strengthening leadership talent retention.

For Non-Executive Directors, their remuneration consists of Directors' fees and meeting allowances. In recognition of their additional responsibilities, the Chairmen of the Board and Board Committees receive higher remuneration than other members. Different levels of fees are also paid in respect of the different Board Committees, taking into consideration the complexity of the matters handled, and the extent of preparation required and the level of responsibilities assumed.

The Terms of Reference of the RC and the Remuneration Policy are accessible through the Company's website at www.econpile.com.

Corporate Governance Overview Statement (Continued)

12. Directors' Training

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

The seminars and training courses attended by the Directors during the financial year under review are as follows:

Name	Training/Course/Conference Title	Organised by
Krishnan A/L C K Menon	MACC Act & S17A Corporate Liability Provision	VisionEthics Advisory Services Sdn Bhd
	Global AI, Digital & Green Economy Summit 2025 - Accelerating Sustainability Through Artificial Intelligence	KSI Strategic Institute for Asia Pacific
The Cheng Eng	MACC Act & S17A Corporate Liability Provision	VisionEthics Advisory Services Sdn Bhd
	Anti-Bribery and Anti-Corruption in Construction Industry	VisionEthics Advisory Services Sdn Bhd
	Corruption Risk Management	VisionEthics Advisory Services Sdn Bhd
Pang Sar	MACC Act & S17A Corporate Liability Provision	VisionEthics Advisory Services Sdn Bhd
	Anti-Bribery and Anti-Corruption in Construction Industry	VisionEthics Advisory Services Sdn Bhd
	Corruption Risk Management	VisionEthics Advisory Services Sdn Bhd
	Invest Malaysia 2026 - From Reform to Execution: Malaysia's Next Leap	Bursa Malaysia
The Kun Ann	MACC Act & S17A Corporate Liability Provision	VisionEthics Advisory Services Sdn Bhd
	Anti-Bribery and Anti-Corruption in Construction Industry	VisionEthics Advisory Services Sdn Bhd
	Corruption Risk Management	VisionEthics Advisory Services Sdn Bhd
	Invest Malaysia 2026 - From Reform to Execution: Malaysia's Next Leap	Bursa Malaysia
	Property & Construction - Risk Agility for Tax & ESG	KPMG PLT
Teh Bee Choo	MACC Act & S17A Corporate Liability Provision	VisionEthics Advisory Services Sdn Bhd
	Journey Through Life Transitions	Hey Resources
	Corporate Tax	Hey Resources
Law Siew Ngan	Leading For Longevity: The Board's Role in Driving Innovation	Institute of Corporate Directors Malaysia
	Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities	Institute of Corporate Directors Malaysia
	Board Simulation - Balancing Risks & Opportunity in Sustainability Leadership Programme	Bursa Malaysia
	Raising The Bar: Strengthening Board Audit Committee Oversight	Institute of Corporate Directors Malaysia
	How are Boards Tracking the Progress and Quality of Sustainability Reporting	Institute of Corporate Directors Malaysia
	Post Budget 2026 Dialogue	Institute of Corporate Directors Malaysia
	Leading for Impact (LIP) Alumni Sharing Session	Institute of Corporate Directors Malaysia
	AOB Conversation with Audit Committee (Nov 2025)	Securities Commission Malaysia
	MACC Act & S17A Corporate Liability Provision	VisionEthics Advisory Services Sdn Bhd
	From Curiosity to Control: Board Intelligence in the Age of AI	Institute of Corporate Directors Malaysia
	AOB Conversation with Audit Committee (May 2026)	Securities Commission Malaysia
	Leading HR Transformation: Are You Ready for Intelligent Human Capital Management (HCM) ? Harnessing Intelligent HCM to Drive Smarter People Decisions	NTT DATA Business Solutions Malaysia
	From Conflict to Continuity: Building Long-Term Business Resilience	Ernst & Young PLT

Corporate Governance Overview Statement (Continued)

12. Directors' Training (Continued)

Name	Training/Course/Conference Title	Organised by
Datuk Syed Azmi Bin Syed Othman (Appointed on 29 August 2025)	MACC Act & S17A Corporate Liability Provision	VisionEthics Advisory Services Sdn Bhd
	The Human Edge in an AI World: Culture as Your Competitive Advantage	Institute of Corporate Directors Malaysia
	AI at the Helm: How Directors can Govern the Future	Institute of Corporate Directors Malaysia
	Harnessing the Value of Board - Management Relationship	Institute of Corporate Directors Malaysia
	Financial Acumen for Directors: From Statements to Stewardship	Institute of Corporate Directors Malaysia
	Full Circle: AI-Powered Productivity: Mastering AI to 10x Your Impact	Monash University
	Stepping Up your AMLA Compliance: Best Practice & Challenges in Identifying the Beneficial Owner	Malaysian Institute of Accountants
	Carbon Accounting and Reporting Programme	Malaysian Institute of Accountants

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

13. Directors' and Key Senior Management's Remuneration

The RC is principally responsible for reviewing and recommending to the Board the remuneration package of the Executive Directors and key senior management. The remuneration is commensurate with their respective experience, responsibilities and contributions to the Group. The Board as a whole is responsible for determining the remuneration of the Executive Directors and Key Senior Management, as well as recommending the fees and benefits payable to the Non-Executive Directors for shareholders' approval. Each Director shall abstain from deliberation and decision-making in respect of his or her own remuneration, fees and benefits. In addition, Directors who are shareholders of the Company shall abstain from voting on resolutions at general meetings pertaining to the approval of their respective fees and benefits.

The breakdown of the Directors' remuneration paid during FY2026 is as follows:

	Fees (RM)	Salaries (RM)	Other emoluments* (RM)	Benefits-in-kind (RM)	Total (RM)
On Company basis					
<i>Executive Directors</i>					
The Cheng Eng	-	120,000	893	-	120,893
Pang Sar	-	120,000	5,693	-	125,693
The Kun Ann	-	36,000	5,371	-	41,371
<i>Non-Executive Directors</i>					
Krishnan A/L C K Menon	85,000	-	3,000	-	88,000
Teh Bee Choo	65,000	-	7,000	-	72,000
Law Siew Ngan	65,000	-	7,000	-	72,000
Datuk Syed Azmi Bin Syed Othman (Appointed on 29 August 2025)	46,362	-	6,000	-	52,362

Corporate Governance Overview Statement (Continued)

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

	Fees (RM)	Salaries (RM)	Other emoluments* (RM)	Benefits-in-kind (RM)	Total (RM)
On Group basis					
<i>Executive Directors</i>					
The Cheng Eng	-	1,341,500	105,286	20,525	1,467,311
Pang Sar	-	1,341,500	167,454	22,200	1,531,154
The Kun Ann	-	396,000	123,884	9,900	529,784
<i>Non-Executive Directors</i>					
Krishnan A/L C K Menon	85,000	-	3,000	-	88,000
Teh Bee Choo	65,000	-	7,000	-	72,000
Law Siew Ngan	65,000	-	7,000	-	72,000
Datuk Syed Azmi Bin Syed Othman (Appointed on 29 August 2025)	46,362	-	6,000	-	52,362

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

In addition to their remuneration, the Directors are covered under a Directors' & Officers' Liability Insurance policy, which provides appropriate protection against liabilities that may arise in the course of discharging their duties and responsibilities.

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

The Board believes that disclosures of non-director senior management remuneration in bands of RM50,000 provides sufficient transparency and accountability, and is aligned with the principles of MCCG. For FY2026, four (4) members of Senior Management, comprising the COO and Senior General Managers, fell within the remuneration band of RM350,001 to RM400,000.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Financial Reporting

The Board is committed to presenting a balanced, clear and comprehensive assessment of the Group's financial position and performance, primarily through its annual reports, quarterly interim financial results and press releases. In the process of preparing the financial information, the Board, with the assistance of the ARMC, reviews the accounting policies and practices to ensure that they are consistently applied throughout the financial year. In cases where judgements and estimates are required, they are made on a reasonable and prudent basis.

2. Risk Management and Internal Control

Recognising the importance of risk management, a risk register is in place to identify, evaluate and manage the significant risks of the Group on an ongoing basis. The risks were identified through a series of validation meetings conducted by a professional service firm with key management personnel to assess the key risks relating to the respective areas of management. All identified key risks were rated and prioritised in terms of the likelihood of the risk occurring and its impact should the risk occur. In addition, risk identification and risk management relating to new projects are carried out at the commencement of each project. The risk profile of the Group was last validated by a professional service firm in November 2024, taking into account the prevailing business environment and operational challenges at that time. No new major risks have been identified in FY2026 as the business nature of the Group remained largely unchanged.

Corporate Governance Overview Statement (Continued)

2. Risk Management and Internal Control (Continued)

The top five risks identified were (i) project delay; (ii) project cost overrun; (iii) shortage of skilled and general workers; (iv) credit risks; and (v) climate risks. In FY2026, project cost overrun and potential project delays became more prominent risks due to continued cost pressures and labour constraints affecting project execution.

In addition, a professional services firm was engaged to assist in reviewing and conducting corruption risk assessments across the Group. Through this exercise, the Group's top 10 corruption risks were identified, together with the corresponding detailed action plans to mitigate the identified risks.

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

3. Relationship with External Auditors

The Group has established a formal and transparent arrangement with the External Auditors through the ARMC to facilitate the discharge of their respective professional responsibilities. The External Auditors attended 3 out of 6 scheduled meetings of the ARMC in FY2026. The term of service of the External Auditors is subject to annual renewal, taking into consideration their performance, suitability and independence.

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

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

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

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

1. Corporate Disclosure Policy, Investor Relations and Shareholders Communication

The Group recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest business and corporate developments. Such information is disseminated via the Group's audited financial statements, annual reports, quarterly financial results, AGM, the Company's website at www.econpile.com, as well as the official website of Bursa Securities. In addition, the Group also engages in regular dialogues with institutional investors, fund managers and analysts. At general meetings, the Board encourages shareholders' participation and responds to their questions. Shareholders may also submit their questions in writing for the Board's response. The primary contact for investor relations matters is:

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

During FY2026, the Group held meetings with investors to share the latest updates and pertinent information on the Group's progress with the investment community. Senior Management was involved in investor meetings to update on financial results as well as to impart broad insights into the Group's strategic directions.

The Company has in place the Corporate Disclosure Policies and Procedures, which provide guidance on the disclosure of material information in accordance with the MMLR.

Corporate Governance Overview Statement (Continued)

2. Annual General Meeting

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

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

The 13th AGM was held physically, and the outcome was announced to Bursa Securities on the same day of the meeting. The minutes of the 13th AGM were published on the Company's website at www.econpile.com within 30 business days after the 13th AGM.

KEY FOCUS AREAS IN RELATION TO CORPORATE GOVERNANCE PRACTICES

Environmental, Social and Governance ("ESG")

The Company recognises that ESG considerations are increasingly critical to the long-term resilience and sustainability of the construction industry. ESG remains an area of focus for the Group, and the Board is committed to progressively strengthening the Group's ESG practices and integrating relevant sustainability considerations into its business operations and decision-making.

Succession Planning for Senior Management

The Board recognises that succession planning plays an important role in supporting the Group's long-term performance and stability. It remains attentive to succession planning for Senior Management positions to help ensure leadership continuity and organisational resilience.

PRIORITIES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2027

Path to Financial Recovery

FY2026 marked the Group's second consecutive year of profitability following three consecutive years of losses from FY2022 to FY2024. While the return to profitability reflects progress in the Group's recovery journey, earnings remained modest amid continued raw material cost pressures, partly arising from the impact of geopolitical tensions in the Middle East and broader market uncertainties. The Board remains cautious and will continue to strengthen its oversight to safeguard financial stability and support the Group towards sustainable growth.

Risk Management

Given the challenging operating environment, the Board will continue to strengthen its oversight of the Group's risk management framework to ensure that key risks are identified, assessed and managed effectively to support operational resilience and long-term value creation for stakeholders.

This Corporate Governance Overview Statement was approved by the Board on 23 October 2026.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("Board") is pleased to present its Statement on Risk Management and Internal Control ("the Statement") for the financial year ended 30 June 2026 ("FY2026"), which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control Guide 2025: Guidelines for Directors of Listed Companies ("the Guidelines"). This statement outlines the nature and state of the risk management and internal control of the Group during the financial year. In FY2026, the Group does not have any joint venture or associates. The Companies Act 2016 and the Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

BOARD'S RESPONSIBILITIES

The Board recognises its overall responsibility for maintaining a sound system of risk management and internal control and the need to regularly review its adequacy and effectiveness. Such system covers not only financial, operational and compliance controls but also sustainability and climate related risks.

In view of the limitations that are inherent in any system of risk management and internal controls, such a system put into effect by the senior management is designed to manage rather than eliminate risks that may impede the achievement of the Group's business strategies and objectives.

Therefore, such a system can only provide reasonable but not absolute assurance against any material misstatement or loss.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

GOVERNANCE STRUCTURE

The Group adopts the Three Lines Model, as advocated by the Institute of Internal Auditors, to support a robust governance, risk management and internal control framework. This model establishes clear roles and responsibilities for ownership and management of risk, oversight and monitoring of risk and control activities and the provision of independent assurance thereby supporting the Group's overall governance, risk management and internal control framework.

- Board and Board Committees

The Board has overall responsibility for overseeing the Group's governance, risk management and internal control framework, including establishing the Group's risk appetite and tolerance. In discharging its oversight responsibilities, the Board is supported by the relevant Board Committees, which provide focused oversight of matters within their respective mandates.

The Board and ARMC review significant risk and control matters reported by Management and the respective assurance functions, monitor the Group's overall risk profile and provide direction where appropriate. This oversight supports the Board in assessing whether the Group's risk management and internal control systems remain appropriate and effective in supporting the achievement of the Group's objectives and safeguarding stakeholders' interests.

- Management (First Line)

Management is primarily responsible for the ownership and management of risks and internal controls within their respective areas of responsibility. Heads of Department ("HODs") are responsible for identifying, assessing and managing risks arising from day-to-day operations, implementing and maintaining appropriate controls and mitigation measures, and monitoring changes in risk exposure. Significant risk developments, control deficiencies and emerging risks are escalated through the appropriate reporting channels for timely management attention and action.

Statement on Risk Management and Internal Control (Continued)

GOVERNANCE STRUCTURE (Continued)

- Internal Control and Compliance Department (Second Line)

The Internal Control and Compliance Department provides oversight, guidance and monitoring to support the effective management of compliance risks and internal controls across the Group. The Department monitors compliance with established policies, procedures and applicable requirements, and provides guidance. Significant compliance matters identified are escalated to the Senior Management for timely attention and action.

- Internal Audit Function (Third Line)

The internal audit function provides independent and objective assurance to the ARMC on the effectiveness of the Group's governance, risk management and internal control processes. Through its risk-based reviews, the internal audit function assesses key processes and controls, identifies areas for improvement and recommends appropriate measures to strengthen the Group's control environment.

RISK MANAGEMENT FRAMEWORK

The Group has established a structured and ongoing risk management process, guided by COSO-ERM Integrated Framework, a worldwide recognised comprehensive framework advocated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Risk considerations are incorporated into the Group's business planning and decision-making activities enabling the Group to respond appropriately to changes in its business and operating environment. The risk management framework and related processes are reviewed periodically to ensure they remain appropriate and effective.

In line with the Guidelines, the Group also maintains a forward-looking perspective in evaluating its risk exposure. Management monitors emerging developments that could affect the Group's operations, financial performance and long-term sustainability. Areas of focus include technological disruption, regulatory developments, geopolitical and macroeconomic uncertainty, supply-chain disruption, sustainability and climate related risk, talent and succession matters, and events that could affect business continuity. The significance of these risks is assessed as part of the Group's risk management process, with appropriate mitigation measures and monitoring mechanisms established based on the nature and severity of the exposure.

The Group's key risks are assessed and prioritised according to their likelihood and potential impact, taking into consideration the effectiveness of existing controls. This allows the Group to prioritise key risks and ensure that appropriate mitigation measures and internal controls are implemented and monitored. The key risks are reviewed against the Group's risk appetite, with designated risk owners responsible for monitoring and managing these risks. Periodic reporting to the ARMC supports ongoing oversight and timely decision-making.

In FY2026, project cost overrun and potential project execution delays became more prominent risks amid continued cost pressures and tighter competition for construction resources. Cost pressures were largely influenced by geopolitical tensions in the Middle East, while increased construction activity in Malaysia, including the rapid expansion of data centre developments, contributed to greater competition for skilled and qualified personnel and subcontractor resources. Mitigation measures include closer monitoring of project costs and progress through regular inter-functional coordination and ongoing digitalisation initiatives to strengthen contract management and project cost monitoring.

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



Statement on Risk Management and Internal Control (Continued)

RISK MANAGEMENT FRAMEWORK (Continued)

The key elements of risk management process are as follows:

- Identify key risks drawing from strategic, operational, financial and compliance perspectives;
- Identify the existing controls that manage the identified risks;
- Confirm ownership and timelines for managing and monitoring the identified risks;
- Rate the identified risks in terms of likelihood of occurrence and the resulting impact on the organisation. The rating takes into account the effectiveness of the existing controls put in place to manage the risks;
- Decide on the risk treatment and develop risk response to manage residual risks (if any); and,
- Continuous monitoring to ensure compliance and update the Group's existing key risk profile.

A formal risk assessment exercise with the assistance of an external consultant is undertaken once every two years, the results of the last assessment were presented to the ARMC and the Board on 27 November 2024. Notwithstanding the biennial formal risk assessment, risk management remains an ongoing process, with the Heads of Department together with senior management responsible for managing and monitoring risk within their respective areas as part of their day-to-day operations.

Any significant changes in risk exposure or emerging risks are discussed during the monthly management meetings.

In addition, separately, a corruption risk workshop was held involving representatives from every department to identify, assess and prioritise the corruption risks of the Group. The resulting updated corruption risk profile was adopted in May 2026.

INTERNAL AUDIT FUNCTION

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- a) The Group has an organisation structure with clear lines of responsibility and delegation of authority to ensure proper identification of accountabilities and segregation of duties.
- b) The Executive Directors are closely involved in the running of the business and operations of the Group and report to the Board on significant changes in the business and external environment, which affect the operations of the Group at large.
- c) Management meetings are conducted on a monthly basis with the Executive Directors, the Chief Operating Officer and the members of management at the level of General Manager and above in attendance.
- d) The Executive Directors and the senior management in the Project and Technical Department at the level of General Manager and above, undertake visits to project sites and workshop and communicate with various levels of staff. The visits and close communication with working level are pertinent to obtaining timely feedback on the progress at the project sites and workshop activities, and gauging first-hand the effectiveness of strategies discussed and implemented.
- e) Insurance on the major assets and resources of the Group are in place to ensure that there is adequate insurance coverage against any mishap that may result in losses to the Group.
- f) All quarterly announcements were reviewed by the ARMC and approved by the Board upon recommendation of the ARMC before announcing to Bursa Securities.

Statement on Risk Management and Internal Control (Continued)

OTHER KEY ELEMENTS OF INTERNAL CONTROL (Continued)

- g) The Group's subsidiary, Econpile (M) Sdn. Bhd. ("EMSB"), has an Integrated Management System in place for Quality, Environment, Occupational Health and Safety which is in compliance with international standards ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, respectively ("the IMS ISO Standards"). The scope of certification is the provision of installation, testing of bored piles, micro piles and drive piles and construction of sub-structure. The certifications are valid up to 26 August 2027, 9 September 2027 and 9 September 2027, respectively.
- h) The Group implements its anti-bribery and anti-corruption controls by providing anti-bribery and anti-corruption training to employees as well as by enforcing established policies, including the Anti-Bribery and Anti-Corruption Policy, the Whistleblowing Policy & Guidelines, the Code of Ethics and the Code of Conduct.
- i) A Sustainability Policy is in place to serve as a guiding framework for integrating sustainable practices across the Group's operations. In particular, the policy's environmental commitments in areas such as responsible resource management, pollution control, energy efficiency, and waste reduction, are aimed to not only reduce the Group's environmental impact but also strengthen its resilience to climate risks.
- j) A Safety, Health and Environment Policy is in place and the Quality, Safety, Health and Environment ("QSHE") department is tasked to raise the awareness of QSHE practices throughout the Group and monitors the compliance with the relevant regulations and best practices.
- k) Corporate disclosure policies and procedures are in place to provide general guidance to the Directors and employees in the determination and dissemination of material information.
- l) An investment policy, which sets forth the parameters and procedures for approval of new investments, is in place to assist the Board to provide oversight of investments, inter-alia, consideration of the quantitative, qualitative and risk analysis of each investment.
- m) The Board has established several Board Committees to assist in discharging its duties. These include the ARMC, Nomination Committee and Remuneration Committee. These Board Committees are delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal controls in place are adequate and effective for the financial year under review to safeguard shareholders' interest and the Group's assets and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board is also cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control within the Group.

ASSURANCE FROM THE MANAGEMENT

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

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

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2026 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement:

- (a) had not been prepared in accordance with the disclosures required by Section 7 of the Statement of Risk Management and Internal Control (SORMIC) Guidelines for Directors of Listed Companies
- (b) was factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 23 October 2026.

Directors' Responsibility Statement

The Directors are responsible for preparing the financial statements of the Company and of the Group in accordance with the Companies Act 2016 ("the Act") and the applicable approved accounting standards so as to give a true and fair view of the financial position of the Company and of the Group as at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2026, the Directors have:

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgements, estimates and assumptions based on their best knowledge of current events and actions;
- Ensured compliance with all applicable accounting standards and the provisions of the Act; and
- Considered the appropriateness of the going concern basis and made appropriate enquiries and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

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

The Directors have also taken the necessary steps to ensure that appropriate systems are in place to safeguard the assets of the Company and of the Group for the prevention and detection of fraud and other irregularities. These systems are designed to provide reasonable, but not absolute assurance against material misstatements, loss or fraud.

Additional Compliance Information

1. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable to KPMG PLT and its affiliates for the provision of audit and non-audit services to the Company and its subsidiaries for the financial year ended 30 June 2026 ("FY2026") are as follows:-

	Company (RM)	Group (RM)
Audit fees	96,000	339,000
Non-audit fees	17,000	161,000

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

2. Recurrent Related Party Transactions ("RRPT")

The details of the RRPT undertaken by the Group during FY2026 are disclosed in Note 28 of the Financial Statements on page 122 of this Annual Report. As the actual aggregate amount transacted for the RRPT is below the required threshold of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to obtain shareholders' approval, the Board will not be seeking shareholders' mandate for the RRPT at the forthcoming annual general meeting of the Company. The Board, via the Audit & Risk Management Committee and the Management will continue to monitor and keep track of the value of the RRPT as and when a transaction is entered into with related parties.

3. Material Contracts involving the interests of Directors, Chief Executive who is not a Director or Major Shareholders

There were no material contracts entered into by the Company and the Group involving the interests of Directors, Chief Executive who is not a Director or major shareholders, which were still subsisting as at the end of the financial year under review or entered into since the end of the previous financial year.

Audit & Risk Management Committee Report

The Board of Directors of Econpile Holdings Berhad (“Board”) is pleased to present the Audit & Risk Management Committee (“ARMC”) Report, which provides an overview of how the ARMC discharged its duties and responsibilities in respect of the financial year ended 30 June 2026 (“FY2026”).

A. COMPOSITION AND MEETINGS

The current composition of the ARMC and their respective designation are as follows:

<u>Chairperson</u> Teh Bee Choo	Independent Non-Executive Director
<u>Members</u> Law Siew Ngan	Independent Non-Executive Director
Datuk Syed Azmi Bin Syed Othman (appointed on 29 August 2025)	Independent Non-Executive Director

All members of the ARMC are financially literate and possess the necessary skills, knowledge and experience to discharge their duties effectively. None of the members were former key audit partners of the Company’s existing External Auditors. Ms Teh Bee Choo and Ms Law Siew Ngan are members of the Malaysian Institute of Accountants (“MIA”). The composition of the ARMC meets the requirements of Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and Practice 9.4 of the Malaysian Code on Corporate Governance.

The ARMC held 6 meetings during FY2026, all of which were attended by its members. The details of the attendance are as follows:

ARMC Members	Number of meetings attended/ Number of meetings held
Teh Bee Choo	6/6
Law Siew Ngan	6/6
Datuk Syed Azmi Bin Syed Othman (appointed as a member on 29 August 2025)	5/5

The ARMC meets at least once in every quarter. The Executive Directors, Senior General Manager (Finance), External Auditors, Internal Auditors and the relevant consultants were also invited to attend the meetings to facilitate direct communication on matters under the consideration of the ARMC, or which, in their opinion, on specific matters which should be brought to the attention of the ARMC. Following each ARMC meeting, the Chairperson of the ARMC updated the Board on the matters discussed and deliberated during the meetings. The Group’s annual financial statements and quarterly financial reports, which were reviewed by the ARMC, were recommended to the Board for approval. Any significant matters or concerns raised by the External Auditors or Internal Auditors were also communicated to the Board for their consideration.

All deliberations at the ARMC meetings were properly recorded and the minutes of each meeting were tabled for confirmation at the subsequent ARMC meeting, after which the minutes were presented to the Board for notation.

B. TERMS OF REFERENCE

The duties and responsibilities of the ARMC are set out in its Terms of Reference, which was last reviewed and approved by the ARMC and the Board on 26 August 2026. The Terms of Reference is available on the Company’s website at www.econpile.com.

Audit & Risk Management Committee Report (Continued)

C. SUMMARY OF WORKS PERFORMED BY THE ARMC

The objective of the ARMC is to assist the Board in fulfilling its statutory and fiduciary responsibilities by ensuring that the Group maintains an adequate and effective risk management and internal control systems. In discharging its oversight responsibilities, the ARMC continued to review and report to the Board on the Group's financial reporting, internal control and risk management processes, as well as the performance and independence of the External Auditors during the financial year.

The activities undertaken by the ARMC in the discharge of its duties and responsibilities for FY2026 were as follows:

External Audit

- a) Reviewed and discussed with the External Auditors the audit plan for FY2026, covering the audit engagement and reporting requirements, materiality threshold, audit scope, independence, significant risk areas and audit timetable.
- b) Reviewed and discussed with the External Auditors the audited financial statements of the Group and of the Company for FY2026, including key audit matters and the adequacy of the disclosures in the audited financial statements, before recommending the same to the Board for approval.
- c) Evaluated the independence and effectiveness of the External Auditors taking into consideration, among others, their independence, performance, competency, audit quality, adequacy of resources, communication and interaction and provision of non-audit services. The ARMC also considered the Transparency Report 2024 of KPMG PLT in assessing the audit quality, independence and suitability of the External Auditors. The ARMC was satisfied with the performance and independence of the External Auditors and recommended their re-appointment to the Board for consideration.
- d) Reviewed the non-audit fees and services provided by the External Auditors or its affiliates to the Group for FY2026 to ascertain whether such services would impair the independence and objectivity of the External Auditors.

Financial Reporting

- a) Reviewed the unaudited quarterly financial results for the first, second, third and fourth quarters of FY2026 and the Audited Financial Statements of the Group and of the Company for FY2026 prior to recommending to the Board for their approval and subsequent release to Bursa Malaysia Securities Berhad.
- b) Reviewed the progress of project costs and billings and the adequacy of impairment of trade receivables.
- c) Reviewed the integrity of information in the financial statements and quarterly reports, in particular on changes in accounting policies and practices, significant adjustments resulting from audit, going concern assumption, completeness of disclosures and compliance with applicable accounting standards.
- d) Held a private session with the External Auditors without the presence of the Management on 26 August 2026 to discuss any audit issues encountered during the course of the audit and significant matters related to audit plan and strategy to ensure that there were no restrictions on the scope of audit for FY2026. There were no major concerns from the External Auditors.

Internal Audit

- a) Reviewed the outsourced internal audit functions and agreed on the re-appointment of Resolve IR Sdn. Bhd. as the Group's Internal Auditors for financial years ending 30 June 2027, 2028 and 2029.
- b) Reviewed and approved the internal audit plan to ensure adequate scope of work and coverage of the Group's internal controls based on key risk areas.
- c) Reviewed the internal audit reports prepared by the Internal Auditors, including their audit findings and the corresponding proposed corrective actions to be undertaken by the Management. The ARMC also reviewed the follow-up reports issued by the Internal Auditors and the implementation status of the corrective actions to ensure satisfactory actions have been taken to address previously reported internal audit findings.
- d) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function. The ARMC was satisfied with the Internal Auditors' performance.
- e) Held a private session with the Internal Auditors without the presence of the Management on 27 November 2025 to discuss any audit issues that arose during the course of their audits. There were no major concerns from the Internal Auditors.

Audit & Risk Management Committee Report (Continued)

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

Others

- a) Reviewed the related party transactions ("RPT") and recurrent related party transactions ("RRPT") entered into by the Group and the Company on a quarterly basis and was satisfied that such transactions were conducted at arm's length, on normal commercial terms, and on terms not more favourable to the related parties than those generally available to the public, and were not detrimental to the interests of the minority shareholders of the Company. The ARMC further noted that the RPT and RRPT entered into during FY2026 did not exceed the prescribed thresholds under the Listing Requirements that would require an immediate announcement or shareholders' approval.
- b) Reviewed quarterly management reports consist of financial performance review, project progress analysis and receivables ageing analysis.
- c) Reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group through the results of work performed by the Internal and External Auditors and discussion with Senior Management.
- d) Reviewed the Anti-Bribery and Anti-Corruption Policy.
- e) Reviewed the Corruption Risk Management Report and took note of the Group's updated top 10 corruption risks, together with the corresponding mitigating measures.
- f) Reviewed the Whistleblowing Policy and Guidelines.
- g) Reviewed the Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control, and Corporate Governance Overview Statement and recommended the same to the Board for their approval prior to inclusion in the 2026 Annual Report.
- h) Reviewed and noted that there was no conflict of interest or any potential conflict of interest situation involving Directors and senior management of the Group arose or persisted.
- i) Reviewed the External Auditors' Assessment Policy and Terms of Reference of the ARMC.

D. SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to Resolve IR Sdn. Bhd., which reports directly to the ARMC, providing independent assessment on the adequacy and effectiveness of the Group's governance, risk management and internal control systems. The internal audit engagement is led by Mr. Choo Seng Choon ("Mr. Choo"), who has diverse professional experience in internal audit, risk management and corporate governance advisory.

Mr. Choo is a Certified Internal Auditor and Chartered Member of the Institute of Internal Auditors, with over 25 years of professional experience in multiple disciplines, including internal audit, risk management, corporate governance, performance and business management, Initial Public Offering ("IPO"), taxation, due diligence and corporate finance. He is also a Fellow Chartered Certified Accountant (UK), Chartered Accountant of the MIA and Certified Public Accountant of the Malaysian Institute of Certified Public Accountants ("MICPA").

The number of staff deployed for each internal audit review ranges from 3 to 4 personnel per visit, including the Engagement Director. The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Some of the internal audit personnel are members of the Institute of Internal Auditors Malaysia. The internal audit personnel on the engagement are also free from any relationships with any Director and/or major shareholder of the Company or conflicts of interest that could impair their objectivity and independence. All internal audit work was conducted using a risk-based approach and was guided by the International Professional Practice Framework.

Audit & Risk Management Committee Report (Continued)

D. SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION (Continued)

The internal audit activities undertaken during FY2026 were as follows:

- a) Performed internal audit review in accordance with the approved internal audit plan.
- b) Evaluated and improved the effectiveness of the internal control system and compliance with the established policies and procedures as well as applicable regulatory requirements.
- c) Issued internal audit reports incorporating audit recommendations and Management's responses.
- d) Followed up on the implementation of corrective action plans to ensure that satisfactory actions had been undertaken to address previous internal audit findings.
- e) Attended ARMC meetings to table and discuss the internal audit reports and followed up on matters raised.

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

Entity	Auditable Areas
Econpile (M) Sdn. Bhd.	<ul style="list-style-type: none">• Business Development and Tender Bidding• Financial Statement Close Process

The results of the audit reviews were discussed with Senior Management and the relevant Heads of Department. Subsequently, the audit findings, together with the recommendations for improvement, were presented to the ARMC. In addition, follow-up reviews were conducted to ensure that the agreed corrective action plans had been implemented in a timely manner, and the results of the follow-up reviews were also presented to the ARMC.

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

The total costs incurred for the outsourcing of the internal audit function for FY2026 were RM57,700.

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Directors' Report

for the year ended 30 June 2026

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 2026.

Principal activities

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

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

Results

	Group RM'000	Company RM'000
Profit for the year	8,018	223

Reserves and provisions

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

Dividend

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

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

The Cheng Eng*
Pang Sar*
The Kun Ann*
Krishnan A/L C K Menon
Teh Bee Choo
Law Siew Ngan
Datuk Syed Azmi Bin Syed Othman

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

Directors' Report (Continued)

for the year ended 30 June 2026

Directors' interests in shares

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

	Number of ordinary shares			
	At 1.7.2025	Bought	Sold	At 30.6.2026
Interests in the Company:				
The Cheng Eng				
- own	349,933,118	-	-	349,933,118
- children*	380,000	-	-	380,000
Pang Sar	247,000,012	-	-	247,000,012
The Kun Ann	250,000	-	-	250,000
Krishnan A/L C K Menon	250,000	-	-	250,000

* The Kun Hong and The Kun Ee are the children of The Cheng Eng but are not Directors of the Company. In accordance with Section 59 of the Companies Act 2016, the interests and deemed interests of The Kun Hong and The Kun Ee in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall also be treated as the interests of The Cheng Eng.

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

None of the other Directors holding office at 30 June 2026 had any interest in the shares and option over shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 June 2026 are as follows:

	From the Company RM'000	From subsidiary RM'000
Directors of the Company:		
Fees	261	-
Remuneration	311	3,188
Estimated monetary value of any other benefits	-	53
	572	3,241

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.

Directors' Report (Continued)

for the year ended 30 June 2026

Directors of subsidiary

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

Directors

Sukumaran Ramadass
Choo King Hwa

Issue of shares and debentures

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

Options granted over unissued shares

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

Indemnity and insurance costs

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

Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

Directors' Report (Continued)

for the year ended 30 June 2026

Other statutory information (Continued)

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2026 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

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

	Group RM'000	Company RM'000
Auditors' remuneration		
Audit fees		
KPMG PLT	306	96
Overseas affiliate of KPMG Malaysia	33	-
Non-audit fees		
KPMG PLT	11	11
Local affiliate of KPMG PLT	6	6
Overseas affiliate of KPMG Malaysia	144	-
	500	113

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

The Cheng Eng

Kuala Lumpur

Date: 23 October 2026

Pang Sar

Statements of Financial Position

as at 30 June 2026

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	2	21,366	22,023	-	-
Right-of-use assets	3	321	915	-	-
Investment properties	4	20,909	15,664	-	-
Investments in subsidiaries	5	-	-	157,000	157,000
Deferred tax assets	6	5,648	2,273	-	-
Land held for property development	7	545	545	-	-
Trade and other receivables	8	-	-	23,750	33,997
Total non-current assets		48,789	41,420	180,750	190,997
Trade and other receivables	8	325,622	371,186	5	5
Contract assets	9	147,619	114,069	-	-
Prepayments		1,921	6,560	25	15
Current tax assets		5,639	22,283	200	-
Other investments	10	14,113	3,934	11,204	1,088
Cash and cash equivalents	11	74,836	51,121	264	277
Total current assets		569,750	569,153	11,698	1,385
Total assets		618,539	610,573	192,448	192,382
Equity					
Share capital	12	177,206	177,206	177,206	177,206
Reserves	12	189,672	182,371	15,028	14,805
Equity attributable to owners of the Company		366,878	359,577	192,234	192,011
Liabilities					
Loans and borrowings	13	4,312	9,021	-	-
Lease liabilities		25	161	-	-
Employee benefits	14	-	6,447	-	-
Total non-current liabilities		4,337	15,629	-	-
Loans and borrowings	13	99,977	99,254	-	-
Lease liabilities		312	792	-	-
Employee benefits	14	5,728	-	-	-
Trade and other payables	15	123,973	102,020	214	200
Provisions	16	4,707	82	-	-
Contract liabilities	9	12,581	32,908	-	-
Current tax liabilities		46	311	-	171
Total current liabilities		247,324	235,367	214	371
Total liabilities		251,661	250,996	214	371
Total equity and liabilities		618,539	610,573	192,448	192,382

The notes on pages 81 to 122 are an integral part of these financial statements.

Statements of Profit Or Loss And Other Comprehensive Income

for the year ended 30 June 2026

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Revenue	17	392,016	285,987	-	-
Cost of sales	18	(355,060)	(252,650)	-	-
Gross profit		36,956	33,337	-	-
Other income		3,154	1,542	117	19
Administrative expenses		(23,695)	(22,819)	(1,147)	(1,197)
Net loss on impairment of financial instruments		(7,513)	(4,184)	-	-
Results from operating activities		8,902	7,876	(1,030)	(1,178)
Finance income	19	1,621	1,642	1,233	3,516
Finance costs	20	(5,135)	(6,492)	-	-
Net finance (costs)/income		(3,514)	(4,850)	1,233	3,516
Profit before tax	21	5,388	3,026	203	2,338
Taxation	22	2,630	(1,784)	20	(676)
Profit for the year		8,018	1,242	223	1,662
Other comprehensive (expense)/income, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operation		(717)	(2,845)	-	-
Profit/(Loss) and total comprehensive income/ (expense) for the year		7,301	(1,603)	223	1,662
Earnings per ordinary share (sen)					
Basic	23	0.57	0.09		
Diluted	23	0.57	0.09		

The notes on pages 81 to 122 are an integral part of these financial statements.

Consolidated Statement of Changes In Equity

for the year ended 30 June 2026

	<-----Non-distributable----->			Distributable	
	Share capital	Deficit in business combination	Translation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
At 1 July 2024	177,206	(87,000)	(179)	271,153	361,180
Profit for the year	-	-	-	1,242	1,242
Foreign currency translation differences for foreign operation	-	-	(2,845)	-	(2,845)
Profit and total comprehensive expense for the year	-	-	(2,845)	1,242	(1,603)
At 30 June 2025/ 1 July 2025	177,206	(87,000)	(3,024)	272,395	359,577
Profit for the year	-	-	-	8,018	8,018
Foreign currency translation differences for foreign operation	-	-	(717)	-	(717)
Profit and total comprehensive income for the year	-	-	(717)	8,018	7,301
At 30 June 2026	177,206	(87,000)	(3,741)	280,413	366,878
	Note 12	Note 12	Note 12		

The notes on pages 81 to 122 are an integral part of these financial statements.

Statement of Changes In Equity

for the year ended 30 June 2026

	<i>Non-distributable</i> Share capital RM'000	<i>Distributable</i> Retained earnings RM'000	Total equity RM'000
Company			
At 1 July 2024	177,206	13,143	190,349
Profit and total comprehensive income for the year	-	1,662	1,662
At 30 June 2025/1 July 2025	177,206	14,805	192,011
Profit and total comprehensive income for the year	-	223	223
At 30 June 2026	177,206	15,028	192,234
	Note 12		

The notes on pages 81 to 122 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2026

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		5,388	3,026	203	2,338
Adjustments for:					
Depreciation of property, plant and equipment	2	3,653	4,048	-	-
Depreciation of right-of-use assets	3	1,022	1,027	-	-
Depreciation of investment properties	4	223	161	-	-
Change in fair value of other investments		(116)	(19)	(116)	(19)
Finance income	19	(1,621)	(1,642)	(1,233)	(3,516)
Finance costs	20	5,135	6,492	-	-
Loss/(Gain) on derecognition of lease liabilities	21	1	(1)	-	-
Gain on disposal of property, plant and equipment	21	(32)	(133)	-	-
Net loss on unrealised foreign exchange		205	2,132	-	-
Net loss on impairment of financial instruments	25.4	7,513	4,184	-	-
Waiver of employee benefits	21	(719)	-	-	-
Operating profit/(loss) before working capital changes		20,652	19,275	(1,146)	(1,197)
Change in trade and other receivables and prepayments		42,573	25,738	(10)	(4)
Change in trade and other payables		21,953	(22,930)	14	49
Change in contract assets		(33,550)	(9,375)	-	-
Change in contract liabilities		(20,327)	20,594	-	-
Change in provisions		4,625	(2,951)	-	-
Cash from/(used in) operations		35,926	30,351	(1,142)	(1,152)
Interest received		303	-	1,233	3,516
Tax refund/(paid)		15,689	(4,305)	(351)	(716)
Interest paid on lease liabilities	(iv)	(34)	(59)	-	-
Net cash from/(used in) operating activities		51,884	25,987	(260)	1,648

Statements of Cash Flows (Continued)

for the year ended 30 June 2026

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(2,699)	(677)	-	-
Acquisition of investment properties	(iii)	(5,468)	(1,868)	-	-
Acquisition of other investments		(10,000)	-	(10,000)	-
Interest received from fixed deposits		1,318	1,642	-	-
Proceeds from disposal of property, plant and equipment		32	144	-	-
Repayment of advances to subsidiaries		-	-	10,247	-
Decrease in advances to subsidiaries		-	-	-	61,515
Increase in investment in a subsidiary		-	-	-	(63,000)
Net cash (used in)/from investing activities		(16,817)	(759)	247	(1,485)
Cash flows from financing activities					
Change in other investments		(63)	(102)	-	-
Change in pledged deposits		(32)	(37)	-	-
Interest paid on loans and borrowings		(5,101)	(6,433)	-	-
Drawdown of bankers' acceptances	(v)	151,281	148,605	-	-
Repayment of bankers' acceptances	(v)	(146,452)	(161,715)	-	-
Repayment of bank loans	(v)	(7,253)	(7,426)	-	-
Repayment of hire purchase liabilities		(1,881)	(1,598)	-	-
Repayment of revolving credit	(v)	-	(20,000)	-	-
Drawdown of revolving credit	(v)	-	6,000	-	-
Payment of lease liabilities	(iv),(v)	(1,042)	(1,027)	-	-
Net cash used in financing activities		(10,543)	(43,733)	-	-
Net increase/(decrease) in cash and cash equivalents		24,524	(18,505)	(13)	163
Cash and cash equivalents at 1 July		49,490	72,957	277	114
Effect of exchange rate fluctuations on cash held		(841)	(4,962)	-	-
Cash and cash equivalents at 30 June	(i)	73,173	49,490	264	277

Statements of Cash Flows (Continued)

for the year ended 30 June 2026

(i) 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	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Cash and bank balances	11	41,627	38,165	264	277
Deposit placed with licensed banks	11	33,209	12,956	-	-
		74,836	51,121	264	277
Less: Deposits pledged	11	(1,663)	(1,631)	-	-
		73,173	49,490	264	277

(ii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM3,018,000 (2025: RM1,379,000), of which RM319,000 (2025: RM702,000) was acquired by means of hire purchase arrangements.

(iii) Acquisition of investment properties

During the previous financial year, the Group acquired investment properties with an aggregate cost of RM3,182,000, of which RM1,314,000 were acquired by means of contra with trade debtors.

(iv) Cash outflows for leases as a lessee

	Note	Group	
		2026	2025
		RM'000	RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	21	10,034	6,385
Interest paid in relation to lease liabilities	21	34	59
		10,068	6,444
Included in net cash from financing activities:			
Payment of lease liabilities		1,042	1,027
Total cash outflows for leases		11,110	7,471

Statements of Cash Flows (Continued)

for the year ended 30 June 2026

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

	At 1 July 2024 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Derecognition of leases RM'000	Foreign exchange movements RM'000	At 30 June 2025 RM'000
Group						
Bankers' acceptances	59,324	(13,110)	-	-	-	46,214
Bank loans	18,972	(7,426)	-	-	-	11,546
Lease liabilities	1,535	(1,027)	581	(96)	(40)	953
Revolving credit	58,000	(14,000)	-	-	-	44,000
Hire purchase liabilities	7,411	(896)	-	-	-	6,515
Total liabilities from financing activities	145,242	(36,459)	581	(96)	(40)	109,228

	At 1 July 2025 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Derecognition of leases RM'000	Foreign exchange movements RM'000	At 30 June 2026 RM'000
Group						
Bankers' acceptances	46,214	4,829	-	-	-	51,043
Bank loans	11,546	(7,253)	-	-	-	4,293
Lease liabilities	953	(1,042)	605	(161)	(18)	337
Revolving credit	44,000	-	-	-	-	44,000
Hire purchase liabilities	6,515	(1,562)	-	-	-	4,953
Total liabilities from financing activities	109,228	(5,028)	605	(161)	(18)	104,626

The notes on pages 81 to 122 are an integral part of these financial statements.

Notes To The Financial Statements

Econpile Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

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

Registered office

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2026 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 2026 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. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 23 October 2026.

1. Basis of preparation

(a) Statement of compliance

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

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

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

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

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

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*

Notes To The Financial Statements (Continued)

1. Basis of preparation (Continued)

(a) Statement of compliance (Continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2029

- MFRS 20, *Regulatory Assets and Regulatory Liabilities*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

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

The Group and the Company do not plan to apply MFRS 20, *Regulatory Assets and Regulatory Liabilities* that is effective for annual periods beginning on 1 January 2029 as it is not applicable to the Group and the Company.

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

- Note 8, Note 9 and Note 25.4 - impairment losses on trade receivables (including retention sums) and contract assets
- Note 17.4 - revenue recognition from contracts with customers
- Note 27 - contingencies

Notes To The Financial Statements (Continued)

2. Property, plant and equipment

Group	Freehold land	Buildings	Plant and machinery	Piling and site equipment	Office equipment	Furniture and fittings	Motor vehicles	Renovation	Total
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2024	5,000	9,388	242,032	17,821	1,082	418	10,928	1,602	288,271
Additions	-	-	-	19	109	17	1,234	-	1,379
Disposals	-	-	-	-	-	-	(724)	-	(724)
Effect of movement in exchange rates	-	-	(118)	(48)	(12)	(3)	(213)	-	(394)
At 30 June 2025/ 1 July 2025	5,000	9,388	241,914	17,792	1,179	432	11,225	1,602	288,532
Additions	-	-	2,839	11	141	-	27	-	3,018
Disposals	-	-	-	(862)	-	-	(399)	-	(1,261)
Effect of movement in exchange rates	-	-	(32)	(13)	(3)	(1)	(5)	-	(54)
At 30 June 2026	5,000	9,388	244,721	16,928	1,317	431	10,848	1,602	290,235
Depreciation									
At 1 July 2024	-	2,095	231,236	16,794	914	380	10,486	1,564	263,469
Depreciation for the year	-	193	2,985	546	77	29	193	25	4,048
Disposals	-	-	-	-	-	-	(713)	-	(713)
Effect of movement in exchange rates	-	-	(52)	(29)	(13)	(3)	(198)	-	(295)
At 30 June 2025/ 1 July 2025	-	2,288	234,169	17,311	978	406	9,768	1,589	266,509
Depreciation for the year	-	194	2,695	327	79	9	336	13	3,653
Disposals	-	-	-	(862)	-	-	(399)	-	(1,261)
Effect of movement in exchange rates	-	-	(15)	(8)	(3)	(1)	(5)	-	(32)
At 30 June 2026	-	2,482	236,849	16,768	1,054	414	9,700	1,602	268,869
Carrying amounts									
At 1 July 2024	5,000	7,293	10,796	1,027	168	38	442	38	24,802
At 30 June 2025/ 1 July 2025	5,000	7,100	7,745	481	201	26	1,457	13	22,023
At 30 June 2026	5,000	6,906	7,872	160	263	17	1,148	-	21,366

Notes To The Financial Statements (Continued)

2. Property, plant and equipment (Continued)

2.1 Property, plant and equipment acquired under hire purchase arrangements

Included in property, plant and equipment of the Group are plant and machinery, motor vehicles and piling and site equipment acquired under hire purchase arrangements with carrying amounts of RM4,711,000 (2025: RM6,790,000), RM1,097,000 (2025: RM1,017,000) and RM7,000 (2025: RM37,000), respectively.

2.2 Security

The corporate office of the Group with a total carrying amount of RM5,404,000 (2025: RM5,546,000) is pledged as security for bank loans granted to a subsidiary (see Note 13.1).

2.3 Material accounting policy information

(a) Recognition and measurement

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

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated.

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

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

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

Notes To The Financial Statements (Continued)

3. Right-of-use assets

	Land RM'000	Buildings RM'000	Total RM'000
Group			
At 1 July 2024	187	1,308	1,495
Additions	335	246	581
Depreciation for the year	(343)	(684)	(1,027)
Derecognition	-	(95)	(95)
Effect of movement in exchange rates	(13)	(26)	(39)
At 30 June 2025/1 July 2025	166	749	915
Additions	328	277	605
Depreciation for the year	(320)	(702)	(1,022)
Derecognition	(162)	-	(162)
Effect of movement in exchange rates	(12)	(3)	(15)
At 30 June 2026	-	321	321

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

3.1 Extension options

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

3.2 Restriction imposed by lease

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

3.3 Material accounting policy information

(a) Recognition exemption

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

Notes To The Financial Statements (Continued)

4. Investment properties

	Group RM'000
Cost	
At 1 July 2024	19,147
Additions	3,182
Derecognition	(6,025)
At 30 June 2025/1 July 2025	16,304
Additions	5,468
At 30 June 2026	21,772
Depreciation	
At 1 July 2024	479
Depreciation for the year	161
At 30 June 2025/1 July 2025	640
Depreciation for the year	223
At 30 June 2026	863
Carrying amounts	
At 1 July 2024	18,668
At 30 June 2025/1 July 2025	15,664
At 30 June 2026	20,909

Included in the investment properties are:

	Note	Group 2026 RM'000	2025 RM'000
Freehold land		5,108	1,213
Buildings		14,170	8,549
Work-in-progress	4.1	1,631	5,902
		20,909	15,664

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

Notes To The Financial Statements (Continued)

4. Investment properties (Continued)

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

	Group	
	2026	2025
	RM'000	RM'000
Direct operating expenses:		
- non-income generating investment properties	248	172

4.1 Work-in-progress

The amount relates to investment properties which are currently under construction and are not yet available for use, as the Group has yet to obtain vacant possession.

4.2 Fair value information

Fair value of investment properties is categorised as follows:

	Group	
	2026	2025
	RM'000	RM'000
Level 3		
Freehold land	5,669	1,539
Buildings	19,709	11,053
Work-in-progress	1,725	6,547
	27,103	19,139

Valuation process applied by the Group for Level 3 fair value

The fair value of freehold land, buildings and work-in-progress are estimated by the Directors using the comparison method. The comparison method requires judgement and entails critical analyses of recent evidences of values of comparable properties in the neighbourhood and making adjustment for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics.

4.3 Material accounting policy information

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

Notes To The Financial Statements (Continued)

5. Investments in subsidiaries

	Company	
	2026	2025
	RM'000	RM'000
Unquoted shares, at cost	157,000	157,000

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2026 %	2025 %
Econpile (M) Sdn. Bhd. and its subsidiaries:	Malaysia	General construction and piling works	100	100
Platinum Production Sdn. Bhd.	Malaysia	Rental of investment properties	100	100
Global Piling Solutions Co., Ltd. ¹	Cambodia	General construction and piling works	100	100
Tropical Broadway Sdn. Bhd.	Malaysia	Property development	100	100

¹ Audited by a member firm of KPMG International.

5.1 Material accounting policy information

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

6. Deferred tax assets

6.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Group	
	2026	2025
	RM'000	RM'000
Property, plant and equipment	(2,384)	(3,024)
Right-of-use assets	(64)	(167)
Provisions	8,029	5,289
Lease liabilities	67	175
	5,648	2,273

Notes To The Financial Statements (Continued)

6. Deferred tax assets (Continued)

6.2 Unrecognised deferred tax assets

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

	Group	
	2026	2025
	RM'000	RM'000
Unutilised tax losses	43,127	54,935
Unabsorbed capital allowances	24,015	20,396
Other deductible temporary differences	28,750	36,705
	95,892	112,036

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

The unutilised tax losses of subsidiary in Malaysia of RM39,812,000 (2025: RM 52,793,000) can be carried forward up to 10 consecutive years of assessments ("YA") under the tax legislation in Malaysia, whereas the unutilised tax losses of subsidiary in Cambodia of RM3,315,000 (2025: RM2,142,000) will expire over a 5-year period. The table below shows the unutilised tax losses will expire in the following YA:

	Group	
	2026	2025
Expiry	RM'000	RM'000
YA 2030	2,079	2,142
YA 2031	1,236	-
YA 2032	3,998	16,978
YA 2033	4,178	4,178
YA 2034	15,793	15,793
YA 2035	15,843	15,844
	43,127	54,935

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

6.3 Movement in temporary differences during the year

	At 1 July 2024 RM'000	Recognised in profit or loss (Note 22) RM'000	At 30 June 2025/ 1 July 2025 RM'000	Recognised in profit or loss (Note 22) RM'000	At 30 June 2026 RM'000
Property, plant and equipment	(1,939)	(1,085)	(3,024)	640	(2,384)
Right-of-use assets	(244)	77	(167)	103	(64)
Provisions	5,304	(15)	5,289	2,740	8,029
Lease liabilities	253	(78)	175	(108)	67
	3,374	(1,101)	2,273	3,375	5,648

Notes To The Financial Statements (Continued)

7. Land held for property development

Cost	Note	Freehold land RM'000
At 1 July 2024		-
Transfer from assets classified as held for sale	7.1	545
At 30 June 2025/1 July 2025/30 June 2026		545

7.1 Transfer from assets classified as held for sale

In the previous financial year, a piece of freehold land had been transferred to land held for property development from asset classified as held for sale.

7.2 Material accounting policy information

Land held for property development is measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

8. Trade and other receivables

	Note	Group 2026 RM'000	2025 RM'000	Company 2026 RM'000	2025 RM'000
Non-current					
Non-trade					
Advances to subsidiaries	8.1	-	-	23,750	33,997
Current					
Trade					
Trade receivables	8.2	336,144	375,995	-	-
Less: Impairment losses		(23,020)	(15,507)	-	-
		313,124	360,488	-	-
Non-trade					
Other receivables		4,421	3,198	-	-
Deposits		8,077	7,500	5	5
		12,498	10,698	5	5
		325,622	371,186	23,755	34,002

Notes To The Financial Statements (Continued)

8. Trade and other receivables (Continued)

8.1 Advances to subsidiaries

The advances to subsidiaries are unsecured, subject to interest at 3.75% (2025: 3.75%) per annum and repayable on demand. The management has reviewed the expected repayment from the subsidiaries and hence reclassified the advances to subsidiaries as non-current.

8.2 Trade receivables

Included in trade receivables are retention sums of RM154,979,000 (2025: RM151,049,000) relating to construction contracts. Retention sums are unsecured, interest free and expected to be collected as follows:

	Group	
	2026	2025
	RM'000	RM'000
Within 1 year	38,437	28,141
More than 1 year	116,542	122,908
	154,979	151,049

Included in retention sums is an amount of RM13.9 million (2025: RM13.9 million) related to a construction contract with a customer which is under litigation as disclosed in Note 27.2(a).

Estimation uncertainty and critical judgements

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

For the assessment related to a construction contract with a customer which is under litigation as disclosed in Note 27.2(a), the Group applied judgements in estimating the recovery of debts based on the on-going judicial management process will be completed within the stipulated time frame and relevant decisions from High Court. The Group has considered the financial information of the customer and based on the opinion of the solicitors, the Group has a good chance of succeeding in the judicial management process.

9. Contract assets/(Contract liabilities)

	Group	
	2026	2025
	RM'000	RM'000
Contract assets	147,619	114,069
Contract liabilities	(12,581)	(32,908)

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

Included in contract assets is an amount of RM80.1 million (2025: RM80.1 million) related to a construction contract with a customer which is under litigation as disclosed in Note 27.2(a).

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

Notes To The Financial Statements (Continued)

9. Contract assets/(Contract liabilities) (Continued)

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

	2026 RM'000	2025 RM'000
Contract liabilities at the beginning of the period recognised as revenue	(32,908)	(12,314)

10. Other investments

	Note	Group 2026 RM'000	2025 RM'000	Company 2026 RM'000	2025 RM'000
Current					
Financial assets at fair value through profit or loss:					
- Unit trusts in Malaysia		11,204	1,088	11,204	1,088
Amortised cost:					
- Deposits with licensed bank	10.1	2,909	2,846	-	-
		14,113	3,934	11,204	1,088

10.1 Security

Deposits with licensed bank of a subsidiary amounting to RM2,909,000 (2025: RM2,846,000) are pledged to licensed bank as security for bank loans and revolving credit (see Note 13).

10.2 Material accounting policy information

Deposits with licensed bank

The Group classifies the deposits with licensed bank pledged as security that has a maturity of more than three months as other investments.

11. Cash and cash equivalents

	Group 2026 RM'000	2025 RM'000	Company 2026 RM'000	2025 RM'000
Cash and bank balances	41,627	38,165	264	277
Deposits placed with licensed banks	33,209	12,956	-	-
Cash and cash equivalents in the statements of financial position	74,836	51,121	264	277
Deposits pledged with licensed banks	(1,663)	(1,631)	-	-
Cash and cash equivalents in the statements of cash flows	73,173	49,490	264	277

Part of the deposits placed with licensed banks are pledged as security for the bank loans and revolving credit of the Group (see Note 13).

Notes To The Financial Statements (Continued)

12. Capital and reserves

Share capital

Group and Company	Number of shares	Amount	Number of shares	Amount
	2026 '000	2026 RM'000	2025 '000	2025 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 July/30 June	1,417,500	177,206	1,417,500	177,206

Ordinary shares

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

Reserves

Deficit in business combination

The deficit in business combination arose from the acquisition of the entire equity interest of Econpile (M) Sdn. Bhd. pursuant to the corporate exercise carried out by the Company in 2014 and accounted for using the reverse acquisition method. The deficit represents the excess of purchase consideration paid by the Company over the share capital of Econpile (M) Sdn. Bhd.

Translation reserve

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

13. Loans and borrowings

	Note	Group 2026 RM'000	2025 RM'000
Non-current			
Bank loans - secured	13.1	1,204	4,294
Hire purchase liabilities - unsecured		3,108	4,727
		4,312	9,021
Current			
Bank loans - secured	13.1	3,089	7,252
Bankers' acceptances - unsecured	13.2	51,043	46,214
Hire purchase liabilities – unsecured		1,845	1,788
Revolving credit - secured	13.3	44,000	44,000
		99,977	99,254
		104,289	108,275

Notes To The Financial Statements (Continued)

13. Loans and borrowings (Continued)

13.1 Bank loans - secured

The bank loans are secured by way of a first legal charge over the corporate office of the Group (see Note 2) and deposits pledged with licensed banks (see Note 10 and Note 11).

13.2 Bankers' acceptances - unsecured

The bankers' acceptances of RM51,043,000 (2025: RM46,214,000) are guaranteed by the Company.

13.3 Revolving credit - secured

The revolving credit is secured by deposits pledged with licensed banks (see Note 10 and Note 11), subject to interest at 5.28% - 6.25% (2025: 5.43% - 6.25%) per annum and guaranteed by the Company.

14. Employee benefits

Retirement benefits

	Group	
	2026	2025
	RM'000	RM'000
Non-Current		
Defined benefit liability	-	6,447
Current		
Defined benefit liability	5,728	-

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

Effective 1 July 2017, the two Directors had voluntarily ceased accumulation to their retirement benefits plan and the retirement benefits liability will remain in the statement of financial position until settlement occurs. During the current financial year, the retirement benefits liability has been reclassified from non-current to current as the Group anticipates settlement of the liability within the next 12 months. A waiver of RM719,000 arose following the Board of Directors' approval of the final retirement benefits payable to the two Directors. (see Note 21).

Notes To The Financial Statements (Continued)

15. Trade and other payables

	Note	Group 2026 RM'000	2025 RM'000	Company 2026 RM'000	2025 RM'000
Trade					
Trade payables		117,274	95,074	-	-
Non-trade					
Other payables	15.1	1,596	2,767	-	-
Accrued expenses		5,103	4,179	214	200
		6,699	6,946	214	200
		123,973	102,020	214	200

15.1 Other payables

Included in other payables is an amount of RM710,000 (2025: RM915,000) arising from arrangements with certain contract customers whereby properties are transferred to the Group in settlement of amounts due from these customers.

16. Provisions

	Group Onerous contracts RM'000
At 1 July 2024	3,033
Provisions utilised during the year	(2,951)
At 30 June 2025/1 July 2025	82
Provisions made during the year	4,625
At 30 June 2026	4,707

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

17. Revenue

	Group 2026 RM'000	2025 RM'000
Revenue from contracts with customers	392,016	285,987

Notes To The Financial Statements (Continued)

17. Revenue (Continued)

17.1 Disaggregation of revenue

	2026 RM'000	2025 RM'000
Group		
Primary geographical markets		
Malaysia	390,808	283,888
Cambodia	1,208	2,099
	<u>392,016</u>	<u>285,987</u>
Major products and services lines		
Construction contracts	<u>392,016</u>	<u>285,987</u>
Timing of recognition		
Over time	<u>392,016</u>	<u>285,987</u>

17.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

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

17.3 Transaction price allocated to the remaining performance obligations

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

	Group 2026 RM'000	2025 RM'000
Construction contracts	<u>547,957</u>	<u>466,986</u>

The above revenue does not include variable consideration. The remaining performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date will be satisfied over the remaining duration of the contracts of 1 to 3 years.

Notes To The Financial Statements (Continued)

17. Revenue (Continued)

17.4 Significant judgements and assumptions arising from revenue recognition

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

Variable consideration

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

Liquidated and ascertained damages (“LAD”)

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

Total contract cost

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

Performance obligations

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

18. Cost of sales

	Group	
	2026	2025
	RM'000	RM'000
Construction costs	355,060	252,650

Notes To The Financial Statements (Continued)

19. Finance income

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- deposits placed with licensed banks	1,318	1,642	-	-
- advances to subsidiaries	-	-	1,233	3,516
- others	303	-	-	-
	1,621	1,642	1,233	3,516

20. Finance costs

	Group	
	2026	2025
	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank loans	439	823
- bankers' acceptances	4,377	5,272
- hire purchase liabilities	285	338
Interest expense on lease liabilities	34	59
	5,135	6,492

21. Profit before tax

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remunerations				
Audit fees				
- KPMG PLT	306	295	96	93
- Overseas affiliate of KPMG Malaysia	33	36	-	-
Non-audit fees				
- KPMG PLT	11	10	11	10
- Local affiliate of KPMG PLT	6	-	6	-
- Overseas affiliate of KPMG Malaysia	144	183	-	-
	500	524	113	103

Notes To The Financial Statements (Continued)

21. Profit before tax (Continued)

		Group		Company	
		2026	2025	2026	2025
	Note	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/ (crediting): <small>(Continued)</small>					
Material expenses/(income)					
Depreciation of property, plant and equipment	2	3,653	4,048	-	-
Depreciation of right-of-use assets	3	1,022	1,027	-	-
Depreciation of investment properties	4	223	161	-	-
Personnel expenses (including key management personnel):					
- Contributions to Employees' Provident Fund		3,018	2,542	10	9
- Wages, salaries and others		38,905	32,868	278	278
Change in fair value of other investments		(116)	(19)	(116)	(19)
Loss/(Gain) on derecognition of lease liabilities		1	(1)	-	-
Gain on disposal of property, plant and equipment		(32)	(133)	-	-
Net loss on unrealised foreign exchange		205	2,132	-	-
Net loss/(gain) on realised foreign exchange		-	366	-	-
Waiver of employee benefits.	14	(719)	-	-	-
Expenses arising from leases					
Expenses relating to short-term leases	a	10,034	6,385	-	-
Rental income from:					
- Equipment		(28)	(460)	-	-
Interest expense on lease liabilities		34	59	-	-
Net loss on impairment of financial instruments					
Financial assets at amortised cost		7,513	4,184	-	-

Note a

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

Notes To The Financial Statements (Continued)

22. Taxation

Recognised in profit or loss

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Current tax expense					
Current year		923	1,135	134	822
Over provision in prior year		(192)	(458)	(154)	(146)
Withholding tax	22.1	14	6	-	-
Total current tax recognised in profit or loss		745	683	(20)	676
Deferred tax expense					
Origination and reversal of temporary differences		(2,614)	(185)	-	-
(Over)/Under provision in prior year		(761)	1,286	-	-
Total deferred tax recognised in profit or loss	6.3	(3,375)	1,101	-	-
Total income tax (credit)/expense		(2,630)	1,784	(20)	676

Reconciliation of tax (credit)/expense

Profit before tax		5,388	3,026	203	2,338
Income tax using Malaysian tax rate of 24%		1,293	726	49	561
Effect of tax rates in foreign jurisdictions		23	(34)	-	-
Non-deductible expenses		896	803	113	266
Non-taxable income		(28)	(13)	(28)	(5)
Effect of unrecognised deferred tax assets		(3,875)	(532)	-	-
(Over)/Under provision in prior year		(953)	828	(154)	(146)
Withholding tax	22.1	14	6	-	-
		(2,630)	1,784	(20)	676

22.1 Withholding tax

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

Notes To The Financial Statements (Continued)

23. Earnings per ordinary share (sen)

Basic earnings per ordinary share

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

	Group	
	2026	2025
	RM'000	RM'000
Profit attributable to ordinary shareholders (RM'000)	8,018	1,242
<i>Weighted average number of ordinary shares ('000)</i>		
Weighted average number of ordinary shares at 30 June (basic)	1,417,500	1,417,500
Basic earnings per ordinary share (sen)	0.57	0.09

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

There were no potential dilution effects on ordinary shares of the Company for the current and previous financial years. Accordingly, the diluted earnings per ordinary share for the current and previous years are equal to the basic earnings per ordinary share.

24. Operating segment

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

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

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

Notes To The Financial Statements (Continued)

24. Operating segment (Continued)

Segment assets and liabilities

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

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

	Group	
	2026	2025
	RM'000	RM'000
Total additions to property, plant and equipment	3,018	1,379
Total additions to investment properties	5,468	3,182
Total additions to right-of-use assets	605	581
	<u>9,091</u>	<u>5,142</u>
Segment profit	<u>8,018</u>	<u>1,242</u>

Included in the measure of segment profit are:

Revenue from external customers	392,016	285,987
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(4,898)	(5,236)
Net loss on impairment of financial instruments	(7,513)	(4,184)

Not included in the measure of segment profit but provided to Chief Executive Officer:

Net finance costs	(3,514)	(4,850)
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No reconciliation is performed for reportable segment revenue, profit and depreciation to consolidated figures as there are no differences except for the following:

	Group	
	2026	2025
	RM'000	RM'000
Net finance costs		
Finance income	1,621	1,642
Finance costs	(5,135)	(6,492)
Consolidated net finance costs	<u>(3,514)</u>	<u>(4,850)</u>

Geographical segments

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

Notes To The Financial Statements (Continued)

24. Operating segment (Continued)

Geographical segments (Continued)

	Group	
	External revenue	Non-current assets
	RM'000	RM'000
Geographical information		
2026		
Malaysia	390,808	42,862
Cambodia	1,208	279
	<u>392,016</u>	<u>43,141</u>
2025		
Malaysia	283,888	38,418
Cambodia	2,099	729
	<u>285,987</u>	<u>39,147</u>

Major customers

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

	Revenue		Segment
	2026	2025	
	RM'000	RM'000	
All common control companies of:			
Customer A	16,394	36,856	General construction and piling work
Customer B	11,127	44,733	General construction and piling work
Customer C	28,041	41,328	General construction and piling work
Customer D	23,207	36,146	General construction and piling work
Customer E	44,261	15,500	General construction and piling work
Customer F	79,401	-	General construction and piling work

Notes To The Financial Statements (Continued)

25. Financial instruments

25.1 Categories of financial instruments

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

- (a) Fair value through profit or loss ("FVTPL");
 - Mandatorily required by MFRS 9
- (b) Amortised cost ("AC")

	Carrying amount RM'000	Mandatorily at FVTPL RM'000	AC RM'000
2026			
Financial assets			
Group			
Other investments	14,113	11,204	2,909
Trade and other receivables	325,622	-	325,622
Cash and cash equivalents	74,836	-	74,836
	414,571	11,204	403,367
Company			
Other investments	11,204	11,204	-
Trade and other receivables	23,755	-	23,755
Cash and cash equivalents	264	-	264
	35,223	11,204	24,019
Financial liabilities			
Group			
Loans and borrowings	(104,289)	-	(104,289)
Trade and other payables	(123,973)	-	(123,973)
	(228,262)	-	(228,262)
Company			
Trade and other payables	(214)	-	(214)

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.1 Categories of financial instruments (Continued)

	Carrying amount RM'000	Mandatorily at FVTPL RM'000	AC RM'000
2025			
Financial assets			
Group			
Other investments	3,934	1,088	2,846
Trade and other receivables	371,186	-	371,186
Cash and cash equivalents	51,121	-	51,121
	<u>426,241</u>	<u>1,088</u>	<u>425,153</u>
Company			
Other investments	1,088	1,088	-
Trade and other receivables	34,002	-	34,002
Cash and cash equivalents	277	-	277
	<u>35,367</u>	<u>1,088</u>	<u>34,279</u>
Financial liabilities			
Group			
Loans and borrowings	(108,275)	-	(108,275)
Trade and other payables	(102,020)	-	(102,020)
	<u>(210,295)</u>	<u>-</u>	<u>(210,295)</u>
Company			
Trade and other payables	(200)	-	(200)

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.2 Net gains and losses arising from financial instruments

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Change in fair value of other investments	116	19	116	19
	116	19	116	19
Financial assets at amortised cost				
- Finance income	1,621	1,642	1,233	3,516
- Net loss on unrealised foreign exchange	(205)	(2,132)	-	-
- Net (loss)/gain on realised foreign exchange	-	(366)	-	-
- Net loss on impairment of financial instruments	(7,513)	(4,184)	-	-
	(6,097)	(5,040)	1,233	3,516
Financial liabilities at amortised cost				
- Interest paid on loans and borrowings	(5,101)	(6,433)	-	-
	(11,082)	(11,454)	1,349	3,535

25.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and investment in unit trusts. The Company's exposure to credit risk arises principally from its investment in unit trusts, advances to subsidiaries and financial guarantees given to banks and suppliers for credit facilities granted to a subsidiary. There are no significant changes as compared to previous year.

Risk management objectives, policies and processes for managing the risk

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

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

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

Trade receivables and contract assets

Concentration of credit risk

The Group has 39 (2025: 27) ongoing projects at various stages of completion as at the end of the reporting period. Concentration of credit risk with respect to trade receivables and contract assets are limited except for three (2025: three) customers which accounted for 45% (2025: 48%) of trade receivables (including retention sums) and contract assets as at the end of the reporting period.

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

	Group	
	2026	2025
	RM'000	RM'000
Domestic	439,665	452,782
Cambodia	21,078	21,775
	460,743	474,557

Recognition and measurement of impairment loss

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

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.4 Credit risk (Continued)

Trade receivables and contract assets (Continued)

Recognition and measurement of impairment loss (Continued)

As part of the impairment loss assessment for contract assets and trade receivables under litigation (Note 27.2), the Group has applied judgement on the progress claims to be billed. This matter is subject to the on-going judicial management process.

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

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

	Gross carrying amount RM'000	Loss allowance RM'000	Net balances RM'000
Group			
2026			
Not past due	316,084	-	316,084
Past due 1 - 60 days	25,597	-	25,597
Past due 61 - 120 days	7,262	-	7,262
Past due more than 120 days	111,800	-	111,800
	460,743	-	460,743
Credit impaired			
Individually impaired	23,020	(23,020)	-
	483,763	(23,020)	460,743
Trade receivables	336,144	(23,020)	313,124
Contract assets	147,619	-	147,619
	483,763	(23,020)	460,743
2025			
Not past due	313,281	-	313,281
Past due 1 - 60 days	26,002	-	26,002
Past due 61 - 120 days	20,595	-	20,595
Past due more than 120 days	114,679	-	114,679
	474,557	-	474,557
Credit impaired			
Individually impaired	15,507	(15,507)	-
	490,064	(15,507)	474,557
Trade receivables	375,995	(15,507)	360,488
Contract assets	114,069	-	114,069
	490,064	(15,507)	474,557

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.4 Credit risk (Continued)

Trade receivables and contract assets (Continued)

Recognition and measurement of impairment loss (Continued)

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

	Trade receivables Credit impaired RM'000
Group	
Balance at 1 July 2024	11,323
Net remeasurement of loss allowance	4,184
Balance at 30 June 2025/1 July 2025	15,507
Net remeasurement of loss allowance	7,513
Balance at 30 June 2026	23,020

Other investments

Risk management objectives, policies and processes for managing the risk

Other investments consist of investments in unit trusts that are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group and deposits with licensed bank with original maturities exceeding three months.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has invested in unit trusts and deposits with licensed bank with original maturities exceeding three months. The maximum exposure to credit risk is represented by the carrying amount in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet their obligations.

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

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

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.4 Credit risk (Continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks and suppliers in respect of banking facilities and credit terms granted to a subsidiary.

The Company monitors on an ongoing basis the results of the subsidiary and repayment made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounts to RM164,143,000 (2025: RM106,496,000) as at the end of the reporting period.

Recognition and measurement of impairment loss

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

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

Related company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position.

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

Recognition and measurement of impairment loss

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

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

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

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

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.5 Liquidity risk

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

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

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

Maturity analysis

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

	Carrying amount	Contractual interest rate/ Discount rate	Contractual cash flows	Under 1 year	1 - 2 years	2 - 5 years	More than 5 years
	RM'000	%	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
2026							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	123,973	-	123,973	123,973	-	-	-
Bank loans - secured	4,293	4.50 - 4.82	4,560	3,186	229	687	458
Bankers' acceptances - unsecured	51,043	3.47 - 4.04	51,043	51,043	-	-	-
Hire purchase liabilities - unsecured	4,953	2.15 - 2.65	5,279	2,037	1,874	1,368	-
Lease liabilities	337	3.75 - 5.90	345	319	26	-	-
Revolving credit - secured	44,000	5.28 - 6.25	44,000	44,000	-	-	-
	<u>228,599</u>		<u>229,200</u>	<u>224,558</u>	<u>2,129</u>	<u>2,055</u>	<u>458</u>
2025							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	102,020	-	102,020	102,020	-	-	-
Bank loans - secured	11,546	4.07 - 4.82	12,218	7,645	3,185	694	694
Bankers' acceptances - unsecured	46,214	3.91 - 4.52	46,214	46,214	-	-	-
Hire purchase liabilities - unsecured	6,515	2.15 - 2.65	7,104	2,062	1,924	3,118	-
Lease liabilities	953	4.98 - 5.90	984	821	163	-	-
Revolving credit - secured	44,000	5.43 - 6.25	44,000	44,000	-	-	-
	<u>211,248</u>		<u>212,540</u>	<u>202,762</u>	<u>5,272</u>	<u>3,812</u>	<u>694</u>

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.5 Liquidity risk (Continued)

Maturity analysis (Continued)

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

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
Company				
2026				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	214	-	214	214
Financial guarantees	-	-	164,143	164,143
	<u>214</u>		<u>164,357</u>	<u>164,357</u>
2025				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	200	-	200	200
Financial guarantees	-	-	106,496	106,496
	<u>200</u>		<u>106,696</u>	<u>106,696</u>

25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows. The Group is not significantly exposed to other price risk.

25.6.1 Currency risk

The Group is exposed to foreign currency risk on bank balance that is denominated in a currency other than the Group's functional currency which is Ringgit Malaysia ("RM"). The currency giving rise to this risk is primarily the U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group ensures that the net exposure is kept to an acceptable level by monitoring the fluctuation of the foreign currency.

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.6 Market risk (Continued)

25.6.1 Currency risk (Continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group) risk, based on carrying amount as at the end of the reporting period was:

	Denominated in USD	
	2026	2025
	RM'000	RM'000
Balance recognised in the statement of financial position		
Bank balance	1,050	4,300

Currency risk sensitivity analysis

A 10% (2025: 10%) strengthening of RM against USD at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Equity		Profit or loss	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
USD	(80)	(327)	(80)	(327)

A 10% (2025: 10%) weakening of RM against USD at the end of the reporting period would have had equal but opposite effect on the amount shown above, on the basis that all other variables remained constant.

25.6.2 Interest rate risk

The Group's fixed rate loans and borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term other investments, receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

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

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.6 Market risk (Continued)

25.6.2 Interest rate risk (Continued)

Exposure to interest rate risk

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

	Group	
	2026	2025
	RM'000	RM'000
Fixed rate instruments		
Financial assets	36,118	15,802
Financial liabilities	(100,333)	(97,682)
	<u>(64,215)</u>	<u>(81,880)</u>
Floating rate instruments		
Financial liabilities	<u>(4,293)</u>	<u>(11,546)</u>

	Company	
	2026	2025
	RM'000	RM'000
Fixed rate instruments		
Financial assets	<u>23,750</u>	<u>33,997</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Group	
	30 bps increase	30 bps decrease
	RM'000	RM'000
2026		
Floating rate instruments	<u>(10)</u>	<u>10</u>
2025		
Floating rate instruments	<u>(26)</u>	<u>26</u>

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.7 Fair value information

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

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

The table below analyses other financial instruments at fair value.

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2026								
Financial assets								
Other investments - Unit trusts	11,204	-	11,204	-	-	-	11,204	11,204
Financial liabilities								
Bank loans - secured	-	-	-	-	(4,171)	(4,171)	(4,171)	(4,293)
2025								
Financial assets								
Other investments - Unit trusts	1,088	-	1,088	-	-	-	1,088	1,088
Financial liabilities								
Bank loans - secured	-	-	-	-	(11,272)	(11,272)	(11,272)	(11,546)
Company								
2026								
Financial assets								
Other investments - Unit trusts	11,204	-	11,204	-	-	-	11,204	11,204
2025								
Financial assets								
Other investments - Unit trusts	1,088	-	1,088	-	-	-	1,088	1,088

Notes To The Financial Statements (Continued)

25. Financial instruments (Continued)

25.7 Fair value information (Continued)

Level 2 fair value

Other investments – Unit trusts in Malaysia

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

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2025: no transfer in either directions).

Level 3 fair value

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

Financial instruments not carried at fair value

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

Valuation process applied by the Group for Level 3 fair value

The Group has applied discounted cash flows valuation technique in the determination of fair values within Level 3. The accounts department has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

26. Capital management

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

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

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

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

Notes To The Financial Statements (Continued)

27. 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.

27.1 Contingent liabilities not considered remote

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Guarantees given to contract customers in relation to construction contracts	34,078	50,718	22,114	13,552

27.2 Material litigations

- a) In March 2019, a subsidiary of the Group, Econpile (M) Sdn. Bhd. ("EMSB") issued a Notice of Determination to a customer ("the said Customer") on the grounds that the said Customer had interfered with or obstructed the issuance of interim certificates in respect of EMSB's progress claims for the cost of work performed of RM80.1 million where the said Customer had failed to issue the relevant interim certificates within 30 days from the date of receipt of EMSB's progress claims and to make payment of the same within the period of honouring certificates. Included in trade receivables is retention sum amounting to RM13.9 million which is owed by the said Customer.

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

(i) First Adjudication

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

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

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

(ii) Writ of Seizure and Sale

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

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

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

Notes To The Financial Statements (Continued)

27. Contingencies (Continued)

27.2 Material litigations (Continued)

(ii) Writ of Seizure and Sale (Continued)

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

On 17 October 2024, a creditor of the said Customer filed a Winding Up Petition against the said Customer.

On 9 December 2024, EMSB filed an application for the said Customer to be placed in JM Application.

On 26 August 2026, the High Court has allowed EMSB's application to extend the PO to 12 April 2027.

The Court has yet to fix the next case management date for New Auction Date Application.

(iii) Second Adjudication

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

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

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

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

(iv) Writ of Seizure and Sale (2)

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

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

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

On 17 October 2024, a creditor of the said Customer filed a Winding Up Petition against the said Customer.

On 21 January 2025, Writ of Seizure and Sale (2) has been withdrawn by EMSB.

Notes To The Financial Statements (Continued)

27. Contingencies (Continued)

27.2 Material litigations (Continued)

(v) Arbitration

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

On 9 December 2024, EMSB filed an application for the said Customer to be placed in JM Application. In view of the JM Application, all legal proceedings against the Customer cannot proceed without leave obtained from the Court.

On 15 December 2025, upon EMSB's application for leave to proceed with the Arbitration, the Court granted leave to lift the abeyance and continue with the arbitration proceedings, subject to the condition that no enforcement of any ensuing award may be made against the Customer without further leave of the Court.

On 19 January 2026, the Court granted a Judicial Management Order, placing the Customer under Judicial Management and a Judicial Manager was appointed on 19 January 2026. Following a dispute over the Customer's legal representation, the Court allowed the application on 19 August 2026 to refrain the Customer's former solicitors from continuing to act for the Customer. The new solicitors retained by the Judicial Manager have since been appointed as the solicitors on record.

Up to date of this report, the Judicial Manager of the Customer is to update the Tribunal accordingly, whereupon the Tribunal will fix a case management date to settle the dates for the continued hearing.

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

(vi) Judicial Management

EMSB has filed an Originating Summons to place the said Customer under court-supervised restructuring through judicial management ("JM"), aiming to protect its interests as a creditor and to facilitate a corporate rescue.

On 6 January 2025, EMSB applied for the appointment of a licensed insolvency practitioner as the interim Judicial Manager for the said Customer pending the disposal of the JM application. The High Court allowed EMSB's application on 21 July 2025 and granted a JM Order against the said Customer on 19 January 2026.

The said Customer has filed Notice of Appeal dated 24 July 2025 to appeal against the High Court Decision and the appeal is fixed for hearing on 18 November 2026. EMSB has filed a Notice of Motion for security for costs against the said Customer and the hearing of the application is fixed on 21 October 2026.

On 2 October 2026, the Court allowed the Judicial Manager's application to extend the JM Order to 19 January 2027. Several interlocutory applications arising from the JM proceedings have been disposed of. On 23 September 2026, the Court dismissed the application by the said Customer's directors to intervene in the proceedings. The directors subsequently filed a Notice of Appeal against the Court's decision on 2 October 2026.

EMSB is advancing its claims against the Customer through two concurrent avenues, whereby a proof of debt was filed with the JM subject to and without prejudice to EMSB's right to continue with their claims in the ongoing arbitration.

Based on the opinion of the solicitors, pending the disposal of the said Customer's appeal, the JM Order remains effective and the judicial management proceedings continue in accordance with the applicable statutory provisions and the orders of the Court.

Notes To The Financial Statements (Continued)

27. Contingencies (Continued)

27.2 Material litigations (Continued)

(vi) Judicial Management (Continued)

The Directors are of the opinion that the contract asset and trade receivable amounting to RM80.1 million and RM13.9 million respectively can be recovered through the Judicial Management process.

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

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

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

On 13 October 2026, the parties recorded a Consent Judgment, without admission of liability, whereby the developer, the main contractor and EMSB shall collectively pay the sum of RM500,000 to the external party as full and final settlement. The external party shall withdraw its claims against the developer, the main contractor and EMSB and agreed not to make any further claims in respect of the project.

Notes To The Financial Statements (Continued)

27. Contingencies (Continued)

27.2 Material litigations (Continued)

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

(i) *First Arbitration*

GSSB issued a Notice of Arbitration on 22 December 2023 for damages of RM89.74 million for alleged wrongful termination of the Sub-Contract. The Arbitral Tribunal has issued the Procedural Order No. 1 on 27 June 2024. The hearing dates previously fixed for 2 September 2025 to 4 September 2025 and 12 December 2025 to 13 December 2025 have been vacated by the Tribunal following CCCC's request.

The new hearing dates are fixed for 13 March 2026, 14 March 2026, 16 March 2026, 18 March 2026 and 19 March 2026. The parties have submitted Reply Submission to Costs and Brief Submissions on New Authorities on 17 August 2026. The Arbitrators have yet to deliver its decision on the Arbitration.

(ii) *Second Arbitration*

CCCC-EMSB issued a Notice of Arbitration on 29 April 2024 for work done and loss of RM142.36 million. CCCC-EMSB have agreed to refer all disputes between the parties to be determined in the arbitration commenced by GSSB.

Based on the opinion of the solicitors, the Directors are of the view that the Group has an ordinary good chance of succeeding in the Arbitration.

Notes To The Financial Statements (Continued)

28. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Note 8.

	Transaction amounts for the year ended 30 June			
	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
A. Subsidiaries				
Interest income	-	-	(1,233)	(3,516)
B. Key management personnel				
Directors				
- Fees	261	265	261	265
- Remuneration	3,499	2,929	311	308
	3,760	3,194	572	573
Other key management personnel				
- Remuneration	1,476	1,547	-	-

The estimated monetary value of Directors' benefit-in-kind of the Group is RM53,000 (2025: RM50,000).

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 73 to 122 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2026 and of their financial performance and cash flows for the financial year then ended.

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

The Cheng Eng

Director

Pang Sar

Director

Kuala Lumpur

Date: 23 October 2026

Statutory Declaration

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

I, **Leong Wai Ming**, the officer primarily responsible for the financial management of Econpile Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 73 to 122 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Leong Wai Ming, MIA CA 13812, in Kuala Lumpur in the Federal Territory on 23 October 2026.

Leong Wai Ming

Before me:

Independent Auditors' Report

To The Members Of Eonpile Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eonpile Holdings Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 73 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

i) Revenue and profit recognition from construction contracts

Refer to Note 17 - Revenue.

The key audit matter

The Group has recorded revenue from construction contracts of RM392,016,000 for the financial year ended 30 June 2026.

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

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

Independent Auditors' Report (Continued)

To The Members Of Econpile Holdings Berhad

Key Audit Matters (Continued)

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

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

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

How the matter was addressed in our audit

Our audit procedures include, among others:

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

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

Refer to Note 8 - Trade and other receivables, Note 9 - Contract assets, Note 25.4 - Financial Instruments - Credit risk - Trade receivables and contract assets and Note 27 - Contingencies.

The key audit matter

The Group has significant trade receivables (including retention sums) and contract assets as at 30 June 2026 of RM313,124,000 and RM147,619,000, respectively. Included in contract assets and trade receivables is an amount of RM80,100,000 and RM13,900,000 respectively related to a construction contract with a customer which is under litigation (Refer Note 27.2 - Contingencies).

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

Independent Auditors' Report (Continued)

To The Members Of Econpile Holdings Berhad

Key Audit Matters (Continued)

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

How the matter was addressed in our audit

Our audit procedures included, among others:

- Checked the Expected Credit Loss ("ECL") report prepared by the Group for compliance with the requirements of relevant accounting standard;
- Checked trade receivables ageing report by testing on sample basis to supporting documents to respective age brackets;
- Assessed the adequacy of impairment loss provided by the Group by evaluating past 12 month's collection trend from contract customers as well as collection subsequent to the end of reporting period and inquired management of their assessment;
- For all retention sums that were due, assessed the recoverability of the balance by inspecting correspondences and assessing the past payment trend of the contract customers and inquired management of their assessment; and
- Inspected subsequent approved progress billings from contract customers to assess the recoverability of contract assets.
- For contract asset and trade receivable under litigation with a customer (Refer Note 27.2 - Contingencies), performed the following procedures, among others:
 - Inquired management of the status and their assessment of contract asset and trade receivable under litigations which was reviewed by the audit and risk management committee and considered the Group's judgement on the matters;
 - Discussed with external legal counsels and obtained legal opinion from external legal counsels on the status of contract asset and trade receivable under litigations and obtained access to relevant documents;
 - Obtained the latest available financial information of the customer being filed for judicial management application and understood the financial position;
 - Checked the ownership and encumbrance of the land under prohibitory order; and
 - Assessed the adequacy of the Group's disclosures made in respect of litigations.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Independent Auditors' Report (Continued)

To The Members Of Econpile Holdings Berhad

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (Continued)

To The Members Of Econpile Holdings Berhad

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 5 to the financial statements.

Other Matter

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

KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 23 October 2026

Lee Hean Kok

Approval Number: 02700/12/2027 J
Chartered Accountant

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purposes of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Revenue		392,016	285,987
Other income		3,154	1,542
Finance income		1,621	1,642
Total		396,791	289,171
Total Assets		618,539	610,573

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Interest income		1,505	1,623
Total		1,505	1,623

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Investment in cash funds		11,204	1,088
Cash at bank (exclude cash in hand)		270	447
Cash in hand		297	164
Total		11,771	1,699
Conventional Account/Instruments			
Deposits with licensed bank		36,118	15,802
Cash at bank (exclude cash in hand)		37,588	37,554
Total		73,706	53,356

Disclosure of Financial Data for Shariah Screening (Continued)

(C) Component of Financial Position (Continued)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Current			
Term financing		170	162
Banker's acceptances		4,281	16,679
Non-Current			
Term financing		1,204	1,375
Total		5,655	18,216

Conventional Borrowing	Remarks	Group	
		2026 (RM'000)	2025 (RM'000)
Current			
Term loans		2,919	7,090
Banker's acceptances		46,762	29,535
Hire purchase payables		1,845	1,788
Revolving credit and loans		44,000	44,000
Non-Current			
Term loans		-	2,919
Hire purchase payables		3,108	4,727
Total		98,634	90,059

Analysis Of Shareholdings

As At 30 September 2026

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Total Shareholdings	%
Less than 100 shares	121	4,530	0.000
100 to 1,000 shares	754	418,695	0.029
1,001 to 10,000 shares	3,092	19,262,358	1.359
10,001 to 100,000 shares	3,927	154,841,967	10.924
100,001 to less than 5% of issued shares	1,181	818,039,357	57.710
5% and above of issued shares	3	424,933,118	29.978
Total	9,078	1,417,500,025	100.000

SUBSTANTIAL SHAREHOLDERS

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

Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
The Cheng Eng	349,933,118	24.69	380,000*	0.03
Pang Sar	247,000,012	17.43	-	-

Notes:-

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

DIRECTORS' SHAREHOLDINGS

Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
The Cheng Eng	349,933,118	24.69	380,000*	0.03
Pang Sar	247,000,012	17.43	-	-
The Kun Ann	250,000	0.02	-	-
Krishnan A/L C K Menon	250,000	0.02	-	-
Teh Bee Choo	-	-	-	-
Law Siew Ngan	-	-	-	-
Datuk Syed Azmi Bin Syed Othman	-	-	-	-

Notes:-

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

Analysis Of Shareholdings (Continued)

As At 30 September 2026

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2026

NO.	NAME	HOLDINGS	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR THE CHENG ENG	250,000,000	17.637
2	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR	100,000,000	7.055
3	THE CHENG ENG	74,933,118	5.286
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR PANG SAR (PB-0J0028)	45,000,000	3.175
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR (THIRD PARTY)	45,000,000	3.175
6	PANG SAR	40,750,012	2.875
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (PRINCIPAL)	28,431,500	2.006
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR THE CHENG ENG (PB)	25,000,000	1.764
9	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI YAN CHERNG	17,720,000	1.250
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AIIMAN IS EQ)	14,991,300	1.058
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR (THIRD PARTY)	12,500,000	0.882
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIMAN)	11,571,200	0.816
13	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DANA FOKUS	10,000,000	0.705
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (AHAM AM 2)	9,331,600	0.658
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	9,000,000	0.635
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-AHAM-EQSH)	8,778,400	0.619
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (UOB)	7,000,000	0.494
18	AVEST ASSET SDN BHD	6,300,000	0.444
19	DATIN SRI WONG PUI YOONG	6,108,900	0.431
20	LOW BOON NGEE	6,040,000	0.426
21	LIM BOON LIAT	6,000,000	0.423
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK (E-TAI/KKR)	5,440,000	0.384
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD AHAM ASSET MGT BHD FOR SUN LIFE MALAYSIA ASSURANCE BHD	5,359,200	0.378
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AUN CHUAN (8041381)	5,194,200	0.366

Analysis Of Shareholdings (Continued)

As At 30 September 2026

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2026

NO.	NAME	HOLDINGS	%
25	CHOR KIN WAI	5,000,000	0.353
26	OH CHIN HOE	5,000,000	0.353
27	YAP YEE HOCK	4,542,200	0.320
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH CHUN PIO (E-BPJ)	4,500,000	0.317
29	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG SAR (THIRD PARTY)	3,750,000	0.265
30	CHAW CHUN SEONG	3,260,000	0.230
		<u>776,501,630</u>	<u>54.780</u>

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting of Econpile Holdings Berhad (“the Company”) will be held at **Banquet Hall, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia** on **Friday, 27 November 2026 at 10.00 a.m.** for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and Auditors thereon. **(Please refer to the Explanatory Notes to the Agenda)**
2. To approve the payment of Directors' fees up to an aggregate amount of RM311,000.00 for the financial year ending 30 June 2027. **(Ordinary Resolution 1)**
3. To approve the payment of Directors' benefits up to an aggregate amount of RM150,000.00 for the period from 28 November 2026 until the next Annual General Meeting of the Company. **(Ordinary Resolution 2)**
4. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Constitution of the Company:-
 - (a) The Cheng Eng **(Ordinary Resolution 3)**
 - (b) Pang Sar **(Ordinary Resolution 4)**
5. To re-appoint KPMG PLT as 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 ordinary resolution, with or without modifications:-

6. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 6)**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution, when aggregated with the total number of such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may deem fit or expedient in the best interest of the Company to give effect to the issuance of new shares pursuant to this resolution, including making applications to Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company held after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

Notice Of Annual General Meeting (Continued)

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

By Order of the Board

FOO PEI KOON (MAICSA 7067238) (SSM PC NO. 202108000380)

TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)

Company Secretaries

Kuala Lumpur

29 October 2026

NOTES:

1. *For the purpose of determining who shall be entitled to attend the 14th Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 November 2026. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*
2. *A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the general meeting.*
4. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
6. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

Notice Of Annual General Meeting (Continued)

7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*
 - (i) *In hard copy form*
To be deposited with the Share Registrar of the Company, Vistra Investor & Issuing House Services Sdn Bhd (formerly known as Tricor Investor & Issuing House Services Sdn Bhd) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) *By electronic form*
The proxy form can be electronically lodged with the Company's Share Registrar via Vistra Share Registry and IPO (MY) portal ("Vistra SRMY Portal") at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via Vistra SRMY Portal.
8. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
9. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
10. *Last date and time for lodging the proxy form is **Wednesday, 25 November 2026 at 10.00 a.m.***
11. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*
 - a. *Identity card (NRIC) (Malaysian), or*
 - b. *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*
 - c. *Passport (Foreigner).*
12. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.*
13. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th AGM will be put to vote by way of poll.*

Notice Of Annual General Meeting (Continued)

EXPLANATORY NOTES TO THE AGENDA

(i) **Item 1 on the Agenda**
Audited Financial Statements for the financial year ended 30 June 2026

This item is meant for discussion only. The provision of Section 248(2) and Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this agenda item is not a business which requires a motion to be put forward to vote by shareholders.

(ii) **Ordinary Resolution 1**
Directors' fees for the financial year ending 30 June 2027

The Directors' fees proposed for the financial year ending 30 June 2027 are calculated based on the current board size and assuming that all Non-Executive Directors will hold office until the next AGM. This resolution is to facilitate payment of Directors' fees on current financial year basis.

(iii) **Ordinary Resolution 2**
Directors' benefits for the period from 28 November 2026 until the next AGM

Directors' benefits are meeting allowance payable to Non-Executive Directors, inclusive of Independent Non-Executive Directors and Non-Independent Non-Executive Directors and in determining the estimated amount, the Board of Directors ("Board") has considered various factors, including the current board size and number of scheduled meetings for the Board and Board Committees for the period from 28 November 2026 until the next AGM as well as the number of Non-Executive Directors involved in the meeting. In the event the proposed amount is insufficient due to more meetings or enlarged board size, approval will be sought at the next AGM for the shortfall.

(iv) **Ordinary Resolutions 3 to 4**
Re-election of Directors

Mr The Cheng Eng and Mr Pang Sar ("the Retiring Directors") are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 14th AGM.

Their profiles are disclosed in the Profile of the Board of Directors of the 2026 Annual Report.

Save as disclosed in the Profile of the Board of Directors, the Retiring Directors have no conflict of interest with the Company or its subsidiaries and have no family relationship with any Director and/or major shareholder of the Company.

The Nomination Committee ("NC") had reviewed and assessed the performance and contribution of the Retiring Directors, including a review of their time and commitment, calibre and personality, as well as fit and proper declarations. Based on the recommendation of the NC, the Board is supportive of their re-election based on the following justifications:

(a) *Ordinary Resolution 3 – Re-election of The Cheng Eng as Director*

Mr The Cheng Eng contributes tremendously to the Group by overseeing the Group's operations as well as directing business growth and strategic direction of the Group. His expertise and experience have been instrumental to the growth and development of the Group.

(b) *Ordinary Resolution 4 – Re-election of Pang Sar as Director*

Mr Pang Sar has been actively involved in the Group's operations, including on-site and off-site. He has contributed significantly to the Group by providing valuable input to steer the Group forward.

Notice Of Annual General Meeting (Continued)

(v) **Ordinary Resolution 5**
Re-appointment of Auditors

The Board had, through the Audit & Risk Management Committee ("ARMC"), considered the re-appointment of KPMG PLT as the Auditors of the Company. The factors considered by the ARMC in making the recommendation to the Board to table their re-appointment at the 14th AGM are disclosed in the ARMC Report of the 2026 Annual Report.

(vi) **Ordinary Resolution 6**
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

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

This mandate is a renewal of the mandate granted by shareholders at the last AGM held on 27 November 2025. This mandate is intended to provide flexibility to the Company to raise funds expeditiously for purposes including but not limited to further funding current and/or future investment projects, working capital, repayment of bank borrowings and acquisitions, without the need to convene a separate general meeting.

As at the date of this Notice, no new shares have been issued pursuant to the mandate granted at the last AGM held on 27 November 2025 and the mandate will lapse at the conclusion of the forthcoming 14th AGM.

Proxy Form

CDS Account No.	
No. of shares held	

I/We _____ Tel: _____
[Full name in block, NRIC/Passport/Company No.]
of _____
[Full address]

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

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

and

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

or failing him/her, the Chairperson of the Meeting, as my/our proxy/proxies to vote for me/us and on my/our behalf at the 14th Annual General Meeting of the Company which will be held at **Banquet Hall, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia** on **Friday, 27 November 2026** at **10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
To approve the payment of Directors' fees up to an aggregate amount of RM311,000.00 for the financial year ending 30 June 2027.	Ordinary Resolution 1		
To approve the payment of Directors' benefits up to an aggregate amount of RM150,000.00 for the period from 28 November 2026 until the next Annual General Meeting of the Company.	Ordinary Resolution 2		
To re-elect The Cheng Eng as Director.	Ordinary Resolution 3		
To re-elect Pang Sar as Director.	Ordinary Resolution 4		
To re-appoint KPMG PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.	Ordinary Resolution 5		
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 6		

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

Signed this _____ day of _____, 2026

Signature#
Member

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



NOTES:

1. For the purpose of determining who shall be entitled to attend the 14th Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 November 2026. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.
2. A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the general meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
To be deposited with the Share Registrar of the Company, Vistra Investor & Issuing House Services Sdn Bhd (formerly known as Tricor Investor & Issuing House Services Sdn Bhd) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic form
The proxy form can be electronically lodged with the Company's Share Registrar via Vistra Share Registry and IPO (MY) portal ("Vistra SRMY Portal") at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via Vistra SRMY Portal.

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AFFIX
STAMP

**THE SHARE REGISTRAR OF
ECONPILE HOLDINGS BERHAD**

(Registration No.: 201201032676 (1017164-M))

Vistra Investor & Issuing House Services Sdn. Bhd.
(formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.)

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

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8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is **Wednesday, 25 November 2026 at 10.00 a.m.**
11. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
12. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th AGM will be put to vote by way of poll.



ECONPILE HOLDINGS BERHAD

(Registration No.: 201201032676)(1017164-M)

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

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