



ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.16 RM'000	Preceding Year Corresponding Quarter 30.09.15 RM'000	Current Year Period 30.09.16 RM'000	Preceding Year Corresponding Period 30.09.15 RM'000
Continuing Operations:				
Revenue	114,080	101,078	114,080	101,078
Cost of sales	(87,014)	(75,777)	(87,014)	(75,777)
Gross profit	<u>27,066</u>	<u>25,301</u>	<u>27,066</u>	<u>25,301</u>
Other income	1,368	1,026	1,368	1,026
Operating expenses	(6,103)	(6,074)	(6,103)	(6,074)
Finance costs	(284)	(379)	(284)	(379)
Profit before taxation	<u>22,047</u>	<u>19,874</u>	<u>22,047</u>	<u>19,874</u>
Taxation	(5,602)	(5,379)	(5,602)	(5,379)
Profit for the period/Total comprehensive income for the period	<u><u>16,445</u></u>	<u><u>14,495</u></u>	<u><u>16,445</u></u>	<u><u>14,495</u></u>
Total comprehensive income attributable to:				
- Owners of the parent	<u><u>16,445</u></u>	<u><u>14,495</u></u>	<u><u>16,445</u></u>	<u><u>14,495</u></u>
Earnings per share (sen) attributable to owners of the parent:				
- Basic	<u><u>3.07</u></u>	<u><u>2.71</u></u>	<u><u>3.07</u></u>	<u><u>2.71</u></u>
- Diluted	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

Notes:

N/A - Not applicable

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.



ECONPILE HOLDINGS BERHAD
(Company No. 1017164-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016
(The figures have not been audited)

	(Unaudited) As At 30.09.16 RM'000	(Audited) As At 30.06.16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	79,723	74,570
Investment properties	2,046	6,707
Other investment	-	-
	<u>81,769</u>	<u>81,277</u>
Current assets		
Trade and other receivables	234,348	247,920
Amount due from contract customers	19,758	29,808
Prepayments	1,330	1,426
Other investments	42,117	8,944
Cash and cash equivalents	34,153	43,636
	<u>331,706</u>	<u>331,734</u>
TOTAL ASSETS	<u>413,475</u>	<u>413,011</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	107,000	107,000
Deficit in business combination	(87,000)	(87,000)
Share premium	29,006	29,006
Retained earnings	214,696	198,251
Total equity	<u>263,702</u>	<u>247,257</u>
Non-current liabilities		
Loans and borrowings	3,749	4,355
Deferred tax liabilities	4,816	4,816
Employees benefits	6,109	5,996
	<u>14,674</u>	<u>15,167</u>
Current liabilities		
Short term borrowings	21,996	26,511
Trade payables	88,794	94,512
Amount due to contract customers	11,778	18,540
Other payables and accruals	9,481	8,492
Current tax liabilities	3,050	2,532
	<u>135,099</u>	<u>150,587</u>
TOTAL EQUITY AND LIABILITIES	<u>413,475</u>	<u>413,011</u>
Net assets per share (RM)	<u>0.49</u>	<u>0.46</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.



ECONPILE HOLDINGS BERHAD
(Company No. 1017164-M)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016
(The figures have not been audited)

	/----- Attributable to Equity Holders of the Company -----/				
	Share Capital	Share Premium	Reserve/ (Deficit) in business combination	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 30.06.2016					
At 1 July 2015	107,000	29,006	(87,000)	150,997	200,003
Total comprehensive income for the period	-	-	-	14,495	14,495
At 30 September 2015	<u>107,000</u>	<u>29,006</u>	<u>(87,000)</u>	<u>165,492</u>	<u>214,498</u>
Year ending 30.06.2017					
At 1 July 2016	107,000	29,006	(87,000)	198,251	247,257
Total comprehensive income for the period	-	-	-	16,445	16,445
At 30 September 2016	<u>107,000</u>	<u>29,006</u>	<u>(87,000)</u>	<u>214,696</u>	<u>263,702</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.



ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016
(The figures have not been audited)**

	Current Financial Period 30.09.16 RM'000	Preceding Year Corresponding Period 30.09.15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,047	19,874
Depreciation of investment properties	10	7
Depreciation of properties, plant and equipments	5,159	4,806
Fair value gain from other investments	(174)	-
(Gain)/Loss on disposal of properties, plant and equipments	(428)	13
Finance costs	284	379
Finance income	(218)	(214)
Operating profit before working capital changes	<u>26,680</u>	<u>24,865</u>
Trade and other receivables	23,848	(1,308)
Trade and other payables	(11,621)	4,611
Employee benefits	113	77
Cash generated from operations	<u>39,020</u>	<u>28,245</u>
Tax paid	<u>(5,084)</u>	<u>(2,778)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>33,936</u>	<u>25,467</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,121)	(6,402)
Acquisition of investment properties	4,651	-
Net placement of other investment	(33,000)	(13,000)
Finance income	218	214
Proceeds from disposal of property, plant and equipment	436	400
NET CASH USED IN INVESTING ACTIVITIES	<u>(37,816)</u>	<u>(18,788)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in pledged deposits	3,090	(112)
Finance costs	(284)	(379)
Net repayment of finance lease liabilities	(1,361)	(2,579)
Net drawdown of term loans and bankers' acceptances	(3,958)	(7,565)
NET CASH USED IN FINANCING ACTIVITIES	<u>(2,513)</u>	<u>(10,635)</u>
Net decrease in cash and cash equivalents	(6,393)	(3,956)
Cash and cash equivalents at beginning of the financial year	<u>38,277</u>	<u>17,671</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*	<u>31,884</u>	<u>13,715</u>
*Cash and cash equivalents at the end of the financial period comprised the following:		
Cash and bank balances	26,956	11,484
Fixed deposits with licensed banks	<u>7,197</u>	<u>16,219</u>
	34,153	27,703
Less: Fixed deposits pledged for bank facilities	<u>(2,269)</u>	<u>(13,988)</u>
	<u>31,884</u>	<u>13,715</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.



ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 30 SEPTEMBER 2016

A1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting. This unaudited interim financial report should be read in conjunction with the Group's most recent audited financial statements for the financial year ended 30 June 2016.

A2. Significant Accounting Policies

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2016 except for the following new/revised MFRSs and amendments to MFRSs:

		Effective for annual periods beginning on or after
Amendments to MFRS 107	Statement of Cash Flows - Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments (2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarifications to MFRS 15	Revenue from Contracts with Customers (Amendments)	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined

A3. Auditors' Report

The reports of the auditors to the members of Econpile Holdings Berhad and its subsidiary companies on the financial statements for the financial year ended 30 June 2016 were not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 174 of the Companies Act, 1965.

A4. Seasonality or Cyclicity of Interim Operations

The Group's results are not materially affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual in nature, size or incidence during the current quarter ended 30 September 2016.

A6. Material Effect of Changes in Estimates of Amounts Reported in Prior Interim Periods or Prior Financial Years

There were no changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect on results for the current period under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter ended 30 September 2016.

A8. Dividends Paid

No dividends were paid by the Company in the current quarter ended 30 September 2016.

ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 30 SEPTEMBER 2016**A9. Segmental Reporting**

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

A10. Property, Plant and Equipment

The fair value adopted at the date of transition to MFRSs has been brought forward, without amendment from the most recent annual financial statements for the financial year ended 30 June 2016.

A11. Significant Post Balance Sheet Event

There were no material events as at 17 November 2016, being the date not earlier than 7 days from the date of this announcement, that will affect the financial results of the current financial period under review.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the current quarter under review.

A13. Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and contingent assets since the last audited financial statements for the financial year ended 30 June 2015 to 17 November 2016, being a date not earlier than 7 days from the date of this announcement, save for the following:

	As at	As at
	17.11.16	30.06.16
	RM'000	RM'000
Contingent Liabilities (Unsecured)		
Group		
- Guarantees given to contract customers and suppliers in relation to construction contracts	133,189	29,324
Company		
- Corporate Guarantee given to customers and suppliers in relation to construction contracts	82,625	22,399

A14. Capital Commitments

	As at	As at
	30.09.16	30.06.15
	RM'000	RM'000
Capital expenditure		
Authorised and contracted for	1,510	1,706

A15. Significant Related Party Transactions

There were no significant related party transactions for the current quarter ended 30 September 2016.

ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 30 SEPTEMBER 2016**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of the Performance of the Group**

	Current year quarter 30.09.16 RM'000	Preceding year corresponding quarter 30.09.15 RM'000	Current financial period 30.09.16 RM'000	Preceding year corresponding period 30.09.15 RM'000
Revenue	114,080	101,078	114,080	101,078
Profit before taxation	22,047	19,874	22,047	19,874

The Group recorded a revenue of RM114.1 million for the current three (3) months financial period ended 30 September 2016 mainly from the piling and foundation services business segment. Revenue contribution from piling and foundation works from property development projects continue to dominate the Group's revenue, amounting to RM105.2 million or 92.2% and the remaining revenue derived from piling and foundation works from infrastructure and other segments amounting to RM8.9 million or 7.8%.

The Group recorded a profit before tax of RM22.0 million for the current three (3) months financial period ended 30 September 2016, mainly derived from our piling and foundation services being our main revenue stream. Gross profit margin and profit before tax margin stood at 23.7% and 19.3% respectively, for the current financial period ended 30 September 2016.

B2. Comparison with Preceding Quarter's Results

	Current quarter ended 30.09.16 RM'000	Preceding quarter ended 30.06.16 RM'000
Revenue	114,080	128,353
Profit before taxation	22,047	25,232

In the current first quarter ended 30 September 2016, the Group recorded a decrease in revenue of RM14.3 million to RM114.1 million from RM128.4 million in the most preceding quarter ended 30 June 2016. This decrease in revenue in the current quarter is due mainly to the few major projects nearing completion coupled with the newly secured project at its initial commencement stage. The piling and foundation works from property development projects and infrastructure projects during the current quarter ended 30 September 2016, amounted to RM105.2 million and RM9.2 million respectively, as compared to RM119.2 million and RM9.2 million respectively, in the preceding quarter ended 30 June 2016.

The decrease in the profit before tax for the current quarter ended 30 September 2016 of RM3.2 million or 12.6% as compared to the preceding quarter ended 30 June 2016 was due to bad debts recovered of approximately RM3.0 million in the last preceding quarter.

B3. Prospects

The Directors expect the Group's 2017 performance to be challenging but sustainable on the back of the continued growth expected from the piling and foundation services in the infrastructure segment.

B4. Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 30 SEPTEMBER 2016**B5. Profit Before Tax**

Profit for the current quarter ended 30 September 2016 is stated after charging/(crediting) :-

	Current quarter ended 30.09.16 RM'000
Depreciation of investment properties	11
Depreciation of properties, plant and equipments	5,159
Expenses related to defined benefit plan	113
Finance income	(218)
Finance expense	284

B6. Taxation

	Current quarter ended 30.09.16 RM'000
Current tax expense	
- current year	5,602
Deferred tax expense	-
	<u>5,602</u>

The effective tax rate for the current quarter ended 30 September 2016 was higher than the statutory tax rate of 24 percent is primarily due to certain expenses not allowable for tax purposes.

B7. Status of Corporate Proposal

There were no pending corporate proposals up to 17 November 2016, being a date not earlier than 7 days from the date of this announcement.

B8. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter ended 30 September 2016.

B9. Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investment and/or properties during the current quarter ended 30 September 2016, save for the disposal of a unit of freehold semi-detached villa in Seksyen U1, Shah Alam, Selangor and a unit of leasehold terrace house in Section 12, Bandar Puncak Alam, Selangor for a cash consideration of RM4,450,000.00 and RM240,000.00, respectively.

B10. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Secured</u>			
Bankers acceptances	18,467	-	18,467
Finance lease liabilities	3,422	1,154	4,576
Term loans	107	2,595	2,702
	<u>21,996</u>	<u>3,749</u>	<u>25,745</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 30 SEPTEMBER 2016**B11. Realised/Unrealised profits**

	As at 30.09.16 RM'000	As at 30.06.16 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	219,375	202,945
- unrealised	(4,679)	(4,694)
Total retained earnings as per consolidated accounts	<u>214,696</u>	<u>198,251</u>

B12. Off Balance Sheet Financial Instruments

Save for below, there were no financial instruments with off balance sheet risks as at 17 November 2016, being a date not earlier than 7 days from the date of this announcement.

	As at 17.11.16 RM'000	As at 30.06.16 RM'000
Group		
Performance guarantees given to contract customers and suppliers in relation to construction contracts	<u>133,189</u>	<u>29,324</u>

B13. Material Litigation

In June 2015, a subsidiary of the Group, Econpile (M) Sdn Bhd ("EMS B") filed a litigation against a customer for default in payment and wrongful termination, and therefore served a Notice of Adjudication in accordance with the Construction Industry Payment and Adjudication Act 2012 against the customer. In September 2015, the customer served a Notice of Demand on the subsidiary for alleged liquidated and ascertained damages and loss of profit resulting from the non-performance of the contract, and thereafter served the subsidiary a Notice of Arbitration.

On 15 July 2016, the Company announced that EMS B had on 11 July 2016, received a sum of RM2,033,225.03 being the judgement sum together with interest and costs awarded to EMS B in relation to the adjudication decision on 30 October 2015.

Save for the above, the Group does not have any material litigation as at 17 November 2016, being a date not earlier than 7 days from the date of this announcement.

B14. Dividend

The Board of Directors has approved and declared a single tier interim dividend of 1.5 sen per ordinary share, amounting to RM8,025,000.15 which is to be paid on 21 December 2016.

B15. Earnings Per Share

The earnings per share for the current quarter ended 30 September 2016 is computed as follows:-

	Current quarter ended 30.06.16 RM'000
Profit for the quarter, attributable to owners of the parent	<u>16,445</u>
Weighted average number of ordinary shares of RM0.20 each in issue	<u>535,000</u>
Basic Earnings Per Share (sen)	<u>3.07</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the quarter ended 30 September 2016.