

ECONPILE HOLDINGS BERHAD

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PRESS RELEASE

Econpile secures approximately RM60 million worth of contracts

- *Piling and foundation services market estimated to grow to RM4.10 billion in 2017, from RM2.38 billion in 2012*
- *Main Market debutant sets 20% dividend policy effective FY2014*

Kuala Lumpur, Malaysia, 30 June 2014 – Malaysia's piling and foundation specialist **Econpile Holdings Berhad** (**Econpile**, 亿钢控股有限公司, Stock Code: ECONBHD/5253) recently secured contracts worth nearly RM60 million for piling and foundation services primarily for property development projects nationwide.

Econpile Executive Director/Group Chief Executive Officer Raymond Pang said this at the Group's listing ceremony on the Main Market of Bursa Malaysia Securities Berhad today.

Econpile made an impressive debut today with an opening price of RM0.66, recording a premium of 12 sen over the issue price of RM0.54 per share. The first trade volume was done at 8.8 million shares.

"Becoming a listed entity marks the coming of age for **Econpile** after 27 years since inception, and speaks volumes of our strong track record as well as our future potential.

The local piling and foundation services market is estimated to mark double-digit growth in the coming years, spurred by initiatives in the public and private sectors. This augurs well for our prospects going forward, given our strong reputation and customer base in the infrastructure and property development sectors.

As a testament to this, we recently secured contracts worth approximately RM60 million for foundation and piling services to be delivered nationwide. This effectively boosts our order book to nearly RM480 million as at 20 June 2014, to be delivered within six to 18 months."

Raymond Pang (“潘沙”)

Executive Director/Group Chief Executive Officer, Econpile Holdings Berhad

foundation industry is anticipated to be valued at RM4.10 billion in 2017, growing

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11.5% on compounded annual basis from RM2.38 billion in 2012. **Econpile** held 12.8% market share in 2012.

The IMR based its optimistic outlook on the piling and foundation services market on speedy implementation of infrastructure projects under the 10th Malaysia Plan and robust property development activities under the Greater Klang Valley initiative, amongst others.

In addition to securing more contracts to enhance its fundamental performance, **Econpile** aimed to create shareholders' value through dividends.

Pang said that **Econpile** has established a dividend policy of distributing a minimum of 20% of annual net profits to shareholders, with effect from the financial year ending 30 June 2014 (FY2014).

“We believe that this balanced policy enables shareholders to enjoy **Econpile**'s positive growth prospects while being rewarded with decent yields. Not only that, the dividend policy is also an initiative towards building long-term relationships with our investors,” concluded Mr. Pang.

For the third quarter ended 31 March 2014 (3Q14), **Econpile** posted net profit of RM5.5 million, on group revenue of RM87.6 million. Cumulatively, **Econpile** posted net profit of RM24.6 million for the nine-month period ended 31 March 2014 (9m14), on the back of RM318.9 million group revenue.

This compares favourably with **Econpile**'s FY2013 net profit of RM27.9 million and group revenue of RM386.1 million.

Econpile's IPO entailed the public issue of 90.0 million new ordinary shares and an offer-for-sale of 55.0 million vendor shares, at an issue price of RM0.54 per share.

Of the public issue of 90.0 million new ordinary shares, 27.0 million are allocated for public balloting; 3.5 million for eligible directors, employees, and business associates of the Group; and the remaining 59.5 million for private placement to selected investors.

The 55.0 million vendor shares are made available for private placement to Bumiputera investors approved by the Ministry of International Trade and Industry.

Econpile's IPO raised RM48.60 million in proceeds for the Group, of which RM14.58 million will be allocated for the purchase of machinery and equipment,

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and RM18.16 million for working capital. The remaining proceeds of RM12.15 million and RM3.71 million will be used for repayment of bank borrowings and listing expenses respectively.

About Econpile Holdings Berhad (www.econpile.com.my)

Founded by Group Managing Director Mr The Cheng Eng in 1987, **Econpile** is a piling and foundation specialist in Malaysia providing piling solutions and foundation works, which includes earth retaining systems, earthworks, substructure and basement construction works.

Econpile has a full range of piling (bored piling, driven piles and jack-in piles) and foundation works. **Econpile** serves the property development and infrastructure sectors, having been involved in the construction of bridges, elevated highways, electrified-double tracking projects and power plants.

To date, **Econpile** has successfully undertaken numerous piling and foundation projects nationwide, including the Klang Valley, Penang, Johor, Pahang, Sabah and Sarawak.

Econpile holds a Grade 7 License from the Construction Industry Development Board of Malaysia, which allows the Group to tender for projects of unlimited values in the categories of piling, construction, and infrastructure works.

Issued for and on behalf of **ECONPILE HOLDINGS BERHAD** by Aquilas Advisory (Malaysia) Sdn Bhd.

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