



ECONPILE HOLDINGS BERHAD
(Company No. 1017164-M)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2015**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.15 RM'000	Preceding Year Corresponding Quarter 31.12.14 RM'000	Current Year Period 31.12.15 RM'000	Preceding Year Corresponding Period 31.12.14 RM'000
Continuing Operations:				
Revenue	110,564	104,729	211,642	211,029
Cost of sales	(82,372)	(86,392)	(158,149)	(174,861)
Gross profit	<u>28,192</u>	<u>18,337</u>	<u>53,493</u>	<u>36,168</u>
Other income	1,694	2,087	2,720	3,154
Operating expenses	(7,124)	(5,351)	(13,198)	(10,704)
Finance costs	(363)	(222)	(742)	(465)
Profit before taxation	<u>22,399</u>	<u>14,851</u>	<u>42,273</u>	<u>28,153</u>
Taxation	(5,824)	(4,202)	(11,203)	(7,994)
Profit for the period/Total comprehensive income for the period	<u>16,575</u>	<u>10,649</u>	<u>31,070</u>	<u>20,159</u>
Total comprehensive income attributable to:				
- Owners of the parent	<u>16,575</u>	<u>10,649</u>	<u>31,070</u>	<u>20,159</u>
Earnings per share (sen) attributable to owners of the parent:				
- Basic	<u>3.10</u>	<u>1.99</u>	<u>5.81</u>	<u>3.77</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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 2015 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 31 DECEMBER 2015
(The figures have not been audited)

	(Unaudited) As At 31.12.15 RM'000	(Audited) As At 30.06.15 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	65,608	67,668
Investment properties	6,748	2,202
Other investment	-	50
	<u>72,356</u>	<u>69,920</u>
Current assets		
Trade and other receivables	206,158	183,303
Amount due from contract customers	30,680	29,328
Prepayments	1,813	2,232
Current tax assets	415	1,788
Other investments	23,472	15,415
Cash and cash equivalents	41,121	31,547
	<u>303,659</u>	<u>263,613</u>
TOTAL ASSETS	<u>376,015</u>	<u>333,533</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	176,717	150,997
Total equity	<u>225,723</u>	<u>200,003</u>
Non-current liabilities		
Loans and borrowings	5,946	7,995
Deferred tax liabilities	3,921	3,921
Employees benefits	4,157	4,002
	<u>14,024</u>	<u>15,918</u>
Current liabilities		
Short term borrowings	22,585	15,168
Trade payables	78,445	78,067
Amount due to contract customers	22,103	18,025
Other payables and accruals	13,135	6,352
Current tax liabilities	-	-
	<u>136,268</u>	<u>117,612</u>
TOTAL EQUITY AND LIABILITIES	<u>376,015</u>	<u>333,533</u>
Net assets per share (RM)	<u>0.42</u>	<u>0.37</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 2015 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 SIX MONTHS ENDED 31 DECEMBER 2015
(The figures have not been audited)

	/----- Attributable to Equity Holders of the Company -----				Total Equity RM'000
	/----- Non-distributable -----/		Distributable		
	Share Capital RM'000	Share Premium RM'000	Reserve/ (Deficit) in business combination RM'000	Retained Earnings RM'000	
Year ended 30.06.2015					
At 1 July 2014	107,000	29,006	(87,000)	117,760	166,766
Total comprehensive income for the period	-	-	-	20,159	20,159
Interim dividend paid for the financial year ending 30 June 2015	-	-	-	(5,350)	(5,350)
At 31 December 2014	<u>107,000</u>	<u>29,006</u>	<u>(87,000)</u>	<u>132,569</u>	<u>181,575</u>
Year ending 30.06.2016					
At 1 July 2015	107,000	29,006	(87,000)	150,997	200,003
Total comprehensive income for the period	-	-	-	31,070	31,070
Interim dividend paid for the financial year ending 30 June 2016	-	-	-	(5,350)	(5,350)
At 31 December 2015	<u>107,000</u>	<u>29,006</u>	<u>(87,000)</u>	<u>176,717</u>	<u>225,723</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 2015 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 SIX MONTHS ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	Current Financial Period 31.12.15 RM'000	Preceding Year Corresponding Period 31.12.14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	42,273	28,153
Depreciation of investment properties	18	13
Depreciation of properties, plant and equipments	9,748	8,067
Fair value gain from other investment	(206)	(241)
Gain on disposal of properties, plant and equipments	13	(44)
Gain on disposal of other investment	(200)	(346)
Finance costs	742	465
Finance income	(421)	(389)
Operating profit before working capital changes	51,967	35,678
Trade and other receivables	(23,787)	(14,499)
Trade and other payables	42,425	14,843
Employee benefits	155	155
Cash generated from operations	70,760	36,177
Tax paid	(9,801)	(6,280)
NET CASH GENERATED FROM OPERATING ACTIVITIES	60,959	29,897
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7,087)	(21,109)
Acquisition of investment properties	(2,727)	-
Net placement of fixed deposits	(3,184)	-
Net placement of other investment	(7,650)	(30,500)
Finance income	421	389
Proceeds from disposal of property, plant and equipment	400	44
NET CASH USED IN INVESTING ACTIVITIES	(19,827)	(51,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net placement of fixed deposits	(5,912)	(346)
Finance costs	(742)	(465)
Net repayment of finance lease liabilities	(4,506)	(2,010)
Net repayment of term loans and bankers' acceptances	(9,359)	(10,544)
Payment of dividend	(5,350)	(5,350)
NET CASH USED IN FINANCING ACTIVITIES	(25,869)	(18,715)
Net increase/(decrease) in cash and cash equivalents	15,263	(39,994)
Cash and cash equivalents at beginning of the financial year	17,670	58,736
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*	32,933	18,742
*Cash and cash equivalents at the end of the financial period comprised the following:		
Cash and bank balances	25,355	15,579
Fixed deposits with licensed banks	15,766	18,950
	41,121	34,529
Less: Fixed deposits pledged for bank facilities	(8,188)	(15,787)
	32,933	18,742

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 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 - SECOND QUARTER ENDED 31 DECEMBER 2015

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 2015.

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 2015 except for the following new/revised MFRSs and amendments to MFRSs:

		Effective for annual periods beginning on or after
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10 and MFRS 12	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11	Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statement	1 January 2016
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments (2014)	1 January 2018

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 2015 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 and financial period ended 31 December 2015.

ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 31 DECEMBER 2015

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 and financial period ended 31 December 2015.

A8. Dividends Paid

The Company paid a single tier interim dividend of 1.0 sen per ordinary share in respect of financial year ending 30 June 2016, amounting to RM5,350,000.10 on 22 December 2015.

A9. Segmental Reporting

The Group's financial information analysed by business segment is as follows:

	Piling and Foundation Services RM'000	Investment holding, Property Investment, Rental of Machinery and Sales of Goods RM'000	Elimination RM'000	Total RM'000
<i>Current quarter ended 31 December 2015:</i>				
<i>Revenue</i>				
Revenue from external sales	110,564	-	-	110,564
Inter-segment sales	-	60	(60)	-
	<u>110,564</u>	<u>60</u>	<u>(60)</u>	<u>110,564</u>
<i>Results</i>				
Segment Results	22,774	(12)	-	22,762
Finance costs	(363)	-	-	(363)
Profit before taxation	22,411	(12)	-	22,399
Taxation	(5,814)	(10)	-	(5,824)
Profit after taxation	<u>16,597</u>	<u>(22)</u>	<u>-</u>	<u>16,575</u>
<i>Six months ended 31 December 2015:</i>				
<i>Revenue</i>				
Revenue from external sales	211,642	-	-	211,642
Inter-segment sales	-	120	(120)	-
	<u>211,642</u>	<u>120</u>	<u>(120)</u>	<u>211,642</u>
<i>Results</i>				
Segment Results	43,043	(28)	-	43,015
Finance costs	(742)	-	-	(742)
Profit before taxation	42,301	(28)	-	42,273
Taxation	(11,183)	(20)	-	(11,203)
Profit after taxation	<u>31,118</u>	<u>(48)</u>	<u>-</u>	<u>31,070</u>
<i>As at 31 December 2015</i>				
<i>Segment Assets</i>	<u>346,605</u>	<u>147,539</u>	<u>(118,130)</u>	<u>376,014</u>
<i>Segment Liabilities</i>	<u>178,324</u>	<u>98</u>	<u>(28,130)</u>	<u>150,292</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 31 DECEMBER 2015

A9. Segmental Reporting (cont'd)

	Piling and Foundation Services RM'000	Investment holding, Property Investment, Rental of Machinery and Sales of Goods RM'000	Elimination RM'000	Total RM'000
<i>Preceding year corresponding quarter ended 31 December 2014:</i>				
<i>Revenue</i>				
Revenue from external sales	104,729	-	-	104,729
Inter-segment sales	-	60	(60)	-
	<u>104,729</u>	<u>60</u>	<u>(60)</u>	<u>104,729</u>
<i>Results</i>				
Segment Results	14,951	122	-	15,073
Finance costs	(222)	-	-	(222)
Profit before taxation	14,729	122	-	14,851
Taxation	(4,190)	(12)	-	(4,202)
Profit after taxation	<u>10,539</u>	<u>110</u>	<u>-</u>	<u>10,649</u>
<i>Preceding year corresponding six months ended 31 December 2014:</i>				
<i>Revenue</i>				
Revenue from external sales	211,029	-	-	211,029
Inter-segment sales	-	120	(120)	-
	<u>211,029</u>	<u>120</u>	<u>(120)</u>	<u>211,029</u>
<i>Results</i>				
Segment Results	28,462	156	-	28,618
Finance costs	(465)	-	-	(465)
Profit before taxation	27,997	156	-	28,153
Taxation	(7,970)	(24)	-	(7,994)
Profit after taxation	<u>20,027</u>	<u>132</u>	<u>-</u>	<u>20,159</u>
<i>As at 31 December 2014</i>				
<i>Segment Assets</i>	<u>269,860</u>	<u>152,839</u>	<u>(115,932)</u>	<u>306,767</u>
<i>Segment Liabilities</i>	<u>141,086</u>	<u>10,039</u>	<u>(25,932)</u>	<u>125,193</u>

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 2015.

A11. Significant Post Balance Sheet Event

There were no material events as at 18 February 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 and financial period under review.

ECONPILE HOLDINGS BERHAD
(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 31 DECEMBER 2015

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 18 February 2016, being a date not earlier than 7 days from the date of this announcement, save for the following:

	As at 18.02.16 RM'000	As at 30.06.15 RM'000
Contingent Liabilities (Unsecured)		
Group		
- Guarantees given to contract customers and suppliers in relation to construction contracts	<u>95,406</u>	<u>29,417</u>
Company		
- Corporate Guarantee given to contract customers and suppliers in relation to construction contracts	<u>55,703</u>	<u>4,960</u>

A14. Capital Commitments

	As at 31.12.15 RM'000	As at 30.06.15 RM'000
Capital expenditure		
Authorised and contracted for	<u>-</u>	<u>1,404</u>

A15. Significant Related Party Transactions

There were no significant related party transactions for the current quarter and financial period ended 31 December 2015.

ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 31 DECEMBER 2015**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 31.12.15 RM'000	Preceding year corresponding quarter 31.12.14 RM'000	Current financial period ended 31.12.15 RM'000	Preceding year corresponding period ended 31.12.14 RM'000
Revenue	110,564	104,729	211,642	211,029
Profit before taxation	22,399	14,851	42,273	28,153

The Group recorded a revenue of RM211.6 million for the current six (6) months financial period ended 31 December 2015 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 RM211.4 million or 99.9% and the remaining revenue derived from piling and foundation works from infrastructure and other segments amounting to RM0.2 million or 0.1%.

The Group recorded a profit before tax of RM42.3 million for the current six (6) months financial period ended 31 December 2015, mainly derived from our piling and foundation services being our main revenue stream. Gross profit margin and profit before tax margin stood at 25.3% and 20.0%, respectively for the current financial period ended 31 December 2015.

B2. Comparison with Preceding Quarter's Results

	Current quarter ended 31.12.15 RM'000	Preceding quarter ended 30.09.15 RM'000
Revenue	110,564	101,078
Profit before taxation	22,399	19,874

In the second quarter ended 31 December 2015, the Group recorded an increase in revenue of RM9.5 million to RM110.6 million from RM101.1 million in the preceding quarter ended 30 September 2015. This increase in revenue was mainly due to certain major projects reaching its advanced billing milestones. The piling and foundation works from property development projects and infrastructure projects during the current quarter ended 31 December 2015, amounted to RM110.3 million and RM0.2 million respectively, as compared to RM101.1 million from property development projects only in the preceding quarter ended 30 September 2015.

The improvement in the profit before tax for the current quarter ended 31 December 2015 of RM2.5 million or 12.7% as compared to the preceding quarter ended 30 September 2015 is in line with the improvement in overall gross profit margin of 25.0% in first quarter to 25.5% in current second quarter.

B3. Prospects

The Directors expect the Group's 2016 performance to be challenging but sustainable on the back of the continued growth expected from the piling and foundation services in the infrastructure segment and with the costs of raw materials expected to remain stable throughout financial year 2016.

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 - SECOND QUARTER ENDED 31 DECEMBER 2015**B5. Profit Before Tax**

Profit for the current quarter and six months financial period is stated after charging/(crediting) :-

	Current quarter ended 31.12.15 RM'000	Current financial period ended 31.12.15 RM'000
Depreciation of investment properties	11	18
Depreciation of properties, plant and equipments	4,942	9,748
Expenses related to defined benefit plan	78	155
Finance income	(207)	(421)
Finance expense	363	742

B6. Taxation

	Current quarter ended 31.12.15 RM'000	Current financial period ended 31.12.15 RM'000
Current tax expense		
- current year	5,824	11,203
Deferred tax expense	-	-
	<u>5,824</u>	<u>11,203</u>

The effective tax rate for the current quarter and six months financial period ended 31 December 2015 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 18 February 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 and financial period ended 31 December 2015.

B9. Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investment and/or properties during the current quarter and financial period ended 31 December 2015.

B10. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2015 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Secured</u>			
Bankers acceptances	16,848	-	16,848
Finance lease liabilities	5,633	3,270	8,903
Term loans	104	2,676	2,780
	<u>22,585</u>	<u>5,946</u>	<u>28,531</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

ECONPILE HOLDINGS BERHAD

(Company No. 1017164-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 31 DECEMBER 2015**B11. Realised/Unrealised profits**

	As at 31.12.15 RM'000	As at 30.06.15 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	180,432	154,724
- unrealised	(3,715)	(3,727)
Total retained earnings as per consolidated accounts	<u>176,717</u>	<u>150,997</u>

B12. Off Balance Sheet Financial Instruments

Save for below, there were no financial instruments with off balance sheet risks as at 18 February 2016, being a date not earlier than 7 days from the date of this announcement.

	As at 18.02.16 RM'000	As at 30.06.15 RM'000
Group		
Performance guarantees given to contract customers and suppliers in relation to construction contracts	<u>95,406</u>	<u>29,417</u>

B13. Material Litigation

In June 2015, a subsidiary of the Group 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.

In the opinion of the solicitors, there is a good chance that the tribunal will rule in favour of the subsidiary in regards to its claims against the customer for default in payment and wrongful termination. The solicitors also opined that the customer's claims via its Notice of Demand are unsustainable, premature and unjustified.

Save for the above, the Group does not have any material litigation as at 18 February 2016, being a date not earlier than 7 days from the date of this announcement.

B14. Dividend

The Board of Directors has on 27 November 2015, approved and declared a single tier interim dividend of 1 sen per ordinary share, amounting to RM5,350,000.10 which was paid on 22 December 2015.

B15. Earnings Per Share

The earnings per share for the current quarter and six months financial period ended 31 December 2015 is computed as follows:-

	Current quarter ended 31.12.15 RM'000	Current financial period ended 31.12.15 RM'000
Profit for the quarter/period, attributable to owners of the parent	<u>16,575</u>	<u>31,070</u>
Weighted average number of ordinary shares of RM0.20 each in issue	<u>535,000</u>	<u>535,000</u>
Basic Earnings Per Share (sen)	<u>3.10</u>	<u>5.81</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 31 December 2015.