



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Current Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|--|-----------------------------------|----------------------------|--------------------------------------|----------------------------|
| | 1.07.2014 to 30.09.2014 | 1.07.2013 to 30.09.2013 | 1.07.2014 to 30.09.2014 | 1.07.2013 to 30.09.2013 |
| | Unaudited RM '000 | Unaudited RM '000 | Unaudited RM '000 | Unaudited RM '000 |
| Revenue | 23,976 | 28,856 | 23,976 | 28,856 |
| Cost of sales | (24,354) | (24,518) | (24,354) | (24,518) |
| Gross (loss)/profit | (378) | 4,338 | (378) | 4,338 |
| Other operating income | 78 | 172 | 78 | 172 |
| Administrative expenses | (3,585) | (3,371) | (3,585) | (3,371) |
| Other expenses | - | - | - | - |
| Operating (loss)/profit | (3,885) | 1,139 | (3,885) | 1,139 |
| Finance costs | (2,317) | (2,186) | (2,317) | (2,186) |
| Share of profit of associates | - | 74 | - | 74 |
| Loss before taxation | (6,202) | (973) | (6,202) | (973) |
| Income tax expense | (518) | (200) | (518) | (200) |
| Loss for the period | (6,720) | (1,173) | (6,720) | (1,173) |
| Loss for the period attributable to: | | | | |
| Owners of the parent | (3,069) | (213) | (3,069) | (213) |
| Non controlling interest | (3,651) | (960) | (3,651) | (960) |
| | (6,720) | (1,173) | (6,720) | (1,173) |
| Earnings per share attributable to owners of the parent (sen per share) | | | | |
| Basic | (2.58) | (0.18) | (2.58) | (0.18) |
| Diluted | (2.58) | (0.18) | (2.58) | (0.18) |

These condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



ZECOM BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 30 Sept 2014 Unaudited RM'000 | 30 Sept 2013 Unaudited RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 13,750 | 16,171 |
| Prepaid lease payments | 124 | 127 |
| Land held for development | 94,529 | 113,166 |
| Intangible assets | 13,677 | 13,805 |
| Investment and share of profit in associates | 1,593 | 1,302 |
| Investment securities | 183 | 317 |
| Trade and other receivables | 2 | 819 |
| Deferred tax assets | 1,816 | 4,338 |
| | 125,674 | 150,045 |
| Current assets | | |
| Development costs | 19,651 | 33,367 |
| Inventories | 2,915 | 2,915 |
| Amount due from customers for contract work | 57,550 | 48,811 |
| Accrued billings in respect of property development costs | 896 | 2,436 |
| Trade and other receivables | 63,177 | 70,955 |
| Deposits with licensed banks | 38,099 | 35,195 |
| Cash and bank balances | 8,402 | 7,483 |
| | 190,690 | 201,162 |
| TOTAL ASSETS | 316,364 | 351,207 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 119,106 | 119,106 |
| Share premium | 3,559 | 3,559 |
| Other reserves | 4,978 | 5,111 |
| Retained earnings | (53,469) | (20,650) |
| | 74,174 | 107,126 |
| Non controlling interest | 5,355 | 2,977 |
| Total equity | 79,529 | 110,103 |



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 30 Sept 2014 Unaudited RM'000 | 30 Sept 2013 Unaudited RM'000 |
|--|--|--|
| Non-current liabilities | | |
| Borrowings | 102,523 | 110,935 |
| Trade and other payables | 100 | 98 |
| | <u>102,623</u> | <u>111,033</u> |
| Current liabilities | | |
| Borrowings | 40,489 | 31,862 |
| Amount due to customers for contract work | 4,005 | 351 |
| Trade and other payables | 72,272 | 84,706 |
| Progress billings in respect of property development costs | 6,736 | 1,770 |
| Current tax payable | 10,710 | 11,382 |
| | <u>134,212</u> | <u>130,071</u> |
| Total liabilities | 236,835 | 241,104 |
| TOTAL EQUITY AND LIABILITIES | 316,364 | 351,207 |

These condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to Equity Holders of the Company | | | | | | Total equity attributable to owners of the parents RM'000 | Non controlling interests (NCI) RM'000 | Total equity RM'000 |
|---|---|---------------|---------------------|------------------|---------------|----------------------|--|---|------------------------|
| | <i>Non-Distributable</i> | | | | | <i>Distributable</i> | | | |
| | Share capital | Share premium | Revaluation reserve | Exchange reserve | Other reserve | Retained earnings | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | | |
| 30 SEPTEMBER 2014 | | | | | | | | | |
| Balance as at 1 July 2014 | 119,106 | 3,559 | 693 | 2 | 4,283 | (50,400) | 77,243 | 9,006 | 86,249 |
| Total comprehensive Income for the period | - | - | - | - | - | (3,069) | (3,069) | (3,651) | (6,720) |
| Closing balance as at 30 September 2014 | 119,106 | 3,559 | 693 | 2 | 4,283 | (53,469) | 74,174 | 5,355 | 79,529 |
| 30 SEPTEMBER 2013 | | | | | | | | | |
| Balance as at 1 July 2013 | 119,106 | 3,559 | 693 | 3 | 4,417 | (20,437) | 107,341 | 3,937 | 111,278 |
| Total comprehensive Income for the period | - | - | - | (2) | - | (213) | (215) | (960) | (1,175) |
| Closing balance as at 30 September 2013 | 119,106 | 3,559 | 693 | 1 | 4,417 | (20,650) | 107,126 | 2,977 | 110,103 |

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 1.7.2014 to 30.09.2014 Unaudited RM '000 3 months | 1.7.2013 to 30.09.2013 Unaudited RM '000 3 months |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (6,201) | (973) |
| Adjustments for : | | |
| Amortisation of prepaid land lease payments | 1 | 1 |
| Depreciation of property, plant and equipment | 1,344 | 1,356 |
| (Gain)/loss on disposal of property, plant and equipment | - | (31) |
| Interest expense | 2,317 | 2,186 |
| Interest income | (17) | (63) |
| Gain on foreign exchange rate | - | (2) |
| Share of results of associates | - | (74) |
| Operating profit before working capital changes | (2,556) | 2,400 |
| Decrease/(increase) in development costs | 188 | (499) |
| Increase in current assets | (78) | - |
| Decrease in current liabilities | (53) | - |
| Increase in amount due from customers for contract work | (3,307) | 2,981 |
| Decrease in fixed deposit more than three months | 2,551 | 2,708 |
| Decrease in receivables | 12,038 | 10,188 |
| Decrease in payables | (11,231) | (8,899) |
| Cash (used in)/generated from operations | (2,448) | 8,879 |
| Interest paid | (2,317) | (1,584) |
| Interest received | 17 | - |
| Taxation paid | (2,825) | (1,132) |
| Net cash (used in)/generated from operating activities | (7,573) | 6,163 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (339) | (2,132) |
| Proceeds from disposal of property, plant and equipment | 1 | 31 |
| Net cash used in investing activities | (338) | (2,101) |



ZECOM BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 1.7.2014 to 30.09.2014 Unaudited RM '000 | 1.7.2013 to 30.09.2013 Unaudited RM '000 |
|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of term loan | (7,435) | (18) |
| Repayment of hire purchase payables | (305) | (409) |
| Repayment of bankers' acceptances and revolving credits | - | (19,145) |
| Proceeds from drawdown of term loan | 8,022 | 5,301 |
| Proceeds from banker's acceptances and revolving credits | - | 9,042 |
| Net cash generated from/(used in) financing activities | 282 | (5,229) |
| Net decrease in cash and cash equivalents | (7,629) | (1,167) |
| Cash and cash equivalents at the beginning of the period | 12,726 | 7,715 |
| Cash and cash equivalents at the end of the period | 5,097 | 6,548 |