



ZECOM BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	1.1.2017 to 31.03.2017	1.1.2016 to 31.03.2016	1.07.2016 to 31.03.2017	1.07.2015 to 31.03.2016
	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Revenue	62,527	29,419	166,250	114,975
Cost of sales	(57,180)	(24,710)	(142,188)	(100,421)
Gross profit	5,347	4,709	24,062	14,554
Other operating income	5,089	316	6,735	1,042
Administrative expenses	(3,925)	(2,954)	(13,834)	(11,666)
Other expenses	(414)	(845)	(436)	(11,988)
Operating profit/(loss)	6,097	1,226	16,527	(8,058)
Finance costs	(4,222)	(2,939)	(12,007)	(9,150)
Share of profit of associates	14	140	88	115
Profit/(loss) before taxation	1,889	(1,573)	4,608	(17,093)
Income tax expense	(140)	382	(498)	(1,157)
Profit/(loss) for the period	1,749	(1,191)	4,110	(18,250)
Profit/(loss) for the period attributable to:				
Owners of the parent	108	(1,066)	2,953	(17,198)
Non controlling interest	1,641	(125)	1,157	(1,052)
	1,749	(1,191)	4,110	(18,250)
Earnings per share attributable to owners of the parent (sen per share)				
Basic	0.09	(0.90)	2.48	(14.44)
Diluted	0.09	(0.90)	2.48	(14.44)

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



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2017 Unaudited RM'000	30 June 2016 Audited RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	15,616	15,497
Prepaid lease payments	116	118
Land held for development	81,385	81,384
Intangible assets	802	802
Investment and share of profit in associates	2,202	2,113
Investment securities	181	93
Investment properties	362,928	359,172
	463,230	459,179
Current assets		
Development costs	11,392	11,635
Inventories	2,304	2,304
Amount due from customers for contract work	224,936	142,770
Accrued billings in respect of property development costs	14,399	10,819
Trade and other receivables	59,466	70,708
Deposits with licensed banks	53,413	68,605
Cash and bank balances	28,850	40,277
Tax recoverables	374	4
	395,134	347,122
TOTAL ASSETS	858,364	806,301
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	122,665	119,106
Share premium	-	3,559
Other reserves	4,962	4,889
Retained earnings	(28,963)	(31,916)
	98,664	95,638
Non controlling interest	72,033	67,877
Total equity	170,697	163,515



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2017 Unaudited RM'000	30 June 2016 Audited RM'000
Non-current liabilities		
Borrowings	207,381	173,617
Trade and other payables	60	71
Deferred tax liabilities	9,646	9,223
	<u>217,087</u>	<u>182,911</u>
Current liabilities		
Borrowings	128,721	129,274
Amount due to customers for contract work	4,385	3,237
Trade and other payables	325,605	312,517
Progress billings in respect of property development costs	1,188	1,410
Current tax payable	10,680	13,437
	<u>470,579</u>	<u>459,875</u>
Total liabilities	687,666	642,786
TOTAL EQUITY AND LIABILITIES	858,363	806,301

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



ZEGON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017

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
	Non-Distributable			Distributable					
	Share capital	Share premium	Revaluation reserve	Exchange reserve	Other reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 MARCH 2017									
Balance as at 1 July 2016	119,106	3,559	693	3	4,193	(31,916)	95,638	67,877	163,515
Total comprehensive Income for the period	-	-	-	-	73	2,953	3,026	1,157	4,183
Transaction with Non-Controlling Interest	-	-	-	-	-	-	-	2,999	2,999
Transition to No-Par value Regime on 31 Jan 2017 *	3,559	(3,559)	-	-	-	-	-	-	-
Closing balance as at 31 March 2017	122,665	-	693	3	4,266	(28,963)	98,664	72,033	170,697
30 JUNE 2016									
Balance as at 1 July 2015	119,106	3,559	693	5	4,197	(63,224)	64,336	4,194	68,530
Total comprehensive Income for the period	-	-	-	(2)	(4)	31,308	31,302	63,634	94,936
Transaction with Non-Controlling Interest	-	-	-	-	-	-	-	49	49
Closing balance as at 30 June 2016	119,106	3,559	693	3	4,193	(31,916)	95,638	67,877	163,515

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

* The Company Act 2016, which become enforceable on 31 January 2017, abolished the concept of authorised share capital and par-value of share capital. As a result, the amount standing to the credit of the share premium account become part of the Company's share capital as set out in Section 618(2) of the Act. However, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account in the sum of RM3.559 million for the proposes that set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares issued or the relative entitlement of any of the members as a result of the no-par value regime.



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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2016 to 31.03.2017 Unaudited RM '000 9 months	1.7.2015 to 31.03.2016 Unaudited RM '000 9 months
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	4,608	(17,093)
Adjustments for :		
Amortisation of prepaid land lease payments	2	2
Amortisation of toll concessionaire	-	264
Bad debt written off, net	479	-
Depreciation of property, plant and equipment	1,520	1,565
Fair value gain on investment properties	(3,380)	-
Gain on disposal on land held for development	-	(1,515)
Gain on disposal of property, plant and equipment	(85)	-
Interest expense	12,007	9,150
Interest income	(1,143)	(715)
Impairment on receivables	9	475
Impairment on development costs	-	429
Loss on disposal of toll concession	-	11,084
Reversal of impairment on receivables	(486)	-
Payables written off	(602)	-
Unrealised loss on foreign exchange translation	-	1
Share of results of associates	(88)	(115)
Operating profit before working capital changes	12,841	3,532
Decrease/(increase) in development costs	243	(7,079)
Increase in inventories	-	(251)
Increase in current assets	(3,579)	(3,309)
Decrease in current liabilities	(222)	(236)
Increase in amount due from customers for contract work	(80,206)	(25,018)
Decrease in receivables	11,241	4,802
Increase in payables	13,627	(6,307)
Cash used in operations	(46,055)	(33,866)
Interest paid	(12,028)	(9,150)
Interest received	981	716
Taxation paid	(3,014)	(1,376)
Net cash used in operating activities	(60,116)	(43,676)
CASH FLOWS FROM INVESTING ACTIVITIES		
Transaction with non-controlling interest	3,000	-
Purchase of property, plant and equipment	(2,773)	(936)
Purchase of other investment	(15)	-
Proceeds from disposal of property, plant and equipment	407	-
Proceeds from disposal of land held for development	-	13,500
Net cash generated from investing activities	619	12,564



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	1.7.2016 to 31.03.2017 Unaudited RM '000	1.7.2015 to 31.03.2016 Unaudited RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(4,878)	(21,211)
Repayment of hire purchase payables	(1,301)	(821)
Hire purchase financing obtained	3,042	284
Proceeds from drawdown of term loan	37,389	70,149
Proceeds from banker's Trust Receipt	1,896	-
Repayment of banker's Trust Receipt	(853)	-
Proceeds from banker's acceptances and revolving credits	-	49,321
Decrease in fixed deposits pledged	15,163	(54,090)
Net cash generated from financing activities	50,458	43,632
Net (decrease)/increase in cash and cash equivalents	(9,039)	12,520
Cash and cash equivalents at the beginning of the period	32,287	552
Cash and cash equivalents at the end of the period	23,248	13,072