



ZECOM BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	1.4.2017 to 30.06.2017	1.4.2016 to 30.06.2016	1.07.2016 to 30.06.2017	1.07.2015 to 30.06.2016
	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Audited RM '000
Revenue	50,752	119,727	217,002	234,702
Cost of sales	(72,834)	(118,122)	(215,022)	(218,543)
<b>Gross (loss)/profit</b>	<b>(22,082)</b>	<b>1,605</b>	<b>1,980</b>	<b>16,159</b>
Other operating income	105,662	161,930	112,397	162,972
Administrative expenses	(20,140)	(16,198)	(33,974)	(27,864)
Other expenses	(973)	(21,290)	(1,409)	(33,278)
<b>Operating profit</b>	<b>62,467</b>	<b>126,047</b>	<b>78,994</b>	<b>117,989</b>
Finance costs	(12,117)	(4,203)	(24,124)	(13,353)
Share of profit of associates	(3)	42	85	157
<b>Profit before taxation</b>	<b>50,347</b>	<b>121,886</b>	<b>54,955</b>	<b>104,793</b>
Income tax expense	(6,777)	(8,694)	(7,275)	(9,851)
<b>Profit for the period</b>	<b>43,570</b>	<b>113,192</b>	<b>47,680</b>	<b>94,942</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	11,064	48,506	14,017	31,308
Non controlling interest	32,504	64,686	33,661	63,634
	<b>43,568</b>	<b>113,192</b>	<b>47,678</b>	<b>94,942</b>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
Basic	9.29	40.73	11.77	26.29
Diluted	9.29	40.73	11.77	26.29

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 INTERIM FINANCIAL STATEMENTS  
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2017 Unaudited RM'000	30 June 2016 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	14,622	15,497
Prepaid lease payments	115	118
Land held for development	81,385	81,384
Investment properties	351,034	359,172
Intangible assets	802	802
Investment and share of profit in associates	2,198	2,113
Investment securities	189	93
	450,345	459,179
<b>Current assets</b>		
Development costs	11,857	11,635
Inventories	2,305	2,304
Amount due from customers for contract work	218,061	142,770
Accrued billings in respect of property development costs	15,154	10,819
Trade and other receivables	79,299	70,708
Deposits with licensed banks	24,733	68,605
Cash and bank balances	32,994	40,277
Tax recoverables	247	4
	384,650	347,122
<b>TOTAL ASSETS</b>	<b>834,995</b>	<b>806,301</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	122,665	119,106
Share premium	-	3,559
Other reserves	4,951	4,889
Retained earnings	(17,899)	(31,916)
	109,717	95,638
<b>Non controlling interest</b>	104,537	67,877
<b>Total equity</b>	<b>214,254</b>	<b>163,515</b>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2017 Unaudited RM'000	30 June 2016 Audited RM'000
<b>Non-current liabilities</b>		
Borrowings	222,022	173,617
Trade and other payables	88,758	71
Deferred tax liabilities	15,088	9,223
	<u>325,868</u>	<u>182,911</u>
<b>Current liabilities</b>		
Borrowings	128,289	129,274
Amount due to customers for contract work	3,003	3,237
Trade and other payables	151,417	312,517
Progress billings in respect of property development costs	1,155	1,410
Current tax payable	11,009	13,437
	<u>294,873</u>	<u>459,875</u>
<b>Total liabilities</b>	<b>620,741</b>	<b>642,786</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>834,995</b>	<b>806,301</b>

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 YEAR ENDED 30 JUNE 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			
30 JUNE 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	-	-	-	(19)	81	14,017	14,079	33,661	47,740
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 30 June 2017	122,665	-	693	(16)	4,274	(17,899)	109,717	104,537	214,254
<b>30 JUNE 2016</b>									
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 Companies 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 purposes 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.



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2016 to 30.06.2017 Unaudited RM '000 12 months	1.7.2015 to 30.06.2016 Audited RM '000 12 months
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	54,954	104,793
Adjustments for :		
Amortisation of prepaid land lease payments	3	3
Amortisation of toll concessionaire	-	264
Bad debt written off, net	474	36,036
Deposit written off	11	-
Depreciation of property, plant and equipment	2,172	2,305
Fair value (gain)/loss on investment properties	(95,026)	(150,933)
Gain on disposal on land held for development	-	(1,515)
Gain on disposal of property, plant and equipment	(166)	(5,404)
Interest expense	24,124	13,353
Interest income	(1,577)	(1,679)
Impairment on goodwill	-	1,130
Impairment on receivables	978	5,263
Impairment on development costs	-	279
Loss on disposal of toll concession	-	11,084
Reversal of impairment on receivables	(1,305)	(30,583)
Unrealised loss on foreign exchange translation	(19)	3
Share of results of associates	(85)	(157)
Waiver of payables	(729)	-
<b>Operating loss before working capital changes</b>	<b>(16,191)</b>	<b>(15,758)</b>
Decrease/(increase) in development costs	(222)	7,459
Increase in inventories	-	612
Increase in current assets	(4,334)	(949)
Decrease in current liabilities	(255)	239
Increase in amount due from customers for contract work	(74,673)	(35,449)
Decrease in receivables	(8,748)	1,500
Increase in payables	24,507	210,504
<b>Cash (used in)/generated from operations</b>	<b>(79,916)</b>	<b>168,158</b>
Interest paid	(16,289)	(13,353)
Interest received	1,577	1,679
Taxation paid	(4,082)	(1,594)
<b>Net cash (used in)/generated from operating activities</b>	<b>(98,710)</b>	<b>154,890</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Transaction with non-controlling interest	3,000	49
Purchase of property, plant and equipment	(2,807)	(2,275)
Purchase of other investment	(15)	-
Purchase of investment properties	-	(207,080)
Proceeds from disposal of property, plant and equipment	488	5,404
Proceeds from disposal of land held for development	-	13,500
<b>Net cash generated from/(used in) investing activities</b>	<b>666</b>	<b>(190,402)</b>



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2016 to 30.06.2017 Unaudited RM '000	1.7.2015 to 30.06.2016 Audited RM '000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(6,504)	(22,836)
Repayment of hire purchase payables	(1,590)	(1,083)
Repayment of banker's Trust Receipt	(1,896)	-
Repayment of banker's acceptances and revolving credits	-	(3,710)
Hire purchase financing obtained	3,042	-
Proceeds from drawdown of term loan	53,552	79,940
Proceeds from banker's Trust Receipt	1,896	-
Proceeds from banker's acceptances and revolving credits	-	54,090
Decrease/(increase) in fixed deposits pledged	43,843	(39,154)
<b>Net cash generated from financing activities</b>	<b>92,343</b>	<b>67,247</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,701)</b>	<b>31,735</b>
Cash and cash equivalents at the beginning of the year	32,287	552
<b>Cash and cash equivalents at the end of the year</b>	<b>26,586</b>	<b>32,287</b>