



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	1.1.2018 to 31.03.2018	1.1.2017 to 31.03.2017	1.07.2017 to 31.03.2018	1.07.2016 to 31.03.2017
	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Revenue	119,621	62,527	265,299	166,250
Cost of sales	(110,907)	(57,180)	(254,470)	(142,188)
Gross profit	8,714	5,347	10,829	24,062
Other operating income	7,188	5,089	21,013	6,735
Administrative expenses	(4,716)	(3,925)	(14,832)	(13,834)
Other expenses	(146)	(414)	(146)	(436)
Operating profit	11,040	6,097	16,864	16,527
Finance costs	(9,157)	(4,222)	(24,580)	(12,007)
Share of profit of associates	-	14	115	88
Profit/(loss) before taxation	1,883	1,889	(7,601)	4,608
Income tax expense	(2,949)	(140)	(8,062)	(498)
(Loss)/profit for the period	(1,066)	1,749	(15,663)	4,110
(Loss)/profit for the period attributable to:				
Owners of the parent	(7,446)	108	(19,990)	2,953
Non controlling interest	6,380	1,641	4,327	1,157
	(1,066)	1,749	(15,663)	4,110
Earnings per share attributable to owners of the parent (sen per share)				
Basic	(5.86)	0.09	(15.73)	2.48
Diluted	(5.86)	0.09	(15.73)	2.48

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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FOR THE PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2018 Unaudited RM'000	30 June 2017 Audited RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	12,937	14,622
Prepaid lease payments	113	115
Land held for development	81,385	81,385
Investment properties	351,034	351,034
Intangible assets	802	802
Investment and share of profit in associates	2,312	2,198
Investment securities	97	172
Amount due from customer on contract works	293,922	157,984
Service concession receivables	28,407	12,871
	771,009	621,183
Current assets		
Investment securities	14	17
Development costs	9,980	11,639
Inventories	2,305	2,304
Amount due from customers for contract work	68,216	67,095
Accrued billings in respect of property development costs	16,266	15,107
Trade and other receivables	211,927	78,038
Deposits with licensed banks	6,348	24,731
Cash and bank balances	25,283	33,054
Tax recoverables	689	247
	341,028	232,232
TOTAL ASSETS	1,112,037	853,415
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	128,972	122,665
Share premium	-	-
Other reserves	4,180	4,258
Retained earnings	118,806	(7,018)
	251,958	119,905
Non controlling interest	107,055	93,542
Total equity	359,013	213,447



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2018 Unaudited RM'000	30 June 2017 Audited RM'000
Non-current liabilities		
Borrowings	305,705	222,027
Trade and other payables	82,176	82,187
Deferred tax liabilities	23,290	15,093
	<u>411,171</u>	<u>319,307</u>
Current liabilities		
Borrowings	111,389	128,370
Amount due to customers for contract work	2,975	2,762
Trade and other payables	218,177	177,455
Progress billings in respect of property development costs	1,178	1,155
Current tax payable	8,134	10,919
	<u>341,853</u>	<u>320,661</u>
Total liabilities	753,024	639,968
TOTAL EQUITY AND LIABILITIES	1,112,037	853,415

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 31 MARCH 2018

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	Exchange reserve	Other reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000			
31 MARCH 2018								
Balance as at 1 July 2017	122,665	-	(16)	4,274	(7,018)	119,905	93,542	213,447
Profit After Taxation for the Financial Period	-	-	-	-	(19,990)	(19,990)	4,327	(15,663)
Other Comprehensive Income	-	-	-	(78)	-	(78)	-	(78)
Issuance of ordinary shares	6,307	-	-	-	-	6,307	-	6,307
Transaction with Non-Controlling Interest	-	-	-	-	145,814	145,814	9,186	155,000
Closing balance as at 31 March 2018	128,972	-	(16)	4,196	118,806	251,958	107,055	359,013
30 JUNE 2017								
Balance as at 1 July 2016	119,106	3,559	3	4,193	(21,197)	105,664	57,851	163,515
Profit After Taxation for the Financial Year	-	-	-	-	14,179	14,179	32,691	46,870
Other Comprehensive Income	-	-	(19)	81	-	62	1	63
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	-	(16)	4,274	(7,018)	119,905	93,542	213,447

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

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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.



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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2017 to 31.03.2018 Unaudited RM '000 9 months	1.7.2016 to 31.03.2017 Unaudited RM '000 9 months
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(7,601)	4,608
Adjustments for :		
Amortisation of prepaid land lease payments	2	2
Bad debt written off, net	-	479
Bad debt recovered	(440)	
Depreciation of property, plant and equipment	1,892	1,520
Fair value (gain)/loss on investment properties	-	(3,380)
Gain on disposal of property, plant and equipment	(3,897)	(85)
Interest expense	24,580	12,007
Interest income	(475)	(1,143)
Impairment on receivables	146	9
Reversal of impairment on receivables	(95)	(486)
Unrealised loss on foreign exchange translation	7	-
Share of results of associates	(115)	(88)
Waiver of payables	(176)	(602)
Operating profit before working capital changes	13,828	12,841
Increase in development costs	1,660	243
Increase in current assets	(1,159)	(3,579)
Increase/(decrease) in current liabilities	23	(222)
Increase in amount due to Service Concession Receivables	(15,536)	-
Increase in amount due from/to customers for contract work	(136,300)	(80,206)
Decrease in receivables	(9,500)	11,241
Increase in payables	40,510	13,627
Cash used in operations	(106,474)	(46,055)
Interest paid	(24,580)	(12,028)
Interest received	475	981
Taxation paid	(3,121)	(3,014)
Net cash used in operating activities	(133,700)	(60,116)
CASH FLOWS FROM INVESTING ACTIVITIES		
Transaction with non-controlling interest	-	3,000
Purchase of property, plant and equipment	(602)	(2,773)
Purchase of other investment	-	(15)
Proceeds from issuance of ordinary share capital	6,307	-
Proceeds from disposal of property, plant and equipment	3,904	407
Proceeds from partial disposal of subsidiaries, net of cash received	31,000	-
Net cash generated from investing activities	40,609	619



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2017 to 31.03.2018 Unaudited RM '000	1.7.2016 to 31.03.2017 Unaudited RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(9,336)	(4,878)
Repayment of hire purchase payables	(1,311)	(1,301)
Repayment of banker's acceptances and revolving credits	(5,000)	-
Hire purchase financing obtained	-	3,042
Proceeds from drawdown of term loan	88,991	37,389
Proceeds from banker's Trust Receipt	-	1,896
Repayment of banker's Trust Receipt	-	(853)
Decrease in fixed deposits pledged	3,132	15,877
Net cash generated from financing activities	76,476	51,172
Net decrease in cash and cash equivalents	(16,615)	(8,325)
Cash and cash equivalents at the beginning of the year	41,900	69,283
Cash and cash equivalents at the end of the year	25,285	60,958