



ZECOM BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	1.4.2018 to 30.06.2018	1.4.2017 to 30.06.2017	1.07.2017 to 30.06.2018	1.07.2016 to 30.06.2017
	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Audited RM '000
Revenue	219,997	79,947	485,296	246,197
Cost of sales	(229,482)	(102,883)	(483,952)	(245,071)
Gross (loss)/profit	(9,485)	(22,936)	1,344	1,126
Other operating income	141,702	114,952	162,715	121,687
Administrative expenses	(15,204)	(19,532)	(30,036)	(33,366)
Other expenses	(25,657)	(10,991)	(25,657)	(11,427)
Operating profit	91,356	61,493	108,366	78,020
Finance costs	(9,618)	(12,038)	(34,198)	(24,045)
Share of profit of associates	59	(3)	174	85
Profit before taxation	81,797	49,452	74,342	54,060
Income tax expense	(35,893)	(6,692)	(43,955)	(7,190)
Profit for the period	45,904	42,760	30,387	46,870
Profit for the period attributable to:				
Owners of the parent	32,711	11,226	12,721	14,179
Non controlling interest	13,339	31,534	17,666	32,691
	46,050	42,760	30,387	46,870
Earnings per share attributable to owners of the parent (sen per share)				
Basic	25.55	9.42	9.94	11.90
Diluted	25.55	9.42	9.94	11.90

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

	30 June 2018 Unaudited RM'000	30 June 2017 Audited RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	12,213	14,622
Prepaid lease payments	112	115
Land held for development	8,141	81,385
Investment properties	558,541	351,034
Intangible assets	802	802
Investment and share of profit in associates	2,372	2,198
Investment securities	76	172
Amount due from customer on contract works	362,488	157,984
Service concession receivables	35,916	12,871
	980,661	621,183
Current assets		
Investment securities	17	17
Development costs	213	11,639
Inventories	11,333	2,304
Amount due from customers for contract work	52,660	67,095
Accrued billings in respect of property development costs	901	15,107
Trade and other receivables	119,669	78,038
Deposits with licensed banks	26,089	24,731
Cash and bank balances	26,469	33,054
Tax recoverables	682	247
	238,033	232,232
TOTAL ASSETS	1,218,694	853,415
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	128,972	122,665
Share premium	-	-
Other reserves	4,160	4,258
Retained earnings	148,323	(7,018)
	281,455	119,905
Non controlling interest	105,588	93,542
Total equity	387,043	213,447



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2018 Unaudited RM'000	30 June 2017 Audited RM'000
Non-current liabilities		
Borrowings	353,442	222,027
Trade and other payables	72,970	82,187
Deferred tax liabilities	58,863	15,093
	<u>485,275</u>	<u>319,307</u>
Current liabilities		
Borrowings	115,999	128,370
Amount due to customers for contract work	1,145	2,762
Trade and other payables	221,174	177,455
Progress billings in respect of property development costs	-	1,155
Current tax payable	8,058	10,919
	<u>346,376</u>	<u>320,661</u>
Total liabilities	831,651	639,968
TOTAL EQUITY AND LIABILITIES	1,218,694	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.



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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 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			
30 JUNE 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	-	-	-	-	12,721	12,721	17,666	30,387
Other Comprehensive Income	-	-	(1)	(97)	-	(98)	-	(98)
Issuance of ordinary shares	6,307	-	-	-	-	6,307	-	6,307
Transaction with Non-Controlling Interest	-	-	-	-	142,620	142,620	(5,620)	137,000
Closing balance as at 30 June 2018	128,972	-	(17)	4,177	148,323	281,455	105,588	387,043
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

* 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 YEAR ENDED 30 JUNE 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2017 to 30.06.2018 Unaudited RM '000 12 months	1.7.2016 to 30.06.2017 Audited RM '000 12 months
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	74,342	54,060
Adjustments for :		
Amortisation of prepaid land lease payments	3	3
Bad debt written off, net	155	350
Bad debt recovered	(440)	-
Deposit written off	-	69
Depreciation of property, plant and equipment	2,549	2,217
Fair value (gain)/loss on investment properties	(133,541)	8,514
Fair value adjustment on other investments	-	(1)
Gain on disposal of property, plant and equipment	(3,925)	(166)
Interest expense	34,198	24,045
Interest income	(699)	(1,577)
Impairment on receivables	77	1,923
Impairment on inventories	316	-
Impairment on contract costs	25,108	-
Reversal of impairment on receivables	(99)	(930)
Unrealised loss on foreign exchange translation	(4)	(18)
Share of results of associates	(174)	(85)
Waiver of payables	(176)	-
Operating (loss)/profit before working capital changes	(2,310)	88,404
Decrease/(increase) in development costs	10,703	(4)
Increase in inventory	(9,344)	-
Increase in current assets	14,205	-
Increase in current liabilities	(1,155)	-
Increase in amount due to Service Concession Receivables	(23,045)	(12,871)
Increase in amount due from/to customers for contract work	(216,065)	(81,978)
Increase in receivables	(25,791)	(13,029)
Decrease/(increase) in payables	34,738	(52,285)
Cash used in operations	(218,064)	(71,763)
Interest paid	(34,949)	(24,045)
Interest received	666	1,577
Taxation paid	(3,539)	(4,082)
Net cash used in operating activities	(255,886)	(98,313)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(875)	(464)
Purchase of other investment	-	(15)
Purchase of investment properties	-	(375)
Proceeds from disposal of property, plant and equipment	3,932	488
Proceeds from partial disposal of subsidiaries, net of cash received	139,500	-
Net cash generated from investing activities	142,557	(366)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2017 to 30.06.2018 Unaudited RM '000	1.7.2016 to 30.06.2017 Audited RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(45,869)	(6,552)
Repayment of hire purchase payables	(1,713)	(805)
Repayment of banker's acceptances and revolving credits	(5,000)	-
Proceeds from drawdown of term loan	178,783	53,552
Proceeds from banker's Trust Receipt	-	1,896
Repayment of banker's Trust Receipt	-	(1,896)
Transaction with non-controlling interest	(18,000)	-
Proceeds from issuance of ordinary share capital	6,307	3,000
Decrease in fixed deposits pledged	2,892	22,102
Net cash generated from financing activities	117,400	71,297
Net increase/(decrease) in cash and cash equivalents	4,071	(27,382)
Cash and cash equivalents at the beginning of the year	41,900	69,283
Cash and cash equivalents at the end of the year	45,971	41,901