



ZECOM BERHAD (134463-X)

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017	1.07.2018 to 31.12.2018	1.07.2017 to 31.12.2017
	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Revenue	95,509	63,314	179,382	145,678
Cost of sales	(90,764)	(70,714)	(171,890)	(143,563)
Gross profit/(loss)	4,745	(7,400)	7,492	2,115
Other operating income	10,711	8,513	22,032	13,825
Administrative expenses	(3,765)	(3,911)	(11,818)	(10,116)
Other expenses	(166)	-	(607)	-
Operating profit/(loss)	11,525	(2,798)	17,099	5,824
Finance costs	(10,425)	(10,425)	(20,429)	(15,423)
Share of profit of associates	(113)	67	(123)	115
Profit/(Loss) before taxation	987	(13,156)	(3,453)	(9,484)
Income tax expense	(2,853)	(2,139)	(5,041)	(5,113)
Loss for the period	(1,866)	(15,295)	(8,494)	(14,597)
(Loss)/profit for the period attributable to:				
Owners of the parent	(5,277)	(13,336)	(14,487)	(12,544)
Non controlling interest	3,411	(1,959)	5,993	(2,053)
	(1,866)	(15,295)	(8,494)	(14,597)
Earnings per share attributable to owners of the parent (sen per share)				
Basic	(4.03)	(10.66)	(11.06)	(10.03)
Diluted	(4.03)	(10.66)	(11.06)	(10.03)

These condensed consolidated statements of comprehensive income 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 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2018 Unaudited RM'000	30 June 2018 Restated RM'000	1 July 2017 Restated RM'000
ASSETS			
Non-current assets			
Property, plant & equipment	10,808	12,213	14,622
Prepaid lease payments	110	112	115
Land held for development	8,141	8,141	81,385
Investment properties	558,541	558,541	351,034
Intangible assets	802	802	802
Investment and share of profit in associates	2,468	2,591	2,198
Investment securities	59	76	172
Amount due from customer on contract works	458,474	368,247	157,984
Service concession receivables	56,966	36,036	12,871
	<u>1,096,369</u>	<u>986,759</u>	<u>621,183</u>
Current assets			
Investment securities	25	17	17
Development costs	2,808	213	11,639
Inventories	11,333	11,333	2,304
Amount due from customers for contract work	33,854	38,478	67,095
Accrued billings in respect of property development costs	901	901	15,107
Trade and other receivables	114,949	85,330	75,738
Deposits with licensed banks	8,325	26,482	24,731
Cash and bank balances	19,650	26,531	33,054
Tax recoverables	682	682	247
	<u>192,527</u>	<u>189,967</u>	<u>229,932</u>
TOTAL ASSETS	<u>1,288,896</u>	<u>1,176,726</u>	<u>851,115</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	128,972	128,972	122,665
Other reserves	(279)	(257)	4,258
Retained earnings	101,146	115,633	(8,283)
	<u>229,839</u>	<u>244,348</u>	<u>118,640</u>
Non controlling interest	110,621	104,628	92,507
Total equity	<u>340,460</u>	<u>348,976</u>	<u>211,147</u>



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2018 Unaudited RM'000	30 June 2018 Restated RM'000	1 July 2017 Restated RM'000
Non-current liabilities			
Borrowings	2,410	2,852	222,027
Trade and other payables	63,025	82,172	82,187
Deferred tax liabilities	31,997	27,017	15,093
	<u>97,432</u>	<u>112,041</u>	<u>319,307</u>
Current liabilities			
Borrowings	464,838	466,805	128,370
Amount due to customers for contract work	7,274	84	2,762
Trade and other payables	340,016	208,975	177,455
Progress billings in respect of property development costs	-	-	1,155
Current tax payable	38,876	39,845	10,919
	<u>851,004</u>	<u>715,709</u>	<u>320,661</u>
Total liabilities	948,436	827,750	639,968
TOTAL EQUITY AND LIABILITIES	1,288,896	1,176,726	851,115

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 DECEMBER 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	Exchange reserve	Other reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000			
31 DECEMBER 2018							
Balance as at 1 July 2018	128,972	(17)	(240)	151,986	280,701	104,628	385,329
Effects of adoption of MFRS				(36,353)	(36,353)	-	(36,353)
Restated balance as at 1 July 2018	128,972	(17)	(240)	115,633	244,348	104,628	348,976
(Loss)/Profit After Taxation for the Financial Period	-	-	-	(14,487)	(14,487)	5,993	(8,494)
Other Comprehensive Income	-	-	(22)	-	(22)	-	(22)
Closing balance as at 31 December 2018	128,972	(17)	(262)	101,146	229,839	110,621	340,460
30 JUNE 2018							
Balance as at 1 July 2017	122,665	(16)	4,274	(7,018)	119,905	93,542	213,447
Effects of adoption of MFRS				(1,265)	(1,265)	(1,035)	(2,300)
Restated balance as at 1 July 2017	122,665	(16)	4,274	(8,283)	118,640	92,507	211,147
Profit After Taxation for the Financial Period	-	-	-	13,232	13,232	17,741	30,973
Other Comprehensive Income	-	(1)	(4,514)	4,417	(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)	(240)	151,986	280,701	104,628	385,329

These condensed consolidated statements of changes in equity 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 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2018 to 31.12.2018 Unaudited RM '000 6 months	1.7.2017 to 31.12.2017 Unaudited RM '000 6 months
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,453)	(9,484)
Adjustments for :		
Amortisation of prepaid land lease payments	2	2
Bad debt written off, net	39	-
Depreciation of property, plant and equipment	1,040	1,211
Gain on disposal of property, plant and equipment	(281)	(3,880)
Interest expense	20,429	15,423
Interest income	(244)	(150)
Impairment on receivables	183	-
Impairment on contract costs	385	-
Reversal of impairment on receivables	(150)	(55)
Unrealised loss on foreign exchange translation	1	-
Share of results of associates	123	(115)
Operating profit before working capital changes	18,074	2,952
(Increase)/decrease in development costs	(2,595)	1,655
Increase in current assets	-	(922)
Increase in current liabilities	-	42
Increase in amount due from Service Concession Receivables	(20,930)	(9,092)
Increase in amount due from/to customers for contract work	(78,511)	(72,031)
(Increase)/decrease in receivables	(29,691)	2,789
Increase in payables	108,582	37,040
Cash used in operations	(5,071)	(37,567)
Interest paid	(16,139)	(15,148)
Interest received	244	150
Taxation paid	(1,030)	(2,807)
Net cash used in operating activities	(21,996)	(55,372)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash received		
Purchase of property, plant and equipment	(10)	(560)
Purchase of other investment	(13)	-
Proceeds from disposal of property, plant and equipment	368	3,880
Proceeds from issuance of ordinary share capital	-	6,307
Net cash generated from investing activities	345	9,627



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FOR THE PERIOD ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2018 to 31.12.2018 Unaudited RM '000	1.7.2017 to 31.12.2017 Unaudited RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(2,803)	(7,168)
Repayment of hire purchase payables	(584)	(859)
Repayment of bankers' acceptances and revolving credits	-	(5,000)
Proceeds from drawdown of term loan	-	42,033
Decrease in fixed deposits pledged	(427)	(28)
Net cash (used in)/generated from financing activities	(3,814)	28,978
Net decrease in cash and cash equivalents	(25,465)	(16,767)
Cash and cash equivalents at the beginning of the period	46,142	41,900
Cash and cash equivalents at the end of the period	20,677	25,133