



ZECOM BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	1.1.2019 to 31.03.2019	1.1.2018 to 31.03.2018	1.07.2018 to 31.03.2019	1.07.2017 to 31.03.2018
	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Revenue	112,804	119,621	292,186	265,299
Cost of sales	(98,014)	(110,907)	(269,904)	(254,470)
Gross profit	14,790	8,714	22,282	10,829
Other operating income	10,733	7,188	32,765	21,013
Administrative expenses	(7,862)	(4,716)	(19,680)	(14,832)
Other expenses	(280)	(146)	(887)	(146)
Operating profit	17,381	11,040	34,480	16,864
Finance costs	(14,752)	(9,157)	(35,181)	(24,580)
Share of profit of associates	125	-	2	115
Profit/(Loss) before taxation	2,754	1,883	(699)	(7,601)
Income tax expense	(3,177)	(2,949)	(8,218)	(8,062)
Loss for the period	(423)	(1,066)	(8,917)	(15,663)
Profit/(Loss) for the period attributable to:				
Owners of the parent	5,730	(7,446)	(8,757)	(19,990)
Non controlling interest	(6,153)	6,380	(160)	4,327
	(423)	(1,066)	(8,917)	(15,663)
Earnings per share attributable to owners of the parent (sen per share)				
Basic	4.37	(5.86)	(6.68)	(15.73)
Diluted	4.37	(5.86)	(6.68)	(15.73)

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 2019 Unaudited RM'000	30 June 2018 Restated RM'000	1 July 2017 Restated RM'000
ASSETS			
Non-current assets			
Property, plant & equipment	9,429	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	2,593	2,591	2,198
Investment securities	72	76	172
Amount due from customer on contract works	488,912	368,247	157,984
Service concession receivables	67,359	36,036	12,871
	<u>1,135,959</u>	<u>986,759</u>	<u>621,183</u>
Current assets			
Investment securities	26	17	17
Development costs	2,868	213	11,639
Inventories	8,546	11,333	2,304
Amount due from customers for contract work	33,924	38,478	67,095
Accrued billings in respect of property development costs	901	901	15,107
Trade and other receivables	127,301	85,330	75,738
Deposits with licensed banks	8,357	26,482	24,731
Cash and bank balances	15,536	26,531	33,054
Tax recoverables	440	682	247
	<u>197,899</u>	<u>189,967</u>	<u>229,932</u>
TOTAL ASSETS	<u>1,333,858</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	(263)	(257)	4,258
Retained earnings	106,876	115,633	(8,283)
	<u>235,585</u>	<u>244,348</u>	<u>118,640</u>
Non controlling interest	104,468	104,628	92,507
Total equity	<u>340,053</u>	<u>348,976</u>	<u>211,147</u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2019 Unaudited RM'000	30 June 2018 Restated RM'000	1 July 2017 Restated RM'000
Non-current liabilities			
Borrowings	1,571	2,852	222,027
Trade and other payables	63,021	82,172	82,187
Deferred tax liabilities	34,536	27,017	15,093
	99,128	112,041	319,307
Current liabilities			
Borrowings	521,380	466,805	128,370
Amount due to customers for contract work	6,965	84	2,762
Trade and other payables	327,548	208,975	177,455
Progress billings in respect of property development costs	-	-	1,155
Current tax payable	38,784	39,845	10,919
	894,677	715,709	320,661
Total liabilities	993,805	827,750	639,968
TOTAL EQUITY AND LIABILITIES	1,333,858	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 MARCH 2019

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 MARCH 2019							
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 After Taxation for the Financial Period	-	-	-	(8,757)	(8,757)	(160)	(8,917)
Other Comprehensive Income	-	1	(7)	-	(6)	-	(6)
Closing balance as at 31 March 2019	128,972	(16)	(247)	106,876	235,585	104,468	340,053
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 MARCH 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2018 to 31.03.2019 Unaudited RM '000 9 months	1.7.2017 to 31.03.2018 Unaudited RM '000 9 months
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(699)	(7,601)
Adjustments for :		
Amortisation of prepaid land lease payments	2	2
Bad debt written off, net	65	(440)
Depreciation of property, plant and equipment	1,468	1,892
Gain on disposal of property, plant and equipment	(581)	(3,897)
Interest expense	35,181	24,580
Interest income	(291)	(475)
Impairment on receivables	236	146
Impairment on inventories	200	-
Impairment on contract costs	385	-
Reversal of impairment on receivables	-	(95)
Unrealised loss on foreign exchange translation	1	7
Share of results of associates	(2)	(115)
Waiver of payables	-	(176)
Operating profit before working capital changes	35,965	13,828
(Increase)/decrease in development costs	(2,655)	1,660
Decrease in inventories	2,587	-
Increase in current assets	-	(1,159)
Increase in current liabilities	-	23
Increase in amount due from Service Concession Receivables	(31,323)	(15,536)
Increase in amount due from/to customers for contract work	(109,157)	(136,300)
Increase in receivables	(42,273)	(9,500)
Increase in payables	94,408	40,510
Cash used in operations	(52,448)	(106,474)
Interest paid	(25,515)	(24,580)
Interest received	291	475
Taxation paid	(1,517)	(3,121)
Net cash used in operating activities	(79,189)	(133,700)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash received		
Purchase of property, plant and equipment	(10)	(602)
Purchase of other investment	(13)	-
Proceeds from disposal of property, plant and equipment	1,448	3,904
Proceeds from issuance of ordinary share capital	-	6,307
Proceeds from partial disposal of subsidiaries, net of cash received	-	31,000
Net cash generated from investing activities	1,425	40,609



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2018 to 31.03.2019 Unaudited RM '000	1.7.2017 to 31.03.2018 Unaudited RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(4,429)	(9,336)
Repayment of hire purchase payables	(1,547)	(1,311)
Repayment of bankers' acceptances and revolving credits	(1,816)	(5,000)
Proceeds from drawdown of term loan	56,434	88,991
Decrease in fixed deposits pledged	(427)	3,132
Net cash generated from financing activities	48,215	76,476
Net decrease in cash and cash equivalents	(29,549)	(16,615)
Cash and cash equivalents at the beginning of the period	46,142	41,900
Cash and cash equivalents at the end of the period	16,593	25,285