



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	1.4.2019 to 30.06.2019	1.4.2018 to 30.06.2018	1.07.2018 to 30.06.2019	1.07.2017 to 30.06.2018
	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Audited RM '000
Revenue	79,856	202,063	372,042	467,362
Cost of sales	(94,160)	(240,756)	(364,064)	(495,226)
<b>Gross (loss)/profit</b>	<b>(14,304)</b>	<b>(38,693)</b>	<b>7,978</b>	<b>(27,864)</b>
Other operating income	32,390	142,432	65,155	163,445
Administrative expenses	(1,777)	(15,767)	(21,457)	(30,599)
Other expenses	(12,433)	(1,149)	(13,320)	(1,295)
<b>Operating profit</b>	<b>3,876</b>	<b>86,823</b>	<b>38,356</b>	<b>103,687</b>
Finance costs	(7,204)	(4,632)	(42,385)	(29,212)
Share of profit of associates	(20)	278	(18)	393
<b>(Loss)/profit before taxation</b>	<b>(3,348)</b>	<b>82,469</b>	<b>(4,047)</b>	<b>74,868</b>
Income tax expense	(9,452)	(35,833)	(17,670)	(43,895)
<b>(Loss)/Profit for the period/year</b>	<b>(12,800)</b>	<b>46,636</b>	<b>(21,717)</b>	<b>30,973</b>
<b>(Loss)/profit for the period/year attributable to:</b>				
Owners of the parent	(10,978)	33,223	(19,735)	13,233
Non controlling interest	(1,822)	13,413	(1,982)	17,740
	<b>(12,800)</b>	<b>46,636</b>	<b>(21,717)</b>	<b>30,973</b>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
Basic	(8.38)	26.57	(15.06)	10.34
Diluted	(8.38)	26.57	(15.06)	10.34

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 YEAR ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2019 Unaudited RM'000	30 June 2018 Restated RM'000	1 July 2017 Restated RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	7,063	12,213	14,622
Prepaid lease payments	109	112	115
Land held for development	8,141	8,141	81,385
Investment properties	593,381	558,541	351,034
Intangible assets	-	802	802
Investment and share of profit in associates	2,573	2,591	2,198
Investment securities	72	76	172
Contract Assets	495,946	368,247	157,984
Service concession receivables	62,807	36,036	12,871
	<u>1,170,092</u>	<u>986,759</u>	<u>621,183</u>
<b>Current assets</b>			
Investment securities	37	17	17
Development costs	3,770	213	11,639
Inventories	8,546	11,333	2,304
Contract Assets	23,833	31,977	67,095
Accrued billings in respect of property development costs	-	901	15,107
Trade and other receivables	151,594	85,330	75,738
Deposits with licensed banks	7,264	26,482	24,731
Cash and bank balances	18,518	26,531	33,054
Tax recoverables	93	682	247
	<u>213,655</u>	<u>183,466</u>	<u>229,932</u>
<b>TOTAL ASSETS</b>	<b><u>1,383,747</u></b>	<b><u>1,170,225</u></b>	<b><u>851,115</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	128,972	128,972	122,665
Other reserves	(253)	(257)	4,258
Retained earnings	89,397	109,132	(8,283)
	<u>218,116</u>	<u>237,847</u>	<u>118,640</u>
<b>Non controlling interest</b>	<b>102,646</b>	<b>104,628</b>	<b>92,507</b>
<b>Total equity</b>	<b><u>320,762</u></b>	<b><u>342,475</u></b>	<b><u>211,147</u></b>



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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2019 Unaudited RM'000	30 June 2018 Restated RM'000	1 July 2017 Restated RM'000
<b>Non-current liabilities</b>			
Borrowings	1,334	2,852	222,027
Trade and other payables	63,021	82,172	82,187
Deferred tax liabilities	75,325	27,017	15,093
	139,680	112,041	319,307
<b>Current liabilities</b>			
Borrowings	613,592	466,805	128,370
Contract Liabilities	4,765	84	2,762
Trade and other payables	297,697	208,975	177,455
Progress billings in respect of property development costs	-	-	1,155
Current tax payable	7,251	39,845	10,919
	923,305	715,709	320,661
<b>Total liabilities</b>	<b>1,062,985</b>	<b>827,750</b>	<b>639,968</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,383,747</b>	<b>1,170,225</b>	<b>851,115</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 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company					Non controlling interests (NCI)  RM'000	Total equity  RM'000
	Non-Distributable			Distributable	Total equity attributable to owners of the parents RM'000		
	Share capital  RM'000	Exchange reserve  RM'000	Other reserve  RM'000	Retained earnings  RM'000			
<b>30 JUNE 2019</b>							
Balance as at 1 July 2018	128,972	(17)	(240)	151,986	280,701	104,628	385,329
Effects of adoption of MFRS	-	-	-	(42,854)	(42,854)	-	(42,854)
Restated balance as at 1 July 2018	128,972	(17)	(240)	109,132	237,847	104,628	342,475
Loss After Taxation for the Financial Period	-	-	-	(19,735)	(19,735)	(1,982)	(21,717)
Other Comprehensive Income	-	-	4	-	4	-	4
<b>Closing balance as at 30 June 2019</b>	<b>128,972</b>	<b>(17)</b>	<b>(236)</b>	<b>89,397</b>	<b>218,116</b>	<b>102,646</b>	<b>320,762</b>
<b>30 JUNE 2018</b>							
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
<b>Closing balance as at 30 June 2018</b>	<b>128,972</b>	<b>(17)</b>	<b>(240)</b>	<b>151,986</b>	<b>280,701</b>	<b>104,628</b>	<b>385,329</b>

These condensed consolidated statements of changes in equity 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 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2018 to 30.06.2019 Unaudited RM '000 12 months	1.7.2017 to 30.06.2018 Audited RM '000 12 months
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(4,047)	74,868
Adjustments for :		
Amortisation of prepaid land lease payments	3	3
Bad debt written off, net	65	463
Bad debt recovered	-	(440)
Depreciation of property, plant and equipment	2,183	2,413
Fair value (gain) on investment properties	(34,840)	(133,541)
Gain on disposal on subsidiary	-	(162)
Gain on disposal of property, plant and equipment	(977)	(3,925)
Interest expense	42,385	29,213
Interest income	(27,090)	(24,046)
Impairment on goodwill	802	-
Impairment on receivables	952	931
Impairment on inventories	200	316
Impairment on contract costs	385	75,581
Reversal of impairment on receivables	-	(407)
Unrealised loss on foreign exchange translation	1	(4)
Share of results of associates	18	(393)
Waiver of payables	-	(221)
<b>Operating (loss)/profit before working capital changes</b>	<b>(19,960)</b>	<b>20,649</b>
(Increase)/decrease in development costs	(3,556)	23,754
Decrease in inventories	2,587	(9,344)
Increase in current assets	901	-
Increase in contract Assets /contract Liabilities	(114,783)	(273,516)
Increase in receivables	(67,281)	(16,583)
Increase in payables	70,215	31,890
<b>Cash used in operations</b>	<b>(131,877)</b>	<b>(223,150)</b>
Interest paid	(34,952)	(30,031)
Interest received	319	848
Taxation paid	(1,406)	(3,482)
<b>Net cash used in operating activities</b>	<b>(167,916)</b>	<b>(255,815)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of non-controlling interests	-	(18,000)
Purchase of property, plant and equipment	(33)	(891)
Purchase of other investment	(13)	-
Proceeds from disposal of property, plant and equipment	3,501	4,047
Proceeds from issuance of ordinary share capital	-	6,307
Proceeds from partial disposal of subsidiaries, net of cash received	-	139,500
<b>Net cash generated from investing activities</b>	<b>3,455</b>	<b>130,963</b>



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1.7.2018 to 30.06.2019 Unaudited RM '000	1.7.2017 to 30.06.2018 Audited RM '000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(4,424)	(45,670)
Repayment of hire purchase payables	(1,790)	(1,627)
Repayment of bankers' acceptances and revolving credits	(1,816)	(5,000)
Proceeds from drawdown of term loan	145,263	178,783
Decrease in fixed deposits pledged	(392)	2,609
<b>Net cash generated from financing activities</b>	<b>136,841</b>	<b>129,095</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(27,620)</b>	<b>4,243</b>
Cash and cash equivalents at the beginning of the period	46,142	41,900
<b>Cash and cash equivalents at the end of the period</b>	<b>18,522</b>	<b>46,143</b>