



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Current Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|------------------------------------------------------------------------------------|-----------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 1.7.2019 to 30.09.2019 | 1.7.2018 to 30.09.2018 | 1.7.2019 to 30.09.2019 | 1.7.2018 to 30.09.2018 |
| | Unaudited RM '000 | Unaudited RM '000 | Unaudited RM '000 | Audited RM '000 |
| Revenue | 169,895 | 83,873 | 169,895 | 83,873 |
| Cost of sales | (108,393) | (81,126) | (108,393) | (81,126) |
| Gross profit | 61,502 | 2,747 | 61,502 | 2,747 |
| Other operating income | 11,722 | 11,321 | 11,722 | 11,321 |
| Administrative expenses | (4,656) | (8,053) | (4,656) | (8,053) |
| Other expenses | (24,295) | (441) | (24,295) | (441) |
| Operating profit | 44,273 | 5,574 | 44,273 | 5,574 |
| Finance costs | (13,024) | (10,004) | (13,024) | (10,004) |
| Share of profit of associates | 38 | (10) | 38 | (10) |
| Profit/(Loss) before taxation | 31,287 | (4,440) | 31,287 | (4,440) |
| Income tax expense | (1,639) | (2,188) | (1,639) | (2,188) |
| Profit/(Loss) for the period | 29,648 | (6,628) | 29,648 | (6,628) |
| Profit/(Loss) for the period attributable to: | | | | |
| Owners of the parent | 28,971 | (9,210) | 28,971 | (9,210) |
| Non controlling interest | 677 | 2,582 | 677 | 2,582 |
| | 29,648 | (6,628) | 29,648 | (6,628) |
| Earnings per share attributable to owners of the parent (sen per share) | | | | |
| Basic | 20.10 | (7.03) | 20.10 | (7.03) |
| Diluted | 20.10 | (7.03) | 20.10 | (7.03) |

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 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 30 September 2019 Unaudited RM'000 | 30 June 2019 Audited RM'000 |
|------------------------------------------------------------|---------------------------------------------|--------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 4,650 | 7,063 |
| Prepaid land lease payments | 108 | 109 |
| Rights-of-use assets | 1,984 | - |
| Land held for development | 8,141 | 8,141 |
| Investment properties | 593,381 | 593,381 |
| Investment and share of profit in associates | 2,611 | 2,573 |
| Investment securities | 108 | 110 |
| Contract Assets | 535,139 | 474,197 |
| Service concession receivables | 73,662 | 62,307 |
| | 1,219,784 | 1,147,881 |
| Current assets | | |
| Development costs | 1,001 | 1,390 |
| Inventories | 8,546 | 8,546 |
| Contract Assets | 58,830 | 25,850 |
| Trade and other receivables | 128,955 | 165,165 |
| Deposits with licensed banks | 7,314 | 7,262 |
| Cash and bank balances | 22,854 | 18,165 |
| Tax recoverables | 93 | 93 |
| | 227,593 | 226,471 |
| TOTAL ASSETS | 1,447,377 | 1,374,352 |
| 0 | | |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 132,247 | 128,972 |
| Other reserves | (250) | (250) |
| Retained earnings | 117,130 | 88,159 |
| | 249,127 | 216,881 |
| Non controlling interest | 102,974 | 102,297 |
| Total equity | 352,101 | 319,178 |



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 30 September 2019 Unaudited RM'000 | 30 June 2019 Audited RM'000 |
|-------------------------------------|---------------------------------------------|--------------------------------------|
| Non-current liabilities | | |
| Borrowings | - | 1,165 |
| Lease liabilities | 898 | - |
| Trade and other payables | 52,281 | 81,029 |
| Deferred tax liabilities | 44,726 | 43,155 |
| | <u>97,905</u> | <u>125,349</u> |
| Current liabilities | | |
| Borrowings | 636,664 | 613,534 |
| Lease liabilities | 1,280 | - |
| Contract Liabilities | 4,526 | 4,765 |
| Trade and other payables | 316,144 | 272,098 |
| Current tax payable | 38,757 | 39,428 |
| | <u>997,371</u> | <u>929,825</u> |
| Total liabilities | <u>1,095,276</u> | <u>1,055,174</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,447,377</u> | <u>1,374,352</u> |

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 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 1.7.2019 to 30.09.2019 Unaudited RM '000 3 months | 1.7.2018 to 30.09.2018 Unaudited RM '000 3 months |
|------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | 31,285 | (4,440) |
| Adjustments for : | | |
| Amortisation of prepaid land lease payments | 1 | 1 |
| Bad debt written off, net | 91 | - |
| Depreciation of property, plant and equipment | 201 | 530 |
| Depreciation of rigts-of-use assets | 200 | - |
| Gain on disposal of property, plant and equipment | (52) | (315) |
| Interest expense | 13,024 | 10,004 |
| Interest income | (9) | (123) |
| Impairment on receivables | 250 | 56 |
| Impairment on contract costs | 22,073 | 385 |
| Reversal of impairment on receivables | (165) | (150) |
| Unrealised loss on foreign exchange translation | - | 1 |
| Share of results of associates | (38) | 10 |
| Waiver of payables | (95) | - |
| Operating i | 66,766 | 5,959 |
| Decrease/(increase) in development costs | 389 | (2,503) |
| Increase in amount due from Service Concession Receivables | (11,355) | (10,465) |
| Increase in contract Assets | (94,405) | (39,180) |
| Decrease/(increase) in receivables | 14,255 | (28,580) |
| Decrease in payables | 15,396 | 68,240 |
| Cash used in operations | (8,954) | (6,529) |
| Interest paid | (7,496) | (7,439) |
| Interest received | 9 | 123 |
| Taxation paid | (740) | (668) |
| Net cash used in operating activities | (17,181) | (14,513) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (19) | (10) |
| Purchase of other investment | - | (13) |
| Proceeds from disposal of property, plant and equipment | 52 | 315 |
| Proceeds from issuance of ordinary share capital | 3,275 | - |
| Net cash generated from investing activities | 3,308 | 292 |



ZECOM BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 1.7.2019 to 30.09.2019 Unaudited RM '000 | 1.7.2018 to 30.09.2018 Unaudited RM '000 |
|-------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of term loan | (1,626) | (1,177) |
| Repayment of hire purchase and lease liabilities | (343) | (472) |
| Proceeds from drawdown of term loan | 20,583 | - |
| Decrease in fixed deposits pledged | (52) | (513) |
| Net cash generated from financing activities | 18,562 | (2,162) |
| | | |
| Net increase/(decrease) in cash and cash equivalents | 4,689 | (16,383) |
| | | |
| Cash and cash equivalents at the beginning of the period | 18,165 | 46,142 |
| Cash and cash equivalents at the end of the period | 22,854 | 29,759 |



ZECON BERHAD (134463-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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 | | | |
| 30 SEPTEMBER 2019 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 July 2019 | 128,972 | (14) | (236) | 88,159 | 216,881 | 102,297 | 319,178 |
| Profit After Taxation for the Financial Period | - | - | - | 28,971 | 28,971 | 677 | 29,648 |
| Issuance of ordinary shares | 3,275 | - | - | - | 3,275 | - | 3,275 |
| Closing balance as at 30 September 2019 | 132,247 | (14) | (236) | 117,130 | 249,127 | 102,974 | 352,101 |
| 30 JUNE 2019 | | | | | | | |
| Balance as at 1 July 2018 | 128,972 | (17) | (240) | 153,251 | 281,966 | 105,663 | 387,629 |
| Effects of adoption of MFRS | - | - | - | (44,118) | (44,118) | (1,035) | (45,153) |
| Restated balance as at 1 July 2018 | 128,972 | (17) | (240) | 109,133 | 237,848 | 104,628 | 342,476 |
| Loss After Taxation for the Financial Year | - | - | - | (20,974) | (20,974) | (2,331) | (23,305) |
| Other Comprehensive Income | - | 3 | 4 | - | 7 | - | 7 |
| Closing balance as at 30 June 2019 | 128,972 | (14) | (236) | 88,159 | 216,881 | 102,297 | 319,178 |

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