

**VIZIONE HOLDINGS BERHAD (442371-A)**

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2018****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31 Aug 2018 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2017 RM'000	Current Y-T-D Ended 31 Aug 2018 RM'000	Preceding Y-T-D Ended 31 Aug 2017 RM'000
<b>Turnover</b>	<b>159,507</b>	<b>21,335</b>	<b>159,507</b>	<b>21,335</b>
Cost of sales	(135,811)	(19,730)	(135,811)	(19,730)
<b>Gross profits</b>	<b>23,696</b>	<b>1,605</b>	<b>23,696</b>	<b>1,605</b>
Other operating income	337	230	337	230
Operating and administrative expenses	(3,419)	(1,106)	(3,419)	(1,106)
Share of results of associate	-	-	-	-
Corporate exercise expenses	-	-	-	-
ESOS expenses	-	-	-	-
<b>Profits/(loss) from operations</b>	<b>20,614</b>	<b>729</b>	<b>20,614</b>	<b>729</b>
Finance costs	(43)	(16)	(43)	(16)
<b>Profits/(loss) before taxation</b>	<b>20,571</b>	<b>713</b>	<b>20,571</b>	<b>713</b>
Taxation	(5,550)	(184)	(5,550)	(184)
<b>Total comprehensive profits/(loss)</b>	<b>15,021</b>	<b>529</b>	<b>15,021</b>	<b>529</b>
<b>Total comprehensive profits/(loss) attributable to :</b>				
Owners of the parent	15,021	529	15,021	529
Non-controlling interest	-	-	-	-
	<b>15,021</b>	<b>529</b>	<b>15,021</b>	<b>529</b>
<b>Profits/(loss) per-share</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>
Basic	<b>0.41</b>	<b>0.06</b>	<b>0.41</b>	<b>0.06</b>
Diluted	<b>0.37</b>	<b>0.04</b>	<b>0.37</b>	<b>0.04</b>

The Condensed Consolidate Statement of Comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2018.

**VIZIONE HOLDINGS BERHAD (442371-A)**

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 31 Aug 2018 (UNAUDITED)</b>	<b>As At 31 May 2018 (AUDITED)</b>
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	12,645	12,189
Investment properties	800	800
Capital work in progress	790	790
Investment in associate companies	740	740
Goodwill on consolidation	251,648	251,648
Deferred tax assets	13	13
	<b>266,636</b>	<b>266,180</b>
<b>CURRENT ASSETS</b>		
Amount due from contract customers	164,971	107,008
Trade receivables	127,713	133,587
Others receivables	84,207	69,981
Amount due from associate companies	4,367	3,075
Other investments	5,267	10,454
Tax recoverable	365	286
Fixed deposits with licensed banks	20,313	20,149
Cash and bank balances	11,594	21,785
	<b>418,797</b>	<b>366,325</b>
<b>TOTAL ASSETS</b>	<b>685,433</b>	<b>632,505</b>
<b>EQUITY</b>		
Share capital	418,807	418,636
Share issuance scheme option reserve	620	646
Warrant reserves	4,269	4,269
Irredeemable convertible unsecured loan stocks	268	268
Retained earnings/(Accumulated losses)	24,227	9,206
Total Equity	<b>448,191</b>	<b>433,025</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Irredeemable convertible unsecured loan stocks	5	5
Finance lease liabilities	234	323
Bank borrowings	3,394	3,442
Deferred tax liabilities	337	337
	<b>3,970</b>	<b>4,107</b>

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 31 Aug 2018 (UNAUDITED) RM'000</b>	<b>As At 31 May 2018 (AUDITED) RM'000</b>
<b>CURRENT LIABILITIES</b>		
Amount due to contract customers	3,886	1,988
Trade payables	102,467	116,368
Others payables	111,900	64,134
Amount due to directors	95	86
Tax payables	2,994	2,272
Finance lease liabilities	440	500
Bank borrowings	11,490	10,025
	<b>233,272</b>	<b>195,373</b>
<b>TOTAL LIABILITIES</b>	<b>237,242</b>	<b>199,480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>685,433</b>	<b>632,505</b>
<b>NET ASSETS PER-SHARE (RM)</b>	<b>0.1213</b>	<b>0.1638</b>

*The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2018.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT						TOTAL EQUITY RM'000
	Non-distributable				Distributable		
	Share Capital RM'000	Share Premium RM'000	Share Issuance Scheme Options ("SIS") Reserve RM'000	Warrants Reserves RM'000	Irredeemable Convertible Unsecured Loan Stock ("ICULS") RM'000	Retained Earnings/ (Accumulated Losses) RM'000	
<b>GROUP</b>							
<b>As at 1 Jun 2018</b>	<b>418,636</b>	-	<b>646</b>	<b>4,269</b>	<b>268</b>	<b>9,206</b>	<b>433,025</b>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	15,021	<b>15,021</b>
<b>Transactions with owners:-</b>							
Exercise of SIS	132	49	(26)	-	-	-	<b>155</b>
Share issuance expenses	(10)	-	-	-	-	-	<b>(10)</b>
<b>Total transactions with owners:-</b>	<b>122</b>	<b>49</b>	<b>(26)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145</b>
Transfer in accordance with Section 618(2) of the Companies Act, 2016	49	(49)	-	-	-	-	-
<b>As at 31 Aug 2018</b>	<b>418,807</b>	-	<b>620</b>	<b>4,269</b>	<b>268</b>	<b>24,227</b>	<b>448,191</b>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2018**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT						TOTAL EQUITY RM'000
	Non-distributable				Distributable		
	Share Capital RM'000	Share Premium RM'000	Share Issuance Scheme Options ("SIS") Reserve RM'000	Warrants Reserves RM'000	Irredeemable Convertible Unsecured Loan Stock ("ICULS") RM'000	Retained Earnings/ (Accumulated Losses) RM'000	
<b>GROUP</b>							
<b>As at 1 Jun 2017</b>	<b>87,486</b>	<b>7</b>	<b>-</b>	<b>4,269</b>	<b>298</b>	<b>(16,975)</b>	<b>75,085</b>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	26,181	26,181
<b>Transactions with owners:-</b>							
Issuance of ordinary shares	281,894	54,785	-	-	-	-	336,679
Conversion of ICULS	18	17	-	-	(30)	-	5
Exercise of SIS	167	61	(33)	-	-	-	195
Share-based payment	-	-	679	-	-	-	679
Share issuance expenses	(5,799)	-	-	-	-	-	(5,799)
<b>Total transactions with owners:-</b>	<b>276,280</b>	<b>54,863</b>	<b>646</b>	<b>-</b>	<b>(30)</b>	<b>-</b>	<b>331,759</b>
Transfer in accordance with Section 618(2) of the Companies Act, 2016	54,870	(54,870)	-	-	-	-	-
<b>As at 31 May 2018</b>	<b>418,636</b>	<b>-</b>	<b>646</b>	<b>4,269</b>	<b>268</b>	<b>9,206</b>	<b>433,025</b>

The Condensed Consolidate Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2018.

**VISIONE HOLDINGS BERHAD (442371-A)**

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>3 Months Ended 31 Aug 2018 (UNAUDITED) RM'000</b>	<b>12 Months Ended 31 May 2018 (AUDITED) RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,571	35,953
Adjustments for:		
Depreciation of property, plant and equipment	252	574
Deposit written off	-	27
Dividend income from other investments	-	(482)
Fair value adjustments on investment properties	-	62
Gain on disposal of an associate company	-	-
Interest expenses	43	297
Interest income	(239)	(498)
Bad debt written off	-	-
Impairment loss on other receivables	-	241
Share-based payment	-	679
Share of results of associate companies	-	647
Waiver of amount due to other payables	-	(16)
<b>Operating profit/(loss) before working capital changes</b>	<b>20,627</b>	<b>37,484</b>
<b>Change in working capital:</b>		
Receivables	(8,353)	(80,799)
Amount due from contract customers	(56,064)	(79,016)
Amount due from subsidiary companies	-	-
Amount due from associate companies	(1,292)	(3,075)
Amount due from Directors	9	648
Payables	33,864	80,868
	(31,836)	(81,374)
<b>Cash generated from/(used in) operations</b>	<b>(11,209)</b>	<b>(43,890)</b>
Interest paid	(43)	(1,155)
Interest received	239	498
Dividend received	-	482
Tax paid	(4,907)	(8,599)
	(4,711)	(8,774)
<b>Net cash generated from/(used in) operating activities</b>	<b>(15,920)</b>	<b>(52,664)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress incurred	-	(790)
Net cash outflow from acquisition of a subsidiary company	-	(176,273)
Acquisition of an associate company	-	(127)
Proceeds from disposal of an associate company	-	-
Purchase of property, plant and equipment	(708)	(4,107)
Purchase of investment properties	-	(49)
<b>Net cash from/(used in) investing activities</b>	<b>(708)</b>	<b>(181,346)</b>

	<b>3 Months Ended 31 Aug 2018 (UNAUDITED)</b> RM'000	<b>12 Months Ended 31 May 2018 (AUDITED)</b> RM'000
<b>CASH FLOW FROM FROM FINANCING ACTIVITIES</b>		
Repayment of finance lease liabilities	(149)	(552)
Proceeds from issuance of ordinary shares	(10)	223,498
Proceeds from conversion of ICULS	-	-
Proceeds from exercise of SIS option	155	195
(Increase)/decrease in cash and bank balances pledged	-	(193)
(Increase)/decrease in fixed deposit pledged	(164)	5,500
Drawdown of term loans	1,560	4,000
Repayment of term loans	(2,280)	(3,368)
Net changes in trust receipts and invoice financing	1,103	1,009
<b>Net cash from/(used in) financing activities</b>	<b>215</b>	<b>230,089</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(16,413)</b>	<b>(3,921)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>30,131</b>	<b>34,052</b>
<b>Cash and cash equivalents at end of the period</b>	<b>13,718</b>	<b>30,131</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:</b>		
Fixed deposits with licensed banks	20,313	20,149
Cash and bank balances	11,594	21,785
Other investment	5,267	10,454
Bank overdrafts	(2,233)	(1,199)
	34,941	51,189
Less: Fixed deposits pledged with licensed banks	(20,313)	(20,149)
Cash and bank balances pledged	(910)	(909)
	<b>13,718</b>	<b>30,131</b>

*The Condensed Consolidate Statement of Cash flow should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2018.*

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 : INTERIM FINANCIAL REPORTING**

**A1) Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: “Interim Financial Reporting”, paragraph 9.22 and Part A of Appendix 98 of the Main Market Listing Requirements (“Main LR”) Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial report contains condensed consolidated financial statement for the 1<sup>st</sup> financial quarter from 1 Jun 2018 to 31 Aug 2018, and should be read in conjunction with the Group’s audited financial statements presented in the Annual Report for financial year ended 31 May 2018. The notes include an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since financial year ended 31 May 2018.

**A2) Significant accounting policies and application of MFRS**

(a) The significant accounting policies applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 May 2018. The adoption of the following Malaysian Financial Reporting Standards (“MFRSs”) and amendments to MFRS that have been issued by the MASB for the financial period beginning on or after 1 January 2017 are as follows:

- Amendments to MFRS 107 “Disclosure Initiative”
- Amendments to MFRS 112 “Recognition of Deferred Tax Assets for Unrealised Losses”
- Amendments to MFRS 12 “Disclosure of Interest in Other Entities” (Annual Improvements 2014-2016 cycle)



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A2) Significant accounting policies and application of MFRS (Cont'd)**

**(b) Standards issued but not yet effective**

***Annual periods beginning on/after 1 January 2018***

- Amendments to MFRS 1, "First-time Adoption of Malaysian Financial Reporting Standards" (Annual Improvements 2014-2016 Cycle)
- Amendments to MFRS 2 "Classification and Measurement of Share-Based Payments Transactions"
- MFRS 9 "Financial Instruments"

***Annual periods beginning on/after 1 January 2018 (Cont'd)***

- MFRS 15 "Revenue from Contracts With Customers"
- Amendments to MFRS 4, "Applying MFRS 9 Financial Instruments with MFRS 4, Insurance Contracts"
- Amendments to MFRS 128, "Investments in Associates and Joint Ventures" (Annual Improvements 2014-2016 Cycle)
- Amendments to MFRS 140, "Transfer of Investment Property"
- IC Interpretation 22, "Foreign Currency Transactions And Advance Consideration"
- Amendments to MFRS 15, "Clarifications to MFRS 15"

***Annual periods beginning on/after 1 January 2019***

- MFRS 16 "Leases"
- Amendments to MFRS 9, "Prepayment Features with Negative Compensation"
- Amendments to MFRS 128, "Long-term Interests in Associates and Joint Ventures"
- IC Interpretation 23, "Uncertainty over Income Tax Treatments"
- Amendments to MFRS 119, " Plan Amendments, Curtailment or Settlement"
- Amendments to MFRS 3, "Business Combination" (Annual Improvements 2015 – 2017 Cycle)
- Amendments to MFRS 11, "Joint Arrangements" (Annual Improvement 2015 – 2017 Cycle)
- Amendments to MFRS 112, " "Income Taxes" (Annual Improvement 2015 – 2017 Cycle)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A2) Significant accounting policies and application of MFRS (Cont'd)**

**(b) Standards issued but not yet effective**

- Amendments to MFRS 123, "Borrowing Costs" (Annual Improvement 2015 – 2017 Cycle)

***Annual periods beginning on/after 1 January 2020***

- Amendments to References to the Conceptual Framework in MFRS Standards

***Annual periods beginning on/after 1 January 2021***

- MFRS 17 "Insurance Contracts"

**(c) Effective date yet to be determined by the Malaysian Accounting Standards Board**

- Amendments to MFRS 10 and MFRS 128, "Sale or Contribution of Assets between an Investor and its' Associate or Joint Venture"

Aside from the above mentioned, the adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and the Company.

**A3) Audit report**

The Auditors' Report of the preceding annual financial statements for the financial year ended 31 May 2018 was not subject to any audit qualification.

**A4) Seasonal or cyclical factors**

The Group's performance is not significantly affected by seasonal and cyclical factors.

**A5) Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting quarter ended 31 Aug 2018.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A6) Material changes in estimates used**

There were no significant changes in the nature and amount of estimates reported in the prior interim period of the current financial quarter or prior years that have a material effect on the current financial quarter ended 31 Aug 2018 under review.

**A7) Debt and equity securities**

Saved as disclosed below, there were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares by the Group during the financial period:-

(a) 1,321,000 new ordinary shares pursuant to the Share Issuance Scheme.

**A8) Dividends paid**

No dividends were declared or paid during the current financial quarter ended 31 Aug 2018 under review.

**A9) Segmental reporting**

Segment information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company. The Group's principal segment businesses are construction and investment holding.

The Group's segmental report for the current financial quarter ended 31 Aug 2018 under review are as follows:-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A9) Segmental reporting (Cont'd)**

	<b>Individual</b>		<b>Cumulative</b>	
	<b>Current Year Quarter Ended 31 Aug 2018</b>	<b>Preceding Year Corresponding Quarter Ended 31 Aug 2017</b>	<b>Current Y-T-D Ended 31 Aug 2018</b>	<b>Preceding Y-T-D Ended 31 Aug 2017</b>
	RM'000	RM'000	RM'000	RM'000
<b><u>TURNOVER</u></b>				
Construction	174,401	21,335	174,401	21,335
Investment holdings	576	559	576	559
Less: Inter-segment revenue	(15,470)	(559)	(15,470)	(559)
<b>Total consolidated revenue</b>	<b>159,507</b>	<b>21,335</b>	<b>159,507</b>	<b>21,335</b>
<b><u>RESULTS</u></b>				
Construction	21,506	767	21,506	767
Investment holdings	(731)	1	(731)	1
	<b>20,775</b>	<b>768</b>	<b>20,776</b>	<b>768</b>
Other non-reportable segments	(161)	(39)	(161)	(39)
Provision for taxation	(5,550)	(184)	(5,550)	(184)
Interest expenses	(43)	(16)	(43)	(16)
<b>Net profits/(loss) after tax</b>	<b>15,021</b>	<b>529</b>	<b>15,021</b>	<b>529</b>
<b><u>SEGMENT ASSETS</u></b>				
Construction			431,565	65,653
Investment holdings			397,341	69,426
			<b>828,906</b>	<b>135,079</b>
Others non-reportable segments			2,948	114
Elimination of inter-company balances			(146,421)	(55,197)
<b>Consolidated total assets</b>			<b>685,433</b>	<b>79,996</b>
<b><u>SEGMENT LIABILITIES</u></b>				
Construction			330,464	57,880
Investment holdings			590	471
			<b>331,054</b>	<b>58,351</b>
Others non-reportable segments			3,497	228
Elimination of inter-company balances			(97,309)	(54,197)
<b>Consolidated total liabilities</b>			<b>237,242</b>	<b>4,382</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A10) Valuation of property, plant and equipment**

There was no valuation on any of the Group's property, plant & equipment during the reporting quarter ended 31 Aug 2018. The carrying value of property, plant & equipment are based on the amount incorporated in the audited financial statement for financial year ended 31 May 2018.

**A11) Significant events**

There were no events of a material nature to be disclosed in the interim financial statements for the current financial quarter ended 31 Aug 2018, save and except for the following:-

- (I) Bursa Securities had on 26 Jul 2018, resolved to approve the Company's Proposed Share Consolidation of every 7 ordinary shares in Vizione into 1 Vizione share and the Proposed By-Laws Amendments.

On 13 Aug 2018, the Company had issued circulars and notice of Extraordinary General Meeting ("EGM") in relation to the above-mentioned proposals. The EGM was held on 4 Sep 2018.

- (II) The Company's wholly owned subsidiary, Vizione Construction Sdn Bhd had on 14 Aug 2018 entered into a Joint Venture cum Shareholders Agreement with Vertice Construction Sdn Bhd for the purpose of recording the terms and conditions agreed between them with respect to their joint venture and for the purpose of regulating their relationship with one another and certain aspects of the business affairs and dealings.

- (III) On 17 Aug 2018, additional 1,321,000 shares were issued pertaining to the exercise of Share Issuance Scheme.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A12) Material changes in the composition of the Group**

There was no changes in the composition of the Group during the reporting quarter ended 31 Aug 2018 and up to the date of this report.

**A13) Contingent liabilities and contingent assets**

There were no material contingent liabilities or assets for the reporting quarter ended 31 Aug 2018 except below:-

(a) Contingent liabilities

	<b>Cumulative</b>	
	<b>Quarter Ended 31 Aug 2018</b>	<b>Quarter Ended 31 Aug 2017</b>
	RM'000	RM'000
Corporate guarantee given to banks for facilities granted to related parties	30,068	-
Corporate guarantee given to banks for facilities granted to third parties	69,761	-
	<b>99,829</b>	<b>-</b>
Bank guarantees extended to third parties in respect of contracts entered	47,314	-

(b) Contingent assets

As at the date of this report, there were no contingent assets.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A14) Material events subsequent to the end of the interim financial report**

The management is not aware of any material events subsequent to the end of the interim financial report that have not been reflected in the financial statements for the current financial quarter ended 31 Aug 2018 under review, save and except for the following:-

- (I) The joint venture company owned by Vizione Construction Sdn Bhd and Vertice Construction Sdn Bhd in the ratio of 50% each respectively, namely Buildmarque Construction Sdn Bhd had on 3 Sep 2018 accepted a letter of award from Consortium Zenith Construction Sdn Bhd, to construct a by-pass from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr.Lim Chong Eu, with contract sum of approximately RM 815.0 mil subject to final agreed quantity re-measurement.
- (II) On 4 Sep 2018, the Company had obtained approval from shareholders on the following resolutions:-
  - a) Proposed Share Consolidation
  - b) Proposed By-Laws Amendments
  - c) Proposed Deed Poll C Amendments

The supplemental By-Laws constituting the By-Laws Amendments had been finalized and dated 7 Sep 2018 and following thereto, the implementation of the amended By-Laws have become effective on 7 Sep 2018.

- (III) The Company's wholly owned subsidiary, Wira Syukur (M) Sdn Bhd had on 18 Sep 2018 accepted a Letter of Award worth RM 89.9 mil from Perbadanan Bekalan Air Pulau Pinang Sdn Bhd in respect of the Submarines Pipelines from Butterworth to Pulau Pinang, Package 3.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A14) Material events subsequent to the end of the interim financial report (Cont'd)**

(IV) The board had on 25 Sep 2018 resolved to fix the issue price for the issuance of up to 214,396,782 Placement Shares ("2<sup>nd</sup> Tranche Placement") at RM 0.14 per Placement Share.

On 4 Oct 2018, the private placement had been completed following the listing and quotation of the 2<sup>nd</sup> tranche of 214,396,782 new ordinary shares on the Main Market of Bursa Securities.

A total of 369,696,782 Vizione Shares under the Private Placement have been fully issued and the Company had raised a total of RM 51,757,549.48 from the Private Placement.

(V) On 12 Oct 2018, 76,000 units Irredeemable Convertible Unsecured Loan Stocks were converted into 40,000 Vizione Shares at issue price of RM 0.19 each.

**A15) Capital commitment**

There was no commitment for the purchase of property, plant and equipment provided for in the current financial quarter ended 31 Aug 2018.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**A16) Related Party Transactions**

The Group has carried out the following significant transactions with the related parties during the current financial quarter ended 31 Aug 2018.

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2018 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2017 RM'000	Current Y-T-D Ended 31 Aug 2018 RM'000	Preceding Y-T-D Ended 31 Aug 2017 RM'000
(I) Progressive sub-contracting income for the Group construction project	423	2,936	423	2,936
(II) Project management services rendered	-	-	-	-
(III) Hire of equipments	-	2	-	2
(IV) Progressive sub-contracting costs for the Group construction project	(2,208)	(11,219)	(2,208)	(11,219)
(V) Office rental	(30)	-	(30)	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**PART B : ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF THE BURSA MALAYSIA SECURITIES BERHAD**

**B1) Review of performance – Quarter 1, FY 2019 (“Q1FY2019”) vs Quarter 1, FY 2018 (“Q1FY2018”)**

For the current financial quarter under review, the Group posted a revenue of RM159.51 million as compared to its corresponding preceding financial quarter, Q1FY2018 of RM21.34 million. Along with the increase in revenue, profit before tax (“PBT”) during the current quarter jumped to RM20.57 million, representing an increase of RM19.86 million from its corresponding preceding quarter of RM0.71 million.

The increase in revenue and PBT were mainly attributed to the construction works which were undertaken during the quarter by Wira Syukur (M) Sdn Bhd (“WSSB”) which was acquired by the Group on 9 October 2017. WSSB has a substantial order book of approximately RM3.91 billion comprising of projects awarded by the local government and developers in Malaysia.

**B2) Changes in revenue and PBT for Q1FY2019 as compared with the immediate preceding quarter ended 31 May 2018 (“Q4FY2018”):-**

<b>Current Year Quarter Ended</b>	<b>Immediate Preceding Quarter Ended</b>	<b>Variance</b>
31 Aug 2018	31 May 2018	
RM'000	RM'000	%

Revenue	<b>159,507</b>	<b>110,697</b>	<b>44.09%</b>
Profit before taxation	<b>20,571</b>	<b>15,296</b>	<b>34.49%</b>

For the current quarter, the Group reported a revenue and PBT of RM159.51 million and RM20.57 million respectively as compared to RM110.70 million and RM15.30 million respectively in the immediate preceding quarter. The higher revenue was due to major infrastructure projects currently in force which has correspondingly contributed to the higher PBT for the group.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**B3) Future prospects**

The Group will continue to pursue new business streams within the construction and property development sector as part of the Group's vision to focus on the Group's core strength in construction industry and to synergise with the property development projects. This includes but not limited to the construction of infrastructure projects and affordable mixed-use property development projects which have great potential in the coming years. The goal was to position and be ready to capitalise on emerging opportunities. Driven by disciplined cost optimisation efforts, including pro-active capital management and reprioritisation of capital expenditure plans, including improving operational effectiveness were some of the prudent measures that were taken to enhance the Group's fundamentals.

The Group foresees great opportunities in the wake of the government's fiscal policy in building more affordable homes in the short to medium term as reflected in their manifesto to construct one million affordable houses within two terms of administration. In aligning the business pathway, the Group has been working on selective jobs with manageable risks. We will continue to expand our regional foot print and position our capabilities to undertake work in new business segments, including civil engineering and infrastructure works. These new segments are expected to benefit us in the near and long term as the market propels through increasing levels of activities.

The immediate future will be challenging for the industry. The Group is confident and well poised to waddle through these challenges by managing operational risks and maximising resources in hand to continue delivering with utmost excellence. The Group believes in optimising operations, developing talents and rejuvenating business operations in new and existing markets which will ultimately create additional shareholders value.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**B4) Variance on profit forecast / profit guarantee**

The group is not subject to any profit forecast and/or profit guarantee.

**B5) Taxation**

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2018 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2017 RM'000	Current Y-T-D ended 31 Aug 2018 RM'000	Preceding Y-T-D Ended 31 Aug 2017 RM'000
<b>In respect of current quarter:-</b>				
Income Tax	5,550	184	5,550	184
Deferred Tax	-	-	-	-
	<b>5,550</b>	<b>184</b>	<b>5,550</b>	<b>184</b>

**B6) Additional notes to the Comprehensive Income Statement**

The following items have been charged and credited in arriving at the Profit/(Loss) before taxation:-

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31 Aug 2018 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2017 RM'000	Current Y-T-D Ended 31 Aug 2018 RM'000	Preceding Y-T-D Ended 31 Aug 2017 RM'000
Building and office rental	146	46	146	46
Depreciation of Property, plant and equipment ("PPE")	252	46	252	46
Interest expenses	43	16	43	16

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**B7) Corporate Proposals**

There were no other proposals announced by the company that pending implementation as at the date of this report.

**B8) Group Borrowings**

Details of the Group's bank borrowings as at 31 Aug 2018 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
Secured			
Finance Lease Liabilities	440	234	674
Bank Borrowings	11,490	3,394	14,884
<b>Total</b>	<b>11,930</b>	<b>3,628</b>	<b>15,558</b>

**B9) Material litigations**

The management is not aware of any pending material litigation which will have a material effect on the financial position or the business of the Group and the Board is not aware of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group at the date of this report.

**B10) Dividends**

No dividend has been proposed and paid for during the current financial quarter ended 31 Aug 2018 and the previous audited financial year ended 31 May 2018.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**B11) Earnings / (loss) per share**

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2018	Preceding Year Corresponding Quarter Ended 31 Aug 2017	Current Y-T-D Ended 31 Aug 2018	Preceding Corresponding Y-T-D Ended 31 Aug 2017
<b>a) <u>Basis earnings/(loss) per-share</u></b>				
Profits/(loss) attributable to the owners of parent ('000)	15,021	529	15,021	529
Total weighted average number of ordinary shares in issue ('000)	3,695,862	874,855	3,695,862	874,855
<b>Basis earnings/(loss) per share (sen)</b>	<b>0.41</b>	<b>0.06</b>	<b>0.41</b>	<b>0.06</b>
<b>b) <u>Diluted earnings/(loss) per-share</u></b>				
Profit/(loss) attributable to the owners of parent ('000)	15,021	529	15,021	529
Total weighted average number of ordinary shares in issue ('000)	3,695,862	874,855	3,695,862	874,855
Adjusts for:				
Assuming full conversion of ICULS	2,330	3,416	2,330	3,416
Assuming full conversion of Warrants B 13/18 **	-	87,935	-	87,935
Assuming full conversion of Warrants C 17/22	221,364	291,462	221,364	291,462
Assuming full exercise of Share Issuance Scheme	113,954	-	113,954	-
	<b>4,033,510</b>	<b>1,257,668</b>	<b>4,033,510</b>	<b>1,257,668</b>
<b>Diluted earnings/(loss) per-share (sen)</b>	<b>0.37</b>	<b>0.04</b>	<b>0.37</b>	<b>0.04</b>

\*\* Warrants B 13/18 expired on 20 Jun 2018.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**B12) Status of utilisation of proceeds**

- (i) The Rights Issue with Warrants has been completed with the listing of 582,924,900 Rights Shares together with 291,462,450 Warrants-C on the Main Market of Bursa Securities on 10 February 2017.

The total proceeds received from the Rights Shares was RM58,292,490.

The status of utilisation of the proceeds as at 31 Aug 2018 are as follows:-

	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Balance Unutilised</b>
<b>Details of Utilisation</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Construction Activities	40,000	40,000	-
Property Development Activities	9,987	-	9,987
Working Capital	7,105	7,105	-
Expenses in relation to the Corporate Exercise	1,200	1,200	-
<b>Total</b>	<b>58,292</b>	<b>48,305</b>	<b>9,987</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**B12) Status of utilisation of proceeds (Cont'd)**

- (ii) Private placement of 1,687,440,000 new Vizione Shares at the issue price of RM0.123 per placement share which was completed on 3 October 2017.

On 3 October 2017, Company announced that the Previous Private Placement had been completed following the listing of and quotation for 1,687,440,000 new Vizione Shares at RM0.123 per placement share, which raised a total of approximately RM207.65 million. The status of utilization of the proceeds from the Previous Private placement is as below:

	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Balance Unutilised</b>
<b>Details of Utilisation</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Acquisition	172,618	172,618	-
Working Capital	26,937	26,937	-
Expenses in relation to the Corporate Exercise	8,000	8,000	-
<b>Total</b>	<b>207,555</b>	<b>207,555</b>	<b>-</b>



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2018**

**B12) Status of utilisation of proceeds (Cont'd)**

(iii) A private placement of 155,300,000 new Vizione Shares at the issue price of RM0.14 per placement share had been completed on 3 April 2018, which raised a total of approximately RM21.74 million. The status of utilization is as below:

	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Balance Unutilised</b>
<b>Details of Utilisation</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Construction projects expenditure	20,542	20,542	-
Expenses in relation to the Corporate Exercise	1,200	1,200	-
<b>Total</b>	<b>21,742</b>	<b>21,742</b>	<b>-</b>

**B13) Authorisation for issue**

The interim financial report were authorised for issue by the Board of Directors in accordance with resolution of the directors on 29<sup>th</sup> Oct 2018.