

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 30 Nov 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2017 RM'000	Current Y-T-D Ended 30 Nov 2018 RM'000	Preceding Y-T-D Ended 30 Nov 2017 RM'000
<b>Turnover</b>	<b>165,746</b>	<b>147,296</b>	<b>325,253</b>	<b>168,631</b>
Cost of sales	(135,721)	(132,582)	(271,533)	(152,312)
<b>Gross profits</b>	<b>30,025</b>	<b>14,714</b>	<b>53,720</b>	<b>16,319</b>
Other operating income	302	172	640	401
Operating and administrative expenses	(3,768)	(2,386)	(7,188)	(3,492)
Share of results of associate	-	(104)	-	(104)
Corporate exercise expenses	-	(1,937)	-	(1,937)
ESOS expenses	-	(679)	-	(679)
<b>Profits/(loss) from operations</b>	<b>26,559</b>	<b>9,780</b>	<b>47,172</b>	<b>10,508</b>
Finance costs	(165)	(47)	(208)	(63)
<b>Profits/(loss) before taxation</b>	<b>26,394</b>	<b>9,733</b>	<b>46,964</b>	<b>10,445</b>
Taxation	(6,950)	(3,184)	(12,500)	(3,368)
<b>Total comprehensive profits/(loss)</b>	<b>19,444</b>	<b>6,549</b>	<b>34,464</b>	<b>7,077</b>
<b>Total comprehensive profits/(loss) attributable to :</b>				
Owners of the parent	19,444	6,549	34,464	7,077
Non-controlling interest	-	-	-	-
	<b>19,444</b>	<b>6,549</b>	<b>34,464</b>	<b>7,077</b>
<b>Profits/(loss) per-share</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>
Basic	<b>3.62</b>	<b>0.19</b>	<b>6.41</b>	<b>0.20</b>
Diluted	<b>3.31</b>	<b>0.16</b>	<b>5.87</b>	<b>0.17</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 2ND QUARTER ENDED 30 NOVEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 30 Nov 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	22,358	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>276,349</b>	<b>266,180</b>
<b>CURRENT ASSETS</b>		
Amount due from contract customers	227,921	107,008
Trade receivables	134,720	133,587
Others receivables	97,753	69,981
Amount due from associate companies	4,956	3,075
Other investments	10	10,454
Tax recoverable	486	286
Fixed deposits with licensed banks	21,940	20,149
Cash and bank balances	25,192	21,785
	<b>512,978</b>	<b>366,325</b>
<b>TOTAL ASSETS</b>	<b>789,327</b>	<b>632,505</b>
<b>EQUITY</b>		
Share capital	447,660	418,636
Share issuance scheme option reserve	620	646
Warrant reserves	4,269	4,269
Irredeemable convertible unsecured loan stocks	262	268
Retained earnings/(Accumulated losses)	43,671	9,206
Total Equity	<b>496,482</b>	<b>433,025</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Irredeemable convertible unsecured loan stocks	4	5
Finance lease liabilities	261	323
Bank borrowings	10,829	3,442
Deferred tax liabilities	337	337
	<b>11,431</b>	<b>4,107</b>

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 30 Nov 2018 (UNAUDITED) RM'000</b>	<b>As At 31 May 2018 (AUDITED) RM'000</b>
<b>CURRENT LIABILITIES</b>		
Amount due to contract customers	-	1,988
Trade payables	157,560	116,368
Others payables	111,674	64,134
Amount due to directors	106	86
Tax payables	5,300	2,272
Finance lease liabilities	579	500
Bank borrowings	6,195	10,025
	<b>281,414</b>	<b>195,373</b>
<b>TOTAL LIABILITIES</b>	<b>292,845</b>	<b>199,480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>789,327</b>	<b>632,505</b>
<b>NET ASSETS PER-SHARE (RM)</b>	<b>0.9232</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 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>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	19,444	<b>19,444</b>
<b>Transactions with owners:-</b>							
Issuance of ordinary shares	21,440	8,576	-	-	-	-	30,016
Conversion of ICULS	4	4	-	-	(6)	-	2
Share issuance expenses	(1,171)	-	-	-	-	-	(1,171)
<b>Total transactions with owners:-</b>	<b>20,273</b>	<b>8,580</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>28,847</b>
Transfer in accordance with Section 618(2) of the the Companies Act, 2016	8,580	(8,580)	-	-	-	-	-
<b>As at 30 Nov 2018</b>	<b>447,660</b>	-	<b>620</b>	<b>4,269</b>	<b>262</b>	<b>43,671</b>	<b>496,482</b>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 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	<b>26,181</b>
<b>Transactions with owners:-</b>							
Issuance of ordinary shares	281,894	54,785	-	-	-	-	<b>336,679</b>
Conversion of ICULS	18	17	-	-	(30)	-	<b>5</b>
Exercise of SIS	167	61	(33)	-	-	-	<b>195</b>
Share-based payment	-	-	679	-	-	-	<b>679</b>
Share issuance expenses	(5,799)	-	-	-	-	-	<b>(5,799)</b>
<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>-</b>
<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.

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>6 Months Ended 30 Nov 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	46,964	35,953
Adjustments for:		
Depreciation of property, plant and equipment	543	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	208	297
Interest income	(468)	(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>47,247</b>	<b>37,484</b>
<b>Change in working capital:</b>		
Receivables	(28,903)	(80,799)
Amount due from contract customers	(122,901)	(79,016)
Amount due from subsidiary companies	-	-
Amount due from associate companies	(1,881)	(3,075)
Amount due from Directors	19	648
Payables	88,734	80,868
	(64,932)	(81,374)
<b>Cash generated from/(used in) operations</b>	<b>(17,685)</b>	<b>(43,890)</b>
Interest paid	(208)	(1,155)
Interest received	468	498
Dividend received	-	482
Tax paid	(9,673)	(8,599)
	(9,413)	(8,774)
<b>Net cash generated from/(used in) operating activities</b>	<b>(27,098)</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	(10,712)	(4,107)
Purchase of investment properties	-	(49)
<b>Net cash from/(used in) investing activities</b>	<b>(10,712)</b>	<b>(181,346)</b>

	<b>6 Months Ended 30 Nov 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	(292)	(552)
Drawdown of finance lease liabilities	310	-
Proceeds from issuance of ordinary shares	28,835	223,498
Proceeds from conversion of ICULS	-	-
Proceeds from exercise of SIS option	155	195
(Increase)/decrease in cash and bank balances pledged	193	(193)
(Increase)/decrease in fixed deposit pledged	(1,791)	5,500
Drawdown of term loans	9,464	4,000
Repayment of term loans	(2,379)	(3,368)
Net changes in trust receipts and invoice financing	(4,006)	1,009
<b>Net cash from/(used in) financing activities</b>	<b>30,489</b>	<b>230,089</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7,321)</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>22,810</b>	<b>30,131</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:</b>		
Fixed deposits with licensed banks	21,940	20,149
Cash and bank balances	25,192	21,785
Other investment	10	10,454
Bank overdrafts	(1,675)	(1,199)
	45,467	51,189
Less: Fixed deposits pledged with licensed banks	(21,940)	(20,149)
Cash and bank balances pledged	(717)	(909)
	<b>22,810</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 30 NOVEMBER 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 Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR").

The unaudited interim financial report contains condensed consolidated financial statement for the 2<sup>nd</sup> financial quarter from 1 Sep 2018 to 30 Nov 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 2018 are as follows:

- 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"
- 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)



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

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

- 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"

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. Three principal classification categories for financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

There were no material impact on the Group's financial assets upon initial application of the new classification and measurement requirements.

MFRS 9 also replaces the incurred loss model in respect of impairment assessment of MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances are measured on either a 12-month ECL or a Lifetime ECL.

There were no material impact on the Group's consolidated financial statements upon application of the forward-looking ECL model.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

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

MFRS 15 Revenue From Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Int 13 Customer Loyalty Programmes, IC Int 15 Agreements for Construction of Real Estate, IC Int 18 Transfers of Assets from Customers and IC Int 131 Revenue – Barter Transactions Involving Advertising Services. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

There was no material impact on the Group's consolidated financial statements upon application of MFRS 15.

(b) Standards issued but not yet effective

***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)
- 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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

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

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

- MFRS 17 "Insurance Contracts"

***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"

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application, other than for MFRS 16 Leases.

MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and depreciation expense on the right-of-use asset.

Lessor accounting is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. The Group plans to adopt the new standard on the required effective date.

**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.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**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 30 Nov 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 30 Nov 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) 214,396,782 new ordinary shares pursuant to the Private Placement.
- (b) 40,000 new ordinary shares pursuant to the conversion of ICULS.

**A8) Dividends paid**

No dividends were declared or paid during the current financial quarter ended 30 Nov 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 30 Nov 2018 under review are as follows:-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

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

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2017 RM'000	Current Y-T-D Ended 30 Nov 2018 RM'000	Preceding Y-T-D Ended 30 Nov 2017 RM'000
<b><u>TURNOVER</u></b>				
Construction	175,414	161,591	349,815	182,926
Investment holdings	491	884	1,067	1,443
Less: Inter-segment revenue	(10,159)	(15,179)	(25,629)	(15,738)
<b>Total consolidated revenue</b>	<b>165,746</b>	<b>147,296</b>	<b>325,253</b>	<b>168,631</b>
<b><u>RESULTS</u></b>				
Construction	28,150	12,685	49,656	13,452
Investment holdings	(1,403)	(2,696)	(2,134)	(2,695)
	<b>26,747</b>	<b>9,989</b>	<b>47,522</b>	<b>10,757</b>
Other non-reportable segments	(188)	(105)	(350)	(145)
Share of results of associates	-	(104)	-	(104)
Provision for taxation	(6,950)	(3,184)	(12,500)	(3,368)
Interest expenses	(165)	(47)	(208)	(63)
<b>Net profits/(loss) after tax</b>	<b>19,444</b>	<b>6,549</b>	<b>34,464</b>	<b>7,077</b>
<b><u>SEGMENT ASSETS</u></b>				
Construction			514,511	237,814
Investment holdings			432,467	377,554
			<b>946,978</b>	<b>615,368</b>
Others non-reportable segments			15,507	124
Elimination of inter-company balances			(173,158)	(140,557)
<b>Consolidated total assets</b>			<b>789,327</b>	<b>474,935</b>
<b><u>SEGMENT LIABILITIES</u></b>				
Construction			392,315	192,076
Investment holdings			8,333	295
			<b>400,648</b>	<b>192,371</b>
Others non-reportable segments			16,244	344
Elimination of inter-company balances			(124,047)	(110,990)
<b>Consolidated total liabilities</b>			<b>292,845</b>	<b>81,725</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 Nov 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 30 Nov 2018, save and except for the following:-

- (I) 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.

The Share Consolidation had been completed on 17<sup>th</sup> Oct 2018, resulting the issuance and listing of 552,772,086 Consolidated Shares to the shareholders and 41,637,190 Consolidated Warrants-C to the Warrants-C holders.

- (II) 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.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**A11) Significant events (Cont'd)**

(III) On 18 Sep 2018, the Company's wholly owned subsidiary, Wira Syukur (M) Sdn Bhd had accepted a letter of award from Perbadanan Bekalan Air Pulau Pinang Sdn Bhd in respect of the Submarines Pipelines from Butterworth to Pulau Pinang, Package 3.

(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.

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

There was no changes in the composition of the Group during the reporting quarter ended 30 Nov 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 30 Nov 2018 except below:-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**A13) Contingent liabilities and contingent assets (Cont'd)**

(a) Contingent liabilities

	Cumulative	
	Quarter Ended 31 Nov 2018 RM'000	Quarter Ended 30 Nov 2017 RM'000
Corporate guarantee given to banks for facilities granted to related parties	30,125	4,597
Corporate guarantee given to banks for facilities granted to third parties	69,680	61,242
	<b>99,805</b>	<b>65,839</b>
Bank guarantees extended to third parties in respect of contracts entered	47,314	66,909

(b) Contingent assets

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

**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 30 Nov 2018 under review, save and except for the following:-

- (I) On 19<sup>th</sup> Dec 2018, 24,000 new ordinary shares were issued and listed due to exercise of the Share Issuance Scheme.
- (II) The Company's wholly owned subsidiary, Wira Syukur (M) Sdn Bhd had on 31<sup>st</sup> Dec 2018 accepted a letter of award from Permata Rebana Sdn Bhd in respect of the supply of materials, labours and project management services relating to various stretches of road works in the vicinity of Kota Kinabalu, Sabah.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**A15) Capital commitment**

There was no commitment for the purchase of property, plant and equipment provided for in the current financial quarter ended 30 Nov 2018.

**A16) Related Party Transactions**

The Group has carried out the following significant transactions with the related parties during the current financial quarter ended 30 Nov 2018.

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2017 RM'000	Current Y-T-D Ended 30 Nov 2018 RM'000	Preceding Y-T-D Ended 30 Nov 2017 RM'000
(I) Progressive sub-contracting income for the Group construction project	3,771	184	4,194	3,120
(II) Project management services rendered	-	-	-	-
(III) Hire of equipments	-	2	-	4
(IV) Progressive sub-contracting costs for the Group construction project	(2,740)	(9,179)	(4,948)	(20,399)
(V) Office rental	(25)	(20)	(55)	(20)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 2, FY 2019 (“Q2FY2019”) vs Quarter 2, FY 2018 (“Q2FY2018”)**

For the current financial quarter under review, the Group posted a revenue of RM165.75 million as compared to its corresponding preceding financial quarter, Q2FY2018 of RM147.30 million. Along with the increase in revenue, profit before tax (“PBT”) during the current quarter jumped to RM26.39 million, representing an increase of RM16.66 million from its corresponding preceding quarter of RM9.73 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”). Nonetheless, the Group has incurred RM 1.94 million corporate exercise expenses for the acquisition of WSSB in Q2FY2018.

**B2) Changes in revenue and PBT for Q2FY2019 as compared with the immediate preceding quarter ended 31 Aug 2018 (“Q1FY2019”):-**

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

Revenue	<b>165,746</b>	<b>159,507</b>	<b>3.91%</b>
Profit before taxation	<b>26,394</b>	<b>20,571</b>	<b>28.31%</b>

For the current quarter, the Group reported a revenue and PBT of RM165.75 million and RM26.39 million respectively as compared to RM159.51 million and RM20.57 million respectively in the immediate preceding quarter. The higher revenue was due to major infrastructure and construction 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 30 NOVEMBER 2018**

**B3) Future prospects**

According to the Ministry of Finance's Economic Report 2018/19, Fiscal Outlook 2019; the construction sector is expected to improve in 2019 by 4.7% year-on-year, following an increase in new planned supply in the affordable homes. The review of several infrastructure projects, as well as subdued activities in non-residential subsector is expected to weigh down the sector's performance. The transition of power last year and the new Federal Government's cost-cutting agenda saw many major infrastructural projects were still chopping the block whilst some were being shelved indefinitely. It is expected that the reduction in public expenditure will see a fiscal contraction of 4.5% in 2019 after the projected 5.3% decline in 2018 due to the impact from cost reviews, cancellations and postponements of major infrastructure projects. However, the on-going and planned high-impact infrastructure and development projects will continue but subject to cost reviews, contract re-negotiations and re-tendering to ensure value for money at palatable costs without unnecessary leakages, wastages and excesses.

The Group has positioned relevant resources 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. The Group will continue to pursue new public spending and explore selective private property development opportunities in the near future. This includes but not limited to the construction of infrastructure projects and affordable homes which have great potential in the coming years. The Group is wary that cost optimisation efforts, efficient capital management and reprioritisation of capital expenditure plans are of paramount importance given the stiff competition in the market.

The reduced public spending in the immediate fiscal year and steep reduction in the operating margin will be challenging to the industry. Nonetheless, the Group is confident and well poised to waddle through these challenges by managing operational risks and maximising resources in hand to continue delivering within the new predetermined parameter. The Group will continue to strive and leverage on its operational strength despite the current economically challenging environment.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 Nov 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2017 RM'000	Current Y-T-D ended 30 Nov 2018 RM'000	Preceding Y-T-D Ended 30 Nov 2017 RM'000
<b>In respect of current quarter:-</b>				
Income Tax	6,950	3,184	12,500	3,368
Deferred Tax	-	-	-	-
	<b>6,950</b>	<b>3,184</b>	<b>12,500</b>	<b>3,368</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 30 Nov 2018 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2017 RM'000	Current Y-T-D Ended 30 Nov 2018 RM'000	Preceding Y-T-D Ended 30 Nov 2017 RM'000
Building and office rental	88	66	234	94
Depreciation of Property, plant and equipment ("PPE")	291	109	543	132
Interest expenses	165	47	208	19

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 Nov 2018 are as follows:-

	<u>Current</u> RM '000	<u>Non-current</u> RM '000	<u>Total</u> RM '000
Secured			
Finance Lease Liabilities	579	261	840
Bank Borrowings	6,195	10,829	17,024
<b>Total</b>	<b>6,774</b>	<b>11,090</b>	<b>17,864</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 30 Nov 2018 and the previous audited financial year ended 31 May 2018.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

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

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2018	Preceding Year Corresponding Quarter Ended 30 Nov 2017	Current Y-T-D Ended 30 Nov 2018	Preceding Y-T-D Ended 30 Nov 2017
<b>a) <u>Basis earnings/(loss) per-share</u></b>				
Profits/(loss) attributable to the owners of parent ('000)	19,444	6,549	34,464	7,077
Total weighted average number of ordinary shares in issue ('000)	537,768	3,538,496	537,768	3,538,496
<b>Basis earnings/(loss) per share (sen)</b>	<b>3.62</b>	<b>0.19</b>	<b>6.41</b>	<b>0.20</b>
<b>b) <u>Diluted earnings/(loss) per-share</u></b>				
Profit/(loss) attributable to the owners of parent ('000)	19,444	6,549	34,464	7,077
Total weighted average number of ordinary shares in issue ('000)	537,768	3,538,496	537,768	3,538,496
Adjusts for:				
Assuming full conversion of ICULS	2,244	3,416	2,244	3,416
Assuming full conversion of Warrants B 13/18 **	-	87,935	-	87,935
Assuming full conversion of Warrants C 17/22	31,228	291,462	31,228	291,462
Assuming full exercise of Share Issuance Scheme	15,899	131,228	15,899	131,228
	<b>587,139</b>	<b>4,052,537</b>	<b>587,139</b>	<b>4,052,537</b>
<b>Diluted earnings/(loss) per-share (sen)</b>	<b>3.31</b>	<b>0.16</b>	<b>5.87</b>	<b>0.17</b>

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 Nov 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	7,000	2,987
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>55,305</b>	<b>2,987</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

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

- (ii) 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.

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.

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	50,558	33,942	16,616
Expenses in relation to the Corporate Exercise	1,200	1,200	-
<b>Total</b>	<b>51,758</b>	<b>35,142</b>	<b>16,616</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 15<sup>th</sup> Jan 2019.