

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31 Aug 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2018 RM'000	Current Y-T-D Ended 31 Aug 2019 RM'000	Preceding Y-T-D Ended 31 Aug 2018 RM'000
<b>Turnover</b>	<b>104,162</b>	<b>159,507</b>	<b>104,162</b>	<b>159,507</b>
Cost of sales	(91,469)	(135,811)	(91,469)	(135,811)
<b>Gross profit</b>	<b>12,693</b>	<b>23,696</b>	<b>12,693</b>	<b>23,696</b>
Other operating income	1,649	337	1,649	337
Operating and administrative expenses	(4,473)	(3,419)	(4,473)	(3,419)
Goodwill amortisation	(623)	-	(623)	-
Net Impairment gain on receivables	1	-	1	-
Share of results of joint venture	67	-	67	-
<b>Profit from operations</b>	<b>9,314</b>	<b>20,614</b>	<b>9,314</b>	<b>20,614</b>
Finance costs	(614)	(43)	(614)	(43)
<b>Profit before taxation</b>	<b>8,700</b>	<b>20,571</b>	<b>8,700</b>	<b>20,571</b>
Taxation	(1,998)	(5,550)	(1,998)	(5,550)
<b>Total comprehensive profit</b>	<b>6,702</b>	<b>15,021</b>	<b>6,702</b>	<b>15,021</b>
<b>Total comprehensive profit attributable to :</b>				
Owners of the parent	6,854	15,021	6,854	15,021
Non-controlling interest	(152)	-	(152)	-
	<b>6,702</b>	<b>15,021</b>	<b>6,702</b>	<b>15,021</b>
<b>Profits per-share</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>
Basic	<b>1.22</b>	<b>0.41</b>	<b>1.22</b>	<b>0.41</b>
Diluted	<b>1.13</b>	<b>0.37</b>	<b>1.13</b>	<b>0.37</b>

The Condensed Consolidate Statement of Comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2019.

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31 Aug 2019 (UNAUDITED) RM'000	As At 31 May 2019 (AUDITED) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	18,393	18,608
Investment properties	5,078	5,100
Intangible assets	242,890	243,513
Capital work in progress	843	790
Investment in associate companies	490	490
Investment in a joint venture company	258	191
Deferred tax assets	13	-
	<b>267,965</b>	<b>268,692</b>
<b>CURRENT ASSETS</b>		
Contract assets	239,743	188,077
Trade receivables	203,853	206,399
Others receivables	95,837	108,045
Amount due from associate companies	152	152
Other investments	2	2
Tax recoverable	-	5
Fixed deposits with licensed banks	18,674	18,462
Cash and bank balances	7,172	11,512
Equity attributable to owners of the parent	565,433	532,654
Asset classified as held for sale	56,241	56,241
	<b>621,674</b>	<b>588,895</b>
<b>TOTAL ASSETS</b>	<b>889,639</b>	<b>857,587</b>
<b>EQUITY</b>		
Share capital	450,995	450,995
Share issuance scheme option reserve	639	639
Warrant reserves	1,749	1,749
Irredeemable convertible unsecured loan stocks	261	261
Retained earnings/(Accumulated losses)	74,218	67,364
	<b>527,862</b>	<b>521,008</b>
Non-controlling interests	433	585
Total Equity	<b>528,295</b>	<b>521,593</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Irredeemable convertible unsecured loan stocks	4	4
Finance lease liabilities	460	531
Bank borrowings	31,246	32,718
Deferred tax liabilities	809	945
	<b>32,519</b>	<b>34,198</b>

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 31 Aug 2019 (UNAUDITED)</b>	<b>As At 31 May 2019 (AUDITED)</b>
	RM'000	RM'000
<b>CURRENT LIABILITIES</b>		
Contract liabilities	3,020	3,086
Trade payables	183,963	188,557
Others payables	94,322	64,223
Amount due to directors	211	217
Amount due to a joint venture company	18,265	17,944
Finance lease liabilities	535	575
Bank borrowings	25,134	19,707
Tax payables	3,375	7,487
	<b>328,825</b>	<b>301,796</b>
<b>TOTAL LIABILITIES</b>	<b>361,344</b>	<b>335,994</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>889,639</b>	<b>857,587</b>
<b>NET ASSETS PER-SHARE (RM)</b>	<b>0.9388</b>	<b>0.9494</b>

*The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2019.*

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2019****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 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	Total Attributable To Owners Of The Parent RM'000	Non- controlling Interest RM'000	
<b>GROUP</b>								
<b>As at 1 Jun 2019</b>	<b>450,995</b>	<b>639</b>	<b>1,749</b>	<b>261</b>	<b>67,364</b>	<b>521,008</b>	<b>585</b>	<b>521,593</b>
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	6,854	<b>6,854</b>	(152)	<b>6,702</b>
<b>As at 31 Aug 2019</b>	<b>450,995</b>	<b>639</b>	<b>1,749</b>	<b>261</b>	<b>74,218</b>	<b>527,862</b>	<b>433</b>	<b>528,295</b>

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2019**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

GROUP	ATTRIBUTABLE TO THE OWNERS OF THE PARENT							TOTAL EQUITY RM'000
	Non-distributable			Distributable		Total Attributable To Owners Of The Parent RM'000	Non- controlling Interest RM'000	
	Share Capital 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>As at 1 Jun 2018 as previously stated</b>	<b>418,635</b>	<b>646</b>	<b>4,269</b>	<b>268</b>	<b>9,207</b>	<b>433,025</b>	-	<b>433,025</b>
Effects of completion of purchase price allocation	-	-	-	-	(5,519)	(5,519)	-	(5,519)
Opening balance adjustment from adoption of MFRS 9	-	-	-	-	(2,472)	(2,472)	-	(2,472)
<b>As at 1 Jun 2018 as restated</b>	<b>418,635</b>	<b>646</b>	<b>4,269</b>	<b>268</b>	<b>1,216</b>	<b>425,034</b>	-	<b>425,034</b>
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	63,628	<b>63,628</b>	(280)	<b>63,348</b>
<b>Transactions with owners:-</b>								
Issuance of ordinary shares	30,016	-	-	-	-	<b>30,016</b>	-	<b>30,016</b>
Conversion of ICULS	8	-	-	(7)	-	<b>1</b>	-	<b>1</b>
Exercise of SIS	3,517	(516)	-	-	-	<b>3,001</b>	-	<b>3,001</b>
Non-controlling interest arising from acquisition of a subsidiary company	-	-	-	-	-	-	865	<b>865</b>
Expiry of warrants	-	-	(2,520)	-	2,520	-	-	-
Share-based payment	-	509	-	-	-	<b>509</b>	-	<b>509</b>
Share issuance expenses	(1,181)	-	-	-	-	<b>(1,181)</b>	-	<b>(1,181)</b>
<b>Total transactions with owners</b>	<b>32,360</b>	<b>(7)</b>	<b>(2,520)</b>	<b>(7)</b>	<b>2,520</b>	<b>32,346</b>	<b>865</b>	<b>33,211</b>
<b>As at 31 May 2019</b>	<b>450,995</b>	<b>639</b>	<b>1,749</b>	<b>261</b>	<b>67,364</b>	<b>521,008</b>	<b>585</b>	<b>521,593</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 2019.

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>3 Months Ended 31 Aug 2019 (UNAUDITED) RM'000</b>	<b>12 Months Ended 31 May 2019 (AUDITED) RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,700	85,622
Adjustments for:		
Amortisation of intangible assets	623	4,468
Bad debts written off	-	5
Depreciation of property, plant and equipment	402	1,301
Dividend income from other investments	-	(113)
Fair value adjustments on investment properties	-	(3)
Impairment loss on trade receivables	-	61
Reversal of impairment loss on trade receivables	-	(159)
Reversal of impairment loss on other receivables	(1)	-
Interest income	(115)	(687)
Interest expenses	614	1,334
Gain on bargain purchase on a subsidiary company	-	(649)
Share-based payment	-	509
Share of results of associate companies	-	101
Share of results of joint venture company	(67)	(191)
Waiver of amount due to other payables	-	(22)
<b>Operating profit/(loss) before working capital changes</b>	<b>10,156</b>	<b>91,577</b>
<b>Change in working capital:</b>		
Contract assets	(51,665)	(81,069)
Trade & other receivables	14,754	(109,054)
Contract liabilities	(66)	2,440
Trade & other payables	25,504	39,769
Amount due to a joint venture company	321	17,944
	(11,152)	(129,970)
<b>Cash generated from/(used in) operations</b>	<b>(996)</b>	<b>(38,393)</b>
Interest paid	(614)	(2,676)
Interest received	115	687
Dividend received	-	113
Tax paid	(6,253)	(18,010)
	(6,752)	(19,886)
<b>Net cash generated from/(used in) operating activities</b>	<b>(7,748)</b>	<b>(58,279)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress incurred	(54)	-
Net cash inflow/(outflow) from acquisition of a subsidiary company	-	18
Acquisition of an associate company	-	(500)
Purchase of property, plant and equipment	(186)	(3,315)
Purchase of investment properties	22	-
<b>Net cash from/(used in) investing activities</b>	<b>(218)</b>	<b>(3,797)</b>

	<b>3 Months Ended 31 Aug 2019 (UNAUDITED) RM'000</b>	<b>12 Months Ended 31 May 2019 (AUDITED) RM'000</b>
<b>CASH FLOW FROM FROM FINANCING ACTIVITIES</b>		
Repayment of finance lease liabilities	(110)	(599)
Net changes in amount due from/to associate companies	-	2,923
Proceeds from issuance of ordinary shares	-	28,835
Proceeds from exercise of SIS option	-	3,001
Net changes in amount due from/to Directors	(7)	131
Decrease/(increase) in cash and bank balances pledged	(193)	193
Decrease in fixed deposit pledged	3,023	1,686
Drawdown of term loans	40	-
Repayment of term loans	(692)	(971)
Net changes in trust receipts and invoice financing	3,095	2,068
<b>Net cash from/(used in) financing activities</b>	<b>5,156</b>	<b>37,267</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,810)</b>	<b>(24,809)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>5,322</b>	<b>30,131</b>
<b>Cash and cash equivalents at end of the period</b>	<b>2,512</b>	<b>5,322</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:</b>		
Fixed deposits with licensed banks	18,674	18,462
Cash and bank balances	7,172	11,512
Other investment	2	2
Bank overdrafts	(6,986)	(5,475)
	18,862	24,501
Less: Fixed deposits pledged with licensed banks	(15,440)	(18,462)
Cash and bank balances pledged	(910)	(717)
	<b>2,512</b>	<b>5,322</b>

The Condensed Consolidate Statement of Cash flow should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2019.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

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

**A1) Basis of preparation**

The interim financial statements have been prepared under the historical cost convention. 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 and Chapter 9.22, part K of Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 Jun 2019, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2019.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 16 : Leases	1 January 2019
Amendments to MFRS 3: Business Combinations (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 11: Joint arrangements (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 112: Income Taxes (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

Amendments to MFRS 128 : Investments in Associates and Joint Ventures	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

The adoption of the above Amendments to MFRS and IC Interpretation did not have any significant financial impact to the Group except as mentioned below:

i. MFRS 16: Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. 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.

MFRS 16 introduces a single, on balance sheet lease accounting for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating leases.

Right-of-use assets are disclosed as a single line in the statement of financial position. The lease liabilities are included as borrowings in the statement of financial position.

The adoption of MFRS 16 has no material financial impact on the Group.

Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Business Combinations (Definition of a business)	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements (Definition of material)	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of material)	1 January 2020

The Group are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impacts to the financial statements of the Group.

**A3) Audit report**

The Auditors' Report of the preceding annual financial statements for the financial year ended 31 May 2019 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 2019.

**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 2019 under review.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**A7) Debt and equity securities**

There were no 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.

**A8) Dividends paid**

No dividends were declared or paid during the current financial quarter ended 31 Aug 2019 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 2019 under review are as follows:-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

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

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2018 RM'000	Current Y-T-D Ended 31 Aug 2019 RM'000	Preceding Y-T-D Ended 31 Aug 2018 RM'000
<b><u>TURNOVER</u></b>				
Construction	110,302	174,401	110,302	174,401
Investment holdings	1,528	576	1,528	576
Less: Inter-segment revenue	(7,668)	(15,470)	(7,668)	(15,470)
<b>Total consolidated revenue</b>	<b>104,162</b>	<b>159,507</b>	<b>104,162</b>	<b>159,507</b>
<b><u>RESULTS</u></b>				
Construction	9,858	21,506	9,858	21,506
Investment holdings	335	(731)	335	(731)
	<b>10,193</b>	<b>20,775</b>	<b>10,193</b>	<b>20,775</b>
Other non-reportable segments	(323)	(161)	(323)	(161)
Share of results of associates	-	-	-	-
Share of results of joint venture	67	-	67	-
Provision for taxation	(1,998)	(5,550)	(1,998)	(5,550)
Goodwill amortisation	(623)	-	(623)	-
Interest expenses	(614)	(43)	(614)	(43)
<b>Net profit/(loss) after tax</b>	<b>6,702</b>	<b>15,021</b>	<b>6,702</b>	<b>15,021</b>
<b><u>SEGMENT ASSETS</u></b>				
Construction			631,545	431,565
Investment holdings			437,208	397,341
			<b>1,068,753</b>	<b>828,906</b>
Others non-reportable segments			71,309	2,948
Elimination of inter-company balances			(250,423)	(146,421)
<b>Consolidated total assets</b>			<b>889,639</b>	<b>685,433</b>
<b><u>SEGMENT LIABILITIES</u></b>				
Construction			469,126	330,464
Investment holdings			11,944	590
			<b>481,070</b>	<b>331,054</b>
Others non-reportable segments			71,704	3,497
Elimination of inter-company balances			(191,430)	(97,309)
<b>Consolidated total liabilities</b>			<b>361,344</b>	<b>237,242</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**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 2019. The carrying value of property, plant & equipment are based on the amount incorporated in the audited financial statement for financial year ended 31 May 2019.

**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 2019, save and except for the following:-

- (i) On 16 Aug 2019, the board had announced to undertake a private placement of up to 10% of the total number of issued shares of Vizione ("**Proposed Private Placement**").

**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 2019 and up to the date of this report.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**A13) Contingent liabilities and contingent assets**

There were no material contingent liabilities or assets for the reporting quarter ended 31 Aug 2019 except below:-

(a) Contingent liabilities

	<b>Cumulative</b>	
	<b>Quarter Ended 31 Aug 2019</b>	<b>Quarter Ended 31 Aug 2018</b>
	RM'000	RM'000
Corporate guarantee given to banks for facilities granted to related parties	30,008	30,068
Corporate guarantee given to banks for facilities granted to third parties	69,540	69,761
	<b>99,548</b>	<b>99,829</b>
Bank guarantees extended to third parties in respect of contracts entered	49,498	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 2019**

**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 2019 under review, save and except for the following:-

- (I) The Company had on 19 Sep 2019 submitted an application to Bursa Securities and obtained approval from Bursa Securities vide its letter dated 27 Sep 2019 on the listing and quotation of up to 62,191,008 new Vizione Shares to be issued pursuant to the Proposed Private Placement on the Main Market.

The issue price for the first tranche of the Private Placement has been fixed on 14 Oct 2019 ("**Price-Fixing Date**") at RM0.87 per Placement Share ("**First Tranche**"). The First Tranche will comprise up to 24,100,000 Placement Shares.

The first tranche of the Private Placement comprising 23,800,000 Placement Shares has been completed on 22 Oct 2019 ("**First Tranche**"), following the listing and quotation of 23,800,000 Placement Shares on the Main Market of Bursa Securities.

- (II) On 25 Sep 2019, the Board had announced that the Company intends to seek the approval of its shareholders for the Proposed Share Buy-Back Authority at the forthcoming 21st Annual General Meeting of the Company to be convened.

**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 2019.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**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 2019.

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2018 RM'000	Current Y-T-D Ended 31 Aug 2019 RM'000	Preceding Y-T-D Ended 31 Aug 2018 RM'000
(I) Progressive sub-contracting income for the Group construction project	6,487	423	6,487	423
(II) Progressive sub-contracting costs for the Group construction project	(91)	(2,208)	(91)	(2,208)
(III) Office rental	(15)	(30)	(15)	(30)



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**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 2020 (“Q1FY2020”) vs Quarter 1, FY 2019 (“Q1FY2019”)**

For the current financial quarter under review, the Group posted a revenue of RM104.16 million as compared to its corresponding preceding financial quarter, Q1FY2019 of RM159.51 million. Along with the decrease in revenue, profit before tax (“PBT”) during the current quarter reduced to RM8.70 million, representing a decrease of RM11.87 million from its corresponding preceding quarter of RM20.57 million.

**B2) Changes in revenue and PBT for Q1FY2020 as compared with the immediate preceding quarter ended 31 May 2019 (“Q4FY2019”):-**

<b>Current Year Quarter Ended</b>	<b>Immediate Preceding Quarter Ended</b>	<b>Variance</b>
31 Aug 2019	31 May 2019	
RM'000	RM'000	%

Revenue	<b>104,162</b>	<b>103,602</b>	<b>0.54%</b>
Profit before taxation	<b>8,700</b>	<b>15,186</b>	<b>(42.71%)</b>

For the current quarter, the Group reported a revenue and PBT of RM104.16 million and RM8.70 million as compared to RM103.60 million and RM15.19 million respectively in the immediate preceding quarter.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**B3) Future prospects**

Malaysia construction sector is expected to grow by 3.7% in 2020, up from the estimated 1.7% in fiscal year 2019. This is primarily due to the acceleration and revival of mega projects as well as building of affordable homes. The sector is expected to be worth RM69.9 billion in 2020, up by about 3.7% against forecasted RM67.4 billion in 2019. Among the revived mega infrastructure projects was the Bandar Malaysia Project. In addition to that, other projects such as the Light Rail Transit 3, Mass Rail Transit 2, Pan Borneo Highway, Coastal Highway in Sarawak and East Coast Rail Link project are expected to boost Malaysia's construction segment in the coming years.

As we stand today, Vizione is well positioned to tap on emerging opportunities while diversifying into renewable energy projects and capitalizing on engineering and infrastructure potentials. The government's plan to build more affordable homes auger well to the Group as Vizione is steadily cultivating and nurturing its operations team to stay competitive as Malaysia step up in aspiring to be a developed nation. Vizione is allegiant in maintaining a lead position and venturing into technological based segment, charting a new roadmap towards solidifying our position in the construction sector. The trust developed through time remains an invaluable asset as we continue to transform and stay ahead of the curve. Vizione is leveraging on the balance sheet strength, economies of scale, as well as physical and human assets that are in place to meet the needs of the growing horizon. Vizione will explore future opportunities in a more holistic matter, focusing on solutions within the infrastructure industry. The reduced public spending, steep reduction in the operating margin and fiscal uncertainty remain challenging to our operations. We will continue to improve on our efficiency whilst intensifying our cost centric optimisation effort. We will strive to forge partnerships that enhance business competitiveness and will continuously harnessing on our profound operational strength assiduously.

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

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**B5) Taxation**

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2018 RM'000	Current Y-T-D ended 31 Aug 2019 RM'000	Preceding Y-T-D Ended 31 Aug 2018 RM'000
<b>In respect of current quarter:-</b>				
Income Tax	2,148	5,550	2,148	5,550
Deferred Tax	(150)	-	(150)	-
	<b>1,998</b>	<b>5,550</b>	<b>1,998</b>	<b>5,550</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 2019 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2018 RM'000	Current Y-T-D Ended 31 Aug 2019 RM'000	Preceding Y-T-D Ended 31 Aug 2018 RM'000
Building and office rental	15	146	15	146
Depreciation of Property, plant and equipment ("PPE")	402	252	402	252
Interest expenses	614	43	614	43

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**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 2019 are as follows:-

	<u>Current</u> RM '000	<u>Non-current</u> RM '000	<u>Total</u> RM '000
Secured			
Finance Lease Liabilities	535	460	995
Bank Borrowings	25,134	31,246	56,380
<b>Total</b>	<b>25,669</b>	<b>31,706</b>	<b>57,375</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 2019 and the previous audited financial year ended 31 May 2019.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

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

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2019	Preceding Year Corresponding Quarter Ended 31 Aug 2018	Current Y-T-D Ended 31 Aug 2019	Preceding Y-T-D Ended 31 Aug 2018
<b>a) <u>Basis earnings per-share</u></b>				
Profit attributable to the owners of parent ('000)	<b>6,854</b>	<b>15,021</b>	<b>6,854</b>	<b>15,021</b>
Total weighted average number of ordinary shares in issue ('000)	562,287	3,695,862	562,287	3,695,862
<b>Basis earnings per share (sen)</b>	<b>1.22</b>	<b>0.41</b>	<b>1.22</b>	<b>0.41</b>
<b>b) <u>Diluted earnings per-share</u></b>				
Profit attributable to the owners of parent ('000)	<b>6,854</b>	<b>15,021</b>	<b>6,854</b>	<b>15,021</b>
Total weighted average number of ordinary shares in issue ('000)	562,287	3,695,862	562,287	3,695,862
Adjusts for:				
Assuming full conversion of ICULS	2,205	2,330	2,205	2,330
Assuming full conversion of Warrants C 17/22	30,680	221,364	30,680	221,364
Assuming full exercise of Share Issuance Scheme	12,624	113,954	12,624	113,954
	<b>607,796</b>	<b>4,033,510</b>	<b>607,796</b>	<b>4,033,510</b>
<b>Diluted earnings per-share (sen)</b>	<b>1.13</b>	<b>0.37</b>	<b>1.13</b>	<b>0.37</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**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 2019 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>58,292</b>	<b>-</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2019**

**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	50,558	-
Expenses in relation to the Corporate Exercise	1,200	1,200	-
<b>Total</b>	<b>51,758</b>	<b>51,758</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 2019.