

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 30 Nov 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2018 RM'000	Current Y-T-D Ended 30 Nov 2019 RM'000	Preceding Y-T-D Ended 30 Nov 2018 RM'000
<b>Turnover</b>	<b>105,745</b>	<b>165,746</b>	<b>209,907</b>	<b>325,253</b>
Cost of sales	(91,179)	(135,721)	(182,648)	(271,533)
<b>Gross profit</b>	<b>14,566</b>	<b>30,025</b>	<b>27,259</b>	<b>53,720</b>
Other operating income	1,635	302	3,285	640
Operating and administrative expenses	(3,298)	(3,768)	(7,771)	(7,188)
Goodwill amortisation	(623)	-	(1,246)	-
Net Impairment gain on receivables	-	-	1	-
Share of results of joint venture	474	-	541	-
<b>Profit from operations</b>	<b>12,754</b>	<b>26,559</b>	<b>22,069</b>	<b>47,172</b>
Finance costs	(1,073)	(165)	(1,687)	(208)
<b>Profit before taxation</b>	<b>11,681</b>	<b>26,394</b>	<b>20,382</b>	<b>46,964</b>
Taxation	(4,058)	(6,950)	(6,055)	(12,500)
<b>Total comprehensive profit</b>	<b>7,623</b>	<b>19,444</b>	<b>14,327</b>	<b>34,464</b>
<b>Total comprehensive profit attributable to :</b>				
Owners of the parent	7,924	19,444	14,779	34,464
Non-controlling interest	(301)	-	(452)	-
	<b>7,623</b>	<b>19,444</b>	<b>14,327</b>	<b>34,464</b>
<b>Profits per-share</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>
Basic	<b>1.40</b>	<b>3.62</b>	<b>2.60</b>	<b>6.41</b>
Diluted	<b>1.29</b>	<b>3.31</b>	<b>2.41</b>	<b>5.87</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 2ND QUARTER ENDED 30 NOVEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 30 Nov 2019 (UNAUDITED) RM'000	As At 31 May 2019 (AUDITED) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	20,049	18,608
Investment properties	5,056	5,100
Intangible assets	242,266	243,513
Capital work in progress	843	790
Investment in associate companies	3,740	490
Investment in a joint venture company	732	191
Deferred tax assets	13	-
	<b>272,699</b>	<b>268,692</b>
<b>CURRENT ASSETS</b>		
Contract assets	196,982	188,077
Trade receivables	278,380	206,399
Others receivables	111,316	108,045
Amount due from associate companies	159	152
Other investments	500	2
Tax recoverable	-	5
Fixed deposits with licensed banks	19,461	18,462
Cash and bank balances	12,866	11,512
Equity attributable to owners of the parent	619,664	532,654
Asset classified as held for sale	56,241	56,241
	<b>675,905</b>	<b>588,895</b>
<b>TOTAL ASSETS</b>	<b>948,604</b>	<b>857,587</b>
<b>EQUITY</b>		
Share capital	471,530	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)	82,142	67,364
	<b>556,321</b>	<b>521,008</b>
Non-controlling interests	132	585
Total Equity	<b>556,453</b>	<b>521,593</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Irredeemable convertible unsecured loan stocks	4	4
Finance lease liabilities	1,129	531
Bank borrowings	30,334	32,718
Deferred tax liabilities	659	945
	<b>32,126</b>	<b>34,198</b>

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 30 Nov 2019 (UNAUDITED)</b>	<b>As At 31 May 2019 (AUDITED)</b>
	RM'000	RM'000
<b>CURRENT LIABILITIES</b>		
Contract liabilities	2,895	3,086
Trade payables	259,234	188,557
Others payables	40,848	64,223
Amount due to directors	201	217
Amount due to a joint venture company	11,316	17,944
Finance lease liabilities	764	575
Bank borrowings	38,872	19,707
Tax payables	5,895	7,487
	<b>360,025</b>	<b>301,796</b>
<b>TOTAL LIABILITIES</b>	<b>392,151</b>	<b>335,994</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>948,604</b>	<b>857,587</b>
<b>NET ASSETS PER-SHARE (RM)</b>	<b>0.9803</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 2ND QUARTER ENDED 30 NOVEMBER 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>
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	7,924	<b>7,924</b>	(301)	<b>7,623</b>
<b>Transactions with owners:-</b>								
Issuance of ordinary shares	20,706	-	-	-	-	<b>20,706</b>	-	<b>20,706</b>
Share issuance expenses	(171)	-	-	-	-	<b>(171)</b>	-	<b>(171)</b>
<b>Total transactions with owners</b>	<b>20,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,535</b>	<b>-</b>	<b>20,535</b>
<b>As at 30 Nov 2019</b>	<b>471,530</b>	<b>639</b>	<b>1,749</b>	<b>261</b>	<b>82,142</b>	<b>556,321</b>	<b>132</b>	<b>556,453</b>

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 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.

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>6 Months Ended 30 Nov 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	20,381	85,622
Adjustments for:		
Amortisation of intangible assets	1,246	4,468
Bad debts written off	-	5
Depreciation of property, plant and equipment	829	1,301
Dividend income from other investments	(13)	(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	(266)	(687)
Interest expenses	1,687	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	(541)	(191)
Loss on fixed assets disposal	47	-
Waiver of amount due to other payables	-	(22)
<b>Operating profit/(loss) before working capital changes</b>	<b>23,369</b>	<b>91,577</b>
<b>Change in working capital:</b>		
Contract assets	(8,905)	(81,069)
Trade & other receivables	(75,252)	(109,054)
Contract liabilities	(191)	2,440
Trade & other payables	47,302	39,769
Amount due to a joint venture company	(6,627)	17,944
	(43,673)	(129,970)
<b>Cash generated from/(used in) operations</b>	<b>(20,304)</b>	<b>(38,393)</b>
Interest paid	(1,687)	(2,676)
Interest received	266	687
Dividend received	13	113
Tax paid	(7,940)	(18,010)
	(9,348)	(19,886)
<b>Net cash generated from/(used in) operating activities</b>	<b>(29,652)</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	(3,250)	(500)
Purchase of property, plant and equipment	(1,252)	(3,315)
Purchase of investment properties	22	-
Disposal of property, plant and equipment	30	-
<b>Net cash from/(used in) investing activities</b>	<b>(4,504)</b>	<b>(3,797)</b>

	<b>6 Months Ended 30 Nov 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	(285)	(599)
Net changes in amount due from/to associate companies	(8)	2,923
Proceeds from issuance of ordinary shares	20,535	28,835
Proceeds from exercise of SIS option	-	3,001
Net changes in amount due from/to Directors	(16)	131
Decrease/(increase) in cash and bank balances pledged	(193)	193
Decrease in fixed deposit pledged	2,236	1,686
Drawdown of term loans	40	-
Repayment of term loans	(1,122)	(971)
Net changes in trust receipts and invoice financing	6,267	2,068
<b>Net cash from/(used in) financing activities</b>	<b>27,454</b>	<b>37,267</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,702)</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>(1,380)</b>	<b>5,322</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:</b>		
Fixed deposits with licensed banks	19,461	18,462
Cash and bank balances	12,866	11,512
Other investment	500	2
Bank overdrafts	(17,071)	(5,475)
	15,756	24,501
Less: Fixed deposits pledged with licensed banks	(16,226)	(18,462)
Cash and bank balances pledged	(910)	(717)
	<b>(1,380)</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 30 NOVEMBER 2019**

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

**A1) Basis of preparation**

This interim financial statements have been prepared under the historical cost convention. This 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 Jun 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



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 112: Income Taxes (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 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
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	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.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

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

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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**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 30 Nov 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 30 Nov 2019 under review.

**A7) Debt and equity securities**

Saved as disclosed below, 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:-

(a) 23,800,000 new ordinary shares pursuant to the Private Placement.

**A8) Dividends paid**

No dividends were declared or paid during the current financial quarter ended 30 Nov 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 30 Nov 2019 under review are as follows:-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

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

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2018 RM'000	Current Y-T-D Ended 30 Nov 2019 RM'000	Preceding Y-T-D Ended 30 Nov 2018 RM'000
<b><u>TURNOVER</u></b>				
Construction	108,804	175,414	219,106	349,815
Investment holdings	1,289	491	2,817	1,067
Less: Inter-segment revenue	(4,348)	(10,159)	(12,016)	(25,629)
<b>Total consolidated revenue</b>	<b>105,745</b>	<b>165,746</b>	<b>209,907</b>	<b>325,253</b>
<b><u>RESULTS</u></b>				
Construction	14,047	28,150	23,905	49,656
Investment holdings	(840)	(1,403)	(505)	(2,134)
	<b>13,207</b>	<b>26,747</b>	<b>23,400</b>	<b>47,522</b>
Other non-reportable segments	(305)	(188)	(626)	(350)
Share of results of associates	-	-	-	-
Share of results of joint venture	474	-	541	-
Provision for taxation	(4,057)	(6,950)	(6,055)	(12,500)
Goodwill amortisation	(623)	-	(1,246)	-
Interest expenses	(1,073)	(165)	(1,687)	(208)
<b>Net profit/(loss) after tax</b>	<b>7,623</b>	<b>19,444</b>	<b>14,327</b>	<b>34,464</b>
<b><u>SEGMENT ASSETS</u></b>				
Construction			696,727	514,511
Investment holdings			458,398	432,467
			<b>1,155,125</b>	<b>946,978</b>
Others non-reportable segments			71,581	15,507
Elimination of inter-company balances			(278,102)	(173,158)
<b>Consolidated total assets</b>			<b>948,604</b>	<b>789,327</b>
<b><u>SEGMENT LIABILITIES</u></b>				
Construction			524,447	392,315
Investment holdings			13,780	8,333
			<b>538,227</b>	<b>400,648</b>
Others non-reportable segments			73,031	16,244
Elimination of inter-company balances			(219,107)	(124,047)
<b>Consolidated total liabilities</b>			<b>392,151</b>	<b>292,845</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 Nov 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 30 Nov 2019, save and except for the followings:-

- (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**").

The Company had on 19 Sep 2019 submitted an application to Bursa Securities in respect of the listing and quotation of the Placement Shares to be issued pursuant to the Proposed Private Placement.

Bursa Securities had vide its letter dated 27 Sep 2019 approved the listing and quotation of up to 62,191,008 new Vizione Shares to be issued pursuant to the Proposed Private Placement.

The issue price for the first tranche of the Private Placement had been fixed on 14 Oct 2019 at RM0.87 per Placement Share. 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 had been completed on 22 Oct 2019 following the listing and quotation of 23,800,000 Placement Shares on the Main Market of Bursa Securities.

- (II) On Sep 2019, the Company had announced on its intention to seek approval from its shareholders for the Proposed Share Buy-Back Authority at the 21<sup>st</sup> Annual General Meeting, the proposal was approved on 29 Oct 2019.
- (III) On 16 Oct 2019, the joint venture company between its wholly owned subsidiary, Wira Syukur (M) Sdn Bhd and Pembinaan Maju Cemerlang Sdn Bhd had accepted a Letter of Intent from Jabatan Air Negeri Sabah for the

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

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

Development and Execution of Papar Dam and Associated Water Supply Works in the state of Sabah.

(IV) On 28 Nov 2019, the Company had announced to undertake a bonus issue of up to 271,255,499 warrants D on the basis of 2 Warrants D for every 5 Vizione Shares held on an entitlement date to be determined and announced later.

**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 2019 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 2019 except below:-

(a) Contingent liabilities

	<b>Cumulative</b>	
	<b>Quarter Ended 30 Nov 2019</b>	<b>Quarter Ended 30 Nov 2018</b>
	RM'000	RM'000
Corporate guarantee given to banks for facilities granted to related parties	29,964	30,125
Corporate guarantee given to banks for facilities granted to third parties	69,493	69,680
	<b>99,457</b>	<b>99,805</b>
Bank guarantees extended to third parties in respect of contracts entered	50,937	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 30 NOVEMBER 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 30 Nov 2019 under review.

**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 2019.

**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 2019.

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2018 RM'000	Current Y-T-D Ended 30 Nov 2019 RM'000	Preceding Y-T-D Ended 30 Nov 2018 RM'000
(I) Progressive sub-contracting income for the Group construction project	2,547	3,771	9,034	4,194
(II) Progressive sub-contracting costs for the Group construction project	-	(2,740)	(91)	(4,948)
(III) Office rental	(15)	(25)	(30)	(55)
(IV) Project development costs	(20)	-	(20)	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 2, FY 2020 (“Q2FY2020”) vs Quarter 2, FY 2019 (“Q2FY2019”)**

For the current financial quarter under review, the Group posted a revenue of RM105.75 million as compared to its corresponding preceding financial quarter, Q2FY2019 of RM165.75 million. Along with the decrease in revenue, profit before tax (“PBT”) during the current quarter reduced to RM11.68 million, representing a decrease of RM14.71 million from its corresponding preceding quarter of RM26.39 million.

**B2) Changes in revenue and PBT for Q2FY2020 as compared with the immediate preceding quarter ended 31 Aug 2019 (“Q1FY2020”):-**

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

Revenue	<b>105,745</b>	<b>104,162</b>	<b>1.52%</b>
Profit before taxation	<b>11,681</b>	<b>8,700</b>	<b>34.3%</b>

For the current quarter, the Group reported a revenue and PBT of RM105.75 million and RM11.68 million as compared to RM104.16 million and RM8.70 million respectively in the immediate preceding quarter.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**B3) Future prospects**

Investment in large scale infrastructure projects is one of the key strategies adopted by the Government of Malaysia towards fueling economic growth. The government's effort to improve the country's infrastructure and municipal utilities will contribute to the growth in construction spending. Rising household demographics and population migration from rural to urban areas will augment the need for better construction facilities and road infrastructure developments in the country. Industrialisation and urbanisation trends are increasing the demand for construction of railways, roads, ports, power transmission and water utilities.

Higher gross development expenditure allocation of RM56 billion for 2020, announced in 2020 Budget also signaled the government's commitment to develop public infrastructure and rural development especially in the deeper parts of Sabah and Sarawak. Spending on public infrastructure and amenities will continue to be the focus as the government continues to reduce the development gap between the urban and rural areas. Allocation for the construction and upgrading of hospitals, schools and affordable housing units with an estimated spend of at least RM10.2 billion has been set aside under 2020 Budget. The big ticket projects in fiscal year 2020 are the East Coast Rail Link (ECRL) with subcontracts worth RM17.6 billion and Johor Baru-Singapore Rapid Transit System valued at approximately RM4 billion. In the second half of the year, it is expected that the Penang Transport Master Plan project, comprising the RM8.5 billion Bayan Lepas Light Rail Transit (LRT) and the RM7.5 billion Pan Island Link 1 (PIL1) will commence. Sarawak's upcoming contracts include four bridge contracts worth RM1.8 billion from the RM6 billion Coastal Road project, Second Trunk Road project valued at RM5 billion and the Sabah-Sarawak Link Road worth RM1.2 billion are scheduled to roll out in this fiscal year.

Vizione is well positioned to tap on emerging opportunities while diversifying into renewable energy projects. Vizione is consistently building up technical expertise and human capital which are fundamental tenets towards multifaceted industry player. Vizione is confident in harnessing the current resources towards embarking on new business stream from government spending. Strategically, Vizione will explore opportunities in a more holistic matter, focusing on solutions within the infrastructure domain particularly after the industry upturn. We will continue to improve on our efficiency whilst intensifying our cost optimisation effort to ensure business sustainability in this challenging period.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**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 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2018 RM'000	Current Y-T-D ended 30 Nov 2019 RM'000	Preceding Y-T-D Ended 30 Nov 2018 RM'000
<b>In respect of current quarter:-</b>				
Income Tax	4,208	6,950	6,354	12,500
Deferred Tax	(150)	-	(299)	-
	<b>4,058</b>	<b>6,950</b>	<b>6,055</b>	<b>12,500</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 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2018 RM'000	Current Y-T-D Ended 30 Nov 2019 RM'000	Preceding Y-T-D Ended 30 Nov 2018 RM'000
Building and office rental	15	88	30	234
Depreciation of Property, plant and equipment ("PPE")	427	291	829	543
Interest expenses	1,073	165	1,687	208

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 Nov 2019 are as follows:-

	<u>Current</u> RM '000	<u>Non-current</u> RM '000	<u>Total</u> RM '000
Secured			
Finance Lease Liabilities	764	1,129	1,893
Bank Borrowings	38,872	30,334	69,206
<b>Total</b>	<b>39,636</b>	<b>31,463</b>	<b>71,099</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 2019 and the previous audited financial year ended 31 May 2019.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

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

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2019	Preceding Year Corresponding Quarter Ended 30 Nov 2018	Current Y-T-D Ended 30 Nov 2019	Preceding Corresponding Y-T-D Ended 30 Nov 2018
<b>a) Basis earnings per-share</b>				
Profit attributable to the owners of parent ('000)	<b>7,924</b>	<b>19,444</b>	<b>14,779</b>	<b>34,464</b>
Total weighted average number of ordinary shares in issue ('000)	567,489	537,768	567,489	537,768
<b>Basis earnings per share (sen)</b>	<b>1.40</b>	<b>3.62</b>	<b>2.60</b>	<b>6.41</b>
<b>b) Diluted earnings per-share</b>				
Profit attributable to the owners of parent ('000)	<b>7,924</b>	<b>19,444</b>	<b>14,779</b>	<b>34,464</b>
Total weighted average number of ordinary shares in issue ('000)	567,489	537,768	567,489	537,768
Adjusts for:				
Assuming full conversion of ICULS	-	2,244	-	2,244
Assuming full conversion of Warrants C 17/22	32,176	31,228	32,176	31,228
Assuming full exercise of Share Issuance Scheme	13,239	15,899	13,239	15,899
	<b>612,904</b>	<b>587,139</b>	<b>612,904</b>	<b>587,139</b>
<b>Diluted earnings per-share (sen)</b>	<b>1.29</b>	<b>3.31</b>	<b>2.41</b>	<b>5.87</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**B12) Status of utilisation of proceeds**

- (i) The first tranche of the private placement of 23,800,000 new Vizione Shares at the issue price of RM0.87 per placement share had been completed on 22 Oct 2019, which raised a total of approximately RM20.71 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	7,930	7,930	-
Tender/contract deposit and/or performance bond	12,526	12,087	439
Expenses in relation to the Corporate Exercise	250	204	46
<b>Total</b>	<b>20,706</b>	<b>20,221</b>	<b>485</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 31<sup>st</sup> Jan 2020.