

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2020****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 29 Feb 2020 RM'000	Preceding Year Corresponding Quarter Ended 28 Feb 2019 RM'000	Current Y-T-D Ended 29 Feb 2020 RM'000	Preceding Y-T-D Ended 28 Feb 2019 RM'000
<b>Turnover</b>	<b>91,335</b>	<b>164,961</b>	<b>301,242</b>	<b>490,214</b>
Cost of sales	(83,733)	(140,824)	(266,382)	(412,357)
<b>Gross profit</b>	<b>7,602</b>	<b>24,137</b>	<b>34,860</b>	<b>77,857</b>
Other operating income	1,731	4,125	5,015	4,765
Operating and administrative expenses	(3,400)	(4,600)	(11,171)	(11,788)
Goodwill amortisation	(623)	-	(1,869)	-
Net Impairment gain on receivables	-	-	1	-
Share of results of joint venture	409	-	950	-
<b>Profit from operations</b>	<b>5,719</b>	<b>23,662</b>	<b>27,786</b>	<b>70,834</b>
Finance costs	(847)	(190)	(2,534)	(398)
<b>Profit before taxation</b>	<b>4,872</b>	<b>23,472</b>	<b>25,252</b>	<b>70,436</b>
Taxation	(786)	(5,709)	(6,841)	(18,210)
<b>Total comprehensive profit</b>	<b>4,086</b>	<b>17,763</b>	<b>18,411</b>	<b>52,226</b>
<b>Total comprehensive profit attributable to :</b>				
Owners of the parent	4,218	17,763	18,996	52,226
Non-controlling interest	(132)	-	(585)	-
	<b>4,086</b>	<b>17,763</b>	<b>18,411</b>	<b>52,226</b>
<b>Profits per-share</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>
Basic	<b>0.73</b>	<b>3.26</b>	<b>3.30</b>	<b>9.59</b>
Diluted	<b>0.68</b>	<b>2.99</b>	<b>3.05</b>	<b>8.80</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 3RD QUARTER ENDED 29 FEBRUARY 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 29 Feb 2020 (UNAUDITED) RM'000	As At 31 May 2019 (AUDITED) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	20,157	18,608
Investment properties	5,034	5,100
Intangible assets	241,643	243,513
Capital work in progress	897	790
Investment in associate companies	3,740	490
Investment in a joint venture company	1,141	191
Deferred tax assets	13	-
	<b>272,625</b>	<b>268,692</b>
<b>CURRENT ASSETS</b>		
Contract assets	192,477	188,077
Trade receivables	267,333	206,399
Others receivables	110,674	108,045
Amount due from associate companies	159	152
Other investments	35	2
Tax recoverable	-	5
Fixed deposits with licensed banks	21,154	18,462
Cash and bank balances	18,285	11,512
	610,117	532,654
Asset classified as held for sale	56,241	56,241
	<b>666,358</b>	<b>588,895</b>
<b>TOTAL ASSETS</b>	<b>938,983</b>	<b>857,587</b>
<b>EQUITY</b>		
Share capital	496,688	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)	86,360	67,364
Equity attributable to owners of the parent	<b>585,697</b>	<b>521,008</b>
Non-controlling interests	-	585
Total Equity	<b>585,697</b>	<b>521,593</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Irredeemable convertible unsecured loan stocks	4	4
Finance lease liabilities	1,721	531
Bank borrowings	28,960	32,718
Deferred tax liabilities	510	945
	<b>31,195</b>	<b>34,198</b>

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 29 Feb 2020 (UNAUDITED)</b>	<b>As At 31 May 2019 (AUDITED)</b>
	RM'000	RM'000
<b>CURRENT LIABILITIES</b>		
Contract liabilities	857	3,086
Trade payables	184,961	188,557
Others payables	75,586	64,223
Amount due to directors	1,324	217
Amount due to a joint venture company	14,358	17,944
Finance lease liabilities	2,801	575
Bank borrowings	38,243	19,707
Tax payables	3,961	7,487
	<b>322,091</b>	<b>301,796</b>
<b>TOTAL LIABILITIES</b>	<b>353,286</b>	<b>335,994</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>938,983</b>	<b>857,587</b>
<b>NET ASSETS PER-SHARE (RM)</b>	<b>1.0189</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 3RD QUARTER ENDED 29 FEBRUARY 2020**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	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>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>20,535</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>
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	4,218	<b>4,218</b>	(132)	<b>4,086</b>
<b>Transactions with owners:-</b>								
Issuance of ordinary shares	25,943	-	-	-	-	<b>25,943</b>	-	<b>25,943</b>
Share issuance expenses	(785)	-	-	-	-	<b>(785)</b>	-	<b>(785)</b>
<b>Total transactions with owners</b>	<b>25,158</b>	-	-	-	-	<b>25,158</b>	-	<b>25,158</b>
<b>As at 29 Feb 2020</b>	<b>496,688</b>	<b>639</b>	<b>1,749</b>	<b>261</b>	<b>86,360</b>	<b>585,697</b>	-	<b>585,697</b>

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

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2020**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	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/ Losses RM'000			
<b>GROUP</b>								
<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 3RD QUARTER ENDED 29 FEBRUARY 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>9 Months Ended 29 Feb 2020 (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	25,252	85,622
Adjustments for:		
Amortisation of intangible assets	1,869	4,468
Bad debts written off	-	5
Depreciation of property, plant and equipment	1,296	1,301
Dividend income from other investments	(27)	(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	(410)	(687)
Interest expenses	2,534	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	(950)	(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>29,610</b>	<b>91,577</b>
<b>Change in working capital:</b>		
Contract assets	(4,399)	(81,069)
Trade & other receivables	(60,662)	(109,054)
Contract liabilities	(2,229)	2,440
Trade & other payables	7,767	39,769
Amount due to a joint venture company	(3,586)	17,944
	(63,109)	(129,970)
<b>Cash generated from/(used in) operations</b>	<b>(33,499)</b>	<b>(38,393)</b>
Interest paid	(2,534)	(2,676)
Interest received	410	687
Dividend received	27	113
Tax paid	(10,809)	(18,010)
	(12,906)	(19,886)
<b>Net cash generated from/(used in) operating activities</b>	<b>(46,405)</b>	<b>(58,279)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress incurred	(107)	-
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	(1,783)	(3,315)
Disposal of property, plant and equipment	30	-
<b>Net cash from/(used in) investing activities</b>	<b>(5,110)</b>	<b>(3,797)</b>

	<b>9 Months Ended 29 Feb 2020 (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	(557)	(599)
Net changes in amount due from/to associate companies	(8)	2,923
Proceeds from issuance of ordinary shares	45,693	28,835
Proceeds from exercise of SIS option	-	3,001
Net changes in amount due from/to Directors	1,107	131
Decrease/(increase) in cash and bank balances pledged	49	193
Decrease in fixed deposit pledged	(2,691)	1,686
Drawdown of term loans	40	-
Repayment of term loans	(2,901)	(971)
Net changes in trust receipts and invoice financing	6,381	2,068
<b>Net cash from/(used in) financing activities</b>	<b>47,113</b>	<b>37,267</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,402)</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>920</b>	<b>5,322</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:</b>		
Fixed deposits with licensed banks	21,154	18,462
Cash and bank balances	18,285	11,512
Other investment	35	2
Bank overdrafts	(16,732)	(5,475)
	22,742	24,501
Less: Fixed deposits pledged with licensed banks	(21,154)	(18,462)
Cash and bank balances pledged	(668)	(717)
	<b>920</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 29 FEBRUARY 2020**

**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 29 FEBRUARY 2020**

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 29 FEBRUARY 2020**

**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 29 FEBRUARY 2020**

**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 29 Feb 2020.

**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 29 Feb 2020 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) 32,428,664 new ordinary shares pursuant to the Private Placement.

**A8) Dividends paid**

No dividends were declared or paid during the current financial quarter ended 29 Feb 2020 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 29 Feb 2020 under review are as follows:-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

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

	<b>Individual</b>		<b>Cumulative</b>	
	<b>Current Year Quarter Ended 29 Feb 2020</b>	<b>Preceding Year Corresponding Quarter Ended 28 Feb 2019</b>	<b>Current Y-T-D Ended 29 Feb 2020</b>	<b>Preceding Y-T-D Ended 28 Feb 2019</b>
	RM'000	RM'000	RM'000	RM'000
<b><u>TURNOVER</u></b>				
Construction	91,335	172,800	310,440	522,615
Investment holdings	1,188	301	4,006	1,368
Less: Inter-segment revenue	(1,188)	(8,140)	(13,204)	(33,769)
<b>Total consolidated revenue</b>	<b>91,335</b>	<b>164,961</b>	<b>301,242</b>	<b>490,214</b>
<b><u>RESULTS</u></b>				
Construction	5,510	25,169	29,416	74,824
Investment holdings	805	(1,291)	298	(3,425)
	<b>6,315</b>	<b>23,878</b>	<b>29,714</b>	<b>71,399</b>
Other non-reportable segments	(382)	(215)	(1,009)	(565)
Share of results of joint venture	409	-	950	-
Provision for taxation	(786)	(5,710)	(6,841)	(18,210)
Goodwill amortisation	(623)	-	(1,869)	-
Interest expenses	(847)	(190)	(2,534)	(398)
<b>Net profit/(loss) after tax</b>	<b>4,086</b>	<b>17,763</b>	<b>18,411</b>	<b>52,226</b>
<b><u>SEGMENT ASSETS</u></b>				
Construction			714,347	592,145
Investment holdings			483,392	432,316
			<b>1,197,739</b>	<b>1,024,461</b>
Others non-reportable segments			71,835	13,941
Elimination of inter-company balances			(330,591)	(204,211)
<b>Consolidated total assets</b>			<b>938,983</b>	<b>834,191</b>
<b><u>SEGMENT LIABILITIES</u></b>				
Construction			537,643	450,582
Investment holdings			13,045	9,066
			<b>550,688</b>	<b>459,648</b>
Others non-reportable segments			74,133	14,895
Elimination of inter-company balances			(271,535)	(155,101)
<b>Consolidated total liabilities</b>			<b>353,286</b>	<b>319,442</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**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 29 Feb 2020. 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 29 Feb 2020, save and except for the followings:-

- (I) We refer to the Company's earlier announcements on 16 Aug 2019, 20 Sep 2019, 30 Sep 2019, 14 Oct 2019, 21 Oct 2019 and 22 Oct 2019 in relation to the Private Placement of up to 10% of the total number of issued shares of Vizione ("**Proposed Private Placement**").

On 11 Feb 2020, the Company had fixed the issue price for the second tranche of Private Placement at RM0.80 per Placement Share. The second tranche comprises up to 32,428,664 Placement Shares.

The Private Placement was completed on 20 Feb 2020 following the listing and quotation of 32,428,664 Placement Shares on the Main Market of Bursa Securities.

With the completion of the Private Placement, total 56,228,664 Vizione Shares had been fully issued and the Company had raised a total of RM46,648,931.20 from the Private Placement.

- (II) 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.

The application pursuant to the Proposed Bonus Issue of Warrants had been submitted to Bursa Securities on 23 Jan 2020 and resubmitted on 28 Feb 2020 to include the details of the Loan Agreement.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

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

(III) The Company's wholly-owned subsidiary, Wira Syukur (M) Sdn Bhd had on 20 Jan 2020 accepted a Letter of Award from Laju Damai Sdn Bhd for the Proposed Design and Build for 664 units (approx. 850 sqft/unit) 1 Block 29 Storey Service Suites and 38 units (approx. 3000 sqft/unit) 2 Block 3 Storey Shop Office including Carpark Block, Mechanical and Electrical Services and External Works within boundary in District of Kota Kinabalu, Sabah. The contract sum is a Firm Price Sum of RM170.0 million.

(IV) On 11th Feb 2020, the Company had entered into a loan agreement with Mega Active Investment Limited, of which the Lender had agreed to grant a loan of RM5.0 million to the Company for the purpose of working capital.

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

There was no changes in the composition of the Group during the reporting quarter ended 29 Feb 2020 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 29 Feb 2020 except below:-

(a) Contingent liabilities

	<b>Cumulative</b>	
	<b>Quarter Ended 29 Feb 2020</b>	<b>Quarter Ended 28 Feb 2019</b>
	RM'000	RM'000
Corporate guarantee given to banks for facilities granted to related parties	4,210	30,084
Corporate guarantee given to banks for facilities granted to third parties	69,446	69,633
	<b>73,656</b>	<b>99,717</b>
Bank guarantees extended to third parties in respect of contracts entered	50,684	49,397

(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 29 FEBRUARY 2020**

**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 29 Feb 2020 under review, save and except for the followings:-

- (I) In relation to the Proposed Bonus Issue of Warrants, Bursa Securities had, vide its letter dated 18 Mar 2020, resolved to approve the followings:-
- a) Admission to the Official List and listing of and quotation for up to 271,681,927 Warrants D to be issued pursuant to the Proposed Bonus Issue of Warrants;
  - b) Listing of and quotation for up to 271,681,927 new ordinary shares to be issued arising from the exercise of the Warrants D; and
  - c) Listing of and quotation for up to 6,250,000 new ordinary shares to be issued pursuant to the Proposed Shares Issuance.

On 26 Mar 2020, an application was submitted to Bursa Securities to seek approval for an extension of time of up to 21 Apr 2020 for the Company to issue the circular to shareholders in relation to the Proposed Bonus Issue of Warrants. The application was approved by Bursa Securities, vide its letter dated 1 April 2020.

**A15) Capital commitment**

There was no commitment for the purchase of property, plant and equipment provided for in the current financial quarter ended 29 Feb 2020.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**A16) Related Party Transactions**

The Group has carried out the following significant transactions with the related parties during the current financial quarter ended 29 Feb 2020.

	Individual		Cumulative	
	Current Year Quarter Ended 29 Feb 2020 RM'000	Preceding Year Corresponding Quarter Ended 28 Feb 2019 RM'000	Current Y-T-D Ended 29 Feb 2020 RM'000	Preceding Y-T-D Ended 28 Feb 2019 RM'000
(I) Progressive sub-contracting income for the Group construction project	1,426	5,428	10,460	9,622
(II) Project management services rendered	-	3,000	-	3,000
(III) Progressive sub-contracting costs for the Group construction project	-	(890)	(91)	(5,838)
(IV) Office rental	(15)	(15)	(45)	(70)
(V) Project development costs	-	-	(20)	-



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**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 3, FY 2020 (“Q3FY2020”) vs Quarter 3, FY 2019 (“Q3FY2019”)**

For the current financial quarter under review, the Group posted a revenue of RM91.34 million as compared to its corresponding preceding financial quarter, Q3FY2019 of RM164.96 million. Along with the decrease in revenue, profit before tax (“PBT”) during the current quarter reduced to RM4.87 million, representing a decrease of RM18.60 million from its corresponding preceding quarter of RM23.47 million.

**B2) Changes in revenue and PBT for Q3FY2020 as compared with the immediate preceding quarter ended 30 Nov 2019 (“Q2FY2020”):-**

<b>Current Year Quarter Ended</b>	<b>Immediate Preceding Quarter Ended</b>	<b>Variance</b>
29 Feb 2020	30 Nov 2019	
RM'000	RM'000	%

Revenue	<b>91,335</b>	<b>105,745</b>	<b>(13.63%)</b>
Profit before taxation	<b>4,872</b>	<b>11,681</b>	<b>(58.29%)</b>

For the current quarter, the Group reported a revenue and PBT of RM91.34 million and RM4.87 million as compared to RM105.75 million and RM11.68 million respectively in the immediate preceding quarter.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**B3) Future prospects**

The unprecedented lockdown driven by Coronavirus pandemic will be the worst recession since the 2008 financial crisis and stands to worsen if the outbreak failed to be contained. Bank Negara Malaysia said Malaysia's Gross Domestic Product growth is projected to be between -2% to 0.5% in 2020 mainly attributable to the Coronavirus outbreak. The trajectory of potential inflation is contingent upon the developments of global oil price which remain volatile. The government will need to inject stimulus package to revive the daunting economic climate particularly after uplifting the movement control order. This includes numerous incentives and tax rebates to boost public spending in a bid to pull the country out of a recession or to prevent an economic slowdown.

Vizione is presently working on a number of major infrastructure related projects, government buildings, waste management facilities, amongst others which if successful may contribute materially to the future profitability of the company. We will continue to improve on our efficiency and intensifying our cost optimisation effort to ensure business sustainability in this challenging period. The Group remains cautiously optimistic on the prospects of recovery given the positive progression on the containment of the current pandemic.

**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 29 Feb 2020 RM'000	Preceding Year Corresponding Quarter Ended 28 Feb 2019 RM'000	Current Y-T-D ended 29 Feb 2020 RM'000	Preceding Y-T-D Ended 28 Feb 2019 RM'000
<b>In respect of current quarter:-</b>				
Income Tax	935	5,709	7,289	18,210
Deferred Tax	(149)	-	(448)	-
	<b>786</b>	<b>5,709</b>	<b>6,841</b>	<b>18,210</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**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 Ended 29 Feb 2020 RM'000	Preceding Year Corresponding Quarter Ended 28 Feb 2019 RM'000	Current Y-T-D Ended 29 Feb 2020 RM'000	Preceding Y-T-D Ended 28 Feb 2019 RM'000
Building and office rental	15	15	45	249
Depreciation of Property, plant and equipment ("PPE")	467	394	1,296	937
Interest expenses	847	190	2,534	398

**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 29 Feb 2020 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
Secured			
Finance Lease Liabilities	2,801	1,721	4,522
Bank Borrowings	38,243	28,960	67,203
<b>Total</b>	<b>41,044</b>	<b>30,681</b>	<b>71,725</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**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 29 Feb 2020 and the previous audited financial year ended 31 May 2019.

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

	Individual		Cumulative	
	Current Year Quarter Ended 29 Feb 2020	Preceding Year Corresponding Quarter Ended 28 Feb 2019	Current Y-T-D Ended 29 Feb 2020	Preceding Y-T-D Ended 28 Feb 2019
<b>a) <u>Basic earnings per-share</u></b>				
Profit attributable to the owners of parent ('000)	<b>4,218</b>	<b>17,763</b>	<b>18,996</b>	<b>52,226</b>
Total weighted average number of ordinary shares in issue ('000)	574,849	544,753	574,849	544,753
<b>Basic earnings per share (sen)</b>	<b>0.73</b>	<b>3.26</b>	<b>3.30</b>	<b>9.59</b>
<b>b) <u>Diluted earnings per-share</u></b>				
Profit attributable to the owners of parent ('000)	<b>4,218</b>	<b>17,763</b>	<b>18,996</b>	<b>52,226</b>
Total weighted average number of ordinary shares in issue ('000)	574,849	544,753	574,849	544,753
Adjusts for:				
Assuming full conversion of ICULS	-	2,231	-	2,231
Assuming full conversion of Warrants C 17/22	33,395	31,043	33,395	31,043
Assuming full exercise of Share Issuance Scheme	13,740	15,268	13,740	15,268
	<b>621,984</b>	<b>593,295</b>	<b>621,984</b>	<b>593,295</b>
<b>Diluted earnings per-share (sen)</b>	<b>0.68</b>	<b>2.99</b>	<b>3.05</b>	<b>8.80</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**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	12,526	-
Expenses in relation to the Corporate Exercise	250	250	-
<b>Total</b>	<b>20,706</b>	<b>20,706</b>	<b>-</b>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

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

- (ii) The Private Placement was completed on 20 Feb 2020 following the listing and quotation of second tranche of 32,428,664 Placement Shares at the issue price of RM0.80 per placement share, which raised approximately RM25.94 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	9,499	-	9,499
Tender/contract deposit and/or performance bond	15,694	8,701	6,993
Expenses in relation to the Corporate Exercise	750	739	11
<b>Total</b>	<b>25,943</b>	<b>9,440</b>	<b>16,503</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 24<sup>th</sup> Apr 2020.