

VIZIONE HOLDINGS BERHAD (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 5TH QUARTER ENDED 31 AUGUST 2020**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-Aug-20 RM'000	Preceding Year Corresponding Quarter Ended 31-May-19 RM'000	Current Y-T-D Ended 31-Aug-20 RM'000	Preceding Y-T-D Ended 31-May-19 RM'000
Turnover	35,737	-	363,926	-
Cost of sales	(36,600)	-	(329,382)	-
Gross profit	(862)	-	34,544	-
Other operating income	186	-	5,386	-
Operating and administrative expenses	(5,130)	-	(24,003)	-
Goodwill amortisation	(189)	-	(2,681)	-
Net Impairment gain on receivables	-	-	1	-
Distribution expenses	-	-	(404)	-
Share of results of associate	-	-	-	-
Share of results of joint venture	290	-	1,233	-
ESOS expenses	-	-	-	-
Profit from operations	(5,706)	-	14,075	-
Finance costs	(1,517)	-	(4,963)	-
Profit before taxation	(7,223)	-	9,112	-
Taxation	1,734	-	(3,765)	-
Total comprehensive profit	(5,490)	-	5,347	-
Total comprehensive profit attributable to :				
Owners of the parent	(5,490)	-	5,932	-
Non-controlling interest	-	-	(585)	-
	(5,490)	-	5,347	-
Profits per-share	sen	sen	sen	sen
Basic	(0.91)	-	0.99	-
Diluted	(0.85)	-	0.92	-

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 5TH QUARTER ENDED 31 AUGUST 2020**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31-Aug-20 (UNAUDITED) RM'000	As At 31-May-19 (AUDITED) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	18,810	18,608
Investment properties	5,100	5,100
Intangible assets	242,609	243,513
Capital work in progress	897	790
Investment in associate companies	3,890	490
Investment in a joint venture company	1,424	191
Deferred tax assets	13	-
	272,742	268,692
CURRENT ASSETS		
Contract assets	181,293	188,077
Trade receivables	310,761	206,399
Others receivables	110,469	108,045
Amount due from associate companies	450	152
Other investments	35	2
Tax recoverable	696	5
Fixed deposits with licensed banks	20,923	18,462
Cash and bank balances	5,621	11,512
	630,248	532,654
Asset classified as held for sale	56,241	56,241
	686,489	588,895
TOTAL ASSETS	959,231	857,587
EQUITY		
Share capital	546,123	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)	70,766	67,364
Equity attributable to owners of the parent	619,538	521,008
Non-controlling interests	-	585
Total Equity	619,538	521,593
LIABILITIES		
NON-CURRENT LIABILITIES		
Irredeemable convertible unsecured loan stocks	4	4
Finance lease liabilities	1,168	531
Bank borrowings	34,568	32,718
Deferred tax liabilities	315	945
	36,055	34,198

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 5TH QUARTER ENDED 31 AUGUST 2020**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31-Aug-20 (UNAUDITED) RM'000	As At 31-May-19 (AUDITED) RM'000
CURRENT LIABILITIES		
Contract liabilities	8,965	3,086
Trade payables	199,160	188,557
Others payables	67,712	64,223
Amount due to directors	278	217
Amount due to a joint venture company	-	17,944
Finance lease liabilities	3,594	575
Bank borrowings	23,927	19,707
Tax payables	-	7,487
	303,637	301,796
TOTAL LIABILITIES	339,692	335,994
TOTAL EQUITY AND LIABILITIES	959,231	857,587
NET ASSETS PER-SHARE (RM)	1.0322	0.9494

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 5TH QUARTER ENDED 31 AUGUST 2020
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			
As at 1 Jun 2019	450,995	639	1,749	261	67,364	521,008	585	521,593
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	6,854	6,854	(152)	6,702
As at 31 Aug 2019	450,995	639	1,749	261	74,218	527,862	433	528,295
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	7,924	7,924	(301)	7,623
Transactions with owners:-								
Issuance of ordinary shares	20,706	-	-	-	-	20,706	-	20,706
Share issuance expenses	(171)	-	-	-	-	(171)	-	(171)
Total transactions with owners	20,535	-	-	-	-	20,535	-	20,535
As at 30 Nov 2019	471,530	639	1,749	261	82,142	556,321	132	556,453
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	4,218	4,218	(132)	4,086
Transactions with owners:-								
Issuance of ordinary shares	25,943	-	-	-	-	25,943	-	25,943
Share issuance expenses	(785)	-	-	-	-	(785)	-	(785)
Total transactions with owners	25,158	-	-	-	-	25,158	-	25,158
As at 29 Feb 2020	496,688	639	1,749	261	86,360	585,697	0	585,697
Effects of completion of purchase price allocation	-	-	-	-	(841)	(841)	-	(841)
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(7,574)	(7,574)	-	(7,574)
Transactions with owners:-								
Issuance of ordinary shares	77	-	-	-	-	77	-	77
Treasury Shares	(1,204)	-	-	-	-	(1,204)	-	(1,204)
Share issuance expenses	(42)	-	-	-	-	(42)	-	(42)
Total transactions with owners	(1,169)	-	-	-	-	(1,169)	-	(1,169)
As at 31 May 2020	495,519	639	1,749	261	77,944	576,113	0	576,113
Effects of completion of purchase price allocation	-	-	-	-	-	0	-	0
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(10,808)	(10,808)	-	(10,808)
Transactions with owners:-								
Issuance of ordinary shares	50,605	-	-	-	-	50,605	-	50,605
Treasury Shares	-	-	-	-	-	0	-	0
Share issuance expenses	-	-	-	-	-	-	-	-
Total transactions with owners	50,605	0	0	0	0	50,605	-	50,605
As at 31 August 2020	546,124	639	1,749	261	67,136	615,909	0	615,909

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 5TH QUARTER ENDED 31 AUGUST 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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 4TH QUARTER ENDED 31 AUGUST 2020**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	15 Months Ended 31-Aug-20 (UNAUDITED) RM'000	12 Months Ended 31 May 2019 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	9,112	85,622
Adjustments for:		
Amortisation of intangible assets	2,681	4,468
Bad debts written off	-	5
Depreciation of property, plant and equipment	2,143	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	(669)	(687)
Interest expenses	4,963	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	(1,233)	(191)
Loss on fixed assets disposal	1,234	-
Waiver of amount due to other payables	-	(22)
Operating profit/(loss) before working capital changes	18,203	91,577
Change in working capital:		
Contract assets	6,785	(81,069)
Trade & other receivables	(103,885)	(109,054)
Contract liabilities	5,880	2,440
Trade & other payables	14,092	39,769
Amount due to a joint venture company	(17,944)	17,944
	(95,072)	(129,970)
Cash generated from/(used in) operations	(76,870)	(38,393)
Interest paid	(4,963)	(2,676)
Interest received	669	687
Dividend received	27	113
Tax paid	(14,273)	(18,010)
	(18,539)	(19,886)
Net cash generated from/(used in) operating activities	(95,409)	(58,279)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital work-in-progress incurred	(107)	-
Net cash inflow/(outflow) from acquisition of a subsidiary company	-	18
Acquisition of an associate company	(6,019)	(500)
Purchase of property, plant and equipment	(2,470)	(3,315)
Purchase of investment properties	(66)	-
Disposal of property, plant and equipment	30	-
Net cash from/(used in) investing activities	(8,632)	(3,797)

	15 Months Ended 31-Aug-20 (UNAUDITED) RM'000	12 Months Ended 31 May 2019 (AUDITED) RM'000
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(317)	(599)
Net changes in amount due from/to associate companies	(298)	2,923
Proceeds from issuance of ordinary shares	95,129	28,835
Proceeds from exercise of SIS option	-	3,001
Net changes in amount due from/to Directors	61	131
Decrease/(increase) in cash and bank balances pledged	49	193
Decrease in fixed deposit pledged	(2,460)	1,686
Drawdown of term loans	709	-
Repayment of term loans	(2,975)	(971)
Net changes in trust receipts and invoice financing	3,634	2,068
Net cash from/(used in) financing activities	93,530	37,267
Net increase/(decrease) in cash and cash equivalents	(10,511)	(24,809)
Cash and cash equivalents at beginning of the period	5,322	30,131
Cash and cash equivalents at end of the period	(5,188)	5,322
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:		
Fixed deposits with licensed banks	20,923	18,462
Cash and bank balances	5,621	11,512
Other investment	35	2
Bank overdrafts	(10,177)	(5,475)
	16,402	24,501
Less: Fixed deposits pledged with licensed banks	(20,923)	(18,462)
Cash and bank balances pledged	(668)	(717)
	(5,188)	5,322

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 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.

Description	Effective for annual periods beginning on or after
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
31 AUGUST 2020**

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
31 AUGUST 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.

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
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
31 AUGUST 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 slightly 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 August 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 31 August 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) 30,000,000 new ordinary shares pursuant to the Private Placement on 01 Jul 2020.
- (b) 10,000,000 new ordinary shares pursuant to the Private Placement on 02 Jul 2020.
- (c) 25,000,000 new ordinary shares pursuant to the Private Placement on 03 Aug 2020.
- (d) 30,000,000 new ordinary shares pursuant to the Private Placement on 19 Aug 2020.

A8) Dividends paid

No dividends were declared or paid during the current financial quarter ended 31 August 2020 under review.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

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 August 2020 under review are as follows:-

	Individual		Cumulative	
	Current Year Quarter Ended 31-Aug-20 RM'000	Preceding Year Corresponding Quarter Ended 31-May-19 RM'000	Current Y-T-D Ended 31-Aug-20 RM'000	Preceding Y-T-D Ended 31-May-19 RM'000
<u>TURNOVER</u>				
Construction	38,712	-	389,490	-
Investment holdings	0	-	4,039	-
Less: Inter-segment revenue	(2,975)	-	(16,179)	-
Total consolidated revenue	35,737	-	377,349	-
<u>RESULTS</u>				
Construction	(3,820)	-	20,110	-
Investment holdings	(1,732)	-	(3,066)	-
	(5,552)	-	17,044	-
Other non-reportable segments	(254)	-	(1,522)	-
Share of results of joint venture	290	-	1,233	-
Provision for taxation	1,734	-	(5,453)	-
Goodwill amortisation	(189)	-	(2,681)	-
Interest expenses	(1,517)	-	(4,963)	-
Net profit/(loss) after tax	(5,490)	-	3,659	-
<u>SEGMENT ASSETS</u>				
Construction			725,008	-
Investment holdings			529,304	-
			1,254,312	-
Others non-reportable segments			75,400	-
Elimination of inter-company balances			0	-
Consolidated total assets			1,329,712	-
<u>SEGMENT LIABILITIES</u>				
Construction			558,583	-
Investment holdings			12,650	-
			571,233	-
Others non-reportable segments			79,693	-
Elimination of inter-company balances			0	-
Consolidated total liabilities			650,926	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 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 31 August 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 31 August 2020, save and except for the followings:-

- (I) On 2 June 2020, the board had announced that the company changed the financial year end from 31 May 2020 to 30 November 2020 to align with the fiscal year end reporting period of other similar construction and property players and major property market reports in Malaysia. The next audited financial statements of the Company shall be for a period of eighteen (18) months from 1 June 2019 to 30 November 2020.
- (II) We refer to the Company's earlier announcements dated 2 June 2020 in relation to the **Proposed Private Placement** of up to 185,038,000 new ordinary shares in Vizione, representing up to 30% of the total number of issued shares of Vizione, to independent third-party investor(s) to be identified later at an issue price to be determined later and **Proposed Bonus Issue of Free Warrants in Vizione ("Warrants D")** on the basis of 2 Warrants D for every existing ordinary shares in Vizione held on an entitlement date to be determined and announced later, the company had announced that at the Extraordinary General Meeting ("EGM") of Vizione held on 18 Jun 2020 all the ordinary resolutions was duly passed by the shareholders of Vizione.
- (III) We refer to the Company's earlier announcements on 24 April 2020, 15 May 2020 and 27 May 2020 in relation to the Proposals, Mercury Securities announced on 24 June 2020 on behalf of the Board that the Board had on to-date ("**Price-fixing Date**") fixed the issue price for the placement of 70,000,000 Placement Shares at RM0.39 per Placement Share ("**Issue Price**"). The Issue Price represents a discount of 9.39% to the 5-day VWAP of the Shares up to and including 23 June 2020 of RM0.4304, being the last market day immediately preceding the Price-fixing Date.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

A11) Significant events (Cont'd)

- (IV) Reference is made to the earlier announcements dated 11 February 2020, 14 February 2020 and 17 February 2020 in relation to the Loan Agreement. The board announced on 17 July 2020 that the Company and Mega had mutually agreed to terminate the Loan Agreement dated 11 February 2020. The Loan Agreement shall thereafter become null and void. The loan shall be repaid to Mega by the Company in the manner to be agreed upon by the Company and Mega accordingly.
- (V) We refer to the Company's earlier announcements on 24 April 2020, 15 May 2020, 27 May 2020 and 24 June 2020 in relation to the Proposals, Mercury Securities announced on 23 July 2020 on behalf of the Board that the Board had on to-date ("**Price-fixing Date**") fixed the issue price for the placement of 70,000,000 Placement Shares at RM0.3339 per Placement Share ("Issue Price"). The Issue Price represents a discount of 10% to the 5-day VWAP of the Shares up to and including 22 July 2020 of RM0.3710, being the last market day immediately preceding the Price-fixing Date.
- (VI) The Board of Directors of VHB wishes to announce that the Company had, on 28 July 2020 entered into five non-binding heads of agreements:-
1. HOA between the Company and Barisan Tenaga Perancang (M) Sdn Bhd ("**BTP**") for the purpose of acquisition on the Properties:-
 - (i) HSD 62897 PT 8087, Bandar Selayang, Daerah Gombak, Negeri Selangor;
 - (ii) HSD 62898 PT 8088, Bandar Selayang, Daerah Gombak, Negeri Selangor; and
 - (iii) HSD 62899 PT 8089, Bandar Selayang, Daerah Gombak, Negeri Selangor.
 2. HOA between the Company and Dato' Ng Aun Hooi and Bee Jian Ming ("**Vendors**") for the acquisition of the entire issued share capital of Wira Syukur Holdings Sdn. Bhd. ("**WSH**")
 3. HOA between the Company and S Wira Development Sdn Bhd ("**S WIRA**") for the purpose of acquisition of 35 units of completed freehold 3-storey shophouse at Bandar Nilai Utama, Negeri Sembilan ("Shoplots").

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

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

4. HOA between the Company and Dato' Ng Aun Hooi ("**Dato' Ng**") for the purpose of the acquisition of the entire issued share capital of Fields of Forest Sdn. Bhd. ("**FOF**").
 5. HOA between the Company and Dato' Ng Aun Hooi, Ting Hing Khok and Ng Kok Kiang ("**Vendors**") for the purpose of the acquisition of the entire issued share capital in Midlands City Sdn. Bhd. ("**MC**").
- (VII) The company had announced on 6 August 2020 on the bonus issue of up to 374,704,174 free warrants in Vizione ("**Warrants D**") on the basis of 2 Warrants D for every 5 existing ordinary shares in Vizione held by entitled shareholders of the Company at 5.00 PM on 19 August 2020 ("**Entitlement Date**") ("**Bonus Issue of Warrants**").
- (VIII) On behalf of the Board, Mercury Securities announced on behalf of the board that the Company has resolved to fix the exercise price of the Warrants D at RM0.32 per Warrant D. The exercise price of the Warrants D represents a discount of 12.94% to the TEAP of RM0.3676 based on the 5-day VWAP of the Shares up to and including 4 August 2020, being the last trading day before the date of this announcement, of RM0.3866.
- (IX) On 7 August 2020, the board had announced that the Company's wholly owned subsidiary, Vizione Energy Sdn Bhd had on 7 August 2020 entered into a share sale agreement to acquire 150,085 ordinary shares in TTSB representing 75% of the total equity of TTSB for a total consideration of RM150,085 and its wholly owned subsidiary, VCSB had accepted a letter of award for the contract sum of RM90,025,000 from SDF for the proposed design, construction, testing and commissioning of 9.6 MW installed capacity small hydro at Empangan Pedu, Daerah Padang Terap, Kedah.
- (X) We refer to the Company's earlier announcements on 24 April 2020, 15 May 2020, 27 May 2020, 24 June 2020 and 23 July 2020 in relation to the Proposals, Mercury Securities announced on 13 August 2020 on behalf of the Board that the Board had on to-date ("**Price-fixing Date**") fixed the issue price for the placement of 75,038,000 Placement Shares at RM0.3951 per Placement Share ("**Issue Price**"). The Issue Price represents a discount of 10% to the 5-day VWAP of the Shares up to and including 12 August 2020 of RM0.4390, being the last market day immediately preceding the Price-fixing Date.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2020

A11) Significant events (Cont'd)

(XI) We refer to the Company's earlier announcements on 24 April 2020, 15 May 2020, 27 May 2020, 24 June 2020, 23 July 2020 and 13 August 2020 in relation to the Proposals, Mercury Securities announced on 28 August 2020 on behalf of the Board that the Board had on to-date (**"Price-fixing Date"**) fixed the issue price for the placement of 45,038,000 Placement Shares at RM0.40 per Placement Share (**"Issue Price"**). The Issue Price represents a discount of 8.55% to the 5-day VWAP of the Shares up to and including 27 August 2020 of RM0.4374, being the last market day immediately preceding the Price-fixing Date.

(XII) On 28 August 2020, the board had announced that the 302,716,379 Warrants D issued pursuant to the Bonus Issue of Warrants had admitted to the Official List of the Exchange and the listing and quotation of the Warrants D on the Main Market will be granted with effect from 9.00 a.m., Tuesday, 1 September 2020. The Stock Short Name, Stock Number and ISIN Code of the Warrants D are **"VIZIONE-WD"**, **"7070WD"** and **"MYL7070WDX80"** respectively.

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 August 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 31 August 2020 except below:-

(a) Contingent liabilities

	Cumulative	
	Quarter Ended 31-Aug-20 RM'000	Quarter Ended 31-May-19 RM'000
Corporate guarantee given to banks for facilities granted to related parties	4,210	4,286
Corporate guarantee given to banks for facilities granted to third parties	69,446	69,586
	73,656	73,872
Bank guarantees extended to third parties in respect of contracts entered	39,496	39,682

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

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

(b) Contingent assets

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

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

The management is not aware of any material events subsequent to the end of the interim financial report that have not been reflected in the financial statements for the current financial quarter ended 31 August 2020 under review, save and except for the followings:-

- (I) In relation to the Proposed Private Placement and Proposed Bonus Issue of Warrants, Bursa Securities had vide its letter dated 27 May 2020 to approve the followings:-
- a) Listing and quotation for up to 185,038,000 new ordinary shares to be issued pursuant to the Proposed Private Placement;
 - b) Admission to the Official List and listing and quotation for up to 374,704,174 Warrants D to be issued pursuant to the Proposed Bonus Issue of Warrants; and
 - c) Listing and quotation for up to 374,704,174 new ordinary shares to be issued arising from the exercise of the Warrants D.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

A15) Capital commitment

There was no commitment for the purchase of property, plant and equipment provided for in the current financial quarter ended 31 August 2020.

A16) Related Party Transactions

The Group has carried out the following significant transactions with the related parties during the current financial quarter ended 31 August 2020.

	Individual		Cumulative	
	Current Year Quarter Ended 31-Aug-20 RM'000	Preceding Year Corresponding Quarter Ended 31-May-19 RM'000	Current Y-T-D Ended 31-Aug-20 RM'000	Preceding Y-T-D Ended 31-May-19 RM'000
(I) Progressive sub-contracting income for the Group construction project	-	-	10,460	-
(II) Project management services rendered	-	-	(91)	-
(III) Progressive sub-contracting costs for the Group construction project	-	-	0	-
(IV) Office rental	(15)	-	(75)	-
(V) Project development costs	-	-	(20)	-

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 5, FY 2020 (“Q5FY2020”)

For the current financial quarter under review, the Group posted a revenue of RM35.74 million. Profit before tax (“PBT”) during the current quarter was a deficit of RM7.22 million.

B2) Changes in revenue and PBT for Q5FY2020 as compared with the immediate preceding quarter ended 31 May 2020 (“Q4FY2020”):-

Current Year Quarter Ended	Immediate Preceding Quarter Ended	Variance
31 August 2020	31 May 2020	
RM'000	RM'000	%

Revenue	35,737	26,947	32.6
Profit before taxation	(7,223)	(8,916)	19.0

For the current quarter, the Group reported a revenue and PBT of RM35.74million and a deficit of RM7.22 million as compared to RM26.95 million and deficit of RM8.92 million respectively in the immediate preceding quarter.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

B3) Future prospects

Construction output in Malaysia tumbled 44.9% year-on-year in the second quarter of 2020, after a 6.3% drop in the previous period. This was the sharpest contraction in construction output as COVID-19 pandemic continue to storm the nation. The second quarter 2020 results is depressing as subdued construction activities for the month of April, May and June have contributed to precarious financial situation. Work resumption has not been encouraging at construction sites as complete work pace normalization to pre-Movement Control Order levels is impossible as long as standard operating procedures are in place.

The future is still uncertain for construction companies as the federal administration is focusing on strengthening national economy and mitigating high debt levels amid the Covid-19 outbreak. The government has very limited room for fiscal maneuver given the elevated national debt and reduced petroleum revenues. Nonetheless, the management envisages the government will drive its focus onto economic recovery measures for the mid to long term horizon. Drawing from historical experience, the management is convinced that construction will be a key catalyst for the government to kick start the economic recovery process as the sector undergo a massive business realignment. Measures will be introduced to stimulate the construction sector under the short term economic recovery plan in light of public-private partnership for government facilities and infrastructure development such as the building of hospitals, water supply and renewable power generation plants, which could pump prime the national economy. Vizione will remain cautiously optimistic on the prospects of recovery given that the earnings forecast and order book replenishment of new projects remain positive.

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 2020

B5) Taxation

	Individual		Cumulative	
	Current Year Quarter Ended 31 August 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 May 2019 RM'000	Current Y-T-D ended 31 May 2020 RM'000	Preceding Y-T-D Ended 31 May 2019 RM'000
In respect of current quarter:-				
Income Tax	1,689	0	(4,409)	0
Deferred Tax	45	0	644	0
	1,734	0	(3,765)	0

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-20 RM'000	Preceding Year Corresponding Quarter Ended 31-May-19 RM'000	Current Y-T-D Ended 31-Aug-20 RM'000	Preceding Y-T-D Ended 31-May-19 RM'000
Building and office rental	87	0	156	0
Depreciation of Property, plant and equipment ("PPE")	470	0	2,143	0
Interest expenses	1,517	0	4,963	0

B7) Corporate Proposals

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

B8) Group Borrowings

Details of the Group's bank borrowings as at 31 May 2020 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
Secured			
Finance Lease Liabilities	3,594	1,168	4,763
Bank Borrowings	23,927	34,568	58,495
Total	27,522	35,735	63,257

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 August 2020 and the previous audited financial year ended 31 May 2019.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

B11) Earnings / (loss) per share

	Individual		Cumulative	
	Current Year Quarter Ended 31-Aug-20	Preceding Year Corresponding Quarter Ended 31-May-19	Current Y-T-D Ended 31-Aug-20	Preceding Corresponding Y-T-D Ended 31-May-19
a) <u>Basic earnings per-share</u>				
Profit attributable to the owners of parent ('000)	(5,490)	-	4,244	-
Total weighted average number of ordinary shares in issue ('000)	600,219	-	600,219	-
Basic earnings per share (sen)	(0.91)	-	0.71	-
b) <u>Diluted earnings per-share</u>				
Profit attributable to the owners of parent ('000)	(5,490)	-	4,244	-
Total weighted average number of ordinary shares in issue ('000)	600,219	-	600,219	-
Adjusts for:				
Assuming full conversion of ICULS	-	-	-	-
Assuming full conversion of Warrants C 17/22	33,395	-	33,395	-
Assuming full exercise of Share Issuance Scheme	13,740	-	13,740	-
	647,354	-	647,354	-
Diluted earnings per-share (sen)	(0.85)	-	0.66	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 AUGUST 2020**

B12) Status of utilisation of proceeds

- (i) The first tranche of private placement of 30,000,000 new Vizione Shares at the issue price of RM0.39 per placement share raised a total of approximately RM11.7 million on 1 July 2020.
- (ii) The second tranche of private placement of 10,000,000 new Vizione Shares at the issue price of RM0.39 per placement share raised a total of approximately RM3.9 million on 3 July 2020.
- (iii) The third tranche of private placement of 25,000,000 new Vizione Shares at the issue price of RM0.3339 per placement share raised a total of approximately RM8.35 million on 30 July 2020.
- (iv) The fourth tranche of private placement of 45,000,000 new Vizione Shares at the issue price of RM0.3339 per placement share raised a total of approximately RM15.03 million on 3 August 2020.
- (v) The fifth tranche of private placement of 30,000,000 new Vizione Shares at the issue price of RM0.3951 per placement share raised a total of approximately RM11.85 million on 19 August 2020.

The status of utilization is as below:-

	Proposed Utilisation	Actual Utilisation	Balance Unutilised
Details of Utilisation	RM'000	RM'000	RM'000
Property Development Projects			
Construction Projects	50,826	44,826	6,000
Expenses in relation to the Corporate Exercise	274	274	-
Total	51,100	45,100	6,000

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 23rd Oct 2020.