

VIZIONE HOLDINGS BERHAD (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 6TH QUARTER ENDED 30 NOVEMBER 2020**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 30-Nov-20 RM'000	Preceding Year Corresponding Quarter Ended 31-May-19 RM'000	Current Y-T-D Ended 30-Nov-20 RM'000	Preceding Y-T-D Ended 31-May-19 RM'000
Turnover	46,205	-	407,572	-
Cost of sales	(45,762)	-	(380,145)	-
Gross profit	443	-	27,427	-
Other operating income	4,371	-	9,756	-
Operating and administrative expenses	(19,656)	-	(38,659)	-
Goodwill amortisation	(567)	-	(3,248)	-
Net Impairment gain on receivables	-	-	1	-
Distribution expenses	(356)	-	(760)	-
Share of results of associate	603	-	603	-
Share of results of joint venture	3,180	-	4,414	-
ESOS expenses	-	-	-	-
Profit from operations	(11,983)	-	(467)	-
Finance costs	(721)	-	(5,683)	-
Profit before taxation	(12,703)	-	(6,150)	-
Taxation	2,746	-	(2,707)	-
Total comprehensive profit	(9,957)	-	(8,857)	-
Total comprehensive profit attributable to :				
Owners of the parent	(9,957)	-	(8,273)	-
Non-controlling interest	-	-	(584)	-
	(9,957)	-	(8,857)	-
Profits per-share	sen	sen	sen	sen
Basic	(1.32)	-	(1.09)	-
Diluted	(1.21)	-	(1.01)	-

The Condensed Consolidate Statement of Comprehensive income 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 6TH QUARTER ENDED 30 NOVEMBER 2020**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 30-Nov-20 (UNAUDITED) RM'000	As At 31-May-19 (AUDITED) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	18,955	18,608
Investment properties	5,100	5,100
Intangible assets	242,042	243,513
Capital work in progress	1,528	790
Investment in associate companies	4,343	490
Investment in a joint venture company	4,605	191
Deferred tax assets	13	-
	276,585	268,692
CURRENT ASSETS		
Contract assets	158,894	188,077
Trade receivables	285,226	206,399
Others receivables	139,158	108,045
Amount due from associate companies	159	152
Other investments	35	2
Tax recoverable	10,913	5
Fixed deposits with licensed banks	25,842	18,462
Cash and bank balances	11,403	11,512
	631,630	532,654
Asset classified as held for sale		56,241
	631,630	588,895
TOTAL ASSETS	908,215	857,587
EQUITY		
Share capital	556,894	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)	58,507	67,364
Equity attributable to owners of the parent	618,050	521,008
Non-controlling interests	106	585
Total Equity	618,156	521,593
LIABILITIES		
NON-CURRENT LIABILITIES		
Irredeemable convertible unsecured loan stocks	4	4
Finance lease liabilities	938	531
Bank borrowings	26,310	32,718
Deferred tax liabilities	179	945
	27,431	34,198

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 6TH QUARTER ENDED 30 NOVEMBER 2020**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 30-Nov-20 (UNAUDITED) RM'000	As At 31-May-19 (AUDITED) RM'000
CURRENT LIABILITIES		
Contract liabilities	-	3,086
Trade payables	191,497	188,557
Others payables	56,092	64,223
Amount due to directors	470	217
Amount due to a joint venture company	238	17,944
Finance lease liabilities	3,592	575
Bank borrowings	10,738	19,707
Tax payables		7,487
	262,628	301,796
TOTAL LIABILITIES	290,059	335,994
TOTAL EQUITY AND LIABILITIES	908,215	857,587
NET ASSETS PER-SHARE (RM)	0.8166	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 6TH QUARTER ENDED 30 NOVEMBER 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") 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 2019	450,995	639	1,749	261	67,364	521,008	585	521,593
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(8,857)	(8,857)	(479)	(9,336)
Transactions with owners:-								
Issuance of ordinary shares	108,101	-	-	-	-	108,101	-	108,101
Treasury Shares	(1,204)	-	-	-	-	(1,204)	-	(1,204)
Share issuance expenses	(998)	-	-	-	-	(998)	-	(998)
Total transactions with owners	105,899	-	-	-	-	105,899	-	105,899
As at 30 Nov 2020	556,894	639	1,749	261	58,507	618,050	106	618,156
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 6TH QUARTER ENDED 30 NOVEMBER 2020**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	18 Months Ended 30-Nov-20 (UNAUDITED) RM'000	12 Months Ended 31 May 2019 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(6,150)	85,622
Adjustments for:		
Amortisation of intangible assets	3,248	4,468
Bad debts written off	-	5
Depreciation of property, plant and equipment	2,421	1,301
Dividend income from other investments	(27)	(113)
Fair value adjustments on investment properties	(4,209)	(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	(775)	(687)
Interest expenses	5,683	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	(4,414)	(191)
Loss on fixed assets disposal	1,234	-
Waiver of amount due to other payables	-	(22)
Operating profit/(loss) before working capital changes	(2,990)	91,577
Change in working capital:		
Contract assets	29,183	(81,069)
Trade & other receivables	(108,488)	(109,054)
Contract liabilities	(3,086)	2,440
Trade & other payables	(4,953)	39,769
Amount due to a joint venture company	(17,944)	17,944
	(105,288)	(129,970)
Cash generated from/(used in) operations	(108,278)	(38,393)
Interest paid	(5,683)	(2,676)
Interest received	775	687
Dividend received	27	113
Tax paid	(21,880)	(18,010)
	(26,761)	(19,886)
Net cash generated from/(used in) operating activities	(135,039)	(58,279)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital work-in-progress incurred	(738)	-
Net cash inflow/(outflow) from acquisition of a subsidiary company	-	18
Acquisition of an associate company	(6,019)	(500)
Investment in associate	1,545	-
Purchase of property, plant and equipment	(2,893)	(3,315)
Purchase of investment properties	(66)	-
Disposal of property, plant and equipment	60,480	-
Net cash from/(used in) investing activities	52,309	(3,797)

	18 Months Ended 30-Nov-20 (UNAUDITED) RM'000	12 Months Ended 31 May 2019 (AUDITED) RM'000
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(549)	(599)
Net changes in amount due from/to associate companies	(298)	2,923
Proceeds from issuance of ordinary shares	105,899	28,835
Proceeds from exercise of SIS option	-	3,001
Change in non-controlling interest	105	
Net changes in amount due from/to Directors	253	131
Decrease/(increase) in cash and bank balances pledged	49	193
Decrease in fixed deposit pledged	(7,380)	1,686
Drawdown of term loans	10,486	-
Repayment of term loans	(21,762)	(971)
Net changes in trust receipts and invoice financing	(6,968)	2,068
Net cash from/(used in) financing activities	79,835	37,267
Net increase/(decrease) in cash and cash equivalents	(2,895)	(24,809)
Cash and cash equivalents at beginning of the period	5,322	30,131
Cash and cash equivalents at end of the period	2,428	5,322
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:		
Fixed deposits with licensed banks	25,842	18,462
Cash and bank balances	11,403	11,512
Other investment	35	2
Bank overdrafts	(8,342)	(5,475)
	28,938	24,501
Less: Fixed deposits pledged with licensed banks	(25,842)	(18,462)
Cash and bank balances pledged	(668)	(717)
	2,428	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
30 NOVEMBER 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
30 NOVEMBER 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
30 NOVEMBER 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 (Definition of a Business)	1 January 2020
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2020
Amendments to MFRS 4 (Extension of the Temporary Exemption from Applying MFRS 9)	17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 (Interest Rate Benchmark Reform)	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 (Interest Rate Benchmark Reform)	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS 7 MFRS 4 and MFRS 16 (Interest Rate Benchmark Reform -Phase 2)	1 January 2021
Amendments to MFRS 101 and MFRS 108	1 January 2020

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 2020**

(Definition of Material)	
Amendments to MFRS 16 (Covid-19-Related Rent Concessions)	1 June 2020
MFRS 17 (Insurance Contracts)	1 January 2023
Amendments to MFRS 17 (Insurance Contracts)	1 January 2023
Amendments to MFRS 101 (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to MFRS 101 (Classification of Liabilities as Current or Non-current – Deferral of Effective Date)	17 August 2020
Amendments to MFRS 116 (Property, Plant and Equipment – Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137 (Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022
Annual Improvements to MFRS Standards 2018-2020 (Amendment to MFRS 1, Amendments to MFRS 9, Amendments to MFRS 16, Amendments to MFRS 141)	1 January 2022
Amendments to MFRS 10 and MFRS 128 (Sale of Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred until further notice

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 July 2020 for those accounting standards and amendments that are effective for annual periods beginning on or after 1 July 2020. The initial application of the accounting standards or amendments are not expected to have any material financial impacts to the current period's and prior year's financial statements of the Group and of the Company.

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.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 2020**

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 30 November 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 30 November 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) 45,000,000 new ordinary shares pursuant to the Private Placement on 04 Aug 2020.
- (e) 30,000,000 new ordinary shares pursuant to the Private Placement on 19 Aug 2020.
- (f) 30,000,000 new ordinary shares pursuant to the Private Placement on 14 October 2020.

A8) Dividends paid

No dividends were declared or paid during the current financial quarter ended 30 November 2020 under review.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 November 2020 under review are as follows:-

	Individual		Cumulative	
	Current Year Quarter Ended 30-Nov-20 RM'000	Preceding Year Corresponding Quarter Ended 31-May-19 RM'000	Current Y-T-D Ended 30-Nov-20 RM'000	Preceding Y-T-D Ended 31-May-19 RM'000
TURNOVER				
Construction	46,536	-	412,887	-
Property Development	2,684	-	9,840	-
Investment holdings	330	-	4,039	-
Less: Inter-segment revenue	-3,345	-	-19,194	-
Total consolidated revenue	46,205	-	407,572	-
RESULTS				
Construction	-12,379	-	2,965	-
Property Development	100	-	1,099	-
Investment holdings	-2,075	-	-5,141	-
	-14,354	-	-1,077	-
Other non-reportable segments	-240	-	-1,159	-
Share of results of joint venture	3,180	-	4,414	-
Provision for taxation	2,746	-	-2,707	-
Goodwill amortisation	-567	-	-3,248	-
Interest expenses	-721	-	-5,683	-
Net profit/(loss) after tax	-9,957	-	-8,857	-
SEGMENT ASSETS				
Construction			666,588	-
Property Development			42,503	-
Investment holdings			573,715	-
			1,282,806	-
Others non-reportable segments			48,929	-
Elimination of inter-company balances			0	-
Consolidated total assets			1,331,735	-
SEGMENT LIABILITIES				
Construction			548,259	-
Property Development			42,072	-
Investment holdings			12,769	-
			603,100	-
Others non-reportable segments			50,056	-
Elimination of inter-company balances			0	-
Consolidated total liabilities			653,156	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 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 30 November 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 30 November 2020, save and except for the followings:-

- (I) We refer to the Company's earlier announcements dated 5 August 2020 and 28 August 2020 in relation to the Bonus Issue of Warrants, Mercury Securities announced on 1 September 2020 on behalf of the Board that the Bonus Issue of Warrants has been completed following the listing and quotation of 302,716,379 Warrants D.
- (II) The Board of Directors announced that its wholly owned subsidiary, VIP Index Sdn. Bhd. had on 2 September 2020 entered into a Heads of Agreement with the Vendors (Ang Teck Leong, Lim Kiat Yee and Ravendran A/L Uthrapathy to acquire 2,307,754 ordinary shares in SSN Medical Products Sdn. Bhd., representing 51% of the total equity of SSN for a total consideration of Ringgit Malaysia Five Million (RM5 million) in cash.
- (III) Reference is made to the earlier announcements dated 24 April 2020, 15 May 2020, 27 May 2020, 24 June 2020, 23 July 2020, 13 August 2020 and 28 August 2020 in relation to the Private Placement. Mercury Securities announced on 6 October 2020 on behalf of the Board that the Board had on to-date ("Price-fixing Date") fixed the issue price for the placement of 30,000,000 Placement Shares at RM0.36 per Placement Share ("Issue Price"). The Issue Price represents a discount of 7.29% to the 5-day VWAP of the Shares up to and including 5 October 2020 of RM0.3883, being the last market day immediately preceding the Price-fixing Date.
- (IV) Reference is made to the announcement dated 29 July 2020 in relation to the execution of five non-binding heads of agreements ("HOA"). The Board of Directors announced that the Company and the following parties ("**Parties**") have on 27 October 2020, by way of signing the extension agreements ("**Extension Agreements**"), mutually agreed to extend the period for execution of definite agreements, referred to Clause 4.1 of

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 2020**

which a definite agreement shall be executed within three months or such date as may be agreed upon between the Parties, to 31 January 2021.

1. HOA between the Company and Barisan Tenaga Perancang (M) Sdn. Bhd.
2. HOA between the Company and Dato' Ng Aun Hooi and Bee Jian Ming
3. HOA between the Company and S Wira Development Sdn. Bhd.
4. HOA between the Company and Dato' Ng Aun Hooi
5. HOA between the Company and Dato' Ng Aun Hooi, Ting Hing Khok and Ng Kok Kiang

(V) Reference is made to the announcements dated 24 April 2020, 15 May 2020, 27 May 2020, 24 June 2020, 23 July 2020, 13 August 2020, 28 August 2020 and 6 October 2020 in relation to the Private Placement. Earlier, the Company has issued a total of 170,000,000 Placement Shares via 6 tranches as stated in item A7 abovementioned. Mercury Securities announced on behalf of the Board that the Company has decided not to place out the remaining 15,038,000 Placement Shares out of the 185,038,000 Placement Shares that was approved by Bursa Securities. As such, the Private Placement is deemed completed.

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 November 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 30 November 2020 except below:-

- (a) Contingent liabilities

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 2020**

	Cumulative	
	Quarter Ended 30-Nov-20 RM'000	Quarter Ended 31-May-19 RM'000
Corporate guarantee given to banks for facilities granted to related parties	4,149	4,286
Corporate guarantee given to banks for facilities granted to third parties	45,835	69,586
	49,984	73,872
Bank guarantees extended to third parties in respect of contracts entered	51,584	39,682

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 30 November 2020 under review, save and except for the followings: -

- (I) On 1 December 2020, the board had announced that VIP Index Sdn. Bhd., the wholly-owned subsidiary of the Company has entered into Shares Sale Agreement with the Vendors (Ang Teck Leong, Lim Kiat Yee and Ravendran A/L Uthrapathy) to acquire 51% equity interest in SSN Medical Products Sdn. Bhd., comprising 2,307,754 ordinary shares for a purchase consideration of Ringgit Malaysia Five Million (RM5 million) to be satisfied via cash consideration of Ringgit Malaysia Five Million (RM5 million).
- (II) Reference is made to the announcements dated 29 July 2020 and 27 October 2020 in relation to the execution and extension of five non-binding heads of agreements ("**Proposed Transactions**"). The Board announced on 29 January 2021 that the following head of agreements were mutually terminated via five Deed of Termination and Mutual Release on the even date ("**Deeds**") after due consideration was made by both parties:-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 2020**

1. Head of Agreement (“**HOA**”) between the Company and Barisan Tenaga Perancang (M) Sdn. Bhd dated 29 July 2020;
2. HOA between the Company and Dato' Ng Aun Hooi and Bee Jian Ming dated 29 July 2020;
3. HOA between the Company and S Wira Development Sdn. Bhd. dated 29 July 2020;
4. HOA between the Company and Dato' Ng Aun Hooi dated 29 July 2020; and
5. HOA between the Company and Dato' Ng Aun Hooi, Ting Hing Khok and Ng Kok Kiang dated 29 July 2020.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2020

A15) Capital commitment

There was no commitment for the purchase of property, plant and equipment provided for in the current financial quarter ended 30 November 2020.

A16) Related Party Transactions

The Group has carried out the following significant transactions with the related parties during the current financial quarter ended 30 November 2020.

	Individual		Cumulative	
	Current Year Quarter Ended 30-Nov-20	Preceding Year Corresponding Quarter Ended 31-May-19	Current Y-T-D Ended 30-Nov-20	Preceding Corresponding Y-T-D Ended 31-May-19
(I) Progressive sub-contracting income for the Group construction project	-	-	19,873	-
(II) Project management services rendered	-	-	(91)	-
(III) Progressive sub-contracting cost for the Group construction project	-	-	0	-
(IV) Office rental	(16)	-	(91)	-
(V) Project development costs	-	-	(20)	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 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 6, FY 2020 (“Q6FY2020”)

For the current financial quarter under review, the Group posted a revenue of RM46.205 million. Profit before tax (“PBT”) during the current quarter was a deficit of RM12.703 million.

B2) Changes in revenue and PBT for Q6FY2020 as compared with the immediate preceding quarter ended 31 August 2020 (“Q5FY2020”):-

Current Year Quarter Ended 30 November 2020 RM'000	Immediate Preceding Quarter Ended 31 August 2020 RM'000	Variance %
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Revenue	46,205	35,737	29.3
Profit before taxation	(12,703)	(7,223)	75.9

For the current quarter, the Group reported a revenue and PBT of RM46.205 million and a deficit of RM12.703 million as compared to RM35.737 million and deficit of RM7.223 million respectively in the immediate preceding quarter.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 2020**

B3) Future prospects

The Malaysian construction industry has been severely affected in 2020 by disruption caused by the Coronavirus (COVID-19) pandemic. Although the government allowed construction sites in the country to resume operations in April 2020, a large number of construction sites have taken time to restart due to the more stringent standard operating procedures.

In Nov 2020, the Ministry of Finance (MoF) released its Economic Outlook 2021 report predicted the construction sector to bounce back with a 13.9 per cent growth in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. For the residential subsector, it is anticipated to improve supported by various measures taken by the government to address the property overhang situation. Among the measures are the extension of Home Ownership Campaign, exemption of Real Property Gains Tax, the introduction of Rent-To-Own scheme as well as reduction of foreign ownership threshold.

The Group's current order books exceeding Rm1 billion and expect to secure new orders shall help the group returns to profitable status. The Board remains cautiously optimistic over 2021's performance especially on the impact caused by the MCO 2.0 announced in Jan 2021.

The group has recently ventured into an existing glove factory with six glove production lines. There are plans to expand the capacity to 12 glove production lines. The Board is positive that the venture will provide a steady income flow to the group in its new manufacturing segment.

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 30 NOVEMBER 2020

B5) Taxation

	Individual		Cumulative	
	Current Year Quarter Ended 30 November 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 May 2019 RM'000	Current Y-T-D ended 30 November 2020 RM'000	Preceding Y-T-D Ended 31 May 2019 RM'000
In respect of current quarter:-				
Income Tax	2,610	0	(3,486)	0
Deferred Tax	136	0	779	0
	2,746	0	(2,707)	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 30-Nov-20 RM'000	Preceding Year Corresponding Quarter Ended 31-May-19 RM'000	Current Y-T-D Ended 30-Nov-20 RM'000	Preceding Y-T-D Ended 31-May-19 RM'000
Building and office rental	42	0	198	0
Depreciation of Property, plant and equipment ("PPE")	278	0	2,421	0
Interest expenses	720	0	5,683	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
30 NOVEMBER 2020**

B8) Group Borrowings

Details of the Group's bank borrowings as at 30 November 2020 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
Secured			
Finance Lease Liabilities	3,592	938	4,530
Bank Borrowings	10,738	26,310	37,048
Total	14,330	27,248	41,578

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2020

B11) Earnings / (loss) per share

	Individual		Cumulative	
	Current Year Quarter Ended 30-Nov-20	Preceding Year Corresponding Quarter Ended 31-May-19	Current Y-T-D Ended 30-Nov-20	Preceding Corresponding Y-T-D Ended 31-May-19
a) Basic earnings per-share				
Profit attributable to the owners of parent ('000)	-9,957	-	-8,273	-
Total weighted average number of ordinary shares in issue ('000)	756,824	-	756,824	-
Basic earnings per share (sen)	-1.32	-	-1.09	-
b) Diluted earnings per-share				
Profit attributable to the owners of parent ('000)	-9,957	-	-8,273	-
Total weighted average number of ordinary shares in issue ('000)	756,824	-	756,824	-
Adjusts for:				
Assuming full conversion of ICULS	-	-	-	-
Assuming full conversion of Warrants C 17/22	45,980	-	45,980	-
Assuming full exercise of Share Issuance Scheme	18,919	-	18,919	-
	821,722	-	821,722	-
Diluted earnings per-share (sen)	-1.21	-	-1.01	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
30 NOVEMBER 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.
- (vi) The sixth tranche of private placement of 30,000,000 new Vizione Shares at the issue price of RM0.36 per placement share raised a total of approximately RM10.8 million on 14 October 2020.

The status of utilization is as below:-

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
Property Development Projects			
Construction Projects	59,326	59,326	-
Expenses in relation to the Corporate Exercise	2,300	998	1,302
Total	61,626	60,324	1,302

B13) Authorisation for issue

The interim financial report were authorised for issue by the Board of Directors in accordance with resolution of the directors on 29 January 2021.