

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-May-22 RM'000	Preceding Year Corresponding Quarter Ended 31-May-21 RM'000	Current Y-T-D Ended 31-May-22 RM'000	Preceding Y-T-D Ended 31-May-21 RM'000
Turnover	63,752	96,804	141,614	160,636
Cost of sales	(59,417)	(84,920)	(124,973)	(139,634)
Gross profit	4,335	11,884	16,641	21,002
Other operating income	366	160	569	298
Operating and administrative expenses	(7,007)	(6,702)	(13,560)	(12,426)
Share of results of associate	(599)	(13)	(1,269)	(80)
Share of results of joint venture	63	257	253	257
Profit/(Loss) from operations	(2,842)	5,586	2,634	9,051
Finance costs	(1,271)	(511)	(1,833)	(984)
Profit/(Loss) before taxation	(4,113)	5,075	801	8,067
Taxation	1,065	(1,000)	(469)	(1,773)
Total comprehensive profit/(loss)	(3,048)	4,075	332	6,294
Total comprehensive profit/(loss) attributable to :				
Owners of the parent	(2,365)	2,036	780	3,063
Non-controlling interest	(683)	2,039	(449)	3,231
	(3,048)	4,075	331	6,294
Profit/(Loss) per-share	<u>Sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Basic	(0.16)	0.26	0.05	0.38
Diluted	(0.16)	0.26	0.05	0.38

The Condensed Consolidated Statement of Comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 November 2021.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31-May-22 (UNAUDITED) RM'000	As At 30-Nov-21 (AUDITED) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	35,173	34,473
Right-of-use assets	18,564	18,894
Investment properties	29,997	5,997
Intangible assets	157,515	157,515
Investment in associate companies	2,727	3,997
Investment in a joint venture company	1,250	622
Deferred tax assets	1,727	2,248
	246,953	223,746
CURRENT ASSETS		
Inventories	5,953	4,676
Property development cost	9,250	13,058
Contract assets	158,501	121,842
Trade receivables	300,226	290,714
Others receivables	157,187	135,160
Amount due from associate companies	159	159
Other investments	36	36
Tax recoverable	14,818	12,694
Fixed deposits with licensed banks	38,399	24,465
Cash and bank balances	13,817	12,821
	698,346	615,625
TOTAL ASSETS	945,299	839,371
EQUITY		
Share capital	684,440	602,608
Treasury shares	(1,204)	(1,204)
Warrant reserves	-	1,749
Retained earnings	(24,293)	(26,821)
Equity attributable to owners of the parent	658,943	576,331
Non-controlling interests	299	748
Total Equity	659,242	577,079

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31-May-22 (UNAUDITED) RM'000	As At 30-Nov-21 (AUDITED) RM'000
LIABILITIES		
NON-CURRENT LIABILITIES		
Finance lease liabilities	3,726	3,681
Bank borrowings	41,185	10,581
Deferred tax liabilities	7	7
	44,918	14,269
CURRENT LIABILITIES		
Contract liabilities	23,851	1,127
Trade payables	86,551	100,574
Others payables	90,908	103,764
Amount due to directors	3,900	3,918
Amount due to a joint venture company	-	927
Finance lease liabilities	2,465	4,033
Bank borrowings	33,464	33,679
Tax payables	-	-
	241,139	248,024
TOTAL LIABILITIES	286,057	262,293
TOTAL EQUITY AND LIABILITIES	945,299	839,371
NET ASSETS PER-SHARE (RM)	0.3218	0.5624

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 November 2021.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT							TOTAL EQUITY RM'000
	Non-distributable				Distributable			
	Share Capital RM'000	Warrants Reserves RM'000	Irredeemable Convertible Unsecured Loan Stock ("ICULS") RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total Attributable To Owners Of The Parent RM'000	Non-controlling Interest RM'000	
GROUP								
As at 1 December 2021	602,608	1,749	-	(1,204)	(26,822)	576,331	748	577,080
Profit for the financial period, representing total comprehensive income for the financial year	-	-	-	-	780	780	(449)	331
Transactions with owners:-								
Issuance of ordinary shares pursuant to rights issue	81,832	-	-	-	-	81,832	-	81,832
Warrant reserves pursuant to rights issue	(7,672)	7,672	-	-	-	-	-	-
Expiry of warrants	-	(1,749)	-	-	1,749	-	-	-
Total transactions with owners	74,160	5,923	-	-	1,749	81,832	-	81,832
As at 31 May 2022	676,768	7,672	-	(1,204)	(24,293)	658,943	299	659,242

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	ATTRIBUTABLE TO THE OWNERS OF THE PARENT							
	Non-distributable					Distributable		
	Share Capital RM'000	Warrants Reserves RM'000	Irredeemable Convertible Unsecured Loan Stock ("ICULS") RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total Attributable To Owners Of The Parent RM'000	Non-controlling Interest RM'000	TOTAL EQUITY RM'000
As at 1 December 2020	558,098	1,749	261	(1,204)	59,281	618,185	379	618,564
Loss for the financial period, representing total comprehensive income for the financial year	-	-	-	-	(85,579)	(85,579)	2,898	(82,681)
Transactions with owners:-								
Issuance of ordinary shares	44,486	-	-	-	-	44,485	-	44,485
Share issuance expenses	(275)	-	-	-	-	(275)	-	(275)
Accretion of equity interest of subsidiaries	-	-	-	-	(523)	(523)	23	(500)
Non-controlling interest arising from acquisition of subsidiaries	-	-	-	-	-	-	(2,552)	(2,552)
Arising from conversion of ICULS by mandatory conversion upon maturity on 10 August 2021	299	-	(261)	-	-	38	-	38
Total transactions with owners	44,510	-	(261)	-	(23)	43,725	(2,529)	41,196
As at 30 November 2021	602,608	1,749	-	(1,204)	26,821	576,331	748	577,079

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 November 2021.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	6 Months Ended 31-May-22 (UNAUDITED) RM'000	12 Months Ended 30-Nov-21 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	800	(82,036)
Adjustments for:		
Amortisation of right-of-use assets	970	1,643
Depreciation of property, plant and equipment	1,233	2,491
Gain on disposal of right-of-use assets	-	(4)
Impairment loss on contract assets	-	1,318
Impairment loss on trade receivables	-	1,422
Impairment loss on other receivables	-	932
Impairment loss on goodwill on consolidation	-	90,993
Interest income	(349)	(454)
Interest expenses	1,833	3,204
Share of results of associate companies	1,269	341
Share of results of joint venture company	(253)	457
Loss on disposal of property, plant and equipment	-	101
Bad debts written off	-	1580
Reversal of impairment loss on trade receivables	-	(868)
Reversal of impairment loss on other receivable	-	(8)
Operating profit before working capital changes	5,503	21,112
Change in working capital:		
Contract assets	(36,658)	5,744
Inventories	(1,277)	(215)
Property development cost	3,808	7,609
Trade & other receivables	(31,540)	23,152
Contract liabilities	22,724	(1,518)
Trade & other payables	(26,879)	(61,648)
Amount due to a joint venture company	(927)	(8,169)
	(p,749)	(35,045)
Cash used in operations	(65,246)	(13,933)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	6 Months Ended 31-May-22 (UNAUDITED) RM'000	12 Months Ended 30-Nov-21 (AUDITED) RM'000
Interest paid	(1,833)	(3,430)
Interest received	349	454
Dividend received	-	2,550
Tax paid	(2,073)	(8,258)
Tax refund	-	2,110
	(3,557)	(6,574)
Net cash used in operating activities	(68,803)	(20,507)
CASH FLOW FROM INVESTING ACTIVITIES		
Net cash outflow from acquisition of subsidiary companies	-	(3,561)
Additional equity interest in a subsidiary company	-	(500)
Acquisition of a joint venture company	(375)	-
Acquisition of right of use assets	(139)	(564)
Capital work-in-progress incurred	136	(8,371)
Purchase of property, plant and equipment	(1,975)	(11,735)
Purchase of investment property	(24,000)	-
Disposal of property, plant and equipment	-	187
Disposal of right-of-use assets	-	86
Net cash used in investing activities	(26,353)	(24,458)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(2,118)	(4,127)
Proceeds from issuance of ordinary shares	-	44,210
Proceeds from rights issue subscription	81,832	-
Net changes in amount due from/to Directors	(18)	3,485
Decrease/(Increase) in fixed deposit pledged	(13,934)	1,377
Drawdown of term loans	30,000	2,000
Repayment of term loans	(4,986)	(8,413)
Net changes in trust receipts and invoice financing	(2,855)	1,705
Net cash from financing activities	87,921	40,237

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 MAY 2022**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	6 Months Ended 31-May-22 (UNAUDITED) RM'000	12 Months Ended 30-Nov-21 (AUDITED) RM'000
Net increase/(decrease) in cash and cash equivalents	(7,235)	(4,728)
Cash and cash equivalents at beginning of the period	(10,879)	(6,151)
Cash and cash equivalents at end of the period	(18,114)	(10,879)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:		
Fixed deposits with licensed banks	38,399	24,465
Cash and bank balances	13,817	12,821
Other investment	36	36
Bank overdrafts	(31,967)	(23,736)
	20,285	13,586
Less: Fixed deposits pledged with licensed banks	(38,399)	(24,465)
	(18,114)	(10,879)

The Condensed Consolidated Statement of Cash flow should be read in conjunction with the Audited Financial Statements for the year ended 30 November 2021.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

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 December 2021, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 December 2021.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, and MFRS 16 Interest Rate Benchmark Reform - Phase 2: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16 - Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

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

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

The accounting policies adopted are consistent with those of the previous financial year except as follows: (Cont'd)

On 1 December 2021, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 December 2021. (Cont'd)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs: Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above Amendments to MFRS and IC Interpretation did not have any significant financial impact to the Group.

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
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: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

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

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

The Group has not adopted the following standards and interpretations that have been issued but not yet effective. (Cont'd)

Description	Effective for annual periods beginning on or after
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.

A3) Audit report

The Auditors' Report of the preceding annual financial statements for the financial year ended 30 November 2021 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 quarter ended 31 May 2022.

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 quarter or prior years that have a material effect on the current quarter ended 31 May 2022 under review.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

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

A7) Debt and equity securities

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares by the Group during the financial period.

A8) Dividends paid

No dividends were declared or paid during the current quarter ended 31 May 2022 under review.

A9) Valuation of property, plant and equipment

There was no valuation on any of the Group's property, plant & equipment during the quarter ended 31 May 2022. The carrying value of property, plant & equipment are based on the amount incorporated in the audited financial statement for financial year ended 30 November 2021.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022

A10) 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 quarter ended 31 May 2022 under review are as follows:-

	Individual		Cumulative	
	Current Year Quarter Ended 31-May-22 RM'000	Preceding Year Corresponding Quarter Ended 31-May-21 RM'000	Current Y-T-D Ended 31-May-22 RM'000	Preceding Y-T-D Ended 31-May-21 RM'000
<u>TURNOVER</u>				
Construction	56,818	87,884	128,255	142,095
Investment holdings	-	30	-	30
Property development	6,305	774	17,041	8,793
Healthcare	3,782	12,965	11,350	18,575
Other non-reportable segments	353	-	383	-
Less: Inter-segment	(3,536)	(4,849)	(15,415)	(8,857)
Total consolidated revenue	63,722	96,804	141,614	160,636
<u>RESULTS</u>				
Construction	1,446	2,672	6,994	4,618
Investment holdings	(1,960)	(2,095)	(3,565)	(3,810)
Property development	(234)	66	1,129	1,267
Healthcare	(1,345)	5,174	(182)	7,701
	(2,093)	5,817	4,376	9,776
Other non-reportable segments	(439)	(475)	(1,075)	(902)
Share of results of associate	(599)	(13)	(1,269)	(80)
Share of results of joint venture	63	257	253	257
Goodwill impairment	-	-	-	-
Provision for taxation	1,065	(1,000)	(469)	(1,773)
Interest expenses	(1,046)	(511)	(1,484)	(984)
Net profit/(loss) after tax	(3,049)	4,075	332	6,294

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

A10) **Segmental reporting** (Cont'd)

The Group's segmental report for the current quarter ended 31 May 2022 under review are as follows: - (cont'd)

	Cumulative	
	Current	Preceding
	Y-T-D	Y-T-D
	Ended	Ended
	31-May-22	31-May-21
	RM'000	RM'000
<u>SEGMENT ASSETS</u>		
Construction	666,642	438,115
Investment holdings	704,412	593,742
Property development	43,371	61,815
Healthcare	37,854	29,828
	1,452,279	1,123,500
Others non-reportable segments	50,890	28,486
Elimination of inter-company balances	(557,869)	(239,727)
Consolidated total assets	945,300	912,259
<u>SEGMENT LIABILITIES</u>		
Construction	543,362	315,675
Investment holdings	12,497	17,734
Property development	42,164	59,240
Healthcare	36,896	28,329
	634,919	420,978
Others non-reportable segments	49,690	32,519
Elimination of inter-company balances	(398,552)	(183,021)
Consolidated total liabilities	286,057	270,476

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022

A11) Significant events

There were no events of a material nature to be disclosed in the interim financial statements for the current quarter ended 31 May 2022, save and except for the followings:-

- (I) On 3 March 2022, TA Securities (on behalf of the Board) had announced that the Rights Issue of Shares with Warrants has been completed with the listing and quotation for 1,022,900,003 Rights Shares together with 511,449,980 Warrants on the Main Market of Bursa Securities.

- (II) On 20 April 2022, the Board had announced that its joint venture company, Permata Rebana & Vizione Holdings JV Sdn. Bhd., has been awarded a RM654 million contract by Pertubuhan Keselamatan Sosial ("**PERKESO**") for the planning, design, construction, equipping, testing, commissioning and maintenance of PERKESO's National Robotics and Cybernetics Rehabilitation Center (phase 1) in Bandar Meru Raya, Perak.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

A12) Material changes in the composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 May 2022 and up to the date of this report.

A13) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the quarter ended 31 May 2022 except below:-

(a) Contingent liabilities

	Cumulative	
	Quarter Ended 31-May-22 RM'000	Quarter Ended 30-Nov-21 RM'000
Corporate guarantee given to banks for facilities granted to related parties	10,466	10,574
Bank guarantees extended to third parties in respect of contracts entered	19,461	28,020

(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 quarter ended 31 May 2022 under review.

A15) Capital commitments

The capital commitments as at the end of the reporting date are as follows:

	RM'000
Capital work-in-progress	
Approved and contracted for	3,285

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

A16) Related Party Transactions

The Group has carried out the following significant transactions with the related parties during the current quarter ended 31 May 2022.

	Current Year Quarter Ended 31-May-22 RM'000	Preceding Year Corresponding Quarter Ended 31-May-21 RM'000	Current Y-T-D Ended 31-May-22 RM'000	Preceding Y-T-D Ended 31-May-21 RM'000
(I) Progressive sub-contracting for the Group construction project	4,644	504	4,644	5,297
(II) Office rental	(19)	(26)	(38)	(37)

A17) Advances to SSN Medical Products Sdn. Bhd.

The Group has provided financial assistance amounted to RM12.8 million for the cost incurred to-date of 2 new glove production lines.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

**PART B: ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN
MARKET LISTING REQUIREMENT OF THE BURSA MALAYSIA SECURITIES BERHAD**

B1) Review of performance – Quarter 2, FY 2022 (“Q2FY2022”)

For the current quarter under review, the Group posted a revenue of RM63.75 million. Loss before tax (“LBT”) during the current quarter was RM4.11 million.

B2) Changes in revenue and PBT for Q2FY2022 as compared with the immediate preceding quarter ended 28 February 2022 (“Q1FY2022”):-

	Current Year Quarter Ended 31-May-2022 RM'000	Immediate Preceding Quarter Ended 28-Feb-2022 RM'000	Variance %
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Revenue	63,752	77,862	-34%
Profit/(Loss) before taxation	(4,113)	4,914	-260%

For the current quarter, the Group reported a revenue and LBT of RM63.75 million and RM4.11 million as compared to RM77.86 million and profit of RM4.91 million respectively in the immediate preceding quarter.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022

B3) Future prospects

Ongoing risk to the country's economic posed by the progression of the Covid-19 pandemic and uncertainties surrounding the Delta and Omicron variants had reduced economic activity. The quarterly financial performance of the construction division was affected by supply chain disruption, soaring building materials costs and shortage of foreign labours. Ongoing projects that were awarded before the pandemic are affected as the projects are priced lower, with no allowances for price increases which resulted in reduced profit and even losses in some of the Group's construction projects.

As the pandemic transitions into an endemic, the healthcare division has been experiencing the effects of normalization in terms of demand and average selling price. Furthermore, production cost increased significantly due to global inflation as well as minimum wage implementation which came into effect 1 May 2022. However, average selling prices are declining at a far slower pace which will help cushion the cost impact and the Group will continue to explore more opportunities in the global and local market for gloves, including specialty medical gloves as personal protective equipment.

Moving forward, the Group will continue to work on its construction orderbook of RM3.2 billion following its successful bid for the RM654 million project from Pertubuhan Keselamatan Sosial (Perkeso) by its joint venture company, Permata Rebana & Vizione Holdings JV Sdn. Bhd. The Group utilized the fund of RM81.8 million raised through rights issue exercise in the execution of existing construction projects.

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 MAY 2022**

B5) Taxation

	Individual		Cumulative	
	Current Year Quarter Ended 31-May-2022 RM'000	Preceding Year Corresponding Quarter Ended 31-May-2021 RM'000	Current Y-T-D Ended 31-May-2022 RM'000	Preceding Y-T-D Ended 31-May-2021 RM'000
In respect of current quarter:-				
Income Tax	(1,065)	1,000	469	1,773
Deferred Tax	-	-	-	-
	(1,065)	1,000	469	1,773

B6) Additional notes to the Comprehensive Income Statement

The following items have been charged and credited in arriving at the Profit before taxation:-

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-May-22 RM'000	Preceding Corresponding Quarter Ended 31-May-21 RM'000	Current Y-T-D Ended 31-May-22 RM'000	Preceding Y-T-D Ended 31-May-21 RM'000
Building and office rental	-	26	-	37
Lease expenses relating to short-term leases	17	-	17	-
Depreciation of property, plant and equipment	476	611	1,233	993
Amortisation of Right-of-use assets	901	-	970	-
Interest expenses	922	511	1,484	984

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

B7) Corporate Proposals

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

B8) Group Borrowings

Details of the Group's bank borrowings as at 31 May 2022 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
Secured			
Finance Lease Liabilities	2,465	3,726	6,191
Bank Borrowings	33,464	41,185	74,649
Total	<u>35,929</u>	<u>44,911</u>	<u>80,840</u>

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 quarter ended 31 May 2022 and the previous audited financial period ended 30 November 2021.

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31 MAY 2022**

B11) Profit/(Loss) per share

	Individual		Cumulative	
	Current Year Quarter Ended 31-May-22	Preceding Year Corresponding Quarter Ended 31-May-21	Current Y-T-D Ended 31-May-22	Preceding Corresponding Y-T-D Ended 31-May-21
a) <u>Profit/(loss) per-share</u>				
Profit/(Loss) attributable to the owners of parent ('000)	(2,365)	2,036	779	3,063
Total weighted average number of ordinary shares in issue ('000)	1,508,129	797,882	1,508,129	797,882
Basic profit/(loss) per share (sen)	(0.16)	0.26	0.05	0.38
b) <u>Diluted loss per-share</u>				
Loss attributable to the owners of parent ('000)	(2,365)	2,036	779	3,063
Total weighted average number of ordinary shares in issue ('000)	1,508,129	797,882	1,508,129	797,882
Diluted profit/(loss) per share (sen)	(0.16)	0.26	0.05	0.38

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022**

B12) Status of utilisation of proceeds

- (i) The Company completed a Private Placement exercise and successfully raised RM44,485,560 in June 2021.

The status of utilisation is as below:-

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
Capital expenditure for the setting up of 6 new gloves production lines and upgrading of existing production facilities	17,000	12,764	4,236
Funding for the Group's existing construction projects	17,079	17,079	-
Funding for a 9.6 MW capacity small hydro facility at Empangan Pedu, Kedah	10,000	10,000	-
Expenses in relation to the Corporate Exercise	407	407	-
Total	44,486	40,250	4,236

- (ii) The Rights Issue with Warrants has been completed with the listing of 1,022,900,003 Rights Shares together with 511,449,980 Warrants-E on the Main Market of Bursa Securities on 7 March 2022.

The total proceeds received from the Rights Shares was RM81,832,000.

The status of utilisation of the proceeds as at 31 May 2022 are as follows:-

Details of Utilisation	Approved Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
Funding for the Group's existing construction projects	81,079	74,303	6,776
Expenses in relation to Corporate Exercise	753	753	-
Total	81,832	75,056	6,776

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
31 MAY 2022

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 July 2022.