

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | INDIVIDUAL | | CUMULATIVE | |
|---|---|---|--|--|
| | Current Year Quarter Ended 29-Feb-24 RM'000 | Preceding Year Corresponding Quarter Ended 28-Feb-23 RM'000 | Current Y-T-D Ended 29-Feb-24 RM'000 | Preceding Y-T-D Ended 28-Feb-23 RM'000 |
| Turnover | 51,153 | - | 186,782 | - |
| Cost of sales | (45,924) | - | (172,254) | - |
| Gross profit | 5,229 | - | 14,528 | - |
| Other operating income | 160 | - | 889 | - |
| Administrative expenses | (3,620) | - | (12,451) | - |
| Share of results of associate | - | - | - | - |
| Share of results of joint venture | 381 | - | 1,066 | - |
| Profit from operations | 2,150 | - | 4,032 | - |
| Finance costs | (552) | - | (1,775) | - |
| Profit before taxation | 1,598 | - | 2,257 | - |
| Taxation | (1,079) | - | (1,457) | - |
| Total comprehensive profit | 519 | - | 800 | - |
| Total comprehensive profit attributable to : | | | | |
| Owners of the parent | 504 | - | 828 | - |
| Non-controlling interest | 15 | - | (28) | - |
| | 519 | - | 800 | - |
| Profit per-share | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> |
| Basic | 0.01 | - | 0.04 | - |
| Diluted | 0.01 | - | 0.04 | - |

Notes:

- The Condensed Consolidated Statement of Comprehensive income should be read in conjunction with the Audited Financial Statements for the period ended 31 May 2023.
- In the previous financial period, the financial year end of the Company was changed from 30 November 2022 to 31 May 2023. Hence, the financial statements for previous financial period are prepared for 18 months from 1 December 2021 to 31 May 2023 and as a result, the comparative figures stated in the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow and their related notes are not comparable.

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | As At 29-Feb-24 (UNAUDITED) RM'000 | As At 31-May-23 (AUDITED) RM'000 |
|---|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 14,847 | 15,207 |
| Right-of-use assets | 16,488 | 17,862 |
| Investment properties | 9,077 | 9,077 |
| Intangible assets | 121,299 | 121,299 |
| Investment in associate companies | - | - |
| Investment in a joint venture company | 3,168 | 2,102 |
| Deferred tax assets | 6,878 | 6,902 |
| | 171,757 | 172,449 |
| CURRENT ASSETS | | |
| Inventories | 10,536 | 11,935 |
| Contract assets | 125,833 | 130,433 |
| Trade receivables | 301,981 | 283,052 |
| Others receivables | 165,955 | 170,054 |
| Amount due from joint venture company | 6 | 7,909 |
| Other investments | 38 | 37 |
| Tax recoverable | 3,260 | 4,706 |
| Fixed deposits with licensed banks | 27,452 | 29,937 |
| Cash and bank balances | 10,526 | 13,854 |
| | 645,587 | 651,917 |
| TOTAL ASSETS | 817,344 | 824,366 |
| EQUITY | | |
| Share capital | 676,768 | 676,768 |
| Treasury shares | (1,204) | (1,204) |
| Warrant reserves | 7,672 | 7,672 |
| Retained earnings | (115,986) | (116,814) |
| Equity attributable to owners of the parent | 567,250 | 566,422 |
| Non-controlling interests | (445) | (417) |
| Total Equity | 566,805 | 566,005 |

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As At 29-Feb-24 (UNAUDITED) RM'000 | As At 31-May-23 (AUDITED) RM'000 |
|---------------------------------------|---|---|
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Finance lease liabilities | 1,681 | 2,386 |
| Bank borrowings | 9,258 | 5,542 |
| | 10,939 | 7,928 |
| CURRENT LIABILITIES | | |
| Contract liabilities | 1,525 | 2,715 |
| Trade payables | 94,424 | 87,138 |
| Others payables | 102,969 | 114,062 |
| Amount due to directors | 446 | 446 |
| Amount due to a joint venture company | 7,408 | 810 |
| Amount due to an associate company | 41 | 41 |
| Finance lease liabilities | 924 | 1,299 |
| Bank borrowings | 31,863 | 43,922 |
| | 239,600 | 250,433 |
| TOTAL LIABILITIES | 250,539 | 258,361 |
| TOTAL EQUITY AND LIABILITIES | 817,344 | 824,366 |
| NET ASSETS PER-SHARE (RM) | 0.2770 | 0.2766 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 31 May 2023.

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | ATTRIBUTABLE TO THE OWNERS OF THE PARENT | | | | Total Attributable To Owners Of The Parent RM'000 | Non- controlling Interest RM'000 | TOTAL EQUITY RM'000 |
|--|--|--------------------------------|------------------------------|--------------------------------|--|---|---------------------------|
| | Non-distributable | | Distributable | | | | |
| | Share Capital RM'000 | Warrants Reserves RM'000 | Treasury Shares RM'000 | Retained Earnings RM'000 | | | |
| GROUP | | | | | | | |
| As at 1 June 2023 | 676,768 | 7,672 | (1,204) | (116,814) | 566,422 | (417) | 566,005 |
| Profit for the financial period, representing total comprehensive income for the financial year | - | - | - | 828 | 828 | (28) | 800 |
| Transactions with owners:- | | | | | | | |
| Issuance of ordinary shares pursuant to conversion of warrant | - | - | - | - | - | - | - |
| Total transactions with owners | - | - | - | - | - | - | - |
| As at 29 FEBRUARY 2024 | 676,768 | 7,672 | (1,204) | (115,986) | 567,250 | (445) | 566,805 |

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| GROUP | ATTRIBUTABLE TO THE OWNERS OF THE PARENT | | | | | | TOTAL EQUITY RM'000 |
|---|---|------------------------------------|----------------------------------|------------------------------------|---|---|-------------------------------|
| | Non-distributable | | | Distributable | | | |
| | Share Capital RM'000 | Warrants Reserves RM'000 | Treasury Shares RM'000 | Retained Earnings RM'000 | Total Attributable To Owners Of The Parent RM'000 | Non-controlling Interest RM'000 | |
| As at 1 December 2021 | 602,608 | 1,749 | (1,204) | (26,821) | 576,332 | 747 | 577,079 |
| Loss for the financial period, representing total comprehensive income for the financial period | - | - | - | (91,742) | (91,742) | (2,836) | (94,578) |
| Disposal of a subsidiary | - | - | - | - | - | 1,672 | 1,672 |
| Transactions with owners:- | | | | | | | |
| Issuance of ordinary shares | 81,832 | - | - | - | 81,832 | - | 81,832 |
| Right issue with warrants | (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 2023 | 676,768 | 7,672 | (1,204) | (116,814) | 566,422 | (417) | 566,005 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the period ended 31 May 2023.

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

| | 9 Months Ended 29-Feb-24 (UNAUDITED) | 9 Months Ended 28-Feb-23 |
|--|---|-------------------------------------|
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 2,257 | - |
| Adjustments for: | | |
| Amortisation of right-of-use assets | 954 | - |
| Depreciation of property, plant and equipment | 867 | - |
| Interest income | (664) | - |
| Interest expenses | 1,775 | - |
| Share of results of joint venture company | (1,066) | - |
| Loss on disposal of property, plant and equipment | 14 | - |
| Loss on disposal of right-of-use assets | 72 | - |
| Property, plant and equipment written off | 4 | - |
| Operating profit before working capital changes | 4,213 | - |
| Change in working capital: | | |
| Contract assets | 4,600 | - |
| Inventories | 1,399 | - |
| Trade and other receivables | (14,831) | - |
| Contract liabilities | (1,190) | - |
| Trade and other payables | (3,804) | - |
| Amount due to a joint venture company | 6,599 | - |
| | (7,227) | - |
| Cash used in operations | (3,014) | - |
| Interest paid | (1,775) | - |
| Interest received | 664 | - |
| Tax refund | (1,236) | - |
| Tax refund | 1,248 | - |
| | (1,099) | - |
| Net cash used in operating activities | (4,113) | - |

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

| | 9 Months Ended 29-Feb-24 (UNAUDITED) RM'000 | 9 Months Ended 28-Feb-23 RM'000 |
|--|--|--|
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (302) | - |
| Proceeds from disposal of property, plant and equipment | 115 | - |
| Proceeds from disposal of right of use assets | 10 | - |
| Net cash used in investing activities | (177) | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of finance lease liabilities | (1,081) | - |
| Net changes in amount due from/to joint venture company | 7,903 | - |
| Decrease in fixed deposit pledged | 2,484 | - |
| Repayment of term loans | (9,473) | - |
| Net changes in trust receipts and invoice financing | (296) | - |
| Net cash used in financing activities | (463) | - |
| Net decrease in cash and cash equivalents | (4,753) | - |
| Cash and cash equivalents at beginning of the year | 8,128 | - |
| Cash and cash equivalents at end of the year | 3,375 | - |

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2024**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

| | 9 Months Ended 29-Feb-24 (UNAUDITED) RM'000 | 9 Months Ended 28-Feb-23 RM'000 |
|--|--|--|
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR COMPRISES: | | |
| Fixed deposits with licensed banks | 27,452 | - |
| Cash and bank balances | 10,526 | - |
| Other investment | 38 | - |
| Bank overdrafts | (7,189) | - |
| | 30,827 | - |
| Less: Fixed deposits pledged with licensed banks | (27,452) | - |
| | 3,375 | - |

The Condensed Consolidated Statement of Cash flow should be read in conjunction with the Audited Financial Statements for the period ended 31 May 2023.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024**

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 period except as follows:

(i) Adoption of new and amended standards

On 1 June 2023, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 June 2023.

| Description | Effective for annual periods beginning on or after |
|--|---|
| 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 |
| 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 |

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024**

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)

(i) Adoption of new and amended standards (Cont’d)

| 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 |

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

(ii) Standards 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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024**

**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)

(ii) Standards issued but not yet effective (Cont’d)

The Group is 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 period ended 31 May 2023 was not subject to any audit qualification.

A4) Seasonal or cyclical factors

The Group's performance is moderately 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 29 February 2024.

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 periods that have a material effect on the current quarter ended 29 February 2024 under review.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024**

**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 29 February 2024 under review.

A9) Valuation of property, plant and equipment

There was no valuation on any of the Group's property, plant and equipment during the quarter ended 29 February 2024. The carrying value of property, plant and equipment are based on the amount incorporated in the audited financial statement for financial period ended 31 May 2023.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024

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

A10) Segmental reporting (Cont’d)

The Group’s segmental report for the current quarter ended 29 February 2024 under review is as follows:-

| | INDIVIDUAL | | CUMULATIVE | |
|-----------------------------------|---|--|--|--|
| | Current Year Quarter Ended 29-Feb-24 RM'000 | Preceding Year Corresponding Quarter Ended 28-Feb-23 RM'000 | Current Y-T-D Ended 29-Feb-24 RM'000 | Preceding Y-T-D Ended 28-Feb-23 RM'000 |
| <u>TURNOVER</u> | | | | |
| Construction | 51,153 | - | 185,246 | - |
| Investment holdings | - | - | - | - |
| Property development | - | - | 1,506 | - |
| Other non-reportable segments | - | - | 41 | - |
| Less: Inter-segment | - | - | (11) | - |
| Total consolidated revenue | 51,153 | - | 186,782 | - |
| <u>RESULTS</u> | | | | |
| Construction | 3,982 | - | 10,106 | - |
| Investment holdings | (1,423) | - | (4,411) | - |
| Property development | 57 | - | (110) | - |
| | 2,616 | - | 5,585 | - |
| Other non-reportable segments | (847) | - | (2,619) | - |
| Share of results of associates | - | - | - | - |
| Share of results of joint venture | 381 | - | 1,066 | - |
| Provision for taxation | (1,079) | - | (1,457) | - |
| Interest expenses | (552) | - | (1,775) | - |
| Net profit after tax | 519 | - | 800 | - |

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024**

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

A10) Segmental reporting (Cont’d)

The Group’s segmental report for the current quarter ended 29 February 2024 under review are as follows: - (cont’d)

| | CUMULATIVE | |
|---------------------------------------|--|--|
| | Current Y-T-D Ended 29-Feb-24 RM’000 | Preceding Y-T-D Ended 28-Feb-23 RM’000 |
| <u>SEGMENT ASSETS</u> | | |
| Construction | 754,744 | - |
| Investment holdings | 339,387 | - |
| Property development | 18,517 | - |
| | 1,112,648 | - |
| Other non-reportable segments | 44,518 | - |
| Elimination of inter-company balances | (339,822) | - |
| Consolidated total assets | 817,344 | - |
| <u>SEGMENT LIABILITIES</u> | | |
| Construction | 533,956 | - |
| Investment holdings | 18,278 | - |
| Property development | 5,059 | - |
| | 557,293 | - |
| Other non-reportable segments | 33,068 | - |
| Elimination of inter-company balances | (339,822) | - |
| Consolidated total liabilities | 250,539 | - |

A11) Significant events

There were no events of a material nature to be disclosed in the interim financial statements for the current quarter ended 29 February 2024, save and except for the followings:-

- (a) On 28 February 2024, the Group announced that Vizione Energy Sdn Bhd (a wholly-owned subsidiary of Vizione) entered into a share purchase Agreement with KAB Energy Holdings Sdn Bhd for the disposal of all the equity interests in TTSB, for a total consideration of RM200.00 (“Proposal Disposal”). As at the date of this report, this Proposal Disposal still in the progress.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024**

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

A11) Significant events (Cont’d)

There were no events of a material nature to be disclosed in the interim financial statements for the current quarter ended 29 February 2024, save and except for the followings:- (Cont'd)

- (b) On 6 March 2024, TA Securities (on behalf of the Board) had announced that the Company wishes to undertake the following:
- (i) proposed consolidation of every 5 Vizione Shares into 1 Vizione Share; and
 - (ii) proposed private placement of up to 143,000,000 new Vizione Shares after the Proposed Share Consolidation to independent third-party investor(s) to be identified later and at an issue price to be determined later (“Proposals”).

A12) Material changes in the composition of the Group

There were no changes in the composition of the Group during the quarter ended 29 February 2024 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 29 February 2024 except below:-

(a) Contingent liabilities

| | Cumulative | |
|--|---|---|
| | Quarter Ended 29-Feb-24 RM'000 | Quarter Ended 28-Feb-23 RM'000 |
| Corporate guarantee given to third parties in relation to construction contracts | 73,691 | - |
| Bank guarantees extended to third parties in respect of contracts entered | 100,506 | - |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024

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

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 quarter ended 29 February 2024 under review.

A15) Capital commitments

There were no material capital commitments in current financial quarter.

A16) Related Party Transactions

The Group has carried out the following significant transactions with the related parties during the current quarter ended 29 February 2024.

| | INDIVIDUAL | | CUMULATIVE | |
|---|---|--|--|--|
| | Current Year Quarter Ended 29-Feb-24 RM'000 | Preceding Year Corresponding Quarter Ended 28-Feb-23 RM'000 | Current Y-T-D Ended 29-Feb-24 RM'000 | Preceding Y-T-D Ended 28-Feb-23 RM'000 |
| (I) Progressive sub-contracting for the Group construction projects | 13,007 | - | 39,974 | - |
| (II) Office rental income | 8 | - | 25 | - |
| (III) Staff cost | 71 | - | 267 | - |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024

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

B1) Review of performance – Quarter 3, FY 2024 (“Q3 FY2024”)

For the current quarter under review, the Group posted a revenue of RM51.153 million. Profit before tax during the current quarter was RM1.598 million.

Construction segments contributed 100% of the Group's revenue. Construction segment reported operating profit before tax and interest amounting RM3.982 million but Investment holdings segment and non-reporting segment reported operating loss before tax and interest amounting RM2.270 million for current quarter.

B2) Changes in revenue and PBT for Q3 FY2024 as compared with the immediate preceding quarter ended 30 November 2023 (“Q2 FY2024”):-

| | Current Year Quarter Ended 29-Feb-24 RM'000 | Immediate Preceding Quarter Ended 30-Nov-23 RM'000 | Variance % |
|------------------------|--|---|----------------------------|
| Revenue | 51,153 | 62,904 | _____ |
| Profit before taxation | 1,598 | 350 | _____ |

The Group reported a profit before taxation of RM1.598 million in the current financial quarter as compare to profit before taxation of RM0.350 million in the preceding financial quarter. The Group's revenue for current financial quarter was RM51.153 million, as compare to revenue of RM62.904 million generated in the preceding financial quarter. The Group delivered a slightly better financial performance for current financial quarter mainly due to improvement in the Group's construction business segment.

B3) Future prospects

The construction industry in Malaysia was and is still gravely hit by the after-effects of Covid-19, steep hike in labour and material cost affected the financial performance of the Group. As the Group has remaining active order book of approximately RM1 billion, the Group is gearing up the progress of the existing construction projects which are affected during the Covid-19 pandemic. The Group is also looking at further streamline in operations and improve overall efficiency in order to mitigate risk associated with labour cost and building material price.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
29 FEBRUARY 2024

PART B: ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF THE BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B3) Future prospects (Cont'd)

On positive note, the Group had secured the RM654 million National Robotic and Cybernetics project through a JV company with Permata Rebana Sdn. Bhd.

Arising from signing of development agreement with Pan Sejati Development Sdn. Bhd. ("the Developer"), the Developer had successfully obtained the advertisement permit and developer license. The construction works has since commenced on 1 April 2024.

In addition, the Group had accepted a new letter of award from Hardie Development Sdn Bhd as a turnkey contractor for a mixed residential and commercial development project located in Sabah.

As the tender environment in the construction industry still in intense competitive condition and high building material cost, the Group tenders very selectively to replenish its order book.

The Group is consistently exploring other business opportunities and evaluating to disposed non-core assets. Barring unforeseen circumstances, the Group remains cautiously optimistic of the future prospect of the Group moving forward.

B4) Variance on profit forecast / profit guarantee

The Group is not subject to any profit forecast and/or profit guarantee.

B5) Taxation

| | INDIVIDUAL | | CUMULATIVE | |
|--|---|--|--|--|
| | Current Year Quarter Ended 29-Feb-24 RM'000 | Preceding Year Corresponding Quarter Ended 28-Feb-23 RM'000 | Current Y-T-D Ended 29-Feb-24 RM'000 | Preceding Y-T-D Ended 28-Feb-23 RM'000 |
| In respect of current quarter:- | | | | |
| Income tax | 1,079 | - | 1,457 | - |
| | <u>1,079</u> | <u>-</u> | <u>1,457</u> | <u>-</u> |

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED
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PART B: ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF THE BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B6) Corporate Proposals

There are no corporate proposals which have been announced by the Group but not completed during the financial quarter under review as at the date of this report.

B7) 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 29-Feb-24 RM'000 | Preceding Year Corresponding Quarter Ended 28-Feb-23 RM'000 | Current Y-T-D Ended 29-Feb-24 RM'000 | Preceding Y-T-D Ended 28-Feb-23 RM'000 |
| Lease expenses relating to short-term leases | - | - | 7 | - |
| Depreciation of property, plant and equipment | 292 | - | 867 | - |
| Amortisation of Right-of-use assets | 295 | - | 954 | - |
| Loss on disposal of property, plant and equipment | - | - | 14 | - |
| Loss on disposal of Right-of-use assets | - | - | 72 | - |
| Property, plant and equipment written off | - | - | 4 | - |
| Interest expenses | 552 | - | 1,775 | - |
| Interest income | (177) | - | (664) | - |

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(CONT'D)**

B8) Group Borrowings

Details of the Group's bank borrowings as at 29 February 2024 are as follows:-

| | <u>Current</u> RM'000 | <u>Non-current</u> RM'000 | <u>Total</u> RM'000 |
|---------------------------|--------------------------|------------------------------|------------------------|
| Secured | | | |
| Finance lease liabilities | 924 | 1,681 | 2,605 |
| Bank borrowings | 31,863 | 9,258 | 41,121 |
| Total | 32,787 | 10,939 | 43,726 |

B9) Material litigations

The Group is not engaged in any material litigation cases as at the date of this report other than the followings:

(i) Vizione Construction Sdn Bhd Winding Up Petition

By way of a letter of acceptance dated 22 July 2019, Vizione Construction Sdn Bhd ("VCSB") has accepted CEDY Third Contracting and Trading (M) Sdn Bhd ("CEDY") as its subcontractor for a mixed development project ("LOA"). The works to be carried out by CEDY was severely delayed thus VCSB had vide its letter dated 15 April 2021 determined the LOA with CEDY. The parties disputed on the outstanding sum owing by VCSB to CEDY.

The parties have thereafter on 24 August 2021 entered into a partial settlement agreement ("Partial Settlement Agreement") whereby the parties have mutually agreed to terminate the LOA and agreed to resolve the undisputed sum of RM18,000,000.00 to be paid by VCSB. As at the LPD, RM1,350,000.00 out of the RM18,000,000.00 has yet to be paid by VCSB.

At all material times, an advanced payment of RM1,716,313.93 has been made by VCSB to CEDY and VCSB takes the position that VCSB is entitled to set-off the sum of RM1,716,313.93 by deducting the said sum from the balance sum due under the Partial Settlement Agreement.

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**PART B: ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN
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(CONT'D)**

B9) Material litigations (Cont'd)

The Group is not engaged in any material litigation cases as at the date of this report other than the followings: (Cont'd)

(i) Vizione Construction Sdn Bhd Winding Up Petition (Cont'd)

Further, VCSB had on 19 August 2022 initiated an arbitration proceeding against CEDY under the PAM Arbitration Rules (2019 Edition) claiming for an amount of RM12,907,929.68 plus any other sums to be determined later being the damages, loss and expenses to be assessed due to CEDY's breach and/or default on the LOA.

However, CEDY had on 25 August 2023 applied for judicial management vide originating summons no. WA-28JM-18-08/2023 in the High Court of Malaya at Kuala Lumpur. The next hearing of the judicial management application and other applications for leave to intervene is fixed on 12 July 2024. Pursuant to Section 410(c) of the Companies Act 2016, the arbitrator had stayed the arbitration proceeding unless with the consent of the Judicial Managers or with the leave from the Court. The Group is reconsidering the options to decide on the best way to proceed on VCSB's claim against CEDY.

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

B9) Material litigations (Cont'd)

(ii) Pembinaan Gerak Yakin Sdn Bhd ("PGY") vs VCSB Winding Up Petition

On 2 November 2023, VCSB had issued a notice of demand under Section 466 of Companies Act 2016 to PGY to demand for RM3,748,500.00 due and owing.

PGY has failed, refused and/or neglected to pay RM3,748,500.00 as demanded. As such, VCSB initiated winding up proceedings in the High Court at Kota Kinabalu and a winding up order was entered against PGY. PGY then filed a stay application of the winding up order which VCSB has objected. Thus, PGY also filed an appeal against the winding up order in the Court of Appeal and the Case Management for the appeal is fixed on 28 June 2024.

On 8 April 2024, PGY further filed a fresh suit in the High Court at Kota Kinabalu against VCSB and Vizione Holdings Berhad ("VHB") claiming for:-

- a) declarations that the alleged advance of RM7,200,000.00 to the PGY ("Advance") was unlawful;
- b) the Sale and Purchase Agreements in respect of 5 Units of investment properties, K Avenue Kota Kinabalu in purported part repayment of the said alleged Advance were also unlawful and therefore void respectively;
- c) an Order that VHB does within 7 days from the date of service of the Order, deliver vacant possession of the said 5 Units.

The fresh suit has been fixed for Hearing on 14 May 2024.

B10) Dividends

No dividend has been proposed and paid for during the current quarter ended 29 February 2024 and the previous audited financial period ended 31 May 2023.

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PART B: ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF THE BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11) Profit per share

| | INDIVIDUAL | | CUMULATIVE | |
|--|---|--|--|--|
| | Current Year Quarter Ended 29-Feb-24 | Preceding Year Corresponding Quarter Ended 28-Feb-23 | Current Y-T-D Ended 29-Feb-24 | Preceding Y-T-D Ended 28-Feb-23 |
| a) Earnings per-share | | | | |
| Profit attributable to the owners of parent (RM'000) | 504 | - | 828 | - |
| Total weighted average number of ordinary shares in issue ('000) | 2,047,681 | - | 2,047,681 | - |
| Basic profit per-share (sen) | 0.02 | - | 0.04 | - |

| | INDIVIDUAL | | CUMULATIVE | |
|--|---|--|--|--|
| | Current Year Quarter Ended 29-Feb-24 | Preceding Year Corresponding Quarter Ended 28-Feb-23 | Current Y-T-D Ended 29-Feb-24 | Preceding Y-T-D Ended 28-Feb-23 |
| b) Diluted earnings per-share | | | | |
| Profit attributable to the owners of parent (RM'000) | 504 | - | 828 | - |
| Total weighted average number of ordinary shares in issue ('000) | 2,047,681 | - | 2,047,681 | - |
| Diluted profit per-share (sen) | 0.02 | - | 0.04 | - |

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(CONT'D)**

B12) Authorisation for issue

The interim financial report were authorised for issue by the Board of Directors in accordance with resolution of the Directors on 30 April 2024.