

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2024
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-Aug-24 RM'000	Preceding Year Corresponding Quarter Ended 31-Aug-23 RM'000 Restated	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000 Restated
Continue operations				
Turnover	89,054	72,725	89,054	72,725
Cost of sales	(82,950)	(68,442)	(82,950)	(68,442)
Gross profit	6,104	4,283	6,104	4,283
Other operating income	225	325	225	325
Administrative expenses	(5,663)	(3,774)	(5,663)	(3,774)
Share of results of associate	-	-	-	-
Share of results of joint venture	409	224	409	224
Profit from operations	1,075	1,058	1,075	1,058
Finance costs	(395)	(617)	(395)	(617)
Profit before taxation	680	441	680	441
Taxation	(460)	(228)	(460)	(228)
Profits from continuing operations	220	213	220	213
Discontinued operation				
Loss from discontinued operation, net of tax	(4)	(132)	(4)	(132)
Total comprehensive profit	216	81	216	81
Total comprehensive profit attributable to :				
Owners of the parent				
- continuing operations	221	226	221	226
- discontinued operations	(3)	(106)	(3)	(106)
	218	120	218	120
Non-controlling interest				
- continuing operations	(1)	(13)	(1)	(13)
- discontinued operations	(1)	(26)	(1)	(26)
	(2)	(39)	(2)	(39)
	216	81	216	81
Earnings per share attributable to owners of the Company:				
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic				
- continuing operations	0.011	0.011	0.011	0.011
- discontinued operations	-	(0.005)	-	(0.005)
	0.011	0.006	0.011	0.006

Notes:

- The Condensed Consolidated Statement of Comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2024.

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2024**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31-Aug-24 (UNAUDITED) RM'000	As At 31-May-24 (AUDITED) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8,800	9,173
Right-of-use assets	13,284	12,862
Investment properties	9,077	9,077
Intangible assets	120,711	120,711
Investment in a joint venture company	4,092	3,684
Deferred tax assets	5,018	5,018
Trade receivables	91,379	91,379
	252,361	251,904
CURRENT ASSETS		
Inventories	7,859	8,798
Contract assets	124,625	96,540
Trade receivables	236,995	243,913
Others receivables	167,709	168,921
Other investments	38	38
Tax recoverable	3,245	4,055
Fixed deposits with licensed banks	25,571	24,948
Cash and bank balances	8,829	23,465
	574,871	570,684
Assets classified as held for sale	7,925	9,056
	582,796	579,740
TOTAL ASSETS	835,157	831,644
EQUITY		
Share capital	676,768	676,768
Treasury shares	(1,204)	(1,204)
Warrant reserves	7,672	7,672
Accumulated losses	(114,458)	(114,676)
Equity attributable to owners of the parent	568,778	568,560
Non-controlling interests	(193)	(452)
Total Equity	568,585	568,108

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2024**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As At 31-Aug-24 (UNAUDITED) RM'000	As At 31-May-24 (AUDITED) RM'000
LIABILITIES		
NON-CURRENT LIABILITIES		
Finance lease liabilities	1,530	1,407
Bank borrowings	7,698	7,896
Deferred tax liabilities	114	114
	9,342	9,417
CURRENT LIABILITIES		
Contract liabilities	5,436	30,455
Trade payables	132,411	111,383
Others payables	69,278	61,367
Amount due to a joint venture company	11,222	9,917
Finance lease liabilities	910	895
Bank borrowings	37,973	39,451
Tax payable	-	646
	257,230	254,114
Liabilities classified as held for sale	-	5
	257,230	254,119
TOTAL LIABILITIES	266,572	263,536
TOTAL EQUITY AND LIABILITIES	835,157	831,644
NET ASSETS PER-SHARE (RM)	0.2778	0.2777

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2024.

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT						Non-controlling Interest RM'000	TOTAL EQUITY RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Warrants Reserves RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total Attributable To Owners Of The Parent RM'000			
GROUP								
As at 1 June 2024	676,768	7,672	(1,204)	(114,676)	568,560	(452)	568,108	
Profit for the financial period, representing total comprehensive income for the financial year	-	-	-	218	218	(2)	216	
Disposal of a subsidiary	-	-	-	-	-	261	261	
As at 31 August 2024	676,768	7,672	(1,204)	(114,458)	568,778	(193)	568,585	

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT						
	Non-distributable				Distributable		TOTAL EQUITY RM'000
	Share Capital RM'000	Warrants Reserves RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total Attributable To Owners Of The Parent RM'000	Non-controlling Interest RM'000	
GROUP							
As at 1 June 2023	676,768	7,672	(1,204)	(116,815)	566,421	(416)	566,005
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	2,139	2,139	(36)	2,103
Transactions with owners:-							
Issuance of ordinary shares	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
As at 31 May 2024	676,768	7,672	(1,204)	(114,676)	568,560	(452)	568,108

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2024.

VIZIONE HOLDINGS BERHAD 199701026873 (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2024**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	3 Months Ended 31-Aug-24 (UNAUDITED)	3 Months Ended 31-Aug-23
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- continuing operations	680	441
- discontinued operations	(4)	(132)
Adjustments for:		
Amortisation of right-of-use assets	207	333
Depreciation of property, plant and equipment	367	295
Interest income	(169)	(310)
Interest expenses	395	617
Share of results of joint venture company	(409)	(224)
Loss on disposal of subsidiaries	1,392	
Loss on disposal of property, plant and equipment	-	14
Loss on disposal of right-of-use assets	-	71
Property, plant and equipment written off	-	4
Operating profit before working capital changes	2,459	1,109
Change in working capital:		
Contract assets	(28,085)	(17,148)
Inventories	938	1,165
Trade and other receivables	8,130	(12,203)
Contract liabilities	(25,020)	(2,715)
Trade and other payables	28,937	9,496
Amount due to a joint venture company	1,304	2,845
	(13,796)	(18,560)
Cash used in operations	(11,337)	(17,451)
Interest paid	(395)	(617)
Interest received	169	310
Tax refund	(298)	-
Tax refund	-	1,594
	(524)	1,287
Net cash used in operating activities	(11,861)	(16,164)

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2024**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	3 Months Ended 31-Aug-24 (UNAUDITED)	3 Months Ended 31-Aug-23
	RM'000	RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of right of use assets	(70)	-
Purchase of property, plant and equipment	(54)	(338)
Proceeds from disposal of property, plant and equipment	-	115
Proceeds from disposal of right of use assets	-	61
Net cash inflow from disposal of a subsidiary company	-	-
Net cash used in investing activities	(124)	(162)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(361)	(404)
Net changes in amount due from/to joint venture company	6	7,908
Decrease in fixed deposit pledged	(623)	2,886
Repayment of term loans	(3,296)	(3,127)
Net changes in trust receipts and invoice financing	(3,069)	4,096
Net cash (used in)/from financing activities	(7,343)	11,359
Net decrease in cash and cash equivalents	(19,328)	(4,967)
Cash and cash equivalents at beginning of the period	13,359	8,128
Cash and cash equivalents at end of the period	(5,969)	3,161
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:		
Fixed deposits with licensed banks	25,571	27,051
Cash and bank balances	8,829	17,572
Other investment	38	38
Bank overdrafts	(14,836)	(14,449)
	19,602	30,212
Less: Fixed deposits pledged with licensed banks	(25,571)	(27,051)
	(5,969)	3,161

The Condensed Consolidated Statement of Cash flow should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2024.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 year except as follows:

(i) Adoption of new and amended standards

On 1 June 2024, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 June 2024.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024

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

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

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
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards— Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024

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

A3) Audit report

The Auditors' Report of the preceding annual financial statements for the financial year ended 31 May 2024 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 31 August 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 31 August 2024 under review.

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 August 2024 under review.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024

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

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 31 August 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 2024.

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 August 2024 under review is as follows:-

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-Aug-24 RM'000	Preceding Year Corresponding Quarter Ended 31-Aug-23 RM'000	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000
<u>TURNOVER</u>				
<u>Continuing operation</u>				
Construction	82,466	71,189	82,466	71,189
Investment holdings	-	-	-	-
Property development	1,009	1,506	1,009	1,506
Other non-reportable segments	6,068	31	6,068	31
<u>Discontinued operation</u>				
Hydropower	-	-	-	-
Less: Inter-segment	(489)	(1)	(489)	(1)
Total consolidated revenue	89,054	72,725	89,054	72,725

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 31 August 2024 under review is as follows:- (cont'd)

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-Aug-24 RM'000	Preceding Year Corresponding Quarter Ended 31-Aug-23 RM'000	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000
<u>RESULTS</u>				
<u>Continuing operation</u>				
Construction	3,405	2,689	3,405	2,689
Investment holdings	(1,486)	(1,456)	(1,486)	(1,456)
Property development	14	27	14	27
Other non-reportable segments	(1,267)	(426)	(1,267)	(426)
Share of results of joint venture	409	224	409	224
Provision for taxation	(460)	(228)	(460)	(228)
Interest expenses	(395)	(617)	(395)	(617)
<u>Discontinued operation</u>				
Hydropower	(4)	(132)	(4)	(132)
Less: Elimination	-	-	-	-
Net profit after tax	216	81	216	81

	CUMULATIVE	
	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000
<u>SEGMENT ASSETS</u>		
<u>Continuing operation</u>		
Construction	466,444	772,607
Investment holdings	307,870	333,312
Property development	17,819	38,979
Other non-reportable segments	354,814	33,398
<u>Discontinued operation</u>		
Hydropower	7,925	9,146
Less: Elimination	(319,715)	(344,020)
Consolidated total assets	835,157	843,422

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 31 August 2024 under review is as follows:- (cont’d)

	CUMULATIVE	
	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000
<u>SEGMENT LIABILITIES</u>		
<u>Continuing operation</u>		
Construction	230,667	552,359
Investment holdings	22,669	14,290
Property development	9,091	25,573
Other non-reportable segments	323,860	26,481
<u>Discontinued operation</u>		
Hydropower	-	2,653
Less: Elimination	(319,715)	(344,020)
Consolidated total liabilities	266,572	277,336

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 August 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 Tunjang Tenaga Sdn Bhd (“TTSB”), for a total consideration of RM200.00 (“Proposal Disposal”).

On 19 June 2024, the Group announced that the disposal of 200,100 ordinary shares representing 100% ordinary shares in TTSB has been completed. As a result, TTSB and its direct subsidiary, SDF Hydro Sdn Bhd have ceased as the subsidiaries of the Group.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 31 May 2024, save and except for the followings:- (cont’d)

(b) On 6 March 2024, TA Securities (on behalf of the Board) announced that the Company will 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”).

On 4 October 2024, TA Securities (on behalf of the Board) announced the proposed share consolidation had been completed.

A12) Material changes in the composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 August 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 31 August 2024 except below:-

(a) Contingent liabilities

	Cumulative	
	Quarter Ended 31-Aug-24	Quarter Ended 31-Aug-23
	RM'000	RM'000
Corporate guarantees extended to financial institutions for banking facilities granted to third parties in relation to construction contracts	103,352	100,506
Performance and corporate guarantee extended to third parties in respect of construction related contracts entered into by the Group	72,602	73,691

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 31 August 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 31 August 2024.

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-Aug-24 RM'000	Preceding Year Corresponding Quarter Ended 31-Aug-23 RM'000	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000
(I) Progressive sub-contracting for the Group construction projects	11,576	13,463	11,576	13,463
(II) Office rental income	8	8	8	8
(III) Staff cost	50	80	50	80

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 1, FY 2025 (“Q1 FY2025”)

For the current quarter under review, the Group posted a revenue of RM89.054 million. Profit before tax during the current quarter was RM0.680 million.

Construction segments contributed 92% of the Group's revenue. Construction segment reported operating profit before tax and interest amounting RM3.405 million but Investment holdings segment and non-reporting segment reported operating loss before tax and interest amounting RM2.753 million for current quarter.

B2) Changes in revenue and PBT for Q1 FY2025 as compared with the immediate preceding quarter ended 31 May 2024 (“Q4 FY2024”):-

	Current Year Quarter Ended 31-Aug-24 RM'000	Immediate Preceding Quarter Ended 31-May-24 RM'000	Variance %
Revenue	89,054	49,797	_____
Profit before taxation	680	883	_____

The Group's revenue reported RM89,054millions, which is 79% higher than immediate preceding quarter but Profit before taxation amounting RM 0.680million, which is 23% lower. The increase of the Group revenue primarily due to one of our main projects is progressing well. Lower profit before taxation for the current quarter is mainly due to the administrative expenses which incurred consistently over the quarters.

B3) Future prospects

The Malaysian government has launched various initiatives, focusing on infrastructure development, housing, and sustainability. In addition, the economy in Malaysia has been experiencing good recovery from the pandemic recently.

The Group has been badly affected from the pandemics and we are in the midst of working closely with our clients in handling the outstanding balances. In addition, the cancellation of the diesel subsidy by the Malaysian Government shall affect the project costing and our financial performance.

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

The Group is actively working to accelerate 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.

The Group has completed approximately 62% of the National Robotic and Cybernetics project as of the reporting date and expects to finish it within the current financial year.

The construction work for the Residensi Sentral Project, in Presint 7, Putrajaya commenced in April 2024.

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

The Group is consistently exploring other business opportunities. 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 31-Aug-24 RM'000	Preceding Year Corresponding Quarter Ended 31-Aug-23 RM'000	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000
In respect of current quarter:-				
Income tax	460	228	460	228

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024

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

The corporate proposal announced by the Group but not completed as at the date of this announcement is listed below:

- (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 Tunjang Tenaga Sdn Bhd ("TTSB"), for a total consideration of RM200.00 ("Proposal Disposal").

On 19 June 2024, the Group announced that the disposal of 200,100 ordinary shares representing 100% ordinary shares in TTSB has been completed. As a result, TTSB and its direct subsidiary, SDF Hydro Sdn Bhd have ceased as the subsidiaries of the Group.

- (b) On 6 March 2024, TA Securities (on behalf of the Board) announced that the Company will 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").

On 4 October 2024, TA Securities (on behalf of the Board) announced the proposed share consolidation had been completed.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024

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

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 31-Aug-24 RM'000	Preceding Year Corresponding Quarter Ended 31-Aug-23 RM'000	Current Y-T-D Ended 31-Aug-24 RM'000	Preceding Y-T-D Ended 31-Aug-23 RM'000
Lease expenses relating to short-term leases	21	7	21	7
Depreciation of property, plant and equipment	367	295	367	295
Amortisation of Right-of-use assets	207	333	207	333
Loss on disposal of a subsidiary	1,392	-	1,392	-
Loss on disposal of property, plant and equipment	-	14	-	14
Loss on disposal of Right-of-use assets	-	71	-	71
Property, plant and equipment written off	-	4	-	4
Interest expenses	395	617	395	617
Interest income	(169)	(310)	(169)	(310)

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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)

B8) Group Borrowings

Details of the Group's bank borrowings as at 31 August 2024 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
Secured			
Finance lease liabilities	910	1,530	2,440
Bank borrowings	37,973	7,698	45,671
Total	38,883	9,228	48,111

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) VCSB's claim against CEDY Third Contracting And Trading (M) Sdn. Bhd. ("CEDY")

Pursuant to the previous financial statement, arbitration proceedings against CEDY had been initiated. However, CEDY had on 25 August 2023 applied for judicial management in the High Court of Malaya at Kuala Lumpur. The hearing of the judicial management application is fixed on 7 November 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.

- (ii) Legal actions involving Pembinaan Gerak Yakin Sdn. Bhd. ("PGY")

On 7 June 2024, PGY and Chin Kon Wah ("the Plaintiffs") commenced proceedings by way of a Writ against VCSB, Vizione and Dato' Ng ("the Defendants").

The Plaintiffs claim against the Defendants for inter alia:-

- (a) a declaration that the said sum of RM7,200,000 paid by the Defendants for securing the construction project was non-recoverable.
- (b) PGY's loss of the contra amount under the SPAs.
- (c) Loss incurred by Chin Kon Wah for terminating the winding-up Order.

Initially, at the Plaintiffs' request, VCSB advanced the sum of RM7,200,000 to PGY to assist PGY to secure a construction project whereby upon being awarded, VCSB have a role in the project.

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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) Legal actions involving Pembinaan Gerak Yakin Sdn. Bhd. ("PGY") (cont'd)

The Defendants have filed their Statement of Defence with a Counterclaim by VCSB against the Plaintiffs for RM19,800 being the shortfall on the settlement of RM3,451,500 by way of contra of 5 units.

The Court has fixed the mention date and trial dates for the matter on 29 October 2024 and 24 February 2025 to 28 February 2025, respectively. The Group's solicitors are of the opinion that on the balance of probabilities, the Defendants have a good and arguable case against the Plaintiffs.

(iii) YHF Construction Sdn. Bhd.'s ("YHF") claim against VBSB

On 16 July 2024, VBSB, a wholly-owned subsidiary of Vizione received a Winding-up Petition filed by YHF against VBSB for an alleged outstanding sum of RM1,141,774.04 due and owing to YHF.

The Case Management for the Winding-up Petition has been fixed on 27 November 2024 while the Hearing is fixed on 9 December 2024. The solicitors representing VBSB are of the opinion that VBSB has a reasonably good chance to oppose the winding-up petition.

(iv) Consortium Zenith Construction Sdn. Bhd.'s ("CZC") claim against VCSB

On 14 August 2024, VCSB received a Writ and Statement of Claim dated 13 August 2024 filed by CZC against Infraharta Sdn. Bhd. ("Infraharta") and VCSB ("the Defendants") claiming for among others :-

1. a declaration that the Defendants hold on constructive trust for CZC or are liable to account for all assets and/or funds now or previously in their possession acquired directly or indirectly with CZC's assets and/or funds;
2. a declaration that the Defendants be liable to account for the wrongdoings as pleaded;
3. a mandatory injunction for the Defendants to restitute or restore to CZC the respective unaccounted sum held by them or for such other amount to be assessed;
4. an order for the Defendants to account for all the assets, funds and/or profits that arise from the Defendants' use of the respective unaccounted sum held by them, or such other amount to be assessed and to return the same to CZC;
5. an order that the Defendants be liable to pay equitable compensation to CZC.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024

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)

- (iv) Consortium Zenith Construction Sdn. Bhd.'s ("CZC") claim against VCSB (cont'd)

The Case Management is fixed on 14 January 2025.

From VCSB's internal verification, the funds purportedly paid to VCSB was a refund from CZC to VCSB for a refundable security deposit in relation to the PMRT Project which VCSB paid to CZC earlier. VCSB is of the preliminary view that CZC had maliciously and dishonestly falsified documents and records to support its claim, whereby VCSB reserves its rights to take all necessary actions available under the law against CZC and its controllers.

- (v) JL-Edison Holdings Sdn. Bhd.'s ("JLE") claim against Zenith Urban Development Sdn. Bhd. ("ZUD"), Vizione and Dato' Ng (collectively "the Defendants").

The Defendants had on 11 October 2024 received a Writ and Statement of Claim from JLE claiming inter alia for:

1. a declaration that the Defendants shall forthwith jointly and/or severally liable for the breach of the Consultancy Agreement;
2. a declaration that the 3rd Defendant shall be liable for the tort of deceit;
3. ZUD and/or Vizione shall jointly and/or severally forthwith pay JLE the sum of RM3,300,000.00.

JLE alleged that in 2018, JLE was approached by ZUD pursuant to several letters to secure a purchaser for the sales and purchase of a piece of land in Penang. After procuring a few unsuccessful purchasers, finally on 11 November 2019, a Sale and Purchase Agreement ("SPA") was signed.

However, JLE failed to comply with the mutually amended terms of the appointment and ZUD initiated a legal action to finally recover the balance purchase price from the purchaser.

The Case Management date by eReview is fixed on 14.1.2025.

The companies have appointed lawyers to defend and dispute JLE's claim which from internal verification is baseless and frivolous.

B10) Dividends

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024

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 31-Aug-24	Preceding Year Corresponding Quarter Ended 31-Aug-23	Current Y-T-D Ended 31-Aug-24	Preceding Y-T-D Ended 31-Aug-23
a) Earnings per-share				
Profit/(Loss) attributable to the owners of parent (RM'000)				
- continuing operations	221	226	221	226
- discontinued operations	(3)	(106)	(3)	(106)
Total weighted average number of ordinary shares in issue ('000)	2,047,681	2,047,681	2,047,681	2,047,681
Basic profit per-share (sen)				
- continuing operations	0.011	0.011	0.011	0.011
- discontinued operations	-	(0.005)	-	(0.005)
	0.011	0.006	0.011	0.006

The diluted earnings per share are not presented as there are no potential ordinary shares outstanding at the end of reporting period.

B12) Comparative figures

Comparative figures, where applicable, have been reclassified to conform with the current financial quarter and financial period presentation.

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 October 2024.