

VIZIONE HOLDINGS BERHAD (442371-A)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE 20TH ANNUAL GENERAL MEETING (“20TH AGM”) OF VIZIONE HOLDINGS BERHAD DULY CONVENED AND HELD AT TPC KUALA LUMPUR, KUALA LUMPUR GOLF & COUNTRY CLUB BHD, 10 JALAN 1/70D, OFF JALAN BUKIT KIARA, 60000 KUALA LUMPUR, WILAYAH PERSEKUTUAN (KL), MALAYSIA ON THURSDAY, 18 OCTOBER 2018 AT 10.00 A.M.

Datuk Dr Raman bin Ismail (“the Chairman”) chaired the 20th AGM of the Company. The Chairman called the meeting to order at 10.00 a.m. and the Secretary confirmed the presence of a requisite quorum for the meeting.

The Chairman tabled the Company’s Audited Financial Statements (“AFS”) and the Reports of the Directors and Auditors for the financial year ended 31 May 2018 (“FYE 2018”).

The Chairman declared that the AFS together with the Reports of the Directors and Auditors for the FYE 2018 as received and duly tabled at the 20th AGM in accordance with Section 340(1)(a) of the Companies Act 2016 (“CA 2016”). The Chairman explained that the AFS for FYE 2018 were for discussion only, as they did not require shareholders’ approval. Hence, the AFS would not be put forward for voting.

Subsequent to the above, the Chairman opened the floor for question on the AFS of the Company for FY2018.

The following queries were raised by shareholders and responses made by the Board members:

Question 1

Encik Haji Ahmad Ibrahim (Shareholder), enquired on what is “other income” that stated in the statements of Profit or Loss and other Comprehensive Income for the financial year ended 31 May 2018.

Response to Question 1

Mr Henry Chow, the Chief Financial Officer of the Company informed that the “other income” consisted of fixed deposit interest.

Question 2

Encik Haji Ahmad Ibrahim concerned that the Company able to consider to declare dividend to the Shareholders.

Response to Question 2

Dato’ Ng Aun Hooi, the Managing Director of the Company replied that the Group is currently in its growth stages and therefore needs to retain capital to grow its business. The Board continue to assess the Group’s capital requirement and will propose a dividend payout at the appropriate time.

Question 3

Mr Lim (Shareholder), enquired on the progress of all the projects.

Response to Question 3

Dato' Ng replied that there are projects scheduled to commence in March 2019. Currently, the progress of the PPR-Semenyih has been delayed by the developer.

The property market is still relatively weak compared to the hay days of 2009-2013. Nevertheless, despite the weak consumer and industry sentiment, there are still property development projects that are doing well such as affordable housing, which is currently the trend and in demand these days.

In the construction sector, there are still ongoing construction works and the Company has won projects such as Penang Road Package 2 and expect to have more clarity after budget 2019 is announced.

Affordable housing remains the Company's core business as the Company has the expertise and strong track record. As such, the Company will continue to build on its strength to bid for new projects.

For property development, the Company formed a JV with strategic partners that will pave the way for the following:-

- Through WSSB, the Company had acquired 30% (1.5 million shares) of Zenith Urban Development Sdn Bhd (a private limited company principally engaged in property development) on April 2018 to embark on a development in Penang with an estimated gross development value (GDV) of RM200 million.
- The Company signed a Letter of Intent with Pan Sejati, to develop 3,800 homes in Putrajaya via a 40:60 joint venture. To facilitate this, the wholly-owned subsidiary, Vizione Development Sdn Bhd had acquired 40% stake in Mahsyur Gemilang Development Sdn Bhd on 21 March 2018. This development will take up a total area of 17.89 acres with an estimated GDV of RM700 million.

Question 4

Mr Phang (Shareholder) asked, how the Company can ensure and deliver a stable margin?

Response to Question 4

Dato' Ng informed that assuming that there are no significant changes in the operating and financing costs, the average margin is around 13%.

Dato' Ng replied that for the past two years, the Company was doing building works and now the Company is diversifying into infra-structure works, such as Submarine pipeline works, to enlarge the Group's order book and these are expected to provide a steady stream of revenue for the Group.

Further, each project is closely monitored and cost controlled by budget the Contract Department to ensure cost efficiency and minimal losses.

Question 5

Mr Phang asked how confident Wira Syukur (M) Sdn Bhd (“WSSB”) is in delivering the profit guarantee?

Response to Question 5

Mr Henry Chow replied that the acquisition of WSSB comes with RM82.6 million profit guarantee from WSSB’s Profit After Tax (“PAT”) for FY2017 and FY2018. If WSSB is not able to fulfil the profit guarantee, WSSB’s shareholders (i.e. Dato’ Ng, Mr Gon and Mr Bee) will have to compensate the shortfall by disposing their shares in Vizione Holdings Berhad.

For the financial year 31 December 2017, WSSB recorded PAT of RM28.6 million reflecting a profit of RM1.1 million more than the estimated profit guarantee of RM27.50 million. For the financial year 31 December 2018, WSSB needs to deliver PAT of RM54.0 million.

The Company is confident that WSSB will deliver the remaining RM54.0 million PAT for financial year 31 December 2018, with a strong order book of RM3.91 billion in hand.

After the acquisition, the Company had won the following new contracts worth approximately RM 1.1 billion, through WSSB:-

- RM465 million contract to construct five blocks of RUMAWIP and 14 shop lots in Gombak;
- RM401 million contract to construct four block of office suites in Semenyih;
- RM137 million contract for road works from Gambang to Segamat; and
- RM89.9 million contract on Submarine Pipelines Project.

The revenue and profit for the Company had increased more than 100% since the injection of WSSB. Revenue grew from RM49 million in FY2017 to RM413 million in FY2018, whereas PAT grew from RM0.59 million to RM26 million during the same period.

Question 6

Mr Phang further ask whether the Company has implemented the Construction Quality Assessment System (“CONQUAS”) or QLASSIC or Incentives for Industrialised Building System (“IBS”).

Response to Question 6

Dato’ Ng replied that the CONQUAS Standard has been abolished and as such the Company is now in the midst of applying for the QLASSIC Standard.

Dato’Ng further informed that the IBS has been practiced for the past five (5) years.

Question 7

Mr Phang enquired on the outlook for the Property and Construction Sector.

Response to Question 7

Dato’ Ng informed that property outlook should improve once the PH Government rolls out new policies to help the man on the street own their 1st homes.

In addition, according to the MOF, BNM is expected to roll out a special housing loan scheme next month, for first time home buyers in the low-to-middle income group.

Construction outlook should improve once the cloud of uncertainty surrounding project execution is finalised and the Company can go back to reaping profits from progress billings.

Question 8

Mr Phang further requested the Board to explain on the negative cash flow for the FYE2018.

Response to Question 8

Mr Henry informed that the new government need time to reshuffle the nation's cash flow. The payments to the contractors are relatively slow. However, the Company has collected all the outstanding payments from the government.

There being no further questions on the AFS, the AFS for the financial year ended 31 May 2018 together with the Directors' Report and Auditors Report thereon were duly received by the shareholders.

With date, the Chairman concluded the questions and answers session for Agenda 1.

There were no questions raised for Agenda items 2 to 9. All the resolutions tabled at the 20th AGM for the Company and voted upon by poll were duly passed by the shareholders.

There being no other business, the Meeting terminated at 11.00 a.m. with a vote of thanks to the Chairman.