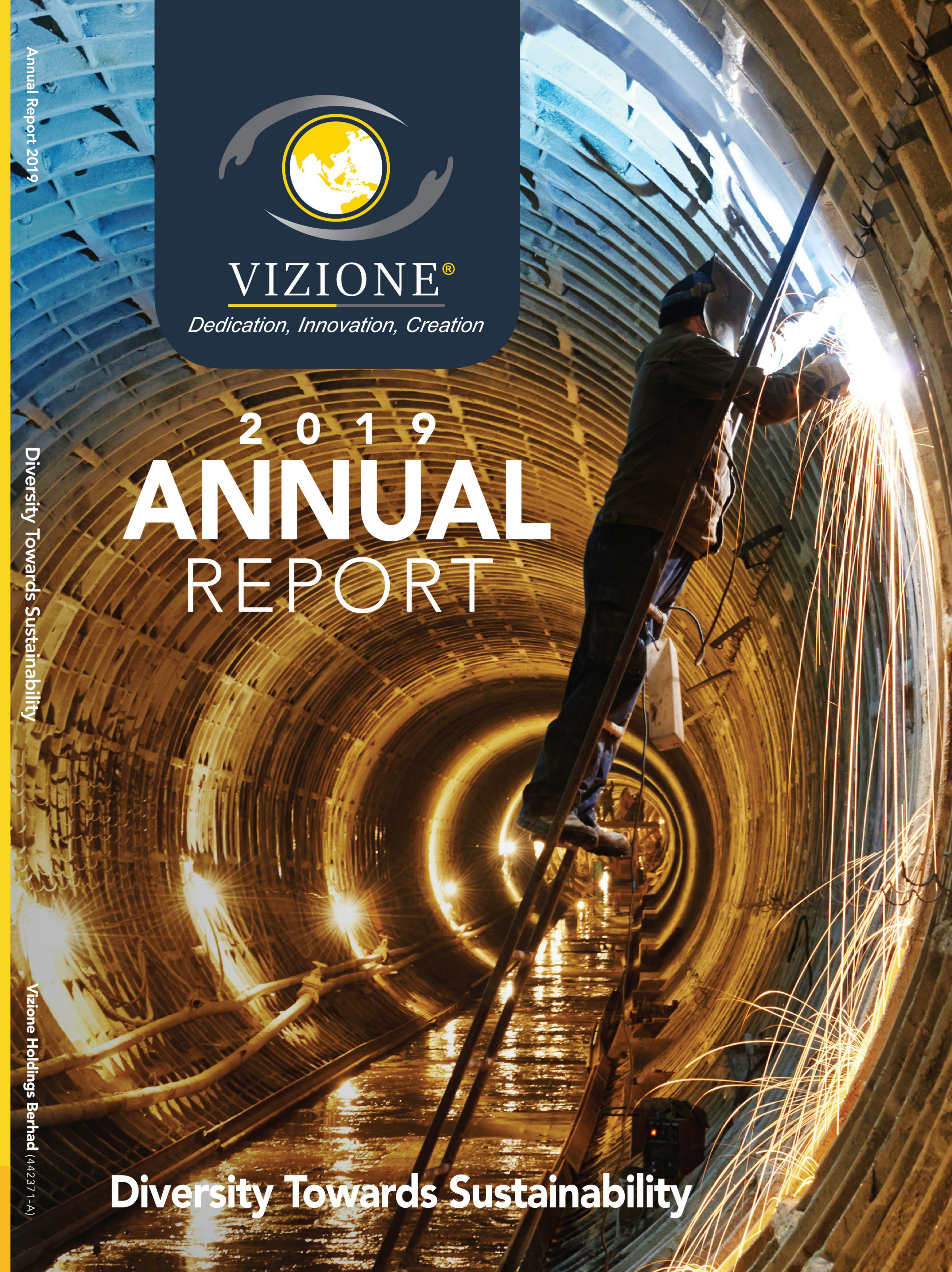
www.vizione.com.my

Vizione Holdings Berhad (442371-A)

Level 22, PJX – HM Shah Tower, No.16A, Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia.

Tel : (03) 8605 3355 Fax : (03) 8605 3688



VIZIONE®

Dedication, Innovation, Creation

2019 ANNUAL REPORT

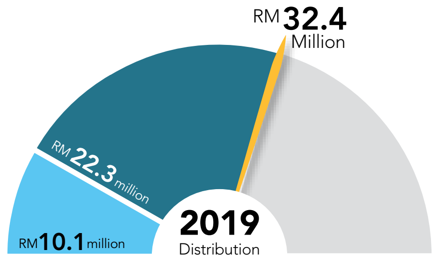
Diversity Towards Sustainability

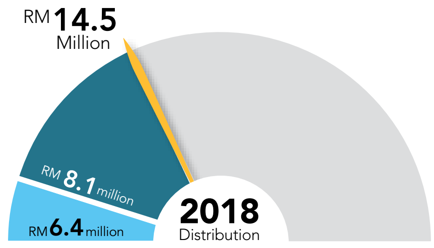
VIZIONE AT A GLANCE

Revenue	Operating Profit	Profit before tax	Profit after tax
RM 594 million	RM 97 million	RM 86 million	RM 63 million

Share Price & Market Capitalisation

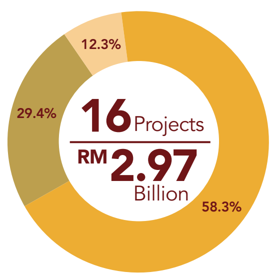
Value Added SUSTAINABILITY



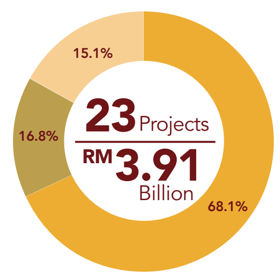


Employees Compensation
Tax paid

Business Segmental Profile

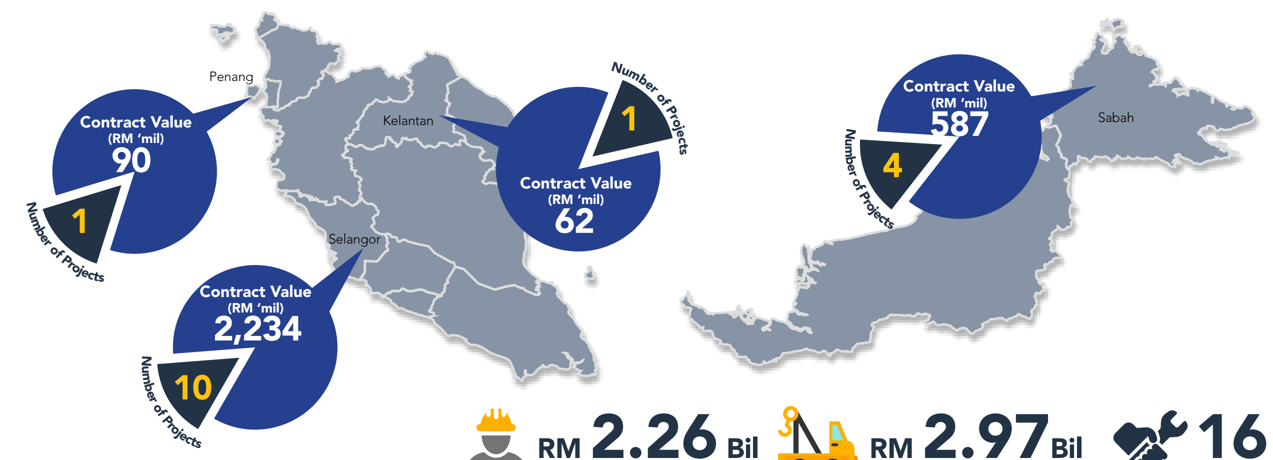


Total Order Book	Number of Project	2019	2018	Number of Project	Total Order Book
RM 875	3	Infrastructure		4	RM 656
RM 365	4	Government Housing Scheme		7	RM 589
RM 1,733	9	Private Commercial		12	RM 2,661



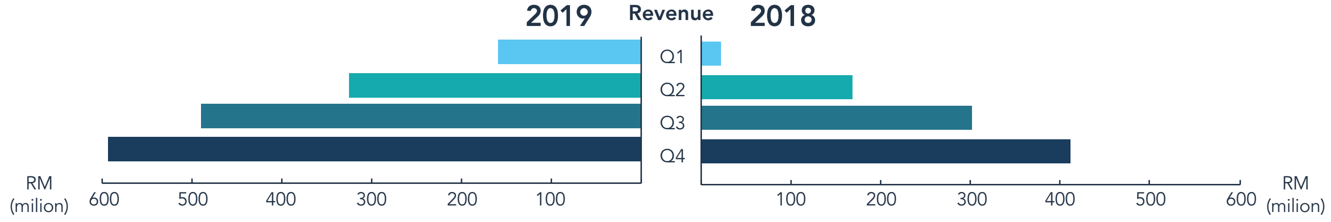
Number Of Shares	Net Tangible Asset	Share Price	P/E Ratio	Earnings Per Share	Returns On Equity
562.29 million	RM 0.928 Per Share	RM 0.965 31 May 2019	8.32	11.60 sen	12.15%

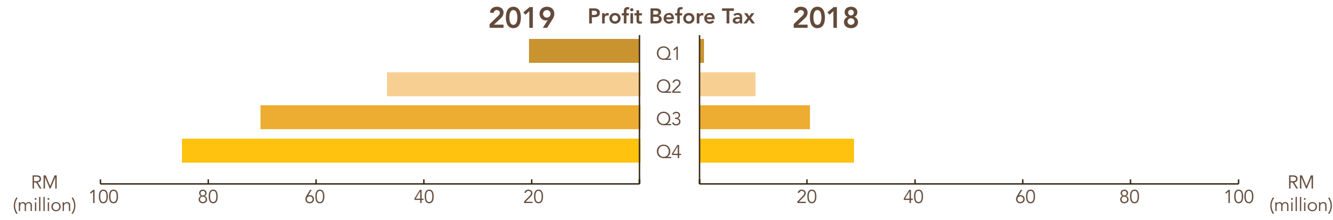
BUSINESS FOOTPRINT



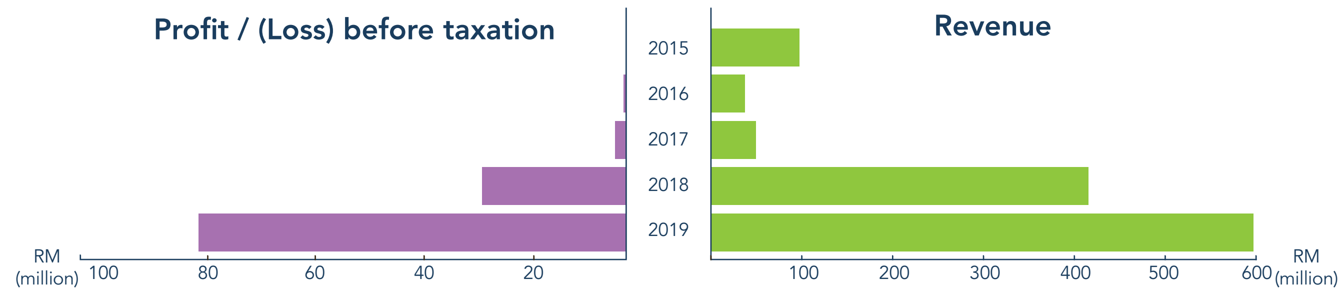
RM 2.26 Bil Outstanding Order Book
RM 2.97 Bil Contract Value
16 Projects In Hand

Cummulative Quarterly Performance

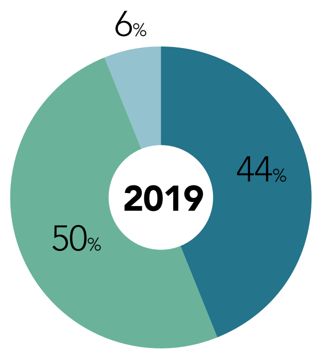




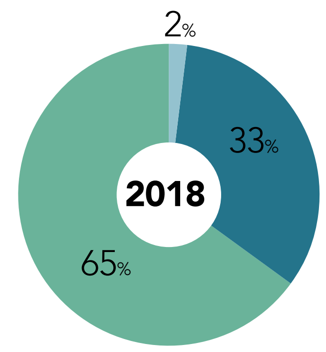
5 Years Performance



Distribution of Equity



2019		2018
250 Million	Malaysian Bumi	1,202 Million
280 Million	Malaysian Non-Bumi	2,418 Million
32 Million	Foreign	77 Million
562 Million	TOTAL	3,697 Million



CONTENTS

ABOUT

VIZIONE HOLDINGS BERHAD

Vizione Holdings Berhad is a full-fledged integrated construction engineering company. Vizione's full spectrum of capabilities covers the entire value chain of civil engineering, infrastructure construction, property development, residential and mix used property development. With a dedicated workforce, comprehensive assets and project management capabilities, Vizione's presence can be seen in various parts of Malaysia. The Group was formerly known as Astral Supreme Berhad and changed its name to Vizione Holdings Berhad in September 2016. Vizione Holdings Berhad was incorporated in 1965 and is based in Kuala Lumpur, Malaysia.

VISION

To be the diversified conglomerate with an outstanding reputation for quality and innovation.

MISSION

Our Group, consists of an accomplished team of experienced professionals in key positions, provide a full range of property development and construction services to both the public and private sectors through dedicated partnerships and relationships, adding value through insight and effective strategy. In pursuing the mission, our Group:-

- Provides a rewarding working environment which fosters innovation, teamwork, continuous improvement and career advancement, while respecting and promoting individual and family values.
- Delivers sustainable returns to our shareholders.
- Constantly upgrades skills and professionalism and excels in our core businesses.
- Builds strong relationships with strategic partners and consistently delivers excellent service.
- Actively supports the communities through CSR programs.

CORPORATE **MILESTONE**

2016 - 2018

- Changed name to Vizione Holdings Berhad ("Vizione") in September 2016.
- Changed Bursa sector from Industrial Products to Construction in 2016.
- Completed the acquisition of Wira Syukur (M) Sdn Bhd ("WSSB") for RM280 million on 9 Oct 2017 through a cash consideration of RM172.6 million and 976.2 million in new issued Vizione shares at RM0.11 per share.
- Raised RM207.5 million via Private Placement through the issuance of 1,687 million (200%) new shares at an issue price of RM0.123 per share in 2017.
- Proposed up to 406.71 million (10%) new share placement and completed 1st tranche private placement of 155.3 million shares at RM0.14 in April 2018 at a value of RM21.7 million.
- Shareholder approval obtained for the share consolidation of 7:1 in Sept 2018.

1997-2015

- Listed on Bursa Main Board as Astral Supreme Berhad ("ASB") .
- Principal activity was electronic manufacturing.
- Dato' Ng Aun Hooi was appointed as the Managing Director

2019

- Wira Syukur (M) Sdn Bhd achieving profit guarantee of RM 85.9 milion.
- Acquisition of share in Pembinaan Angkasa Permai Sdn. Bhd. for consideration of RM 7 milion.
- Vizione Holdings Berhad sealed a Memorandum of Collaboration with Engineering Protocol Sdn Bhd for Large Scale Solar Photovoltaic Plants (LSS) project bidding amounting to RM 2 billion.

GROUP CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Dato' Mohd Zaihan bin Mohd Zain
Independent Non-Executive Director

Member
Dato' Ng Aun Hooi
Managing Director

Bee Jian Ming
Executive Director

Chan Chee Wing
Executive Director

Dato' Ir Mohamad Shokri bin Abdullah
Senior Independent Non-Executive Director

Ng Fun Kim
Independent Non-Executive Director

Y.M. Syed Haizam Hishamuddin Putra Jamalullail
Non-Independent Non-Executive Director

Auditors
UHY (AF1411)
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.

Company Secretaries
Wong Yuet Chyn (MAICSA 7047163)
Lee Wee Hee (MAICSA 0773340)

Audit Committee
Ng Fun Kim (Chairman)
Dato' Ir Mohamad Shokri bin Abdullah
Dato' Mohd Zaihan bin Mohd Zain

Nomination Committee
Dato' Ir Mohamad Shokri bin Abdullah (Chairman)
Dato' Mohd Zaihan bin Mohd Zain
Ng Fun Kim

Remuneration Committee
Dato' Ir Mohamad Shokri bin Abdullah (Chairman)
Dato' Ng Aun Hooi
Ng Fun Kim

Principal Bankers
Malayan Banking Berhad
AmBank (M) Berhad
United Overseas Bank (Malaysia) Bhd

Share Registrar
ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel : (03) 6201 1120
Fax : (03) 6201 3121

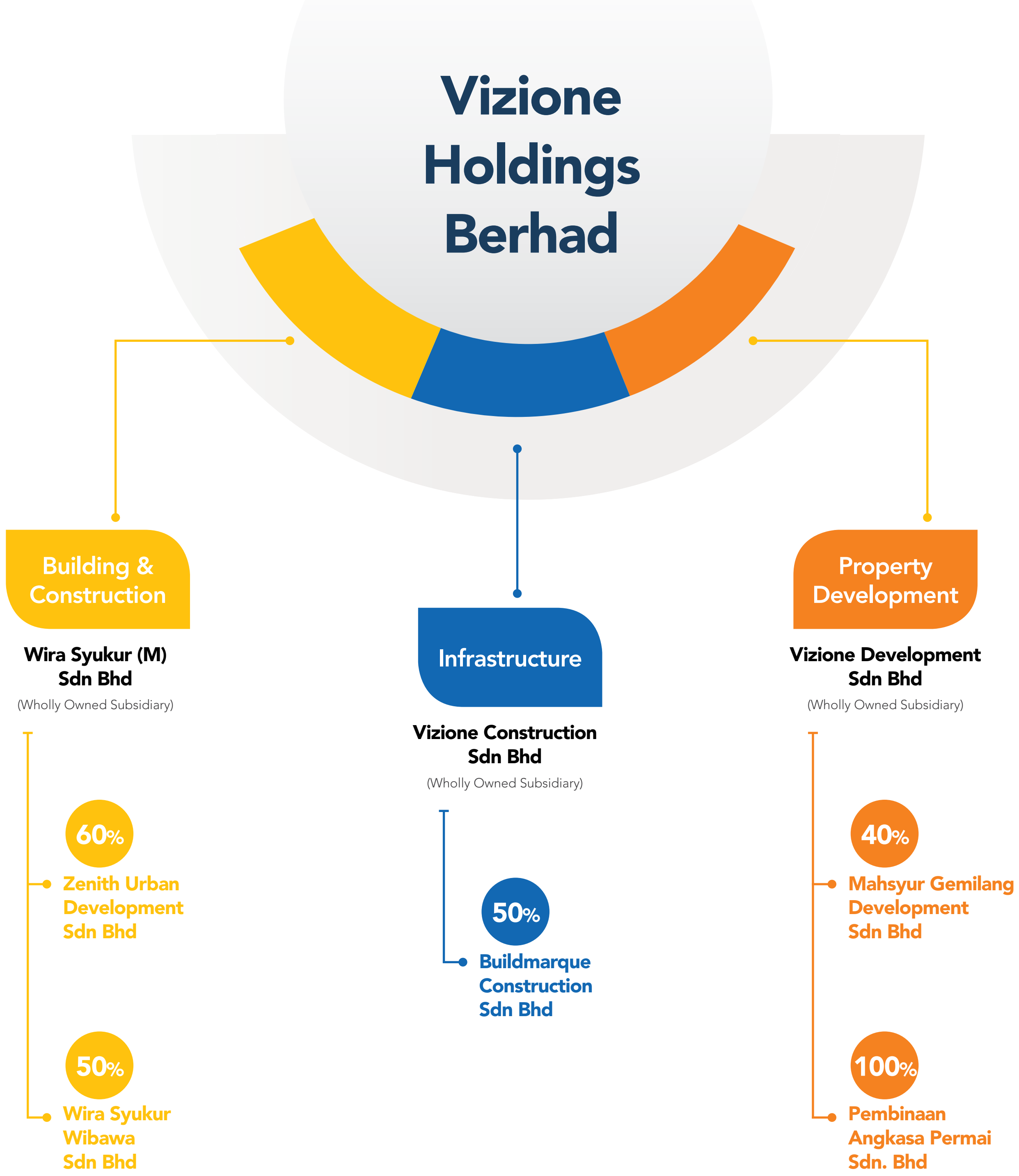
Registered Office
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel : (03) 6201 1120
Fax : (03) 6201 3121

Corporate Office
Level 22, PJX – HM Shah Tower,
No.16A, Persiaran Barat,
46050 Petaling Jaya,
Selangor, Malaysia.
Tel : (03) 8605 3355
Fax : (03) 8605 3688

Stock Exchange
Main Market of Bursa Malaysia Securities Berhad
Stock name : VIZIONE
Stock code : 7070

Company Website
www.vizione.com.my

Group Corporate Structure



MANAGEMENT DISCUSSION & ANALYSIS

CHAIRMAN **STATEMENT**

Dear Shareholders

Vizione Holdings Berhad ("Vizione" or "Group") performed admirably in Financial Year 2019. We delivered commendable financial and operational performances, expanded our business segments and market share, made solid inroads into new markets and grew the order book and value of the Company. Vizione has been transformed into one of the largest integrated construction company. We have established an ambitious and clear strategic direction to provide shareholders with good returns while contributing to sustainable growth.

Dato' Mohd Zaihan bin Mohd Zain
Chairman

Our resilience, endurance and sustainability have allowed us to waddle through challenging times. The board is confident that Vizione is moving forward with a sense of determination towards solidifying our position in the construction and property sectors. With a strong capability to deliver across the construction engineering value chain and across the country, Vizione is well poised to grow even further. It is my pleasure and privilege to present the Annual Report of Vizione for the period under review from 1 June 2018 to 31 May 2019 ("FY2019"). In tandem with our growth trajectory and on the back of a slew of contract wins secured across our business segments during FY2019, the Group undertook cost rationalisation exercises to ensure that we revamp our modus operandi to stay resilient and operate on a stronger balance sheet. These measures were necessary for us to chart a clear strategic roadmap towards longer term business sustainability.

Delivering A Commendable Performance

The year in review saw Vizione achieving a profit after tax ("PAT") of RM 63 million and revenue of RM 594 million for FY2019. In the upheaval tasks of combating in a competitive operating environment, our business segments reported commendable performances in FY2019. The Group's financial fundamentals remained strong in FY2019 as demonstrated by as at 31 May 2019, shareholders' fund stood at RM522 million and total assets amounted to RM858 million. As at 31 May 2019, Vizione's market capitalisation stood at RM543 million, placing the Group among the country's top 10 integrated construction engineering providers in terms of market capitalisation.

Corporate Governance

The Board of Directors is steadfast in committing to the highest standards of corporate governance and risk management practices throughout the length and breadth of business operations. By implementing stringent and transparent governance controls as well as proactive risk management measures, we are ensuring continuous growth of businesses, safeguarding corporate reputation and creating good shareholders value.

Strong corporate governance, underscored by a sound culture, is fundamental to our success and helps to ensure that we can meet our business goals and generate value over the longer term. During the year under review, the Board devoted more of its time to shore up its own readiness to deal with any changes in the market and resulting opportunities for the next cycle. It also addressed the Company's governance, culture, purpose, vision and values, all of which were essential ingredients to the successful execution of a business strategy and risk management. The Board allocated significant time to succession planning, talent development and ensuring the skills, expertise and experience required to enable the Company to continuously deliver high quality products that our customers have expected.

Being a conscientious corporate citizen and a key industry player, Vizione believes that our responsibilities must extend beyond commercial objectives to ensure responsible and sustainable practices in all aspects of our businesses. To this end, we have adopted a Business Sustainability model that embodies a strategic and sustainable approach that focuses programmes onto key social development issues that align with the Group's businesses.

Machang PPR

Sunway Gandaria Bangi

Klang Gardenia

Submarine Pipeline - Butterworth to Penang

Machang PPR

Business Potentials & Opportunities

As Vizione charts growth in the coming years, we will continue to invest in knowledge based human capital that will drive higher level of productivity and firmly entrench Vizione's presence in construction space, in and beyond Malaysia; while making strategic and opportunistic collaborations. While the immediate future will be challenging for the industry and the Group, we are confident that we are well poised; positioning resources in hand to continue delivering with utmost excellence. We believe that the Group's focus in optimising operations, developing talents, within new and existing markets will ultimately create additional shareholders value.

The construction industry has evolved rapidly and the Group is seeding operational strategies to stay abreast with the dynamics. The government's plan to build more affordable homes auger well to the Group as Vizione is steadily cultivating and nurturing its operations team to stay competitive and efficient as Malaysia progresses in aspiring to be a developed nation. Vizione is steadfast in maintaining a lead position in the business and venturing into innovative new opportunities for long term business sustainability. The business embodied trust developed through time remains an invaluable asset as we continue to transform to stay ahead of the curve whilst rejuvenating our value proposition. The key priority of our Board and Executive Committee Team is to forge ahead in continuing to be relevant to our customers by providing unrivalled construction facades, with most cost effective and highest deliverable satisfactions in all frontiers.

We will continue to fuel the momentum of this performance and improve on our efficiency as well as intensifying our customer-centric aspirations. We will also strive to forge partnerships that enhance deliverables and facilitate home ownerships for the nation. As we do so, we will remain adept at responding to the changes in our environment, including embracing technology and policy shifts in order to deliver continuous creation of long term value to our stakeholders.

216 Residence

Acknowledgements

On behalf of the Board, I wish to express my most heartfelt appreciation to our many employees for their tireless dedication, enthusiasm and professionalism during the year under review. I would also like to commend the management team for their drive, commitment and personal sacrifices in their efforts to ensure the Group is able to emerge stronger and fundamentally competitive. They had reconfigured the Group's strategies and structure, thereafter successfully achieved higher efficiencies in all perspectives and operations space, resulting in cost savings during the year.

We have a strong Board, comprising members with vast expertise and experience as well as breadth and depth of vision. I wish to thank the directors for their good counsel and diligent oversight that had helped steer the Group forward. Let us work closer together to find solutions that best fit our needs in this challenging environment. Last but certainly not least, allow me to also thank, our shareholders, for your relentless support during these challenging times. Vizione will remain resilient in order to protect and sustainably enhance value for you in the long run.

Dato' Mohd Zaihan bin Mohd Zain
Chairman

MANAGING DIRECTOR
STRATEGIC OPERATIONAL REVIEW

Dear Shareholders,

During the financial year in review, Vizione Holdings Berhad demonstrated its tenacity for growth in its unceasing efforts to build a stronger order book and strengthen its presence in existing markets as well as expand into new ones. Concurrently, the Group reinforced its financial position to support its growth trajectory that has marked significant milestones since the start of the financial year. The new federal administration is set to revamp corporate governance and fiscal policy which will set the country on a long term growth pathway. Against this transformational backdrop, underpinned by strong economic fundamentals, we are poised to leverage on our existing capabilities to contribute to nation building. Infrastructure developments and mega projects will be the primary new growth trajectory for the country concurrently setting a new horizon towards the country's next height. Our positioning towards innovation and technology as drivers of economic productivity and the commitment towards delivering affordable housing, are strategies that our business has embraced close to our heart.

I am pleased to report that Vizione Holdings Berhad generated **RM594 million** in revenues and **RM63 million** in profit after tax. The Group's revenues and profit after tax grew year-on-year by 44% and 139% respectively. Our earnings per share increased by 66% to 11.60 sen per share. Additionally, our current outstanding order book remains robust at RM2.26 billion, providing us visibility on revenues in the coming years.

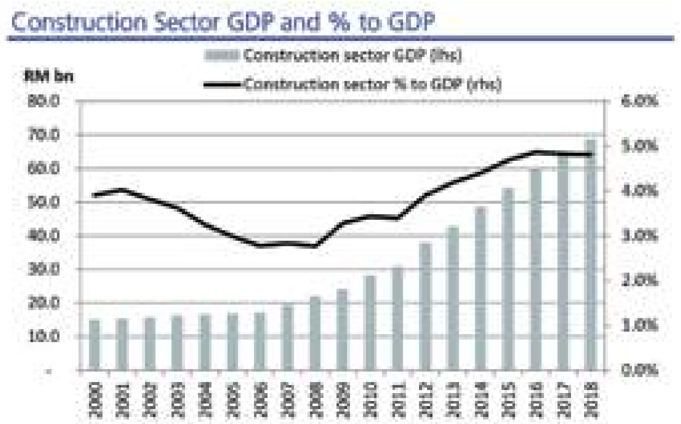
Dato' Ng Aun Hooi
Managing Director

BUSINESS CLIMATE

Domestic contract awards rose by 4% on a year to year basis amounting to RM4.8 billion in the first quarter of 2019. The rising number of contracts awarded in the construction industry indicates a better outlook as the government moves towards the completion in streamlining all existing mega projects. Job awards increased mainly due to the resumption of major infrastructure projects which was put on hold initially. The revival of the East Coast Rail Link project and the approval of high impact projects under the midterm review of the 11th Malaysia Plan, has helped to reignite the domestic construction industry. The Sarawak RM9 billion development expenditure under the 2019 state budget is another booster to further revive and alleviate the reduced federal government spending. The government is proceeding with the East Coast Railway Link (ECRL) with a lower value of RM44bn for Phase 1 and 2 (vs RM66bn previously). This will still translate into a 10% increase in orderbook replenishment opportunity for locals to RM22bn in spite of the lower value.

Source: Bloomberg Finance

With the recovery in share prices, valuations have re-rated from the lows of -2SD below mean and are currently at 12 times, which are still compelling. But the premium pre-GE14 (14th General Election) valuations of +2SD will be a thing of the past given the pressure on margins as competition intensifies. The revival of the ECRL, Klang Valley Double Tracking Project, a slew of projects in Sarawak (Coastal road, second trunk road, hospital and water projects) represents another strong avenue for contractors to replenish their orderbook before projects such as the High Speed Rail, PTMP and MRT 3 continue in 2020/2021.



Source: Bank Negara Malaysia, Department of Statistics Malaysia

Malaysia's construction sector recorded RM35.9 billion of work done in second quarter of 2019. The value of construction work done in the second quarter 2019 recorded a growth of 0.8% year-on-year, amounting to RM35.9 billion (Q1 2019: RM37.4 billion). The expansion in value of construction work done was driven by positive growth in Civil engineering sub-sector with 8.2% and Special trades activities sub-sector with 5.9%. However, the Residential buildings sub-sector and Non-residential buildings sub-sectors suffered deficit of 1.1% and 9.3% respectively. The Civil engineering sub-sector remained as the key contributor to the total construction work done with 44.8%, followed by Non-residential buildings (25.3%), Residential buildings (24.5%) and Special trades activities (5.4%). The private sector continued to propelled the construction activity with 55.2% (RM19.8 billion) as compared to the public sector with 44.8% (RM16.1 billion).

The Value of Construction work done in Q2 2019 grew by

↑ **0.8 %**

(Q1 2019 : 0.7%)

RM 35.9 billion

	2018 (Q1 - Q2)	2019 (Q1 - Q2)
VALUE OF WORK DONE (RM billion)	72.7	73.3
GROWTH	5.6%	0.8%

	Civil Engineering	Special Trades Activities	Residential Buildings	Non-Residential Buildings
GROWTH	8.2% Q1 2019 : 9.5%	5.9% Q1 2019 : 4.3%	-1.1% Q1 2019 : -7.4%	-9.3% Q1 2019 : -4.4%
SHARE	44.8% Q1 2019 : 43.1%	5.4% Q1 2019 : 5.2%	24.5% Q1 2019 : 24.5%	25.3% Q1 2019 : 27.3%

55.2% Share

PRIVATE SECTOR
RM **19.8** billion

44.8% Share

PUBLIC SECTOR
RM **16.1** billion

The private sector dominates 55.2% as compare to 44.8% of the public sector

KEY ACHIEVEMENTS AND MILESTONES

We are pleased to have delivered a set of strong financial results in 2019, having made good progress in our construction sector and meeting targets for the property division and infrastructure operations. The Group's revenues and profit after tax grew year-on-year by 44% and 139% respectively. Our earnings per share increased by 66% to 11.60 sen per share. Additionally, our current outstanding order book remains robust at RM 2.26 billion, providing us visibility on revenues in the coming years.

The Group has continued to grow year-on-year and FY2019 was another year of achievements and milestones. Vizione was accorded a high QLASSIC score, a testament to the superior quality of the homes.

During the financial year the Group completed the following projects:

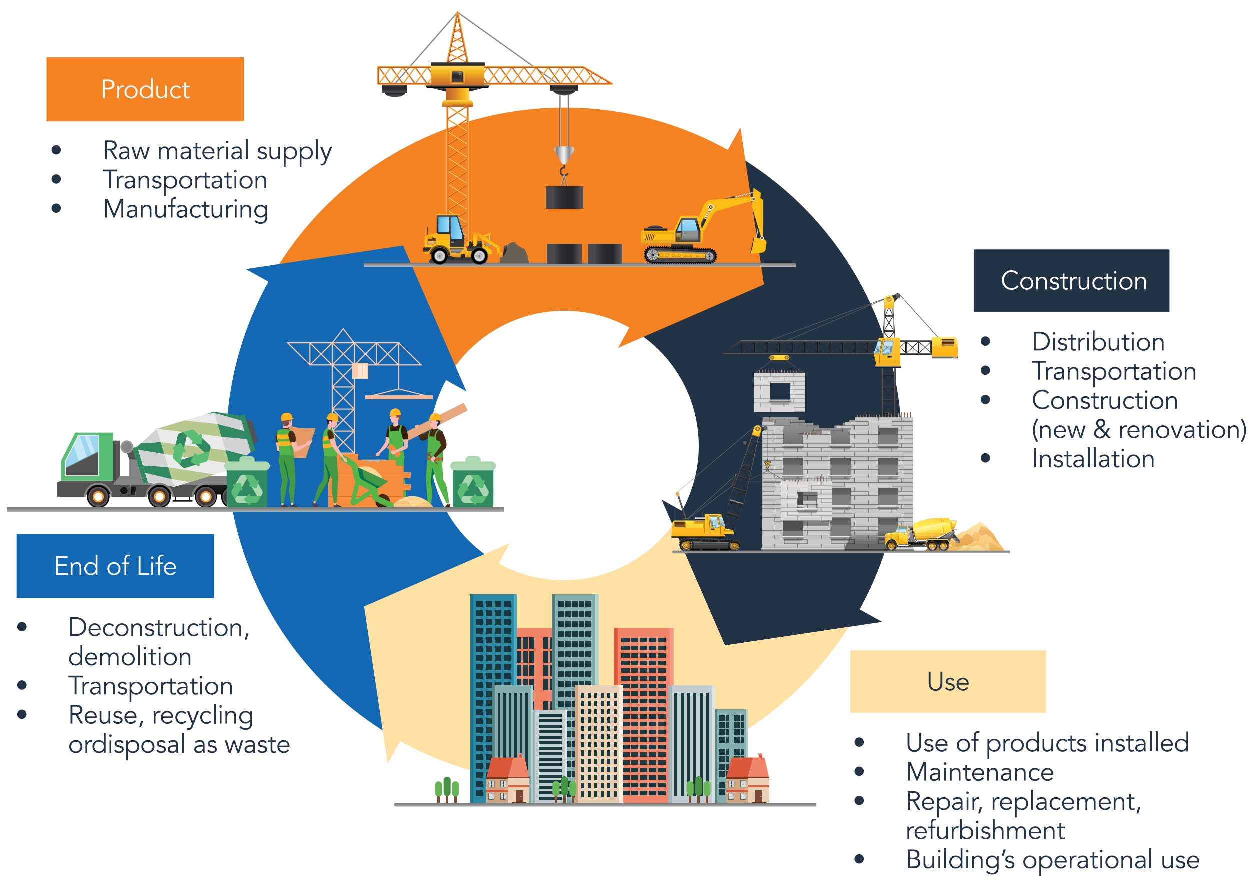
Project	Description	Contract Value	Completed
Klang Gardenia	Build and Deliver Factory and Warehouse at Lot 3802, Jalan Klinik Batu 6 1/2, Seksyen 32, 40460 Shah Alam, Mukim Klang, Daerah Klang.	RM 57 million	2018
Alor Setar PPR	Design, Build and Deliver 500-Unit Apartments for Program Perumahan Rakyat (PPR) at Kota Setar, Alor Setar, Kedah Darul Aman.	RM 74 million	4th Quarter 2019
Tawau PPR	Design, Build and Deliver 470-units 5-storey Apartments for Program Perumahan Rakyat (PPR) at Jalan Merotai, Tawau, Sabah.	RM 69 million	2018
Sunway Velocity	Build and Deliver 2-Storey Temporal Sales Gallery at Bandar Kuala Lumpur, Jalan Peel Seksyen 93, Wilayah Persekutuan Kuala Lumpur.	RM 6.66 million	2018
Kota Bharu PPR	Design, Build and Deliver 1000-Unit Apartments for Program Perumahan Rakyat (PPR) at Kota Bharu, Kelantan.	RM 138 million	2018

Midlands City

Whilst the market remains competitive, Vizione is confident of being able to waddle through the current challenges and business impediments. Vizione has a number of commendable projects in the pipeline and these are depicted below:

Project	Description	Contract Value	Targeted Completion
GrenePark @ Semenyih	Build And Deliver : A) 2 Blocks Offices 40 & 34-Storey, Including 8 Floors Of Podium, 2 Floors Of Shoplot, 1 Unit Of Recreation Center and Car Park B) 2 Blocks Offices 42 & 36-Storey, Including 8 Floors Of Podium, 2 Floors Of Shoplot And Car Park C) 2 Unit Guardhouses, 1 Unit 33KV SSU, 2 Unit Refuse Room And 1 Unit Pump Station	RM 401 million	4nd Quarter 2020
Semporna PPR	Design, Build and Deliver 500-Unit Cluster House One Storey for Program Perumahan Rakyat (PPR) at Program Perumahan Rakyat (PPR) Tagasan, Semporna, Sabah	RM 91 million	2nd Quarter 2021
Midlands City @ Semenyih	Build and Deliver : a) 2 Blocks, 28-Storey, 656 units SOHO and 116 units of affordable SOHO b) 1 Block, 21-Storey, 201 units of Serviced Apartment c) Podium consist of 62 units Shop, 8 units of Affordable Shop, Sports Hall, Multipurpose Hall, 2 units of Private College and Car Park	RM 272 million	1st Quarter 2022
216 Residences @ Kuchai Lama	Build and Deliver 216 unit of 29 stories of apartments on Lot 4407, Jalan Kuchai Jaya, Off Jalan Kuchai Lama, Wilayah Persekutuan Kuala Lumpur.	RM 52 million	4th Quarter 2022
Submarine Pipelines From Butterworth To Pulau Pinang	Build and Deliver Submarine Pipelines (Package 3 – Twin DN 1200mm Submarine Pipeline) for Perbadanan Bekalan Air Pulau Pinang Sdn Bhd ("PBAPP") From Butterworth To Pulau Pinang.	RM 89.9 million	2nd Quarter 2020
Residensi Hektar	Build and Deliver 2,400-Unit 46-storey Apartments for RUMAWIP at Lot 8947 & 8948, Jalan Gombak, Mukim Setapak, Wilayah Persekutuan Kuala Lumpur.	RM 465 million	1st Quarter 2021
Machang PPR	Design, Build and Deliver 418-units 5-Storey Apartments for Program Perumahan Rakyat (PPR) at Machang, Kelantan Darul Naim.	RM 65 million	4th Quarter 2019
Lahad Datu PPR	Design, Build and Deliver 410 units 5-storey Apartments for Program Perumahan Rakyat (PPR) at Lahad Datu, Sabah.	RM 66 million	4th Quarter 2019
Sunway Gandaria Bangi	Build and Deliver 38-Storey Condominium at Lot 48631 (PT 59322), Pusat Bandar Baru Bangi, Mukim Kajang, Daerah Hulu Langat, Selangor.	RM 93 million	4th Quarter 2019
Kota Belud PPR	Design, Build and Deliver 900-units Single Storey Terrace House for Program Perumahan Rakyat (PPR) at Ulu Perasan, Kota Belud, Sabah.	RM 135 million	4th Quarter 2019

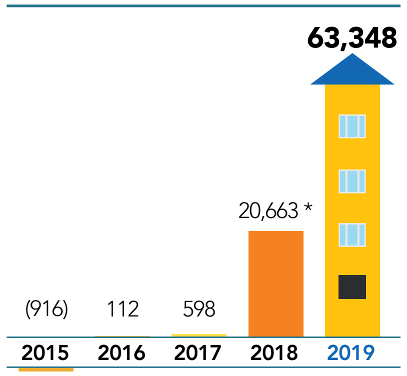
Construction Value Chain



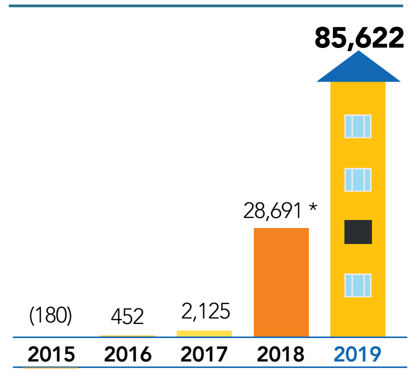
The construction of the twin submarine pipelines in Penang is progressing as scheduled. Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) is investing into this project to deliver an additional 315 million litres of water per day to the island. Phases 1 and 2 of the project, on laying of new pipelines on land in Butterworth and Penang, have been completed. Phase 3 involves the laying of twin 1,200mm undersea pipelines across a 3.2km stretch of the channel between Butterworth and Penang. Seabed excavation works are necessary to dig a 3.2km trench across the channel to "encase" the twin submarine pipelines below the seabed. This measure will protect the pipelines and prevent the pipelines from floating upwards.

5 YEARS Financial Performance

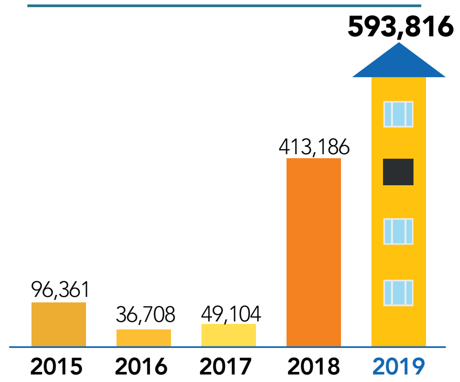
Profit / (Loss) after taxation
– RM'000 **RM 63,348**



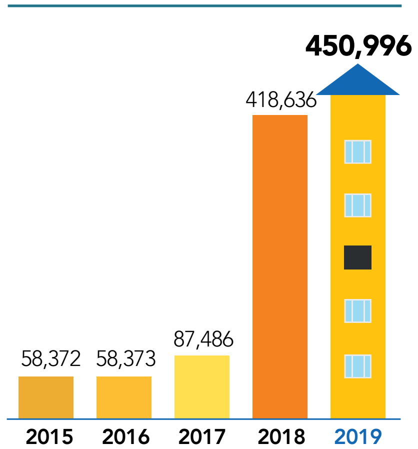
Profit / (Loss) before taxation
– RM'000 **RM 85,622**



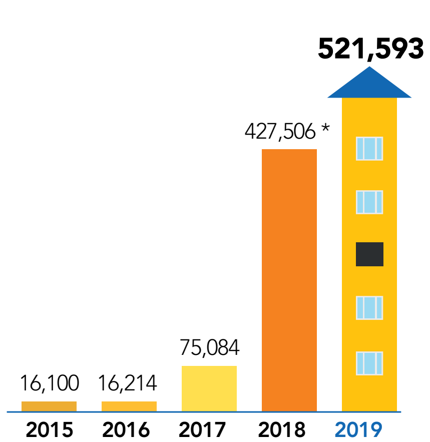
Revenue
– RM'000 **RM 593,816**



Paid Up Share Capital
– RM'000 **RM 450,996**



Shareholders Fund
– RM'000 **RM 521,593**



** Restated*

BUSINESS OPPORTUNITIES

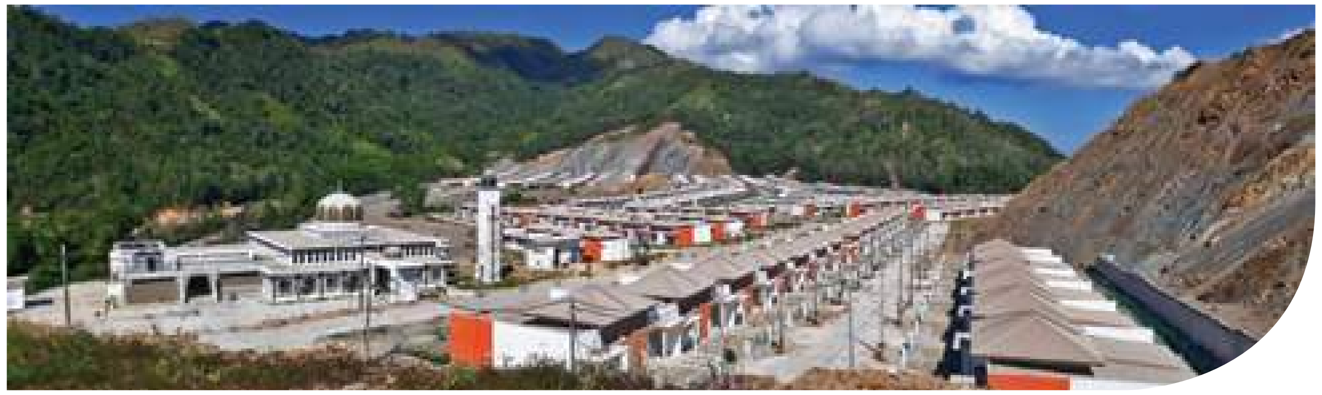
Affordable Homes For Communities

Latching on our business philosophy of building affordable homes, premise on the principle that sustainable community residentials should be planned and built with the community and environment in mind. We focus on the preservation of the natural topography and incorporate well-planned, multi-functional natural features to ensure the sustainability of the natural environment. To this end, we have launched Program Perumahan Rakyat (PPR), a pledge to biodiversity enhancement and to strengthen our commitment to creating sustainable ecosystems for our developments. We are working in partnership with local municipal councils to ensure a holistic approach to this initiative, including a formulation of environmental cultivation and conducting a biodiversity review to ensure sustainability of flora and fauna in our developments. In the last twelve months, Vizione has launched four new PPR developments, with a total Gross Development Value of RM300 million. As the property market remains buoyant, we expect a continuous trend of strong sales for the year ahead and will seek to replenish our book order to further expand in this market. Backed by the success of our various PPR developments in Malaysia, we look forward to strengthening our market presence in the region with our innovative offerings.

Lahad Datu PPR

Kota Setar PPR

Kota Belud PPR



Penang Infrastructure

Building good and sustainable public transportation networks that enhance intercity and intracity connectivity is of pinnacle importance in nation development. The Penang Transport Master Plan (PTMP) project that consists of a Light Rail Transit (LRT) system, new highways and reclamation of land in the south of Penang Island is an extremely great opportunity. The PTMP is a comprehensive economic transformation masterplan that delivers new land for the state. This prepares Penang for the future that will enable the primary growth engines for long term sustainability. With this new liveable environment, it will improve the quality of life by providing affordable housing, public amenities and recreational spaces such as beaches, parks and waterfront.

On August 14, 2018, Vertice Berhad and Vizione announced an agreement to incorporate a JV company ("JVA") of fifty percent (50%) respectively. Consortium Zenith, which is 13.2% owned by Vertice Berhad, had in 2012 participated in an open tender by the Penang state government and were among 60 companies that had placed their bids for the mega infrastructure project. Consortium Zenith was awarded the contract due to its competent technical and competitive financial bid of RM6.3 billion that comprised of:

Penang Transport Master Plan

Package 1:
Major Road 1 - a paired road to the existing Northern Coastal Road from Tanjung Bungah to Teluk Bahang

Package 2:
Major Road 2 - a by-pass from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr Lim Chong Eu

Package 3:
Major Road 3 - a by-pass from Persiaran Gurney connecting to Lebuhraya Tun Dr Lim Chong Eu

Package 4:
Penang Undersea Tunnel - the design, construction, operation, management and maintenance of a third link (undersea tunnel) from Penang Island (Persiaran Gurney) to the mainland (Seberang Perai North District)

The Penang mega infrastructure project was an initiative by the state government to relieve the traffic congestion on the island with the proposed alternative routes, interconnecting roads, by-passes and interchanges, including tunnels within the island and to the mainland. With the construction of the four packages, the traffic congestion in Penang is expected to be relieved.

The joint venture with Vertice Bhd has won a RM815 million contract from Consortium Zenith Construction Sdn Bhd for a project on Penang island. The contract is for the construction of a bypass from Bandar Baru Ayer Itam to Lebuhraya Tun Dr Lim Chong Eu. It comes under Package 2 of the RM6.3 billion Penang undersea tunnel project which will connect the island to the mainland. Vizione has already bid for some Public Works Department road projects and plans to be more aggressive in this area going forward.

The first phase of Penang's tunnel project worth RM6.34bil is set to kickstart construction by end October 2019. The RM6.34bil project owned by the Penang state government will consist of three toll free roads and a tolled tunnel. The first phase of the project is the 5.7km Ayer Itam-Lebuhraya Tun Dr Lim Chong Eu bypass. The cost of the first out of three roads where construction would start in October is estimated at RM1.07bil. The construction cost of the Ayer Itam-Lebuhraya Tun Dr Lim Chong Eu bypass will be RM851.04 million and the land acquisition will cost another RM220 million.

Consortium Zenith will receive 110 acres of reclaimed land progressively and a toll concession for the tunnel as payment for the entire project. Of the total RM6.34 billion price tag, a total of RM305 million is estimated for the feasibility study and detailed design, RM546 million for land acquisition and RM5.49 billion for construction.

Large Scale Solar Photovoltaic Plants

There is a pressing need to accelerate the development of advanced energy technologies in order to address the global challenges of clean energy, climate change and sustainable development. To achieve the necessary reductions in energy related CO2 emissions, the government has developed a series of global technology roadmaps, under international guidance and in close consultation with industry players.

Solar energy is widely available throughout the world and can contribute to reduced dependence on fossil energy. As it entails no fuel price risk or constraints, it also improves security of supply. Solar power enhances energy diversity and hedges against price volatility of fossil fuels, thus stabilising costs of electricity generation in the long term. Solar Photovoltaic entails no greenhouse gas (GHG) emissions during operation and does not emit other pollutants (such as oxides of sulphur and nitrogen); additionally, it consumes no or little water. As local air pollution and extensive use of fresh water for cooling of thermal power plants are becoming serious concerns in hot or dry regions, these benefits of solar Photovoltaic become increasingly important. A solar farm is an arrangement of a large number of solar panels which convert light energy from the sun into electrical energy without the use of any fuels. They are similar to centralized power plants, capable of generating electricity based on any amount of energy demand.

Vizione Holdings Bhd has inked a Memorandum of Collaboration with Engineering Protocol Sdn Bhd ("EPSB") for a potential joint investment to bid for the third round of the Large Scale Solar Photovoltaic Plants project which is worth RM2 billion. The solar photovoltaic plant of generate up to 60MW and will be Vizione's maiden venture into the renewable energy industry by 2020. The project was initiated with the aim to reduce Malaysia's dependency on fossil fuel. The Government targets for 20% of the country's energy to be generated from renewable sources by 2025. EPSB specialises in water reticulation design, civil construction, project management and non-revenue water consultancy services.

Penang Submarine Pipeline

STRENGTHENING CAPABILITIES

We believe our people are multipliers of the value of our assets. Their technical and leadership capabilities, passion for excellence and commitment to our vision help us meet our customers' expectations. The Group continues to nurture and develop capabilities by empowering teams towards higher standards of excellence and overcoming operating challenges. In FY2019 we initiated efforts to enable talent mobility throughout our operations with the ultimate objective of improving capabilities and enhancing operational exposure. We intend to take these efforts further so as to create a truly diverse and capable workforce.

The key to effective workforce upskilling is systematic development programme, including rotated exposure and on the job training and mentoring. As a result, we have seen how the knowledge transfer from project to project, as it provided a ready and well-equipped workforce. Programmes under the Construction Training Centre and Government collaboration programmes have been beneficial in revamping the work force.

Malaysia's economy is expected to grow at a moderate pace of 4.3% to 4.8% in 2019, driven by domestic demand and manufacturing sector. However, near-term growth outlook remains resilient with sound macroeconomic fundamentals, stable financial conditions as well as broad-based and diversified economic structure. We are confident that the Government's efforts to prioritise development initiatives to build a better Malaysia will have a positive impact to the Group.

Building on our many years of track record as an integrated construction service company, we will continue to develop our strategies to deliver value to all our stakeholders. We will also leverage on our extensive experience in undertaking projects by exploring opportunities in developing states, where there are huge growth in construction spending, driven by population change, geopolitical and environmental factors. Domestically, there are also plenty of opportunities for the construction sector.

Commitment to Sustainability

Our long term sustainability initiatives are reflected in our vision that reinforces a culture of ethics and integrity. This guides our stakeholder engagement and our strong commitment in ensuring the highest level of safety in our daily business operations. In addition to being operationally efficient and cost effective, we recognise that to be sustainable in the long term, we must meet the needs and expectations of our stakeholders, customers, employees, business partners and local communities. We take our responsibility seriously to minimise any impact on the environment in all aspects of our operations as part of our sustainable business strategy. Building a strong safety culture is a constant commitment in line with the Group's values and goals. The health and safety of our workforce remains a key priority. Our proactive approach in inculcating a strong safety culture across the organisation is to have regular awareness sessions and training. This is an on going journey that we embraced as we brace through our daily operations.

Commitment to People

We continue to focus on attracting and retaining the best talent through various recruitment efforts to ensure that we have a steady pipeline of talent across our business. We value diversity as relected by our multi ethnic workforce across the organisation who forms the backbone of our high performance culture. Driving a high employee engagement is critical to sustaining this culture. We are committed to nurturing talent and enabling our people to realise their full potential and develop meaningful careers with us. Training and on-the-job experience are key to developing our talent and enhancing their capabilities. We constantly seek the right talent who inculcate our corporate values to produce high level of productivity

Commitment to Health & Safety

Vizione is committed to actively managing risk in all aspects of daily operations. It is of utmost importance that we maintain our focus and commitment to ensuring the health and safety of all individuals working in our operations, as well as the protection of the environment in the areas in which we operate. Any potential Health, Safety and Environment ("HSE") risks are managed through a system of rigorous controls, responsible governance and strict compliance. Through sharing of information, we ensure the creation of a consistent understanding and culture of safety across the Group.


Penang Submarine Pipeline

In the event that an incidence occurs, management and operational resources are immediately deployed to undertake a timely, transparent and comprehensive investigation of the situation. This is of paramount importance to identify and understand the causes contributing to such incidents, to develop and propagate appropriate measures and solutions to prevent future occurrences across the Group. We also stay abreast of HSE developments across the industry to maintain a current and more comprehensive perspective in driving continuous improvement within our organisation. As safety takes precedence over business, each and every individual, employee and contractor, is empowered and required to intervene when unsafe behaviours or conditions are observed by invoking our Stop Work Policy

BOARD CHANGES

We welcome to the Board Dato' Mohd Zaihan bin Mohd Zain as Independent Non-Executive Chairman of Vizione Holdings Berhad. We would also like to put on record our deepest appreciation to Datuk Dr. Raman bin Ismail for his immense contribution over the years. I would like to thank our employees, suppliers and customers for the continuous engagement, support and trust which have contributed greatly to our performance. I have good faith that the experience and commitment of my colleagues and the stewardship and wisdom of our Board, will guide us through these challenging times. We will continue to grow our business through the right investments in technology and capabilities and create long-term sustainable value for our stakeholders and shareholders.

FUTURE PROSPECTS

Malaysia is projected to experience a GDP growth of 4.7%, fuelled by domestic demand in fiscal year 2020. Against this backdrop, we are moving into 2020 from a position of strength with total outstanding order book of RM 2.7 billion to support future growth. This large pipeline of opportunities which will be delivered within the next few years will provide good earnings visibility and augurs well for the Group against the on-going sluggish property market. For the next 12 months, we are optimistic of higher turnover. We will be supported by our strong and talented team where we will leverage on the synergistic benefits from the cross business diversity, best practices and technical know-how as we continue with the business reengineering process.

Budget 2019 announced an allocation of RM29 billion for healthcare services, which gave the opportunity for construction of new hospitals. In helping to develop Malaysia into aerospace industry, the government is planning to develop an 80-acre piece of land in Subang into a world-class aerospace hub and Subang Aerotech Park which will be utilising its 60-acre land, to further expand the airport operator's aerospace ecosystem. We also foresee more opportunities in the renewable energy sector as Malaysia aspires to increase the renewable energy's ratio from 2% in 2016 to 20% by 2025 of the country's total energy generation mix.

Moving forward into 2020, we are on-track to realise our strategic plan and emerge as an integrated property construction-developer with a commendable presence. Building on our achievements thus far, we are well-prepared to seize new opportunities, address future challenges with the right strategies and our diversified range of products, backed by our dynamic team. We remain optimistic about the year ahead. We look forward to the continued support of our loyal stakeholders as we take advantage of the many opportunities to deliver strong performance and long-term shareholder value.

Vizione is committed to creating value for all shareholders in a holistic manner. As a company that is still experiencing rapid growth, we continue to reinvest our profits back into the business to ensure our sustainable growth.

Dato' Ng Aun Hooi
Managing Director

CHIEF FINANCIAL OFFICER STRATEGIC

FINANCIAL REVIEW

Dear Shareholders,

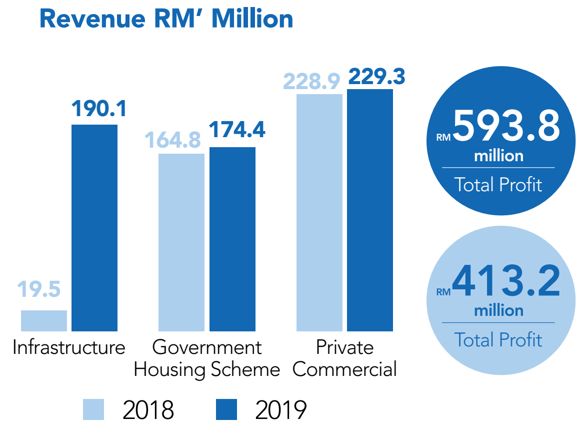
Our strong business acumen to embark on strategic alignment to renew business optimism has elevated the business to a new height. Driven by disciplined cost optimisation efforts, proactive capital management and reprioritisation of capex plans were some of the prudent measures we had undertaken to enhance the Group's fiscal fundamentals. Our goal was to be well positioned and ready to capitalise on emerging opportunities. Equipped with robust business model and people capabilities, we are steadfast in driving good progress in our growth strategy.

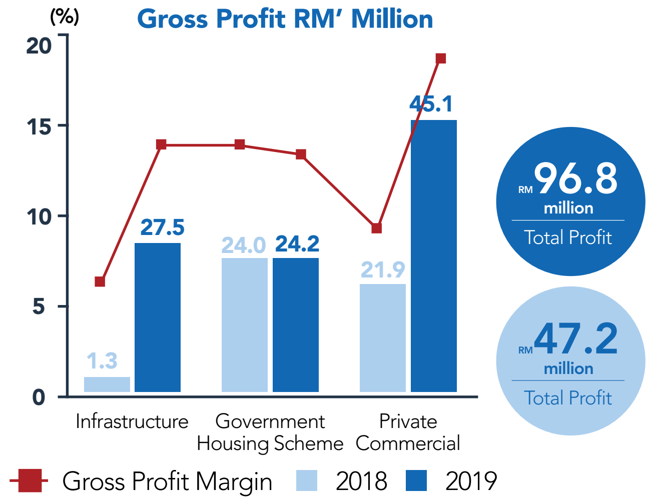
Throughout the recent tough times in the industry, we have been focusing on strengthening our fundamentals, building up our technical capabilities and penetrating into new markets, all of which were strategic initiatives we undertook to lay a strong foundation for our business and be ready to capitalise on the industry upturn. Our pursuits in FY2019 saw an expansion of our business footprint and a continuous build up of our order book. The Group is now in a growth mode, leveraging on increased business opportunitiies and upturn in the industry. Our upward trajectory entails rejuvenating our operating model and envisioning our business horizon towards a truly high performing organisation.

Henry Chow Tiam Chye
Chief Financial Officer

SEGMENTAL PERFORMANCE

The Group achieved a record revenue of RM594 million, an increase of 44% year-on-year (YOY) compared with RM413 million last year registering a net profit of RM63 million. This is due to better growth in revenue and core profits derived mainly from infrastructure projects.





The infrastructure division revenue grew to a record high of RM 190.1 million compared to RM19.5 million in the preceding year. Gross profit for the year grew to a record high of RM27.5 million compared to RM1.3 million in the preceding year. The better performance is mainly due to increased work progress from Penang Submarine and East Malaysia road projects.

The Government Housing Scheme division experienced a slight improvement on the top line, recording a RM 174.4 million of revenue as compared to RM 164.8 million in the previous year. This translates into gross profit of RM 24.2 million which is marginally better than preceding year of RM 24 million. The gross margin has reduced from 14.6% in the previous year to 13.9% due to project cost reviews and contract value renegotiations.

The private commercial division saw a marginal improvement on the top line, recording a modest RM 229.3 million as opposed to RM 228.9 million in the previous corresponding period. However, the margin has improved significantly translating into gross profit of RM 45.1 million in the current fiscal period whilst the previous corresponding period registered a commendable RM 21.9 million. The higher margin was attributable to higher project management consultancy work being captured in the beginning of the project phase. Gross profit margin improved from 9.6% in FY 2018 to 19.7% in FY 2019.

CONSOLIDATED PROFIT AND LOSS

	2019 RM '000	2018 RM '000
Revenue	593,816	413,186
Cost of sales	(497,041)	(366,008)
Gross profit	96,775	47,178
Other income	11,617	1,246
Net impairment gain/(loss) on financial assets	98	(241)
Administrative expenses	(21,521)	(18,475)
Distribution expenses	(103)	(73)
Share of results of associate companies	(101)	(647)
Share of results of a joint venture company	191	-
Finance costs	(1,334)	(297)
Profit/(Loss) before taxation	85,622	28,691
Taxation	(22,274)	(8,028)
Profit/(Loss) for the financial year, representing total comprehensive income/ (loss) for the financial year	**63,348**	**20,663**

Other income for FY2019 was contributed from one off rental of equipment to a specific project and interest earned from fixed deposit of security deposits. Additionally, some negative goodwill arising from a newly acquired subsidiary was also being charged out during the year.

In FY2019, administrative expenses increased to RM 21.5 million due to increase in manpower cost during the year due to normal annual salary increment and increase in the number of head count from enlarged operations. During the year there were some Employee Shares Option Scheme which were being exercise and this has resulted in shares exercise cost being charged out.

As Vizione was consolidating the operations of various locations into common roof, a new office premise was purchased and this saw an increase in depreciation for the year. As the organisation propel to the next height, it is imperative that training for various level of personnel has been the focused for the financial year. As such Vizione has embarked on various training programmes for site and non site based team.

CONSOLIDATED BALANCE SHEET

Total Assets

The Group's total assets have increased 36% YOY to RM858 million due to increase in plant and equipment and trade receivables. This increase is in line with the 2019 business growth.

	Non current assets (mil)	Current assets (mil)	Total assets (mil)	Non current liabilities (mil)	Current liabilities (mil)	Total liabilities (mil)	Shareholders fund (mil)	Current ratio times	Net assets per share RM
2019	269	589	**858**	34	302	**336**	522	**1.95**	**0.928**
2018	263	366	629	6	195	201	428	1.88	0.115

Total Liabilities

Total liabilities have increased 67% to RM336 million, mainly due to increase in borrowings and increase in payables of ongoing projects. Borrowings were raised to finance the new projects. The Group's net gearing increased from 0.033 times to 0.103 times at end of the FY2019.

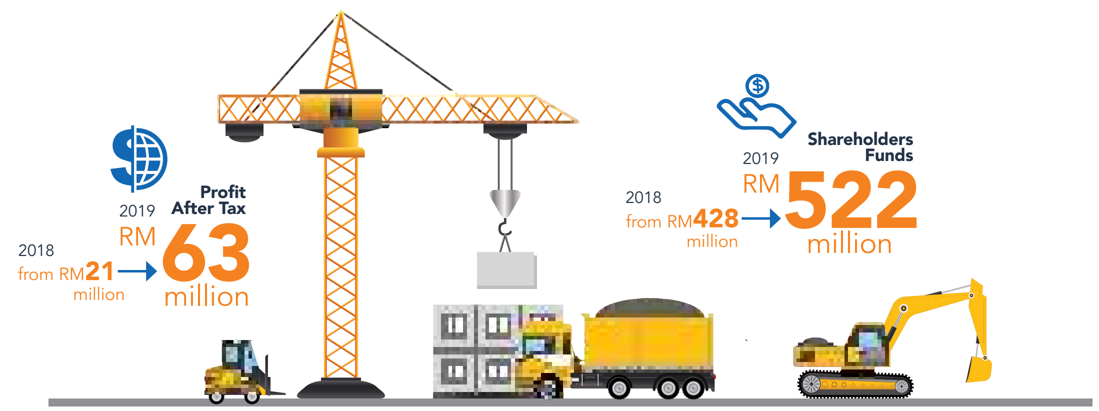
	< 1 year		> 1 year	
RM'000	**2019**	2018	**2019**	2018
Finance Lease	575	500	531	323
Bank Borrowings	19,707	10,025	32,718	3,442

Current ratio (Current assets/Current liabilities)

At the end of the financial year, the Group's current ratio, a yardstick that measures the state of the Group's financial liquidity, stood at 1.95 times (2018: 1.88 times) due to higher working capital required for new projects. The current ratio indicates that the Group has adequate liquidity to meet its short-term commitments.

Shareholders Equity

Shareholders Equity increased by 22% to RM522 million due to the increase in core earnings and exercise of the Employees' Share Option Scheme (ESOS)



Goodwill

Goodwill is an intangible asset associated with the purchase of one company by another. Goodwill is recorded in a situation in which the purchase price is higher than the sum of the fair value of all identifiable tangible and intangible assets purchased in the acquisition and the liabilities assumed in the process. The value of a company's brand name, solid customer base, good customer relations, good employee relations, and any patents or proprietary technology represent some examples of goodwill.

Goodwill = P – (A + L)

P = Purchase price of the target company

A = Fair market value of assets

L = Fair market value of liabilities

Goodwill is recorded as an intangible asset on the acquiring company's balance sheet under the long-term assets account. Under generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS), companies are required to evaluate the value of goodwill on their financial statements at least once a year and record any impairments.

The purchase of Wira Syukur (M) Sdn Bhd at RM 280 million resulted in goodwill being acounted in the books. The breakdown of the purchase consideration was as follows :

a. Goodwill of RM 240.3 million
b. Tangible Assets of RM 28.3 million
c. Intangible Assets of RM 11.4 million

The Intangible assets will be amortised over a period of 4 years as follows:

a. FY 2018 RM 5.5 million
b. FY 2019 RM 3.4 million
c. FY 2020 RM 1.9 million
d. FY 2021 RM 0.6 million

In this regards, the FY2018 shareholders fund has been restated following the retrospective charge of RM 5.5 million of intagible assets arising from the acquisition of Wira Syukur (M) Sdn Bhd.

Trade Debtors & Trade Creditors

	2019 RM'000	2018 RM'000
Revenue	593,816	413,186
Trade receivables	206,399	133,587
Debtor days	**127**	**118**
Cost of sales	497,041	366,008
Trade payables	188,557	116,368
Creditor days	**138**	**116**

Trade Receivables are calculated by finding the difference between amount billed as progress billings and the amount of progress payments received from the customer. Fewer debtor days means that cash is being received faster from customers. This is important since not all revenue earned in a given period is received in the same period and that not all costs are paid as soon as they are incurred. Trade debtor days has deteriorated from 118 days to 127 days, correspondingly trade creditor days increased from 116 days to 138 days.

CASH FLOWS ANALYSIS

RM million	2019	2018
Net cash generated from operating activities	(58)	(50)
Net cash used in investing activities	(4)	(182)
Net cash generated from financing activities	37	228
Net increase in cash and cash equivalents at year end	**(25)**	**(4)**
Cash and cash equivalents at beginning of year	30	34
Cash and cash equivalent at the end of year	**5**	**30**
Add : Fixed deposits & cash pledged	20	21
Bank overdrafts	5	1
Other investments	0	(10)
Total Cash in Bank	**30**	**42**

Net cash generated from operating activities

The Group's net operating outflows of RM58 million resulted principally from the higher working capital requirement during the construction operations. During the year, construction of residential projects progressed to advance stages which required higher cash outflows.

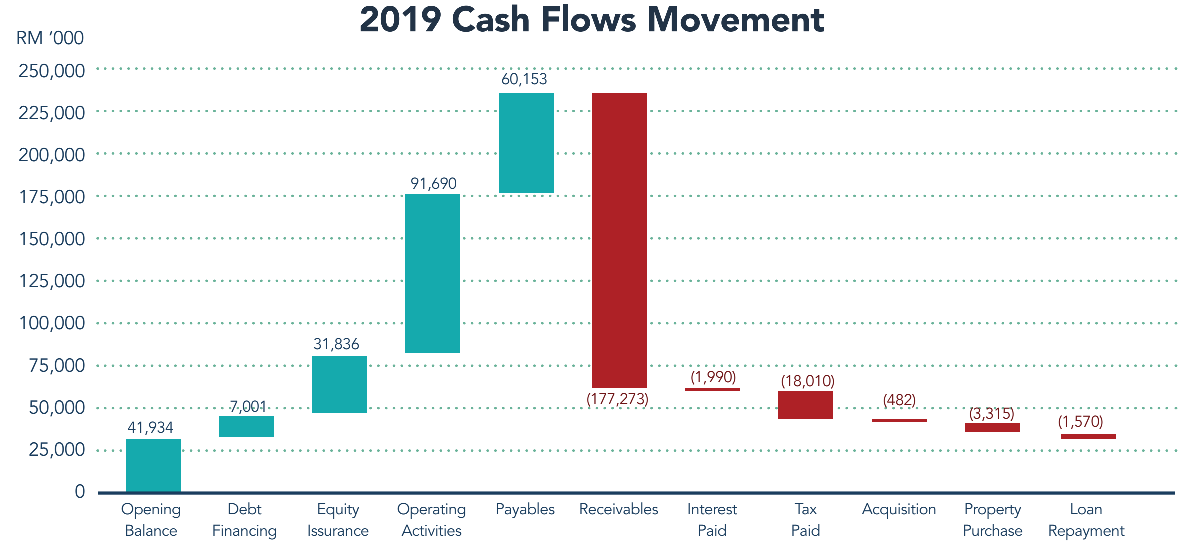
Net cash used in investing activities

The Group's net cash outflow from investing activities amounting to RM4 million arose mainly from payments for the new office premise and acquisition of an associate company.

Net cashflow generated from financing activities

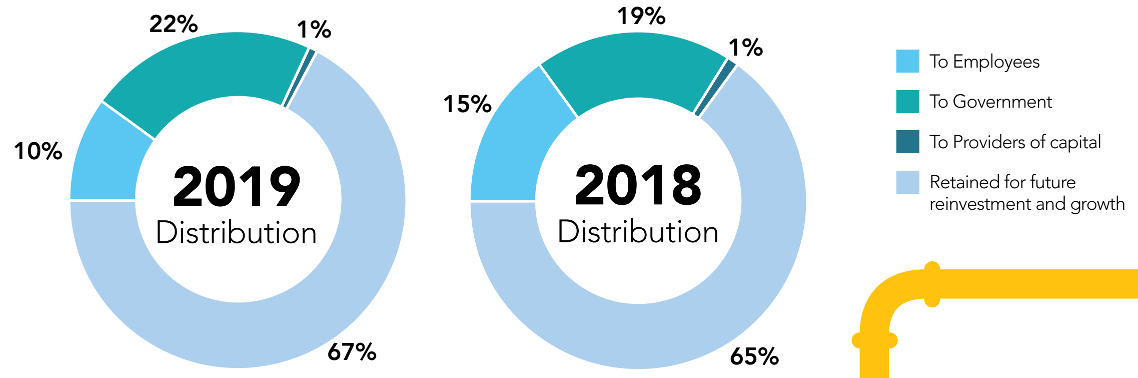
The Group's net financing cash inflows amounting to RM37 million comprised of proceeds from exercise of ESOS, subscription through private placements and drawdown of borrowings. The proceeds from the financing activities were used to finance existing operations.

2019 Cash Flows Movement



STATEMENT OF VALUE ADDED AND DISTRIBUTION

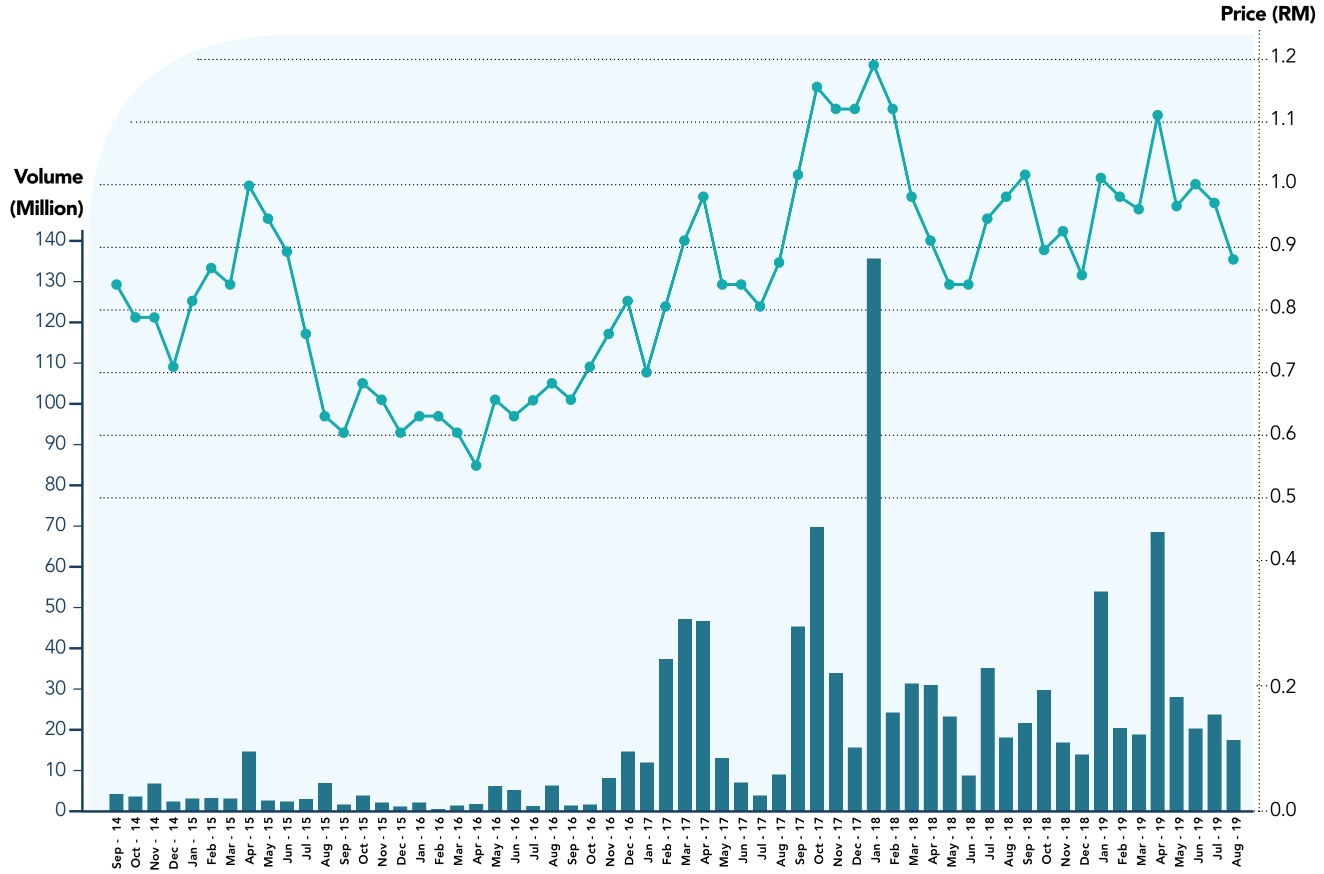
RM Million	2019	2018
VALUE ADDED:		
Revenue (N1)	593.8	413.2
Operating expenses	(502.7)	(370.5)
Other income	11.7	1.2
Share of profits of associated companies and joint ventures	0.1	(0.6)
Total value added	**102.9**	**43.3**
DISTRIBUTION:		
To Employees - Salaries and other staff costs	10.1	6.4
To Government - Taxation	22.3	8.1
To Providers of capital - Finance cost - Non-controlling interest	1.4 (0.3)	0.3 0.0
Retained for future reinvestment and growth - Depreciation and amortisation . - Retained profits	5.8 63.6	7.8 20.7
Total distributed	**102.9**	**43.3**
RECONCILIATION:		
Net profit for the year attributable to equity holders	63.6	20.7
Add: Depreciation and amortisation Finance cost Staff costs Taxation Non-controlling interest	5.8 1.4 10.1 22.3 (0.3)	7.8 0.3 6.4 8.1 0.0
Total value added	**102.9**	**43.3**



STOCKS PERFORMANCE

Stock performance is typically measured by its fluctuation in price. When the stock price increases, the stock shows good performance. Conversely, a decrease in price is a poor performance. Demand and supply in the market affects the prices of shares. When demand for shares exceeds supply, which means the buyers are more than sellers, the prices increase. When demand is less than supply, meaning that buyers are less than sellers, the prices decrease.In case of lower interest rates, demand for funds is higher and the subsequent demand for shares rises. On the other hand, high interest lowers the demand for funds and the demand for shares is lower.

Stock Exchange	Trading Name	Stock Code
Bursa Malaysia Securities Bhd	Vizione	7070



CAPITAL MANAGEMENT

RM'000	2019	2018
Total cash & bank balances, and investment securities	29,977	52,388
Total borrowings	53,531	14,290
Owners' equity and non-controlling interests	521,593	427,506
Net gearing ratio (times)	**0.103**	**0.033**

The Group's approach to capital management is to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value. The Group efficiently maintain a sizeable borrowing at competitive rates while optimising shareholders' return on equity (ROE) and keep a prudent net gearing of not exceeding 0.5 times. The Group continues to maintain a healthy net gearing of 0.103 times which is lower than industry rate. Although the borrowings have increased by more than 2 times to RM54 million at end of the year, the Group maintained a healthy reserve for working capital and repayment of bank borrowings.

Capital management strategy is to maximise shareholders wealth by placing excess funds in selected financial institutions which offer the best rate as well as ensuring the best borrowing rates. The Group will optimise internal funds management and to reduce external funding costs. The Group cultivated good cash flows management by ensuring minimal bank balance sufficient for day to day operations and excess funds are placed to interest bearing placements, maximise interest rate differential between placement rate and borrowing rate and liasing with bank on annual renewal of facilities and new facilities. It is always important to ensure that there is sufficient line provided by bank in order to facilitate new jobs secured. Our banking facilities provided by banks are usually for issuance of bank guarantees such as performance bonds, advance bonds, tender bonds and security bonds.

MOVING FORWARD

Going into financial year 2020, we remain cognisant and vigilant of the competitive landscape as the industry recovers from low levels of utilisation and margin pressures. As the recovery cycle improves, we are seeing an increase in the number of sanctioned projects as evidenced through the current resumption of activities in key target markets. With the anticipated increase in activities, a stronger balance sheet and encouraging prospects, we are confident that we are poised for further growth in financial year 2020. We remain committed to increasing shareholders value and we will do this through our relentless focus on growing and executing the order book. We will continue this momentum of transformation and strengthen our trust in teamwork. We remain steadfast as we navigate through this industry down cycle and emerging stronger with our rejuvenated business positioning.

Henry Chow Tiam Chye
CA ACA FCCA CPFA CPA CA(M) ACTIM
Chief Financial Officer

BOARD OF DIRECTORS

from Left to Right

Chan Chee Wing
Executive Director

Dato' Mohd Zaihan bin Mohd Zain
Independent Non-Executive Chairman

Y.M. Syed Haizam Hishamuddin Putra Jamalullail
Non-Independent Non-Executive Director

Bee Jian Ming
Executive Director

Dato' Ng Aun Hooi
Managing Director

Dato' Ir Mohamad Shokri bin Abdullah
Senior Independent Non-Executive Director

Ng Fun Kim
Independent Non-Executive Director

PROFILE OF
BOARD OF DIRECTORS

Dato' Mohd Zaihan bin Mohd Zain
Independent Non-Executive Chairman

Professional Experience
Dato' Mohd Zaihan bin Mohd Zain was appointed as Chairman of the Company on 5 July 2019. He has vast experience in infrastructure, building contruction, property development, oil & gas, power, water and aviation. He started his career as a technical assistant in MARA in 1980 before he was promoted as project manager in MARA group of companies. He was with Island and Penisular Berhad (I&P) for 10 years and had successfully delivered numerous projects. He was appointed as the Chief Operating Officer of Perumahan Kinrara Berhad on 1 March 2000. He was then appointed as Managing Director of Syarikat Perumahan Negara Berhad on 1 June 2000. Formerly the Senior Vice President of Ranhill Berhad, he is currently the Chairman of Destini Prima Sdn Bhd where he chairs monthly meetings with top management on new business and progress of current operations.

Age **61** Gender Nationality

Academic & Professional Qualifications
- B. Sc. Civil Engineering, University of Miami Florida
- Civil Engineering, Institut Teknologi MARA

Membership of Board Committees
- Member of Audit Committee
- Member of Nomination Committee

No. of Board meetings attended in the financial year
- As he was appointed as Chairman on 5 July 2019, he has not attended any Board Meeting held during financial year.

Dato' Ng Aun Hooi
Managing Director

Professional Experience
Dato' Ng was appointed as an Independent Non-Executive Director of Vizione on 7 March 2014. He was re-designated as Executive Director on 8 May 2015 and re-designated as Managing Director on 29 May 2015. Dato' Ng has more than 30 years of experience in Infrastructure, Building Construction and Property Development.

Age **57** Gender Nationality

Academic & Professional Qualifications
- Diploma in Building Technology, Tunku Abdul Rahman College
- Master of Business Administration (MBA) from Southern California University for Professional Studies (SCUPS)

Membership Of Board Committees
- Member of Remuneration Committee

No. of Board meetings attended in the financial year
- 5/5

PROFILE OF

BOARD OF DIRECTORS

Bee Jian Ming

Executive Director

Professional Experience

Mr. Bee Jian Ming was appointed an Executive Director on 26 December 2017. Mr. Bee has extensive experience in the property and construction industry. He has accomplished projects in design and building developments, government turnkey, industrial, residential and commercial development in Malaysia. Additionally, Mr. Bee has participatied in development of housing projects with the National Housing Authority (NHA) of Thailand.

Age **55** Gender Nationality

Academic & Professional Qualifications

- Diploma in Quantity Surveying, Tunku Abdul Rahman Collage

Membership Of Board Committees

Nil

No. of Board meetings attended in the financial year

- 5/5

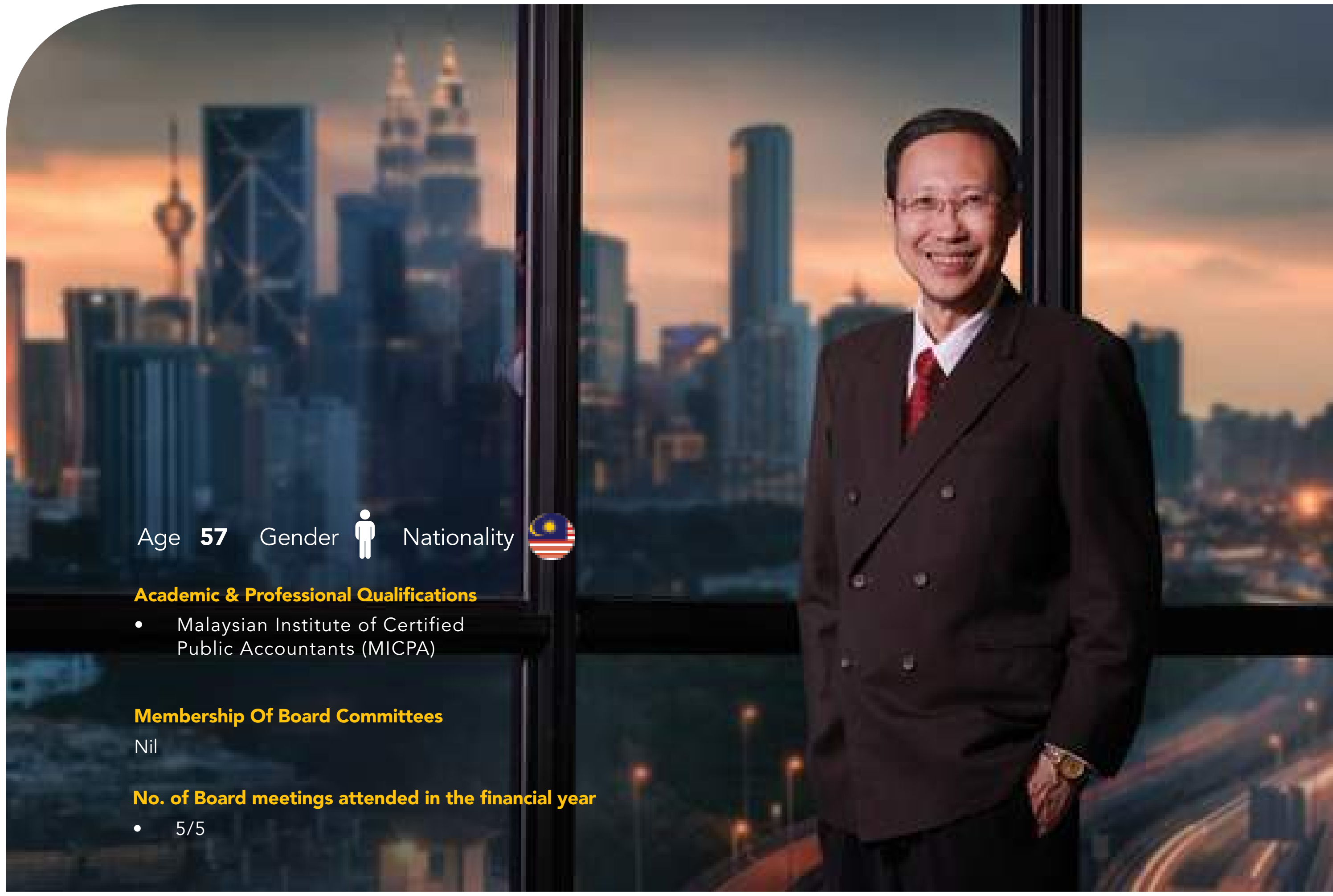
Chan Chee Wing

Executive Director

Professional Experience

Mr. Chan was appointed as Executive Director on 26 December 2017. He started his career with KPMG. Mr. Chan has over 30 years of local and international financial and management experience.

He was formally a director of SEAL Berhad, Wing Teik Holdings Berhad, General Manager of MBF Hotels Group, Special Advisor to KLIH Holdings Berhad, General Manager in the Corporate Finance division of MBF Holdings Berhad and as the director of Garnet Ventures Limited. He is currently the managing partner of Matheus Allen Groswell.



Age **57** Gender Nationality

Academic & Professional Qualifications

- Malaysian Institute of Certified Public Accountants (MICPA)

Membership Of Board Committees

Nil

No. of Board meetings attended in the financial year

- 5/5

PROFILE OF

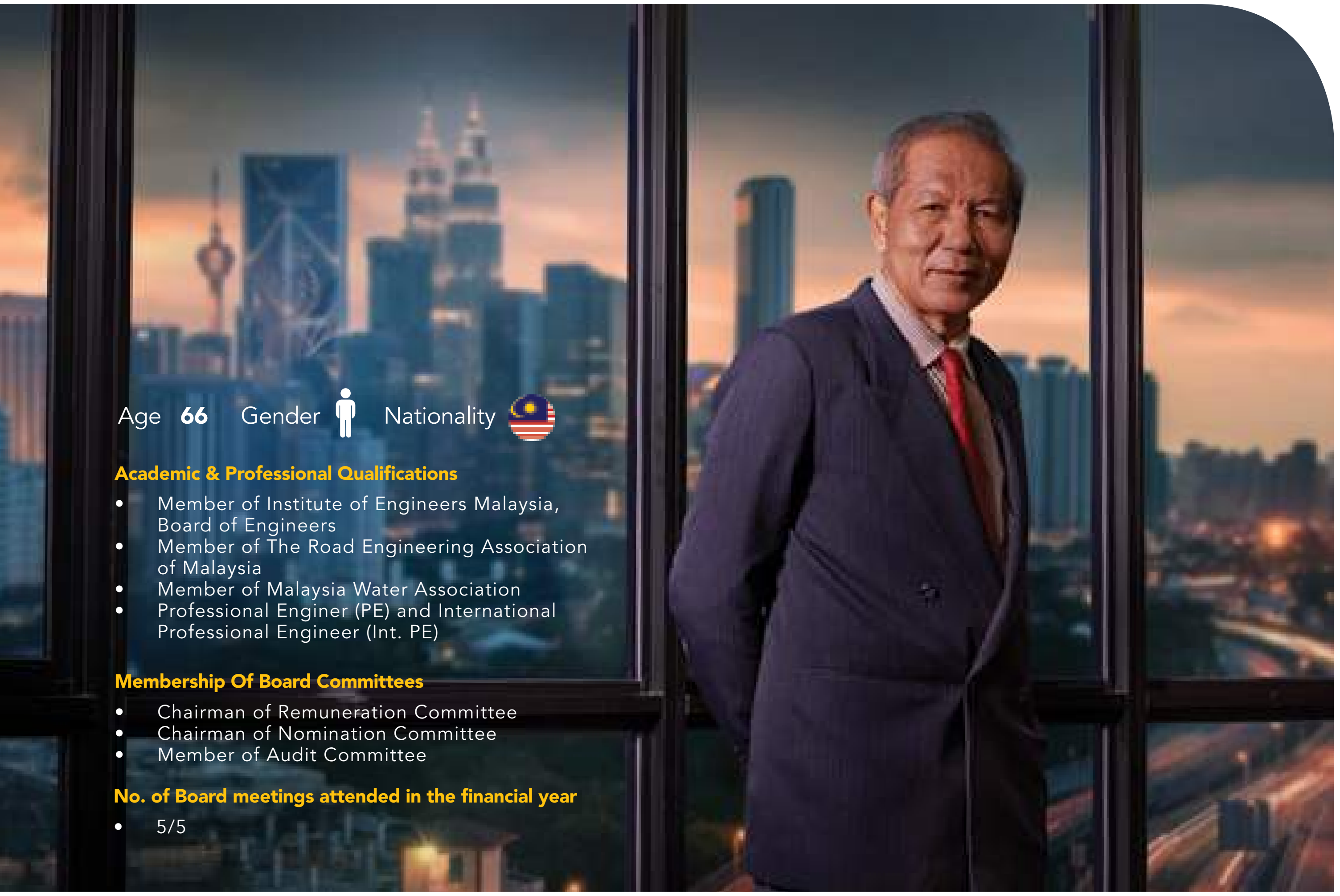
BOARD OF DIRECTORS

Dato' Ir Mohamad Shokri bin Abdullah

Senior Independent Non-Executive Director

Professional Experience

Dato' Ir Mohamad Shokri was appointed as Independent Non-Executive Director on 7 March 2014 and was redesignated as Senior Independant Non-Executive Director on 30 March 2017. Dato' Ir. Mohamad Shokri is currently the Executive Chairman of Jurutera Konsuit Maju Sdn Bhd. He started his engineering career as a Road Engineer at Jabatan Kerja Raya Kelantan in July 1978. He then served in various positions including District Engineer of Kuala Krai/Gua Musang, Timbalan Pengarah Jabatan Kerja Raya Perlis and Senior Project Engineer of Johor Water Supply. He opted for an early retirement in September 1996 after serving as Pengarah JKR Perlis from 1988.



Age **66** Gender Nationality

Academic & Professional Qualifications

- Member of Institute of Engineers Malaysia, Board of Engineers
- Member of The Road Engineering Association of Malaysia
- Member of Malaysia Water Association
- Professional Enginer (PE) and International Professional Engineer (Int. PE)

Membership Of Board Committees

- Chairman of Remuneration Committee
- Chairman of Nomination Committee
- Member of Audit Committee

No. of Board meetings attended in the financial year

- 5/5

Ng Fun Kim

Independent Non-Executive Director

Professional Experience

Mr. Ng was appointed to the Board of Vizione on 26 December 2017. Mr. Ng started his career in the IT industry as a database programmer in a PLC in Birmingham, United Kingdom. He gained his audit experience from working in audit firms within Malaysia and Singapore. His was also a Financial Controller in Bangkok and CFO for a group of companies which required him to travel to many Asian countries.

Mr. Ng currently owns an Advisory and Consultancy firm. He has done investigations and forensic investigations in Criminal Breach of Trust ("CBT") cases, working closely with Deputy Public Prosecutors ("DPPs") and to attend courts as subject matter expert. He has designed and implemented various internal audits controls for multi-national companies ("MNC") and medium sized companies.

Age **54** Gender Nationality

Academic & Professional Qualifications

- Association of Chartered Certified Accountants (ACCA)
- Malaysian Institute of Accountants (MIA)

Membership Of Board Committees

- Chairman of Audit Committee
- Member of Remuneration Committee
- Member of Nomination Committee

No. of Board meetings attended in the financial year

- 5/5

PROFILE OF

BOARD OF DIRECTORS

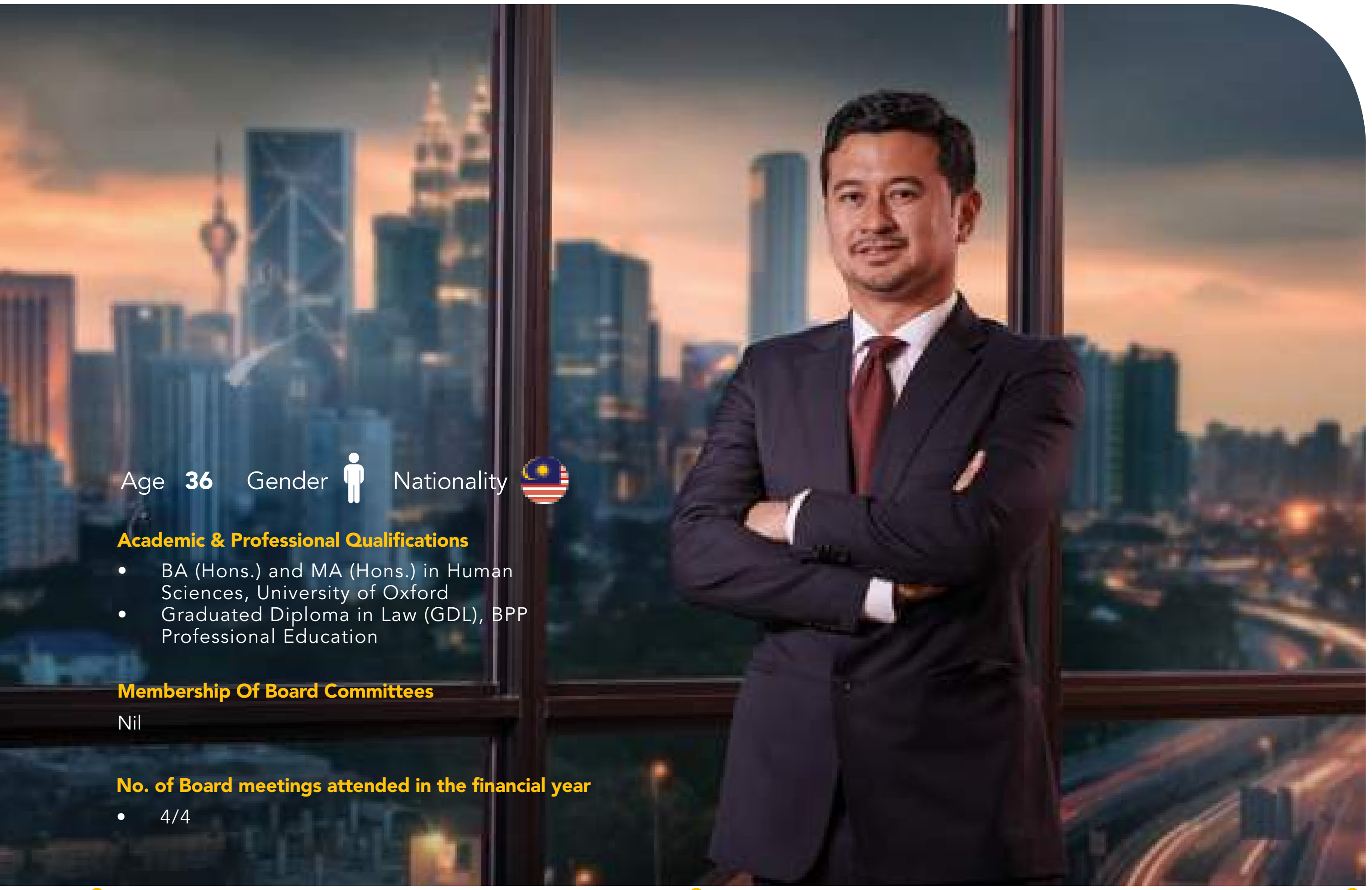
Y.M. Syed Haizam Hishamuddin Putra Jamalullail

Non-Independent Non-Executive Director

Professional Experience

YM Syed Haizam was appointed as Non-Independant Non-Executive Director on 1 August 2018. YM Syed Haizam Jamalullail is currently a Principal of Tuas Capital Partners, a private equity investment group and an Investment Director of KFM Advisory Sdn. Bhd. (formerly KAF Fund Management Sdn. Bhd.). He is also a Director of a few private companies including Segi Value Holdings Sdn. Bhd., the operator of a wholesale hypermarket chain under the brand name, "Segi Fresh," and Srivijaya Sdn. Bhd., the Master Franchise holder of Cold Stone Creamery outlets in Malaysia. Apart from that, Syed Haizam is currently on the Board of Trustees for Yayasan Raja Muda Selangor and the Selangor Youth Community (SAY).

YM Syed Haizam previously spent 3 years in London working for F&C Investments as a Governance and Sustainable Investment Analyst covering the ASEAN Region. He was also attached for a year in Naqiz & Partners, a corporate and commercial legal firm in Kuala Lumpur.



Age **36** Gender Nationality

Academic & Professional Qualifications

- BA (Hons.) and MA (Hons.) in Human Sciences, University of Oxford
- Graduated Diploma in Law (GDL), BPP Professional Education

Membership Of Board Committees

Nil

No. of Board meetings attended in the financial year

- 4/4

Other Information

a. **Family Relationship**
None of the Directors have any family relationship with any Director and/or major shareholder of Vizione Holdings Berhad.

b. **Conflict of Interest**
Other than the related parties transactions disclosed in page 154 of the Annual Report which involved Dato' Ng Aun Hooi and Mr. Bee Jian Ming, none of the Directors have any conflict of interests with the company.

c. **Conviction for Offences**
Other than traffic offences, none of the Directors have been convicted for any offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

d. **Directorship in other Public Companies**
None of the Directors hold any directorships in other public listed companies.

e. **Directors' attendance for Board Meetings for the financial year ended 31 May 2019**
The Directors' attendance for the Board Meetings for the financial year ended 31 May 2019 is presented in respective Director profile.

f. **Directors' Shareholdings**
Except for Dato' Ng Aun Hooi, Mr. Bee Jian Ming and Dato' Ir. Mohamad Shokri bin Abdullah, none of the other Directors hold any shares, direct or indirect in the company or its subsidiaries. Dato' Ng Aun Hooi, Mr. Bee Jian Ming and Dato' Ir. Mohamad Shokri bin Abdullah shareholdings in the Company are disclosed in page 101 of the Annual Report.

SENIOR LEADERSHIP TEAM

Standing from Left to Right

Lai Yeh How
Contracts Manager

Hon Huey Teng
Treasury Manager

Goon Mong Yee
Project Director

Henry Chow Tiam Chye
Chief Financial Officer

Tan Kooi Kok
Assistant General Manager
Property Development

Razman Bin Kamarudin
Assistant Contracts Manager

Sitting from Left to Right

Teoh Boon Keong
General Manager Power
Plant and Concession

IR. Beh Kim Boon
General Manager Operations

Other Information

a. Family Relationship
None of the Senior Leadership Team have any family relationship with any Director and/or major shareholder of Vizione Holdings Berhad.

b. Conflict of Interest
None of the Senior Leadership Team have any conflict of interest with the company.

c. Conviction for Offences
Other than traffic offences, none of the Senior Leadership Team have been convicted for any offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

d. Directorship in other Public Companies
None of the other Senior Leadership Team hold any directorships in other public listed companies.

PROFILE OF SENIOR **LEADERSHIP** TEAM

Goon Mong Yee

Project Director

Gender Nationality

Academic & Professional Qualifications

- Diploma in Architecture, Tunku Abdul Rahman College

Mr. Goon Mong Yee is the Project Director and is a member of the Senior Leadership Team of Vizione Holdings Berhad. He is a veteran in the architecture field and had successfully implemented and executed numerous projects. He was involved in the property and construction business since 1997 and had completed projects with good exposure in design and building developments, government turnkey projects, industrial, residential and commercial development and construction projects in Malaysia. Additionally, Mr. Goon has participated in development of housing projects with the National Housing Authority (NHA) of Thailand.

Teoh Boon Keong

General Manager Power Plant and Concession

Gender Nationality

Academic & Professional Qualifications

- Bachelor of Science in Civil Engineering, University of Louisiana, USA
- Member of The Board of Engineers Malaysia (BEM)

Mr. Teoh is the General Manager of the Power Plant and Concession Division of Vizione Construction Sdn. Bhd.. With over 30 years of accumulated experience spanning over his career years, Mr. Teoh has garnered extensive experience in planning and managing large scale EPCC projects in the African continent and Middle East region in the industries of oil & gas, power plant and marine works and construction projects locally. Additionally, Mr. Teoh has experience delivering green building projects and had successfully delivered the first LEED's Platinum certified building in Malaysia, the highest rating system, under the United States Green Building Council (USGBA).

Henry Chow Tiam Chye

Chief Financial Officer

Gender Nationality

Academic & Professional Qualifications

- Chartered Accountants Ireland (CAI)
- Chartered Accountants Australia and New Zealand (CAANZ)
- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Public Finance and Accountancy (CIPFA)
- Malaysian Institute of Certified Public Accountants (MICPA)
- Malaysian Institute of Accountants (MIA)
- Chartered Tax Institute of Malaysia (CTIM)

Henry is the Chief Financial Officer of Vizione Holdings Berhad and is primarily responsible for corporate governance and business strategy. He has extensive experience in corporate finance, corporate reporting, investments and tax planning in various industries including manufacturing, construction, property and oil & gas. Prior to joining Vizione, Henry was the Chief Financial Officer of Hume Industries Berhad and Landmarks Berhad. A full-fledged Chartered Accountant, Henry graduated from the prestigious Institute of Chartered Accountants in Ireland and Institute of Chartered Accountants in Australia. He was trained in Ernst & Young Chartered Accountants and thereafter embarked onto corporate finance role with Maybank Investment Bank Berhad before progressing into oil and gas sector with Petronas Berhad and SapuraKencana Petroleum Berhad.

Ir Beh Kim Boon

General Manager Operations

Gender Nationality

Academic & Professional Qualifications

- Bachelor of Engineering (Civil) , University of Malaya
- Member of The Board of Engineers Malaysia (BEM)

Ir Beh Kim Boon is the General Manager Operations of Vizione Contruction Sdn. Bhd. He has over 20 years of working experience mainly in infrastructure construction industry. In the early years of his engineering career, he worked as a Design Engineer in structural division of APG Structural Systems Sdn Bhd. He was involved in the project management and construction of the Kuala Lumpur Monorail and Putrajaya Monorail projects under Genesis Structural Systems Sdn Bhd. Before joining Vizione Holdings Berhad, he built his credentials through partnering with construction company specialising in infrastructure and building construction works. Throughout his career, he gained experiences in major infrastructure projects including suspension bridge, elevated highway structure, segmental bridge, precast concrete segment & guideway beam, prestressing and also launching work.

PROFILE OF
SENIOR **LEADERSHIP** TEAM

Hon Huey Teng
Treasury Manager

Gender Nationality

Academic & Professional Qualifications
- Master in Business Administration, Multimedia University Malaysia
- Bachelor of Economics (Hons.), University Kebangsaan Malaysia

Ms. Hon is Treasury Manager of Vizione Holdings Berhad. As Treasury Manager, Ms. Hon is responsible for the Group financing arrangement, banking management and coordination of merger and acquisition. Prior to her current appointment, she was managing the Finance, Administration and Human Resources division from year 2015 to 2018. Ms Hon started her career in Samsung Electronics (M) Sdn. Bhd. and Infineon Technologies Sdn. Bhd. and later joined United Overseas Bank (M) Bhd. for 7 years where she gained extensive experience in private and commercial banking.

Tan Kooi Kok
Assistant General Manager Property Development

Gender Nationality

Academic & Professional Qualifications
- Diploma In Quantity Surveying, Federal Institute of Technology
- Bachelor of Applied Science In Construction Management And Economics, Curtin University of Technology

Mr Tan is the Assistant General Manager of Vizione Development Sdn Bhd and primarily responsible for property development. He has over 20 years working experience in the construction and civil engineering space and with hands on experience in Property Development industry. Prior to Vizione, he was attached to MCT Berhad as the General Manager Property and Construction division. He has lots of experience in Civil Engineering operations namely earthworks, infrastructure and property development. He has also served as Contracts Manager in Wira Syukur (M) Sdn Bhd from 2007 to 2012.

Lai Yeh How
Senior Contracts Manager

Gender Nationality

Academic & Professional Qualifications
- Diploma in Quantity Surveying, Institut Teknologi Pertama

Mr. Lai is the Head of Contracts Department of Wira Syukur (M) Sdn. Bhd.. Mr Lai brings with him more than 20 years of experience in contract administration and management of private and government contracting development services. He was previously employed at Allied Engineering Construction Sdn Bhd (A company of UOA Group), YNH Construction Sdn Bhd (Subsidiary of YNH Property Berhad), Besteel Bhd and Bina Goodyear Bhd. He continuously improves and introduces best practices and procedures to support project management team in order to achieve the Company's objectives and goals. He manages in house development and conventional contract from inception to completion.

Razman Bin Kamarudin
Assistant Contracts Manager

Gender Nationality

Academic & Professional Qualifications
- Diploma in Building, MARA University of Technology

Razman Bin Kamarudin is the Assistant Contracts Manager of Vizione Construction Sdn. Bhd.. Razman brings 19 years of experience, in which he has demonstrated specialist knowledge and expertise in residential & non-residential projects in the diverse construction industry. He manages government housing projects and was attached to Mahasalam Sdn. Bhd. and Defend Venture Solution Sdn. Bhd. before joining Vizione.

SUSTAINABILITY STATEMENT

Sustainability Committee Chairman Message

Dear Shareholders,

We live in an age of unparalleled volatility and complexity, where globally, organisations are facing increasing pressure to create and offer solutions that are both synchronous with technology advancement which aligned towards building a sustainable planet. We have taken several important first steps towards building a cleaner and greener future.

Vizione is committed towards nurturing business sustainability, seeking to create a balance between social, environment and economics frontier. Vizione continues to embrace social and environmental issues harnessing on Corporate Governance to create sustainable diversity within and beyond the business horizon. We remain committed to build sustainable value throughout the business value chain by strengthening and rejuvenating fundamental business tenets.

Vizione has restructured sustainability management framework to work more effectively incorporating three economic dimensions: social, environmental, and economic. As part of the restructuring, sustainability development planning is now an important component of the business plan. In ensuring efficient implementation and effective outcomes, we prioritise issues that are material to business sustainability. This involves creating policies, pioneering direction and strategies for implementation to address materiality that is compatible to Vizione's business operations. We communicated all targets, so stakeholders are aligned on issues including safety, human rights, energy and climate change. This process has been broadened and enriched through participation from stakeholders which drives sustainability within the economic, environment and social parameter.

Sustainability has always been a hallmark of our culture that has embedded into our business process. The Group has been enriching millions of lives and that same spirit also forms the backbone of our commitment to helping the communities. Sustainability means a holistic and collaborative approach towards a better future, a future filled with innovations, caring for our natural capital, our workforce and a future accompanied by financial growth. We conduct business responsibly, minimizing the environmental and social impact while addressing global challenges to forge an inclusive and brighter future.

Goon Mong Yee
Chairman Sustainability Committee

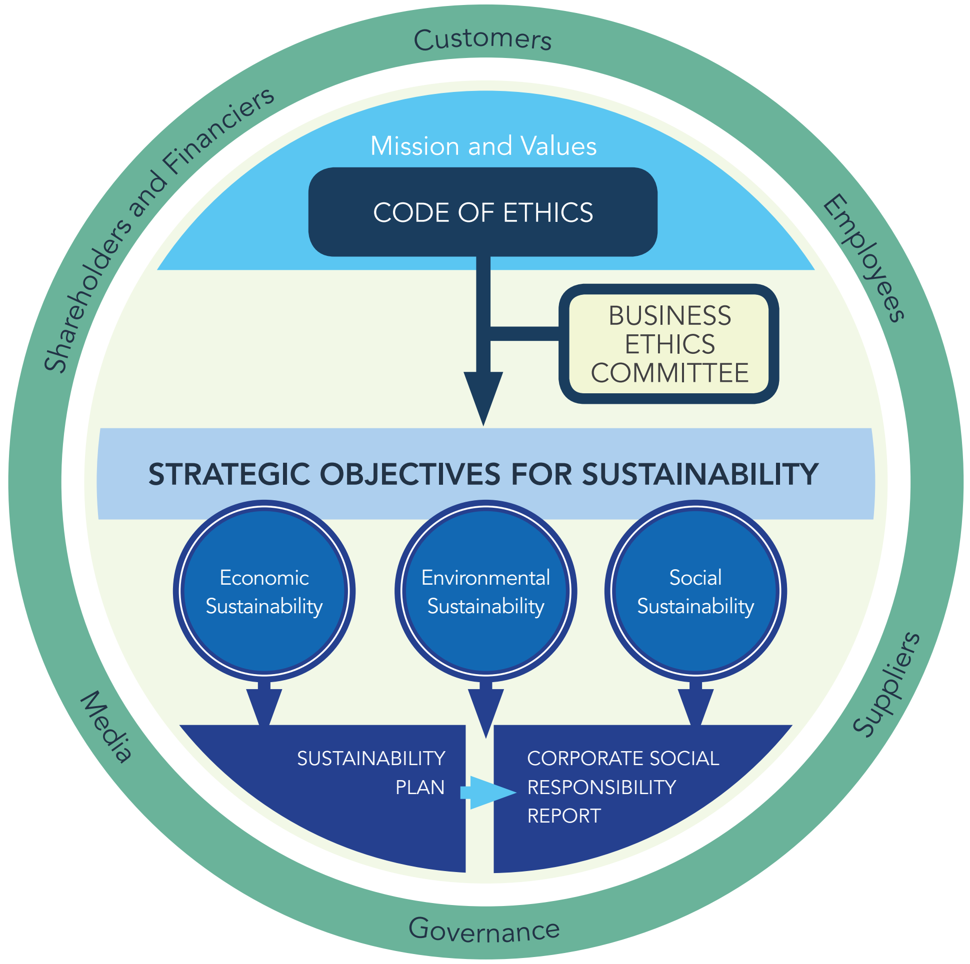
SUSTAINABILITY APPROACH

Sustainability is one of the strategic pillars for Vizione Holdings Berhad. Our sustainability performance is considered fundamental to our business success and sustainability is in fact embedded in our day to day operations. Central to our approach is a strong emphasis on Health and Safety. It is a core value for our culture and provides the framework for the way employees are expected to behave. We are committed to enthrall and engage with communities within which we operate through regular dialogues, socioeconomic footprint studies and community activities. It is an opportunity for us to gain feedback on our operations and how we impact them.

Integrating sustainable practices in all that we do is an on-going process that we continuously inculcate in our people. We are resolute in nurturing our actions into sustainable practices and we do this by constantly engaging and inspiring our workforce through various channels including townhalls, floor walks, social and community initiatives. We encourage two way communication by initiating floor walks to stay connected with our people. Through these open dialogues, we are able to understand the needs of our people, provide an opportunity for them to ask questions directly and to address any immediate concerns. Essentially, sustainable growth means cultivating a sustainable workforce.

Vizione Holdings Berhad and its subsidiaries ("the Group") strives to become a construction market leader and creating sustainable contribution to the economy, environment and society in the environment it operates. The Group is committed in developing value to its employees, suppliers, customers and stakeholders. Its stringent management methodology conforms to good corporate governance and business ethics. We aim to enhance the quality of life and wellbeing of people through delivery of excellent products and services developed through proven processes, technology and innovations. The Group seeks to be recognised as an innovative workplace of choice and a role model in corporate governance and sustainability. We believe in the value and potential of employees, working together within a constructive, energetic and harmonious atmosphere. The Group's employees adhere to and comply with the Group's Business Philosophy and the Vizione Group Code of Ethics. The Group has valued the development of employees of diverse ethnicity, culture, and experiences to be committed in responding to market dynamics.

The Group adheres to conducting its business with ethics and responsibility to all stakeholders for sustainable mutual benefits. The Group has set its Sustainable Development Framework in accordance with global practices, covering three dimensions of economy, society and the environment, with corporate governance as an overarching principle. This is to ensure that operations by our business units are aligned. We are dedicated to creating value to the society through its environmentally friendly business operations. We are willing to share knowledge, experiences and success by engaging with all parties such as its relevant businesses throughout upstream and downstream communities, business organisations, institutes, including social and community-based enterprise.



Vizione has cultivated a stakeholder engagement session for all units and employees at all levels to be aware of the importance of stakeholders, to respect their rights and to ensure fair conduct in all transactions. It aims to prevent risk or consequences of inappropriate conduct. It also provides a framework for constructive engagement with the stakeholder and together, making the society stronger and the environment sustainable. Stakeholders include people who are affected by Vizione, those who may impact Vizione, as well as those interested in Vizione businesses. Vizione has defined, identified and analysed stakeholders into various categories. We have formulated a communications strategy, disclosure of information and engagement that are suitable to these different categories, whose level of engagement, interests and expectations may vary. Vizione adopts multiple methods and levels of engagement to suit each group of stakeholders, to achieve the broad objective of building stakeholder confidence in forging a sustainable business operations.

Key Roles and Responsibility of the Sustainability Committee

1. The Committee shall oversee and provide input to management on the Company's policies, strategies and programs related to matters of sustainability and corporate social responsibility. This includes, but is not limited to matters related to the environment, human rights, community relations, supply chains, health and public affairs.

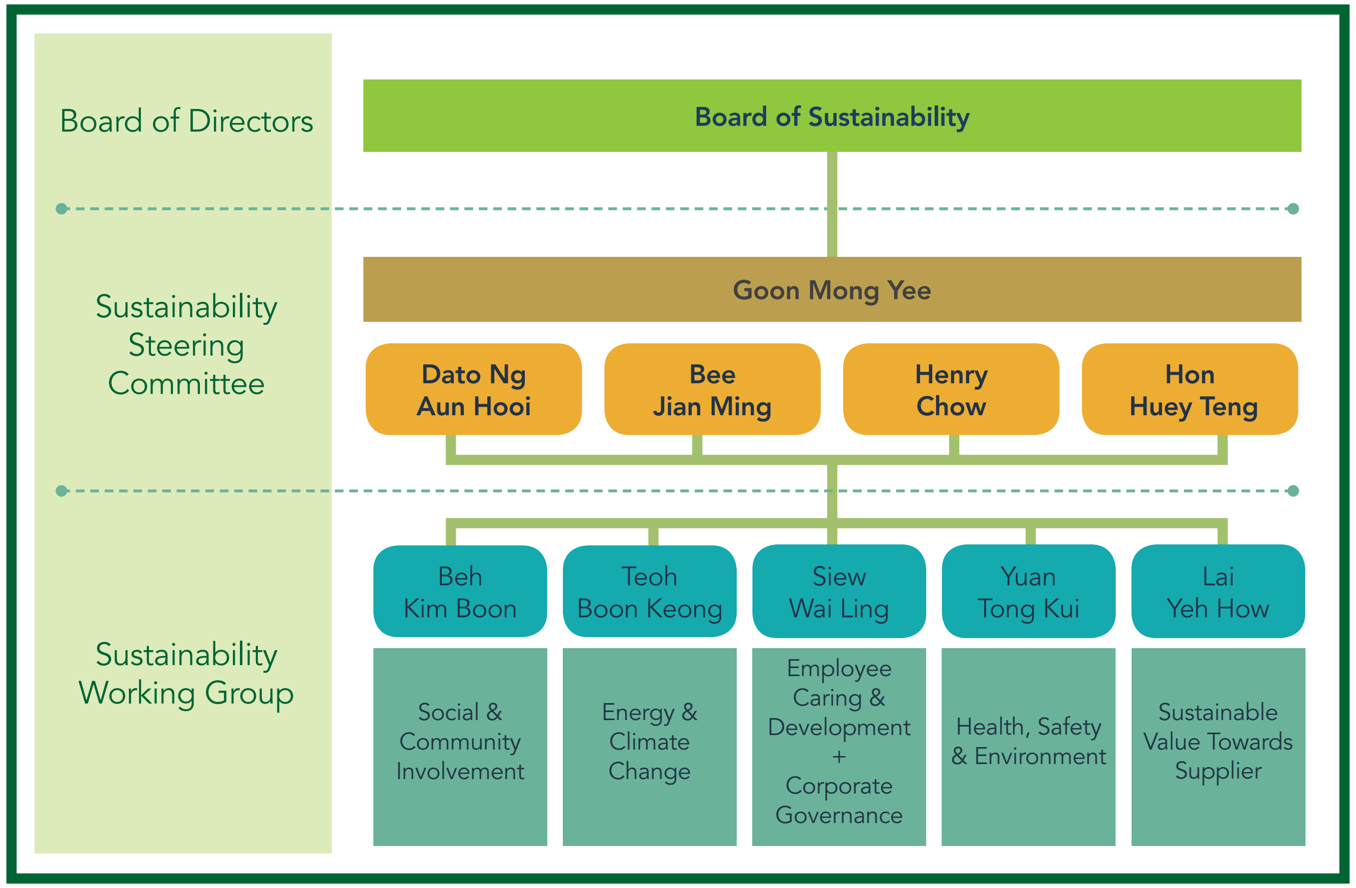
2. The Committee shall consider, analyse and provide input to management on social, economic and environmental trends in public domain, regulation and legislation and consider additional corporate social responsibility actions in response to such issues.

3. The Committee shall review the goals the Company and establish its performance with respect to matters of sustainability and corporate social responsibility and monitor the Company's progress against those goals.

4. The Committee shall receive periodic reports from the Company's management regarding relationships with key external stakeholders that may have a significant impact on the Company's business activities and performance.

5. The Committee shall oversee and provide input to management on the Company's risk assessment and management policies and procedures with respect to those risks for which responsibility for oversight has been assigned to the Committee by the Board of Directors.

6. The Committee shall review the Company's charitable programmes and receive reports from management on charitable contributions made by the Company.



Corporate Governance

Supervises our business management to ensure fairness, transparency and accountability in accordance with its business philosophy "Adherence to Fairness".

- Good corporate governance.
- Risk management.
- Disclosure and reporting.

Economy

Creates values not exclusively for profitability, but creates mutual benefits for all stakeholders.

- Contributes to national economic growth through value generated by our operations.
- Income distribution among our stakeholders.

Environment

Commits to conservation of the environment and natural resources, using resources wisely and maintaining ecological balance.

- Energy and climate change.
- Environmentally friendly products and services.
- Logistics management.

Social

Conducts business with ethics and concern for social responsibility. Participates in improving the quality of life where Vizione operates.

- Community investment and donation.
- Labour practices and human rights.
- Human resources and human capital development.
- Health and safety.
- Stakeholder engagement.

SUSTAINABILITY MATERIALITY

Vizione manages its sustainability issues by collecting and prioritising them in connection to their relationship with business operations. More importantly, assessing the materiality impact to the Group and managing the outcome effectively.

Materiality Assessment Steps

1 Collect information across the entire supply chain

- Sustainable Development Guidelines
- Opinion panels of multi-disciplinary experts
- Employee Satisfaction Survey
- Community Satisfaction Survey
- Inputs from complaints mechanism
- Enterprise Risk Assessment

2 Assess sustainability issues on the basis of impact on stakeholders

- Organise workshops with representatives of functional areas that relate to each group of stakeholders to measure the extent of impact
- Conduct internal meetings at functional level to review priorities, taking into account external stakeholders' perspectives

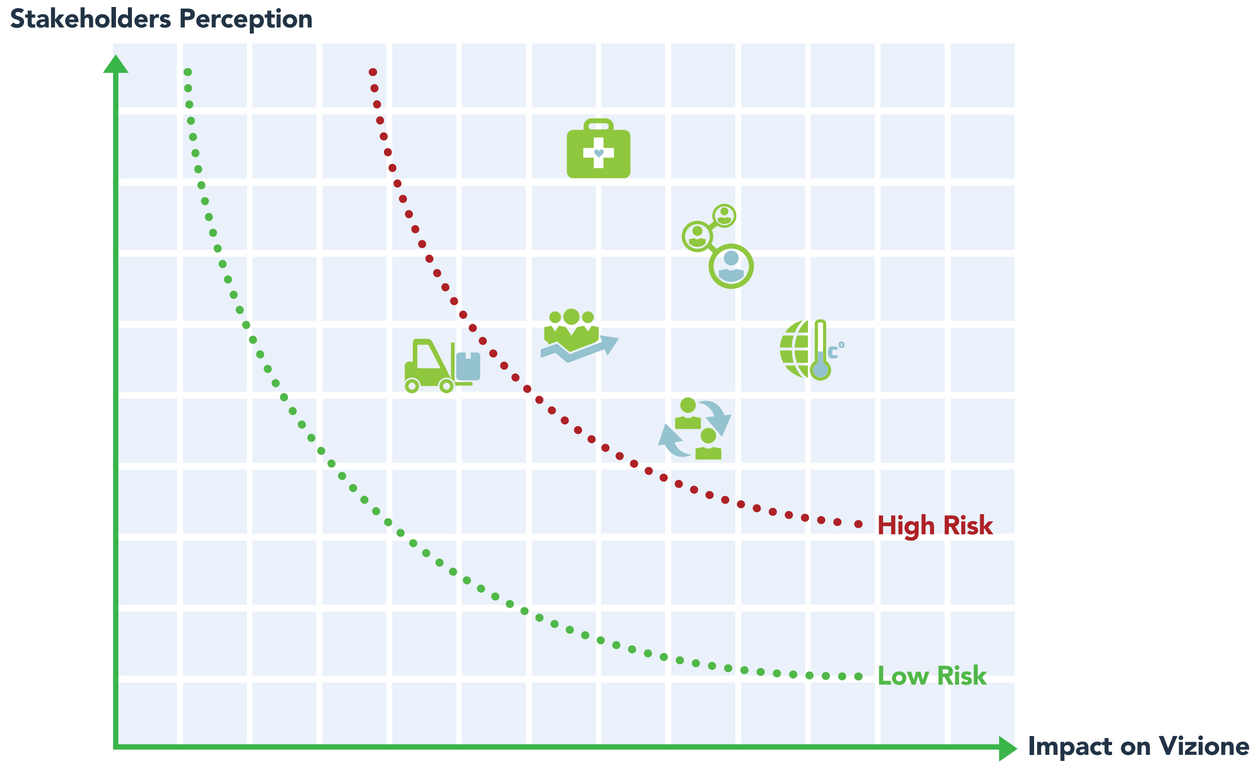
3 Assess importance of issues on the basis of impact to the organisation

- Organise workshops with representatives from functions/ units to analyse and prioritise material issues from the organisation's perspective and considering impact or potential business opportunity

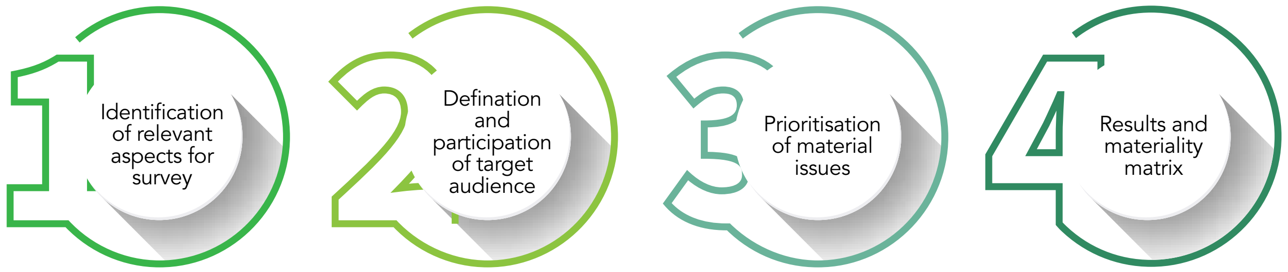
4 Prioritise material sustainability issues

- Plot the Materiality Matrix reflecting the perspective of stakeholders
- Organise meetings with functional areas to solicit opinion and to validate the result of materiality prioritisation
- Present Materiality Assessment results to the Vizione Sustainability Committee

We conducted materiality assessment to identify our key material sustainability matters. Concerns and feedback gathered during the high level stakeholder engagement exercise with the Management team were prioritised the key material sustainability matters are as follows:



Materiality Assessment Stages



SUSTAINABILITY ACHIEVEMENTS

1 Corporate Governance

One of the most vital philosophies responsible for smooth business operations and contributing to continuous growth and business expansion is its adherence to integrity and fairness to stakeholders. Vizione prioritises its Core Values and Code of Conduct over business customs and protocols in order to earn acceptance and trust from every party concerned and the general public as well as maintain its reputation and create business opportunities in the future.

The Group conducts business with responsibility, transparency and fairness, adhering to the long standing business philosophy as outlined in the Vizione Group Code of Ethics. Corporate governance principles are organisational guidelines that are in line with Bursa Malaysia Corporate Governance Guide. The corporate governance ensures fairness, transparency and value creation for shareholders. Additionally, it provides assurance to all stakeholders and enhancing the Group's competitiveness, thus enabling it to remain relevant in a sustainable manner. The Group upholds the principles of corporate governance, the Code of Conduct and compliance and adheres to anti-corruption and anti-trust practices. The Board of Directors drives policy, while operationally, the internal audit department supervises all internal control aspects.

Targets

Upskilling of corporate Governance Knowledge
Regularly enrich the Directors's knowledge on corporate governance-related issues to enhance their efficiency and enable them to serve as role models for executives and employees both in terms of corporate governace and adherence to the principles of corporate governance.

Formulation of policies, code of conduct, and guidelines for executives, employees and suppliers
Review and revise corporate governance principles, Code of Conduct policy and guideline to keep them up-to-date and in correspondence with laws. Employees must be aware of duty and to comply with the law, regulations, the principles of corporate governance and the Vizione Code of Conduct.

implementation of policies and guidelines
Implement Compliance Management System and cultivate organisational culture of transparent business conduct, compliance with the law and regulations, the principle of corporate governance and Code of Conduct.

Strategies

Upholding good corporate governance in managing the organisation
The Board of Directors plays an instrumental role in corporate governance. The Group organises regular forums to impart knowledge and other topical issues for members of the Board. Directors must demonstrate and set good examples for the management and the workforce in corporate governance and operates within the Vizione Group Code of Conduct parameters.

The code of conduct and guidelines for the management, employees and contractors
The Board of Directors ensures appropriate guidelines are being adopted, underpinned by the Vizione Group Code of Conduct which is regularly updated to reflect changes in laws and policies.

Achievement

All employees completed and signed off the code of ethics handbook and code of conduct and the whistle blowing policy.

The Board of Directors and the Audit Committee assigned the management to communicate the Standard Operating Procedures policy to all employees to ensure that the employees understand and apply them to their daily operations.

2 Health, Safety & Environment

ZERO ACCIDENT
Safety First

Health, Safety and Environment (HSE) is our pinnacle priority in operations. Safety systems, processes and considerations are integral to our operations as we believe 'only a safe operation is a good operation'. Everyone is required to play a role in upholding a culture of safety. It is our policy that all employees and subcontractors have the right to stop work when there is any concern to the safety of any person on site or potential damage to assets. At the same time, we strive to minimise our impact on the environment. We comply with all local laws and regulations related to protecting the environment in the countries where we operate. Vizione has committed to eliminating the number of injury and fatalities of both employees and contractors by continuously managing risks driven through Vizione's Safety Framework as the guiding principle.

Safety Framework provides the fundamental guideline and with the Safety Performance Assessment Program (SPAP) in place, the Group is assured of a higher occupational safety standards for employees, contractors and suppliers. Work related accidents need to be mitigated otherwise eradicated as one of the primary priorities in the material matrix.

Our HSE culture is supported by our Group HSE Policy and Management Systems, which detail the necessary actions that should be taken to avoid the occurrence of incidents. These include hazard identification and management, as well as risk prevention and mitigation. All personnel in the Group have the responsibility to drive HSE activities including continuously enhancing and implementing procedures and policies. Any incident that takes place is reported and analysed, following which corrective actions are implemented to prevent recurrence. Plans and Procedures are reviewed regularly to ensure that our safeguards are in place and effective. We do not focus only on our own HSE scorecard but also conduct regular audits on our contractors, especially those involved in high risk activities.

Our ability and preparedness to respond to emergencies are critical to prevent incidents from escalating, to ensure the safety of our people, safeguarding the continuity of our operations, protect our assets and prevent damage to the environment. Drills and training exercises are conducted to ensure employees are equipped to respond and manage emergencies and/or threats such as natural disasters, fire and major accidents. Emergency Response Plans are available for our assets and facilities and periodically tested.

Targets

- Become an injury free organisation.
- Achieve zero fatality from work at heights.
- Reduce logistics accidents and manage logistics in compliance with local safety standards.

Strategies

Establish safety standards and a safety culture among staff at all levels, to be led by top management

Management and executives must demonstrate leadership and make themselves role models for safety, as well as mobilising the participation of staff at all levels in order to institute a safety culture within each unit.

Enhance safety standards with a new work process system

We apply safety standards and engage new work process system appropriate to each unit (Process Safety Management, Safety Culture and Safety Leadership) with a view to reinforce a safety culture.

Safety induction

Is conducted to welcome our new workers to the company and prepare them for their new role regarding safety & health. It ensures workers are fully informed about the organization and are aware of their work and responsibilities.

HSE Toolbox Talks

HSE toolbox talks conducted periodically basis to educate workers on safe work practices and stay compliant with regulations regarding safety and training. Safety toolbox talks are important to building a strong safety culture and reinforcing our company's commitment to protecting your workers. Holding regular HSE toolbox talks can prevent workers from getting complacent and avoid taking safety for granted.

Safety & Health Committee meeting

The purpose of a safety & health committee meeting is to reduce the risk of workplace injuries & illnesses, inform and educate the employees about safety and health issues throughout all levels of the company, and to set meaningful and attainable goals for safety throughout the organization

HSE training

HSE training provides employers, managers, supervisors, and workers with knowledge and skills needed to do their work safely and avoid creating hazards that could place themselves or others at risk. Awareness and understanding of workplace hazards and how to identify, report, and control them.

High visibility clothing must be worn when required

Ear protectors must be worn when required

Eye protection must be worn when required

Protective footwear must be worn

Wear hard hats

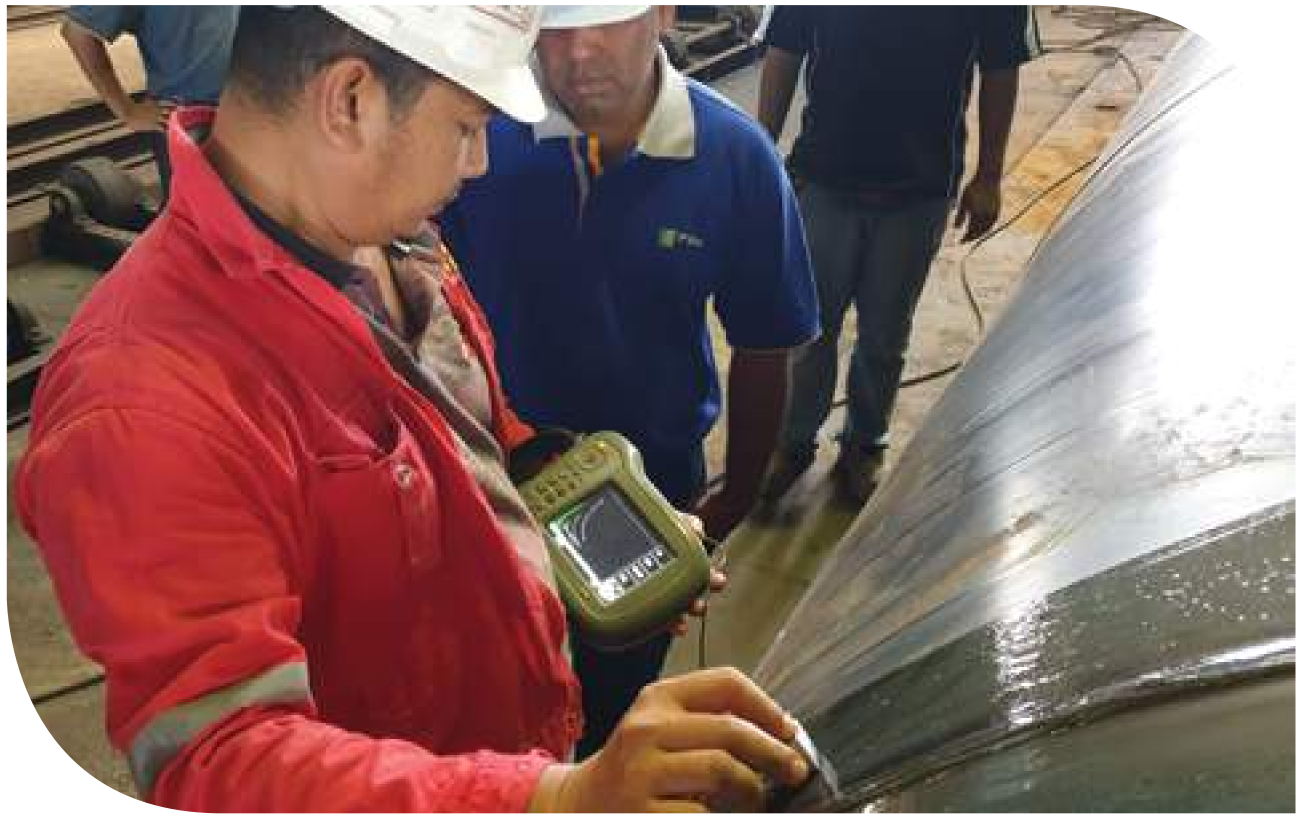
HSE campaign

At Vizione, we believe that the way to engage workers in a new safety initiative is to develop a workplace communication program. The main objective of any safety communication program is to change behaviour.

By doing workplace safety campaigns, company can greatly improve our productivity, staff morale and reduce costly mistakes.

HSE inspection

HSE inspections are a way of systematically checking that an organisation's working environment and procedures are meeting the required legal standards. An inspection should identify hazards and be the first step in introducing measures to improve conditions. HSE inspection that we doing on site like Machinery inspection, power tools inspection, Lifting equipment inspection and etc.



Achievement

In the year 2019, the HSE team reported zero lost time injury and zero fatality. Vizione achieved three continuous years of zero injury, fatality, property damaged and dangerous occurrence at construction sites. Predominantly, HSE Managers conduct training and regular briefings at site in order to ensure awareness and compliance with the Vizione's HSE policies and procedures. Accident prevention programme was conducted at site to create awareness and frequent HSE dialogue was carried to align expectations and concurrently mitigating potential accidents

3 Employee Caring & Development

Vizione creates learning environment for employee to acquire new skills and knowledge through on-the-job training and cultivating learning culture within the organisation. With our belief in the value of individuals, Vizione deems employees the most precious resource we have that will lead to success and sustainability of every business and in every region where Vizione operates. Our expansion into various region in Malaysia has made our workforce increasingly vibrant and diverse. In order to stay competitive and manage challenges, Vizione is committed in strengthening the capacity and competency of all employees.

To continuously and sustainably develop employees' competency in alignment with the organisation's strategies and current and future business directions, it is crucial to connect learning with the process and talent management system. Starting from determining required employee qualifications and skills, recruiting, developing employees, to retaining talented employee groups, the process must be in place to build commitment and organisation engagement.

Targets

- Become a role model in the labour force.
- Become a role model in employee caring and the organisation of choice.

Strategies

Building Learning Culture and Supervisor Coaching Role

Individual employee is accountable for propelling learning and self-development with support from supervisor in the form of counselling and advices.

Connecting Employee Learning to Talent Management

Learning shall be geared towards creating a knowledge based manpower in order support the necessity of business. Engagement session on Career Development and Talent Management methodology were charted and discussed with individual employee.

Developing Competences for Employee and Leader

Knowledge and competence of all employee shall be cultivated to gain competitive advantage including the development of the leader in the required roles and responsibilities.

Build organisational value to attract talents

Strive to make the organisation a place where people aspire to work for, to attract talents of multi-disciplines and all levels to join Vizione's workforce.

Care in an inclusive and fair manner in order to create bonding with the organisation

Promote the quality of life and active participation of staff by creating a sense of unity within the workforce; that everyone advances together towards the shared target and success, in creating a sustainable business entity.

Achievement

Employees have been provided with healthcare benefits such as medical welfare and the administering of a safety working environment and occupational health. Vizione focuses on building engagement and relationship with stakeholders. Formal and informal employee feedback surveys are conducted on a regular basis.

In the quest to revamp the organisational behaviour, the management has engaged various training and self development sessions for personnel of all levels to upskill their work capabilities. This is of paramount importance as Vizione is enthusiastic to create a profound knowledge based workforce.

Vizione is committed to strive and ensure all employees continuously challenge their own capability, improve and be able to align to company's goal.

Purpose	Benefits
Strategic Team Alignment Retreat - Leadership Programme **Purpose** Fosters an ethical work environment with proactive development and provides coaching and mentoring courses and also take ownership of tasks	Focus on various key mind training methodologies that build the core emotional intelligence skills needed for Vizione leaders and managers to peak at their performance and effective leadership. Scheduled programmes in January, May, August and November 2019.
In-House Knowledge Sharing Programme **Purpose** Encourage various forms of knowledge sharing and it improves communication among employees, both intradepartmental and interdepartmental	Head of Department and managers participating and dedicated knowledge sharing training session within the team and cross departments training. Total 12 sharing sessions dedicated within six months.

Training & Capability Building

Job Classification	Number of employees trained	Total Training Hours	Average Training Hours
Director	7	133	19
Executive	51	1447	28
Non-executive	2	7	4
		1587.00	

Vizione faces new business challenges and opportunities, such as growing diversity, the dynamic diversity of the multiple operations, employee desire for a wide range of experiences, growth opportunities and significant manpower skillset. These realities are shaping our approach to talent acquisition, retention and development.

Vizione Human Capital Strategy has embarked on strategies that focused on high value business priorities: Leadership Talent and Employee Engagement. Leadership Talent defines how we will acquire and maintain the desired talent, leadership and organisational culture to fulfil our business strategy. Given our maturing workforce, we have identified strategic positions to focus succession planning efforts. With those positions in mind, we work diligently to ensure that we have the right future leaders to fulfil critical talent needs. These efforts include identifying competency gaps in potential candidates that allow us to accelerate their development; placing greater emphasis on exposure and experiences to help advance employee growth and redefining high-potential employees with new criteria and an assessment tool to help us better identify future leaders.

4 Energy & Climate Change

Our commitment extend towards engaging and leading others into greater awareness and actions. We focus on the environmental issues most material to Vizione and our stakeholders i.e. energy, emissions and fuel supply. Our operations require the use of substantial amounts of energy, primarily in the form of fuel for our vehicles and machines. The vast majority of the energy we consume comes from fossil fuels which generate greenhouse gas (GHG) emissions. Like many other organisations around the world, we acknowledge that GHG emissions affect the climate and pose a serious challenge to the environment and ultimately, the global economy. This is why Vizone is working towards a set of environmental goals that address the GHG emissions from our project sites. We are measuring the progress of our ground operations in absolute terms, seeking a reduction of carbon emissions in our quest to ensure environmental sustainability.

Vizione's business is highly energy-dependent, therefore our business has exposed to both energy pricing volatility and restriction of sourcing; as well as risks brought about by climate change due to global warming. Vizione has been preparing and building resilience to withstand the impact of rapid changes and external factors beyond control. Diversification of energy sources, improvement of machinery and equipment to increase energy efficiency, increase the proportion of alternative and environment-friendly energy to reduce fossil fuel dependency.

Our commitment to environmental protection begins with a sound understanding of our surroundings and operating environment. We manage and address environmental issues at various stages of each project from project planning, development, execution/ operations to decommissioning and site closure. These practices are embedded in our operating environment to minimise the impact of our operations on the environment.

Targets

Ensure business continuity in case of energy crisis and maintain business competitiveness in terms of production costs.

Strategies

Mitigate impact of fossil fuel use

Implement mitigation measures starting from the stage of sourcing, storage, transport and use of fossil fuel, to mitigate risk and impact on the community and environment.

To achieve air and water pollution emission levels that are better than the legal threshold and in conformity with international industry standards.

Increase energy efficiency

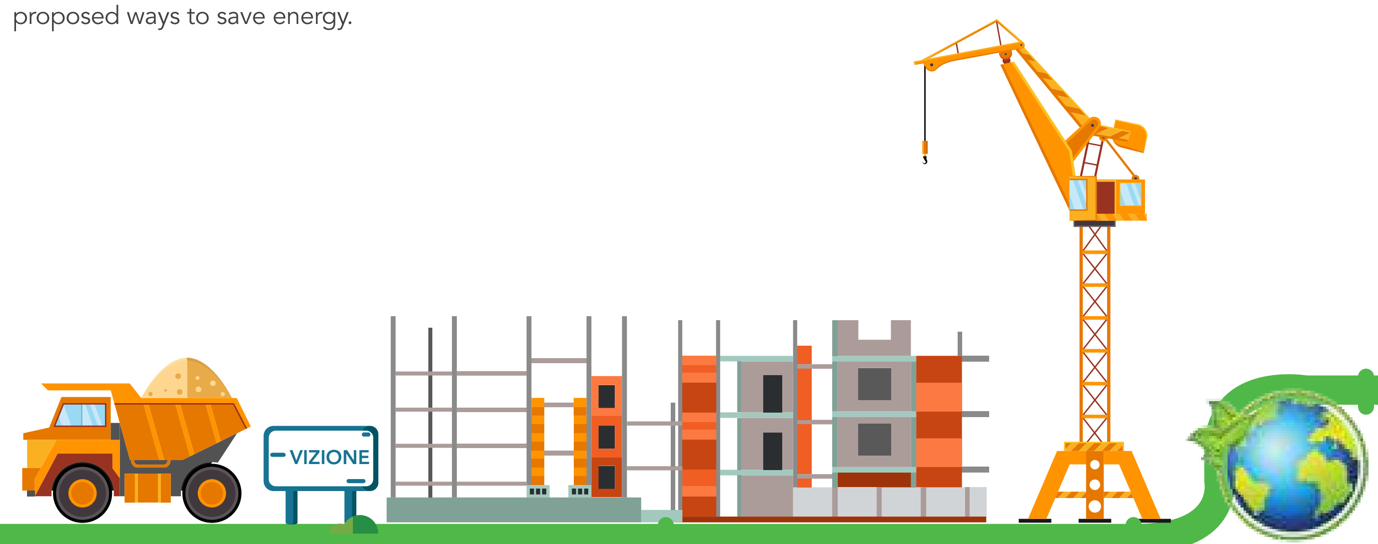
Improve or replace equipment to increase energy efficiency and cut carbon emissions.

Promote staff awareness on the energy conservation

Support and enhance knowledge and awareness among the workforce through a series of activities across the organisation, to the extent to the individual, acting on it and sharing it with colleagues and family.

Achievement

Organised Energy Saving Awareness activities throughout the year to promote energy awareness and its practical application, beginning from employees and extending to other stakeholders. Through these activities, employees proposed ways to save energy.



5 Sustainable Value Towards Supplier

Sustainability in the supply chain from upstream to downstream is essential to maintain smooth business operations. Therefore, selection process of suppliers with the capacity to conduct business ethically, with professionalism and preparedness to adapt to changes that impact sustainability under the risk management plan is of paramount importance. We also valued co-generation of opportunity with our suppliers, under an efficient assessment program. All these arrangements are in place to manage risk by making our resources secured from few suppliers, critical suppliers and suppliers who fail to comply with rules and regulations, or stakeholders' expectations. These risks can ultimately harm our reputation and disrupt our business.

Targets

All suppliers shall demonstrate its commitment towards providing goods and services in a timely and ethical manner.

Strategies

Select and assess suppliers with the capability for sustainable business

The selection of suppliers are on the basis of commitment to comply to Vizione's business processes for sustainable business. Conduct assessment and certification of suppliers annually and continuously in order to mitigate risk in the supply chain.

Assess risks and classify suppliers into groups

Conduct analysis and business risk assessment with primary focus on environmental, economics and social factors, thereafter prioritise risks that may affect business processes. The results are then used to classify suppliers and develop strategy and supplier development plan in correspondence to the risk factors. Organise and plan a development program aligned with the associated risks, whilst working towards mitigating supplier's inherent risks.

Raise awareness, knowledge and people's competency

Establish a Procurement Awareness Programme to enhance the knowledge and competency of employees. Share knowledge, information, operational guidelines with procurement entities in both public and private sectors with emphasis on purchasing alignment and sustainability, primarily to ensure that our people work effectively in line with targets.

Achievement

In order to develop the supply chain sustainably, Vizione has assessed and prioritise risks and impact on business operations in various aspects covering economic aspects (e.g., value of procurement spend, fairness, risks to brand reputation), environmental aspects (e.g., water management, waste management, resource management), and social aspects (e.g., labour management, health and safety, compliance with the laws and regulations). The result of the assessment is used for grouping suppliers and contractors, which is necessary for strategising and planning supplier development going forward.

6 Social & Community Involvement

At Vizione, we believe that for business should grow sustainably in line with the development of the community and society. We are aiming at creating values for social development in multiple aspects, focusing our efforts on problems that affect the quality of life within the circle of community. We also actively engage with other stakeholders, for advocacy and actions that lead to improving the quality of life in every aspect. Vizione establishes the "CSR Committee for Sustainable Development", consisting of the Company's Directors and Executive Committee Team to determine CSR policy and direction on social development in order to arrive at key strategies to play vital role within the society. Fundamentally, is to develop a framework on how Vizione's presence can help to elevate the people's quality of life.

Targets

To enhance and develop community and society capacities for a secure and sustainable growth by leveraging on past experiences to engage with different facets of society and enhance their overall quality of life.

Strategies

Promoting an involvement of employees and stakeholders for creating sustainable values for society

To employ company's competency and knowledge to encourage the involvement of all stakeholders including employees, private and government sectors to achieve better quality of life and advancement of communities and society at large.

Sharing Opportunities, Drawing the Future

Vizione provides opportunities for employees to participate in public service and social contribution. We invite proposal from employees and support implementation of what have been chosen as creative and beneficial to society. With this, we hope to motivate our staff to be public service minded, and willing to volunteer working with communities in need. In the last 2 years, Vizione employees have taken part in many community based projects and donated cash contributions to many welfare homes.

Achievement

Vizione Group sponsored Wira Golfer

Through the effort of the organiser, member group over 90 golfers were gathered for an exciting day at the beautiful Kelab Rahman Putra Malaysia's golf course to enjoy the game and the scenery.

Vizione group as the sponsor has promoted the game and donated a total of RM20,000 to both non-profit organizations Victory House and Kiwanis USJ Branch. Victory House is a non-government and non-profit organization that apply biblical principle in helping the drug addicts, underprivileged children and the poor needy elderly. While Kiwanis USJ Branch, in line with Kiwanis international, emphasize on children and youth education and personal development needs who are in disadvantage or with special challenges.

Blood Donation

As an integral part of sustainable development, Vizione has enthusiastically undertaken a Blood Donation Campaign. These volunteer-based blood donation events were held in 29 March 2019, which was initiated to encourage people to donate blood. It is Vizione's first campaign which specifically aimed to motivate the community to join the donation. The campaign is one of Vizione's several projects aiming to promote social & cultural unity among all Malaysians.

Our organization's mission is to help National Blood Centre to collect more blood, as we know blood bank always running out fast. The donation was started at 10am, approximately 80 people were in attendance and donated more than 40 units of blood.

Vizione gratefully acknowledge the support and assistance extended to us by National Blood Centre to make this series of events a success. We respectfully share all the merits collected during conceptualizing, organizing and completing Blood Donation activities with everyone involved and who appreciate such endeavours.

Vizione the official sponsor of Football Association of Selangor (FAS)

In tandem with the our Corporate Social Responsibility, Vizione Holdings Berhad has participated as an official sponsor for Football Association of Selangor (FAS). The sponsorship will be in the form of cash and construction of training infrastructure for the association.

Football Association of Selangor (FAS) has launched a new training facility and office complex in SUK Sports Complex, Seksyen 5, Shah Alam. The 400,000 square feet training centre is proof that the new FAS management is committed to bringing the association to new heights. The new facility named FAS Training Centre was officiated by HH Raja Muda Selangor, Tengku Amir Shah in a simple ceremony attended by team sponsors, association excos and media representatives. Complete with training pitches, gym, physio treatment area, and an office complex, the new training centre is hoping to inspire the players, as well as enabling the administrators and coaches be put under one roof.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") presents this Statement to provide shareholders and investors with an overview of the application of the Principles set out in the Malaysian Code on Corporate Governance ("CG") ("MCCG") by Vizione Holdings Berhad ("Vizione" or the "Company") and its subsidiaries (the "Group") and should be read together with the Corporate Governance Report 2019 of Vizione ("CG Report") which accompanies this Annual Report and is also available on Vizione's website at www.vizione.com.my ("Vizione's Website").

The CG Report provides the details on how Vizione has applied each Practice as set out in the MCCG during the financial year ended 31 May 2019 ("FYE 2019").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(a) BOARD RESPONSIBILITIES

The roles and responsibilities of the Board and Management, the Board Committees and the individual Directors are set out in the Board Charter which is accessible through Vizione's Website. The Board Charter will be reviewed on an annual basis or more frequently if necessary.

It is the primary governance responsibility of the Board to provide stewardship and directions for the management of the Group. The Board's responsibilities in respect of the stewardship of the Company include review and approve strategic plans and key business initiatives, corporate governance and internal control frameworks and promote a sound corporate culture which reinforces ethical, prudent and professional behaviour. While the Board sets the platform of strategic planning and policies, the Executive Directors are responsible for implementing the operational and corporate decisions while the Independent Non-Executive Directors ensure corporate accountability by providing unbiased and independent views, advice and judgement and challenging the Management's assumptions and projections in safeguarding the interests of shareholders and investors.

The Board has defined the roles and responsibilities for its Directors. In discharging their fiduciary responsibilities, the Directors deliberate and review the financial performance, the execution of strategic plans, the principal risks faced and the effectiveness of management mitigation plans, the appraisal of Executive Management and Key Senior Management, succession plan as well as the integrity of management information and systems of internal control of the Group.

(a) BOARD RESPONSIBILITIES (Cont'd)

The day-to-day management of the business operations of Vizione is led by the Managing Directors together with the Executive Directors and Senior Leadership Team. The Board is constantly updated the team on the implementation of all business and operational initiatives and significant operational and regulatory challenges faced.

The Board is headed by an Independent Non-Executive Chairman. The roles of the Independent Non-Executive Chairman is defined and set out in the Board Charter and is further explain in the CG Report. The Chairman facilitates the effective contribution of all Directors and promotes constructive and respectful relations between Board members and between Board and Management. The Board has well-defined descriptions for responsibilities of the Board Chairman, Executive Directors and the individual Board Members.

The positions of the Chairman and the Executive Management are separately held ensuring balance of power, accountability and division of roles and responsibilities of the Board and the Management of the Group's business and operations. The Board has developed descriptions for responsibilities of the Board Chairman, Executive Directors and the individual Board Members.

The details of these responsibilities are articulated in the Board Charter which is accessible from Vizione's Website.

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit Committee ("AC")
- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Employees' Share Options Scheme Committee

The Board has defined the terms of reference for each Committee and the Chairman of these respective committees report and update the Board on significant matters and salient matters deliberated in the Committees.

The Board is supported by two (2) External Company Secretaries. Both Company Secretaries of Vizione are qualified to act as Company Secretary under Section 235 of the Companies Act 2016, of which one is a Fellow Member and the other, an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators. The Company Secretaries provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.

Continuous training is vital for the Directors in discharging their duties effectively. All Directors are encouraged to attend appropriate external training programmes to gain insight and keep abreast with developments and issues relevant to the Group's business, especially in the areas of corporate governance and regulatory requirements.

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of FYE 2019 were as follows:

Name of Directors	Date	Mode of Training	Mode of Training
Dato' Mohd Zaihan bin Mohd Zain	Will ba attending on 30 - 31 October 2019	Programme	Mandatory Accreditation Programme for Directors of Public Listed Company
Dato' Ir Mohamad Shokri bin Abdullah	1/4/2019	Programme	Enterprise Risk Management - Board's Responsibilities
Dato' Ng Aun Hooi	1/4/2019	Programme	Enterprise Risk Management - Board's Responsibilities
Bee Jian Ming	1/4/2019	Programme	Enterprise Risk Management - Board's Responsibilities
	4/4/2019	Seminar	ESG Seminar for ftse4good Bursa Malaysia Index
Chan Chee Wing	4/4/2019	Seminar	ESG Seminar for ftse4good Bursa Malaysia Index
Ng Fun Kim	1/4/2019	Programme	Enterprise Risk Management - Board's Responsibilities
	30/4/2019	Engagement Session	MIA's Engagement Session with Audit Committee Member on Integrated Reporting
Y.M. Syed Haizam Hishamuddin Putra Jamalullail	1/4/2019	Programme	Enterprise Risk Management - Board's Responsibilities

The Board (via the NC and with assistance of the Company Secretary) continuously to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

(b) BOARD COMPOSITION

Vizione is led and managed by a diverse, competent and experienced Board with a mix of suitably qualified and experienced professionals that are relevant to the business which enable the Board to carry out its responsibilities in an effective and competent manner.

The current Board is drawn from different ethnic, cultural and socio-economic backgrounds and their ages range from 36 to 66 years to ensure that diverse viewpoints are considered in the decision making process.

The profile of each Director is set out in pages 43 to 49 of this Annual Report. The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity and gender, ability to provide the necessary range of perspectives, experiences and expertise required are well balanced in order to achieve effective board stewardship.

The Board currently has seven members including three are Independent Directors. The Board takes cognizance of the recommendation that at least half of the Board comprise of independent directors and although the Board has not made any decision at this juncture, going forward, the Board will review and deliberate on the merits of the recommendation vis a vis, the Group's size, structure and dynamics during the coming financial year.

During the FYE 2019, the Board through its NC conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The NC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively. The Board will continue to monitor and review the Board size and composition and will nominate new members as and when the need arises.

The Board has also adopted the best practices for assessing the independence of Independent Directors annually and the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. When the Board retains an Independent Director who has served in that capacity for more than nine (9) years, the Board would justify its decision and seek shareholders' approval. The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. The Constitution of the Company provides that all directors shall retire by rotation once in every three (3) years or at least one- third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the Annual General Meeting ("AGM"). The above provisions are adhered to by the Board at every AGM.

At the forthcoming 2019 AGM, Dato' Mohd Zaihan bin Mohd Zain is due to retire by rotation under Article 79 of the Constitution and has offered himself for re-election. Dato' Ir Mohamad Shokri bin Abdullah and Mr Chan Chee Wing are due to retire by rotation under Article 80 of the Constitution and have offered themselves for re-election. Following the NC's review on the performance of the four Directors and having noted their significant and valued contributions to the Board, the NC has recommended their re-election to the Board and the Board has concurred with such recommendation and is recommending that shareholders re-elect the said Directors at the forthcoming 2019 AGM.

(c) REMUNERATION

The Board (via the RC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of Key Senior Management as well as the Directors and that it must be sufficient to attract and retain talent needed to run the Group successfully. The Board, as a whole, determines the remuneration of the Directors and each individual Director is required to abstain from discussing his/her own remuneration.

The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Key Senior Management. The RC's recommended remuneration for Directors and Key Senior Management is subject to the Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Key Senior Management.

In relation to the fees and allowances for the Non-Executive Directors, it will be presented at the AGM for shareholders' approval.

The details of the Directors' remuneration for the financial year 2019 are disclosed in the CG Report which is available in the Vizione's Website.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(a) AUDIT COMMITTEE

The AC currently comprises of three members, all of whom are Independent Directors. The AC Chairman is Mr Ng Fun Kim. Although none of the current members of the AC is a former key audit partner involved in auditing the Group, the Group incorporated the policy into the terms of reference of the AC as stipulated in Practice 8.2 that the said key audit partner observed a cooling-off period of at least two years before being appointed a member of the AC.

The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.

Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the Independence Guidelines of the Malaysian Institute of Accountants.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on page 92 of this Annual Report.

(b) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Risk Management Committee ("RMC") currently comprises of eight members which including executive director, chief financial officer, finance manager, human resource manager, project manager and contracts manager. The RMC Chairman is Dato' Ng Aun Hooi.

During FYE 2019, the Board and AC were assisted by the RMC to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders' investments and the Group's assets.

The Group's internal audit function has been outsourced to external consultant which report directly to the AC.

The internal audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on page 89 of this Annual Report provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(a) COMMUNICATION WITH STAKEHOLDERS

Vizione is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis.

(b) CONDUCT OF GENERAL MEETINGS

As stated earlier, the Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended by the MCCG.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during the AGMs.

To ensure effective participation of and engagement with shareholders at the AGM in 2018, all Directors, including members of AC, NC and RC, attended and participated in said AGM.

In line with the best CG practice, the Notice of the 21th AGM and Annual Report are sent out to shareholders at least 28 days before the date of the meeting to allow sufficient time for shareholders to consider the proposed resolutions to be tabled at the AGM.

This CG Overview Statement was approved by the Board of the Company on 06 September 2019.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

The Board is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of the Group for the financial year 31 May 2019. This Statement on Risk Management and Internal Control is issued in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on the status of the Group's compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code of Corporate Governance ("the Code").

The Board is committed to maintaining a sound system of internal control of the Company and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Company during the year.

2. Board Responsibilities

The Board of Directors recognizes the importance of sound internal controls and risk management in safeguarding the assets of the Group. However, such systems are designed to manage rather than eliminate the business risk totally. It should be noted that any system could provide only reasonable and not absolute assurance against material misstatement or fraud.

The Group has in place an on-going process to identify, evaluate, monitor and manage any significant risks through the internal controls set out in order to attain a reasonable assurance that business objectives have been met. These controls are regularly reviewed by the Board and subject to continuous improvement.

3. Risk Management Framework

The Board has established and developed an Enterprise Risk Management ("ERM") framework to achieve the following objectives:

- communicate and disseminate across the organisation the vision, role and direction of the Group;
- identify, assess, evaluate and manage the various principal risks which affect the Group's business;
- create a risk-awareness culture and risk ownership for more effective management of risks;
- formulate a systematic process of review, tracking and reporting on keys risks identified and corresponding mitigation procedures.

A risk analysis of the Group is conducted on a regular basis including constantly reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of the risk on the operation and business. The process requires management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Significant risks identified are subsequently brought to the attention of the Board at the scheduled board meetings. This serves as the on-going process of identifying; assessing and managing risks faced by the Group and has been in place for the year under review and up to the date of approval of this statement for inclusion in the Annual report.

3. Risk Management Framework (Cont'd)

The Group's risk management continues to be driven by Executive Director and assisted by management. The Executive Director and management are responsible for identifying, evaluating and monitoring of risks and taking appropriate and timely actions to manage risk. These processes are embedded and carried out as part of the Group's operating and business management processes. External and relevant professionals would be drawn on to assist and provide advices to the management team when necessary. In order to ensure the objectivity of the review of the risk management and systems of internal control in the Group, the Audit Committee is instituted by the Board to undertake this role.

In conducting its review, the process is regularly reviewed by the Board via the Audit Committee ("AC") at the quarterly Board meeting with the assistance of the outsourced independent consulting firm (Messrs Vaersa Advisory Sdn. Bhd.) to further review and improves the existing internal control processes within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the business changes and competitive environment.

Management further supplements the Audit Committee review on control and risk assessment when presenting the quarterly financial performance and results to the Audit Committee and the Board including pertinent explanations on the performance of the Group. With management consultation, the Audit Committee reviews and analyses the interim financial results in corroboration with management representations on operations and the performance of its subsidiaries as well as deliberates the annual report and audited financial statements before recommending these documents to the Board for approval.

4. Internal Control Framework

The other key elements of the Group's internal control systems are described below:

- Monthly monitoring of operational results against the budget for the Board's review and discussion;
- Regular and comprehensive information provided to the Board, covering financial performance and key business indicators;
- Regular updates of internal policies and procedures, to reflect changing risks or resolve operational efficiencies; and
- Regular management meeting with all key personnel of respective department to address weaknesses and improve efficiency.

4. Internal Control Framework (Cont'd)

The Board is of the view that there is no significant breakdown or weaknesses in the system of internal control of the Group that may have material impact against the operations of the Group for the financial year ended 31 May 2019.

5. Management Responsibilities And Assurance

In accordance to the Bursa Securities' Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

In producing this Statement, the Board has received assurance from Executive Director that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

6. Board Assurance And Limitation

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group is on-going. For the financial year under review, there was no material loss resulted from significant control weaknesses. The Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives.

While, the Board wishes to reiterate that risk management and systems of internal control would be continuously improved in line with the evolving business development, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group could only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

This Statement is issued in accordance with a resolution of the Directors dated 6th September 2018.

7. Conclusion

The Board recognizes the necessity to monitor closely the adequacy and effectiveness of the Group's system of internal controls and risk management, taking into consideration the fast-changing business environment. Although the Board is of the view that the present risk management and internal control is adequately in place to safeguard the Company's assets and sufficient to detect any fraud or irregularities, the Board is on a constant watch for any improvement that may strengthen its current system from time to time.

8. Review of the Statement by the External Auditors

The external auditors have reviewed this Statement of Internal Control. Their review has been conducted to assess whether the Statement of Internal Control is both supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the adequacy and integrity of the system of internal controls for the Group.
Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of internal control of the Group.

AUDIT COMMITTEE REPORT

MEMBERS OF AUDIT COMMITTEE

The Audit Committee ("AC" or the "Committee") of Vizione Holdings Berhad ("Vizione" or the "Company") is comprised wholly of Non-Executive Directors as follows:

CHAIRMAN
Ng Fun Kim Independent Non-Executive Director
COMMITTEE MEMBERS
Dato' Ir Mohamad Shokri bin Abdullah Senior Independent Non-Executive Director
Dato' Mohd Zaihan bin Mohd Zain Independent Non-Executive Director (Appointed on 5 July 2019)
Datuk Dr Raman bin Ismail Independent Non-Executive Director (Resigned on 11 April 2019)

Mr Ng Fun Kim is a member of the Malaysian Institute of Accountants.

Mr Ng meets the requirement of Paragraph 15.09 (1) (c) (i) of Main Market Listing Requirements in that he is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

SECRETARY

The secretary to the AC are the Company Secretary of the Company.

TERMS OF REFERENCE

The AC has discharged its function and carried out its duties as set out in the Terms of Reference ("TOR"). The detailed TOR of the AC outlining the composition, duties and functions, authority and procedures of the AC are published and available on the Company's website at www.vizione. com.my.

MEETINGS AND MINUTES

Attendance at Meetings

The record of attendance of the members of the AC for meetings held during the financial year ended 31 May 2019 ("FYE 2019") are as follows:

AC Member	Number of Committee Meetings held during Members' tenure of office	Number of Committee Meetings attended	%
Mr. Ng Fun Kim	5	5	100
Dato' Ir Mohamad Shokri bin Abdullah	5	5	100
Datuk Dr. Raman bin Ismail	4	3	75
Dato' Mohd Zaihan bin Mohd Zain **As he was appointed as member of AC on 5 July 2019, he has not attended any meeting held during the financial year.*	-	-	-

The quorum of the meeting is two (2).

Meetings

The AC will meet at least four (4) times a year although additional meetings may be called at any time at the discretion of the committee. The record of attendance of the members of the AC is shown above.

The meetings are pre-scheduled and are timed just before the Company's Board of Directors' ("Board") meetings. The Agenda carries matters that need to be deliberated, reviewed or decided on and reported to the Board. Notices and AC papers are circulated to all members prior to the meeting with sufficient time allocated for them to prepare themselves for deliberation on the matters being raised.

If the need arises, the Chairman has the discretion to call for the attendance of Management, internal auditors and external auditors during such meetings.

During its AC meetings, the AC shall review the risk management and internal control processes, the Interim and Year-end Financial Report, the Internal and External Audit Plans and Reports, Related Party Transactions/Recurrent Related Party Transactions ("RRPT"), and all other areas within the scope of responsibilities of the AC under its TOR.

Minutes

The Company Secretary shall be the Secretary of the AC which shall provide the necessary administrative and secretarial services for the effective functioning of the Committee. The minutes of the meetings are circulated to the Committee and to all members of the Board.

SUMMARY OF ACTIVITIES

During the FYE 2019, the summary of works undertaken by the AC comprised the followings:-

1. Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial results for the quarters ended 31 August 2018, 30 November 2018, 28 February 2019 and 31 May 2019 and recommended the same for the Board's approval;
- Reviewed the financial performance and financial highlights of the Group;
- Reviewed the draft audited financial statements for the financial year ended 31 May 2019 and recommended the same for the Board's approval; and
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

2. Oversight of External Auditors

- The external auditors attended three (3) AC Meetings held in FYE 2019.
- Reviewed the Audit Observations for the Group highlighted by the External Auditors for the financial year ended 31 May 2019;
- Received the Audit Progress Memorandum prepared by the External Auditors for the financial year ended 31 May 2019, covering updates of matters to highlight and significant outstanding information/ documents from the audit field works;
- Reviewed the 2019 Audit Planning Memorandum prepared by the External Auditors, entailing mainly the overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group;
- Met one (1) time with the external auditors without the presence of the Executive Directors and Management;
- Reviewed the suitability and independence of the External Auditors vide a formalised "Assessment on External Auditors" and upon reviewed and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval;
- Received and discussed with the External Auditors on the Illustrative Auditors' Report as presented by the External Auditors;
- Discussed and reviewed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FYE 2019, including any significant issues and concerns arising from the audit; and
- Reviewed the audit fees for FYE 2019 prior to the Board's approval.

3. Oversight of Internal Auditors

- The internal auditors attended four (4) AC Meetings held in FYE 2019.
- Reviewed the risk-based Internal Audit Plan for the Group for FYE 2019 and approved for adoption of the same by the Group throughout FYE 2019.
- Reviewed the Internal Audit Reports for FYE 2019 and assessed the internal auditors' findings and the management's responses and made the necessary recommendations to the Board for approval;
- Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports;
- Reviewed the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities for FYE 2019; and
- Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors for FYE 2019 and that they have the necessary authority to carry out their work.

4. Oversight of Risk Management Committee ("RMC")

- Monitored the progress of establishment of Risk Register.
- Receipt of updates from the RMC on the Risk Register on yearly basis.

5. Review of Related Party Transactions

- Reviewed any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions on management integrity at each AC quarterly meetings.

6. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the AC Meetings;
- Reviewed the disclosures in Corporate Governance ("CG") Overview Statement and CG Report for the inclusion in the Annual Report 2019; and
- Reviewed the disclosures in AC Report and Statement on Risk Management and Internal Control to be included in the Annual Report 2019.

INTERNAL AUDIT FUNCTION

(1) Appointment

The Group has appointed an outsourced internal audit service provider to carry out the internal audit function, namely Vaersa Advisory Sdn. Bhd. providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the AC, assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

(2) Summary of Internal Audit Works for FYE 2019

During the FYE 2019, the summary of works undertaken by the internal auditors comprised the followings:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- The internal audits performed met the objective of highlighting to the Audit Committee the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management; and
- Presentation of audit findings and corrective actions to be taken by Management in the quarterly AC Meetings.

For FYE 2019, the following areas of the Group have been successfully audited in accordance with the Risk- based Audit Plan adopted:-

Name of Audited Subsidiary	Audit Area / Function	Tabling of Internal Audit Report
Wira Syukur Sdn Bhd	Evaluate the effectiveness of management of the risk in relation to project management of Project PPR Tagas and Semporna, Sabah and Gombak Project include- • Site safety measures; • Construction site progress; • Cash flow management; and • Quality control management.	2nd Quarter 2019
Vizione Construction Sdn Bhd	Evaluate the effectiveness of management of the risk in relation to precontract and tender function include: - • Preparation of project budget; • Tender management process; • Preparation of tender documents; • Sourcing of material and subcontractors; and • Selection of subcontractor.	3rd Quarter 2019
	Evaluate the effectiveness of management of the risk in relation to procurement/subcontractor functions include: - • Tender management process; • Selection of supplier and subcontractor process; • Evaluation of supplier and subcontractor quality and performance process; • Preparation of Letter of Award to supplier and subcontractors; and • Annual appraisal process	4th Quarter 2019
Vizione Holdings Berhad	Review on the transaction, procedures and process adopted by Vizione Group in RRPT tranction to ensure compliance with the control procedures stated in the prospectus and requirements.	4th Quarter 2019

(3) Total costs incurred for FYE 2019

The total cost incurred for the outsourced internal audit function of the Group for the FYE 2019 is amounted to RM24,000 (2018: RM24,000).

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

(i) The Rights Issue with Warrants has been completed with the listing of 582,924,900 rights shares together with 291,462,450 warrants-c on the Main Market of Bursa Securities on 10 February 2017. The total proceeds received from the rights shares was RM58,292,490.

The status of utilisation of the proceeds as at 31 May 2019 are as follows :-

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000
Construction Activities	40,000	40,000	-
Property Development Activities	9,987	9,987	-
Working Capital	7,105	7,105	-
Expenses in relation to the Corporate Execise	1,200	1,200	-
Total	58,292	58,292	-

(ii) Private placement of 1,687,440,000 new Vizione Shares at the issue price of RM0.123 per placement share which was completed on 3 October 2017.

On 3 October 2017, Company announced that the Previous Private Placement had been completed following the listing of and quotation for 1,687,440,000 new Vizione Shares at RM0.123 per placement share, which raised a total of approximately RM207.56 million. The status of utilization of the proceeds from the Previous Private placement is as below:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000
Acquisition	172,618	172,618	-
Working Capital	26,937	26,937	-
Expenses in relation to the Corporate Execise	8,000	8,000	-
Total	207,555	207,555	-

(iii) A private placement of 155,300,000 new Vizione Shares at the issue price of RM0.14 per placement share had been completed on 3 April 2018, which raised a total of approximately RM21.74 million.

On 4 Oct 2018, the private placement had been completed following the listing and quotation of the 2nd tranche of 214,396,782 new ordinary shares on the Main Market of Bursa Securities.

A total of 369,696,782 Vizione Shares under the Private Placement have been fully issued and the Company had raised a total of RM 51,757,549.48 from the Private Placement.

The status of utilization is as below:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000
Construction Projects expenditure	50,558	50,558	-
Expenses in relation to the Corporate Execise	1,200	1,200	-
Total	51,758	51,758	-

2. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

During the financial year, 76,000 Irredeemable Convertible Unsecured Loan Stock ("ICULS") were converted into 40,000 new ordinary shares of RM0.10 each of the Company by surrendering for cancellation of 1.9 ICULS of RM0.10 nominal value of ICULS for every 1 new ordinary share of RM0.10 each in the Company.

4,835,554 new ordinary shares were issued pursuant to the Share Issuance Scheme.

There was no exercise of Warrant B and C. Warrant B had expired on 27 Jun 2018.

3. AUDIT AND NON-AUDIT FEES

The amount of audit fees incurred for statutory audit services rendered to the Group by the external auditors for the financial year ended 31 May 2019 amounted to RM179,700 of which RM40,000 was incurred by the Company. The amount of the non-audit fees incurred for services rendered by the external auditors for the financial year ended 31 May 2019 amounted to RM13,020 for the Group and the Company.

4. MATERIAL CONTRACTS

(I) Bursa Securities had on 26 Jul 2018, resolved to approve the Company's Proposed Share Consolidation of every 7 ordinary shares in Vizione into 1 Vizione share and the Proposed By-Laws Amendments.

On 13 Aug 2018, the Company had issued circulars and notice of Extraordinary General Meeting ("EGM") in relation to the above-mentioned proposals. The EGM was held on 4 Sep 2018.

(II) The Company's wholly owned subsidiary, Vizione Construction Sdn Bhd had on 14 Aug 2018 entered into a Joint Venture cum Shareholders Agreement with Vertice Construction Sdn Bhd for the purpose of recording the terms and conditions agreed between them with respect to their joint venture and for the purpose of regulating their relationship with one another and certain aspects of the business affairs and dealings.

The joint venture company owned by Vizione Construction Sdn Bhd and Vertice Construction Sdn Bhd in the ratio of 50% each respectively, namely Buildmarque Construction Sdn Bhd had on 3 Sep 2018 accepted a letter of award from Consortium Zenith Construction Sdn Bhd, to construct a by-pass from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr.Lim Chong Eu, with contract sum of approximately RM 815.0 mil subject to final agreed quantity re-measurement.

(III) On 4 Sep 2018, the Company had obtained approval from shareholders on the following resolutions:-
a) Proposed Share Consolidation
b) Proposed By-Laws Amendments
c) Proposed Deed Poll C Amendments

The supplemental By-Laws constituting the By-Laws Amendments had been finalized and dated 7 Sep 2018 and following thereto, the implementation of the amended By-Laws have become effective on 7 Sep 2018.

The Share Consolidation had been completed on 17th Oct 2018, resulting the issuance and listing of 552,772,086 Consolidated Shares to the shareholders and 41,637,190 Consolidated Warrants-C to the Warrants-C holders.

(IV) On 18 Sep 2018, the Company's wholly owned subsidiary, Wira Syukur (M) Sdn Bhd had accepted a letter of award from Perbadanan Bekalan Air Pulau Pinang Sdn Bhd in respect of the Submarines Pipelines from Butterworth to Pulau Pinang, Package 3.

(V) The board had on 25 Sep 2018 resolved to fix the issue price for the issuance of up to 214,396,782 Placement Shares ("2nd Tranche Placement") at RM 0.14 per Placement Share.

On 4 Oct 2018, the private placement had been completed following the listing and quotation of the 2nd tranche of 214,396,782 new ordinary shares on the Main Market of Bursa Securities.

A total of 369,696,782 Vizione Shares under the Private Placement have been fully issued and the Company had raised a total of RM 51,757,549.48 from the Private Placement.

(VI) On 31 Dec 2018, the Company's wholly owned subsidiary, Wira Syukur (M) Sdn Bhd had accepted a letter of award from Permata Rebana Sdn Bhd with contract sum of RM377,600,000 for the supply of materials, labour and project management services relating to various stretches of road works in the vicinity of Kota Kinabalu, Sabah.

(VII) Pursuant to the Share Sale Agreement dated 13 April 2017 entered into between the Company and the Vendors for the Wira Syukur (M) Sdn Bhd ("WSSB") acquisition, the vendors irrevocably and unconditionally guarantee jointly and severally to the Company that the Profit After Tax ("PAT") for the financial years ended 31 Dec 2017 and 31 Dec 2018 ("Guaranteed Financial Years") of WSSB shall not be less than RM82,591,000 in respect of the Guaranteed Financial Years.

On 21 Mar 2019, the Board of the Company had announced that its' wholly owned subsidiary, Wira Syukur (M) Sdn Bhd ("WSSB") reported PAT for the financial year ended 31 Dec 2018 was RM57,328,257. WSSB achieved the audited PAT of RM85,905,777 for the financial years ended 31 Dec 2017 and 31 Dec 2018 thus had exceeded the profit guarantee of RM 82,591,000 with surplus of RM 3,314,777.

(VIII) The board had on 29 Mar 2019 announced that Vertice Construction Sdn Bhd ("VERTICE") had notified WSSB that VERTICE and their main sub-contractor had entered into a Mutual Termination of the agreement for the Project to upgrade the Federal Road 12 (FR 12) from Gambang, Pahang to Segamat, Johor – Phase 1.

(IX) The Company wholly owned subsidiary, Vizione Development Sdn Bhd ("VDSB") had on 10 April 2019 entered into a share sale agreement to acquire 250,000 ordinary shares of RM1.00 each representing 100% of the entire issued share capital of Pembinaan Angkasa Permai Sdn Bhd ("PAPSB") for a consideration of RM7.0 million, resulting in PAPSB becoming a wholly-owned subsidiary of VDSB. This transaction is expecting to be completed during the financial year ending 31 May 2020.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The information on RRPT for the financial year ended 31 May 2019 is set out in the audited financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 2016 to ensure that financial statements for each financial year which give a true and fair view of the financial position as at the end of the financial year and the financial performance of the Group and the Company for the financial year.

In preparing the financial statements, the Directors are responsible for the adoption of suitable accounting policies that comply with the provisions of the Companies Act, 2016, the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible to ensure their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors hereby confirm that suitable accounting policies have been consistently applied in the preparation of the financial statements. The Directors also confirm that the Group and the Company maintain adequate accounting records to safeguard the assets of the Group and Company

REPORTS AND FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2019.

Principal Activities

The principal activity of the Company is investment holding.

The principal activities of its subsidiary companies are stated in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	Company RM
Profit/(Loss) for the financial year	63,348,563	(4,574,174)
Profit/(Loss) for the financial year, attributable to:		
Owners of the parent	63,628,416	(4,574,174)
Non-controlling interests	(279,853)	-
	63,348,563	(4,574,174)

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividend

There was no dividend proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the number of issued and paid-up ordinary shares of the company was increased as follows:

(i) issuance of 214,396,782 new ordinary shares through Private Placement for working capital purposes;
(ii) issuance of 40,000 new ordinary shares through conversions of Irredeemable Convertible Unsecured Loan Stocks ("ICULS");
(iii) issuance of 4,835,554 new ordinary shares through the exercises of the Share Issuance Scheme ("SIS") Options; and
(iv) share consolidation of 3,911,404,604 ordinary shares into 558,772,086 ordinary shares, on the basis of 7 ordinary shares into 1 ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

At the Extraordinary General Meeting held on 9 September 2016, the Company's Shareholders approved the establishment of Share Issuance Scheme ("SIS") Options and is effective for 3 years from 5 September 2017 to 4 September 2020.

On 18 October 2018, the exercise price of the SIS was adjusted from RM0.117 to RM0.819 after the share consolidation as disclosed in Note 21 to the financial statements, on the basis of 7 ordinary shares into 1 ordinary share.

The salient features and other terms of the SIS are disclosed in the Note 23 to the financial statements.

As at 31 May 2019, the options offered to take up unissued ordinary shares and the exercised price are as follows:

		Number of options over ordinary shares			
Date of offer	Exercise price	As at 01.06.2018	Effect of share consolidation of seven shares into one share	Exercised	As at 31.05.2019
5 September 2017	0.819	129,560,257	(109,919,364)	(4,835,554)	14,805,339

Warrants 2013/2018

The warrants were constituted under deed poll dated 15 May 2013 as disclosed in the Note 24 to the financial statements.

As at 20 June 2018, the total numbers of warrants that expired and lapsed were 87,934,591.

Warrants 2017/2022

The warrants were constituted under deed poll dated 9 December 2016 as disclosed in the Note 24 to the financial statements.

As at 31 May 2019, the total numbers of warrants that remained unexercised after the share consolidation as disclosed in Note 21 to the financial statements were 41,637,492.

Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The terms of the conversion of the ICULS are disclosed in Note 25 to the financial statements.

As at the end of the financial year, the number of ICULS in issue is 40,000 shares.

Directors

The Directors in office during the financial year until the date of this report are:

Dato' Ng Aun Hooi*	
Dato' Ir. Mohamad Shokri bin Abdullah	
Chan Chee Wing	
Bee Jian Ming *	
Ng Fun Kim	
YM Syed Haizam Hissamuddin Putra Jamalullail	
Dato' Mohd Zaihan bin Mohd Zain	(appointed on 05.07.2019)
Datuk Dr. Raman bin Ismail	(resigned on 11.04.2019)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Yuan Toong Kui	
Goon Mong Yee	
Dato' Zarul Ahmad bin Mohd Zulkifli	(resigned on 04.07.2019)
Dato' Lee Chee Hoe	(resigned on 04.07.2019)

* Director of the Company and its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares, options over shares, warrants and ICULS of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	As at 01.06.2018	Effect of share consolidation of seven shares into one share	Bought	Sold	As at 31.05.2019
Interest in the Company					
Direct Interests:					
Dato' Ng Aun Hooi	431,119,041	(369,530,607)	77,282,743	-	138,871,177
Bee Jian Ming	72,119,470	(61,816,689)	-	-	10,302,781
Indirect Interests:					
Dato' Ng Aun Hooi #*	124,658,973	(106,850,548)	-	(17,589,468)	218,957
Bee Jian Ming *	240,264,727	(205,941,195)	-	-	34,323,532

	Number of options over ordinary shares				
	As at 01.06.2018	Effect of share consolidation of seven shares into one share	Granted	Exercised	As at 31.05.2019
Interest in the Company					
Direct Interests:					
Dato' Ng Aun Hooi	26,245,652	(22,496,273)	-	(1,705,967)	2,043,412
Dato' Ir. Mohamad Shokri bin Abdullah	10,498,260	(8,998,509)	-	(682,387)	817,364

Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of shares held by spouse.
* Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of shares held by trustee/stakeholder.

Directors' Interests in Shares (Cont'd)

By virtue of their interest in shares in the Company, Dato' Ng Aun Hooi and Bee Jian Ming are also deemed interested in shares in all the Company's subsidiary companies to the extent the Company has an interest under Section 8 of the Companies Act, 2016.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 38(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 38(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for Directors, officers or auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render of necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
  (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, and
  (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Subsequent Event

The details of subsequent event is disclosed in Note 45 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are disclosed in Note 34 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 6 September 2019.

DATO' NG AUN HOOI	BEE JIAN MING

KUALA LUMPUR

VIZIONE HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 109 to 168 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2019 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 6 September 2019.

DATO' NG AUN HOOI	BEE JIAN MING

KUALA LUMPUR

VIZIONE HOLDINGS BERHAD

(Incorporated in Malaysia)

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act, 2016

I, Dato' Ng Aun Hooi, being the Director primarily responsible for the financial management of Vizione Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 109 to 168 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in the)
Federal Territory on 6 September 2019)

DATO' NG AUN HOOI

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIZIONE HOLDINGS BERHAD

(Company No: 442371-A)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Vizione Holdings Berhad, which comprise of the statements of financial position as at 31 May 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 168.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("ByLaws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
<u>Impairment of Goodwill on Acquisition of Wira Syukur (M) Sdn. Bhd. ("WSSB")</u> Refer to Note 3 (Significant accounting policies), Note 2 (c) (Significant accounting judgements, estimates, and assumptions) and Note 6 (Intangible assets). As at 31 May 2019, the carrying amount of goodwill on consolidation arising from acquisition of WSSB amounted to RM240,264,212. Recoverability of goodwill on acquisition is assessed based on annual impairment tests based on value-in-use derives from an updated cash flow forecasts taking into account latest projection and synergies from the acquisition. Significant judgement and estimates are involved in the determination of value-in-use in respect of growth, discount rate and contingency of future cash flows	We have discussed and obtained management's impairment calculations to assess the appropriateness and reasonableness of the goodwill impairment review. Our procedures included the followings: • Tested the accuracy of the underlying model to assess whether the processes are applied to the correct input data and the outputs are mapped accurately; • Challenged each of the key assumptions employed in the goodwill impairment test. This included the discount rate employed, including its methodology and constituent inputs, assessment of the Group's historic forecasting accuracy; • Tested Management's sensitivity analysis in relation to the key inputs to the goodwill impairment test model, as well as performing our own sensitivity analysis which included changes to volume, margin and the discount rate applied; and • Assessed the adequacy of the disclosure in the financial statements.

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
Recognition of construction contract revenue and costs Refer to Note 3 (Significant accounting policies), Note 2(c) (Significant accounting judgements, estimates and assumptions), Note 12 (Contract assets/Contract liabilities) and Note 32 (Revenue). A significant proportion of the Group's revenues and profits are derived from long-term construction contracts which span more than one accounting period. The Group adopted the percentage-of-completion method in accounting for these long-term contracts. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. We focused on this area because management applies significant judgement in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs.	Our procedures included the followings: • Understood the process and internal control system of construction projects including the project tendering, budgeting, progress billings and contract costs approvals, monitoring and accounting. • Tested the Group's controls by checking for evidence of reviews and approvals over contract cost, setting budgets and authorising and recording of actual costs incurred; • Read all key contracts to obtain an understanding of the specific terms and conditions; • Compared the customers' approved claims (i.e. certified workdone) against stage of completion of certain contracts to ascertain the reasonableness of the percentage of completion recognised in the profit or loss; • Challenged the assumptions in deriving at the estimates contract costs to completion. This includes comparing the actual margins achieved of previous similar completed projects to estimates and compared the estimated cost to suppliers' agreements or tenders; • Agreed a sample of costs incurred to date to invoices and progress claims, checked that they were allocated to the appropriate contract, and met the definition of contract costs; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2021 J
Chartered Accountant

KUALA LUMPUR

6 September 2019

STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2019

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	18,608,428	12,189,271	9,970,328	623,914
Investment properties	5	5,100,000	800,000	800,000	800,000
Intangible assets	6	243,512,606	247,980,242	-	-
Capital work in progress	7	789,746	789,746	-	-
Investment in subsidiary companies	8	-	-	300,000,002	300,000,002
Investment in associate companies	9	490,015	740,001	-	-
Investment in a joint venture company	10	191,168	-	-	-
Deferred tax assets	11	-	-	12,670	12,991
		268,691,963	262,499,260	310,783,000	301,436,907
Current Assets					
Contract assets	12	188,077,254	107,008,020	-	-
Trade receivables	13	206,398,578	133,586,812	-	-
Other receivables	14	108,044,545	69,981,277	1,243,787	2,496,662
Amount due from subsidiary companies	15	-	-	122,743,315	81,000,987
Amount due from associate companies	16	151,888	3,074,876	-	-
Other investments	17	2,272	10,453,581	2,272	10,453,581
Tax recoverable		5,064	285,997	5,064	-
Fixed deposits with licensed banks	18	18,462,446	20,148,772	-	-
Cash and bank balances	19	11,512,025	21,785,535	358,255	2,342,903
		532,654,072	366,324,870	124,352,693	96,294,133
Asset classified as held for sale	20	56,240,811	-	-	-
		588,894,883	366,324,870	124,352,693	96,294,133
Total Assets		857,586,846	628,824,130	435,135,693	397,731,040
EQUITY					
Share capital	21	450,995,330	418,635,576	450,995,330	418,635,576
Share issuance scheme option reserve	23	639,148	645,782	639,148	645,782
Warrants reserves	24	1,748,775	4,269,165	1,748,775	4,269,165
Irredeemable convertible unsecured loan stocks	25	261,211	267,845	261,211	267,845
Retained earnings/ (Accumulated losses)		67,364,078	3,687,293	(28,524,423)	(26,470,639)
Equity attributable to owners of the parent		521,008,542	427,505,661	425,120,041	397,347,729
Non-controlling interests		584,936	-	-	-
Total Equity		521,593,478	427,505,661	425,120,041	397,347,729
LIABILITIES					
Non-current Liabilities					
Irredeemable convertible unsecured loan stocks	25	3,774	5,062	3,774	5,062
Finance lease liabilities	26	530,928	322,780	-	-
Bank borrowings	27	32,718,383	3,441,509	7,227,524	-
Deferred tax liabilities	11	945,470	2,175,905	-	-
		34,198,555	5,945,256	7,231,298	5,062
Current Liabilities					
Contract liabilities	12	3,085,841	1,987,815	-	-
Trade payables	28	188,557,245	116,368,294	-	-
Other payables	29	64,223,349	64,134,439	369,864	259,300
Amount due to Directors	30	217,211	86,199	60,874	86,199
Amount due to a joint venture company	31	17,943,564	-	-	-
Finance lease liabilities	26	574,742	499,821	-	24,750
Bank borrowings	27	19,707,336	10,024,891	2,353,616	-
Tax payables		7,485,525	2,271,754	-	8,000
		301,794,813	195,373,213	2,784,354	378,249
Total Liabilities		335,993,368	201,318,469	10,015,652	383,311
Total Equity and Liabilities		857,586,846	628,824,130	435,135,693	397,731,040

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Revenue	32	593,816,058	413,186,100	2,199,753	3,020,678
Cost of sales		(497,040,930)	(366,008,383)	-	-
Gross profit		96,775,128	47,177,717	2,199,753	3,020,678
Other income		11,616,773	1,245,744	140,898	521,138
Net impairment gain/(loss) on financial assets	34	98,034	(240,638)	-	(240,638)
Administrative expenses		(21,520,566)	(18,475,216)	(6,620,648)	(6,636,677)
Distribution expenses		(102,579)	(72,662)	-	-
Share of results of associate companies		(101,394)	(647,357)	-	-
Share of results of a joint venture company		191,167	-	-	-
Finance costs	33	(1,334,131)	(296,955)	(294,177)	(23,217)
Profit/(Loss) before taxation	34	85,622,432	28,690,633	(4,574,174)	(3,358,716)
Taxation	35	(22,273,869)	(8,027,878)	-	(20,000)
Profit/(Loss) for the financial year, representing total comprehensive income/ (loss) for the financial year		63,348,563	20,662,755	(4,574,174)	(3,378,716)
Profit/(Loss) for the financial year attributable to:					
Owners of parent		63,628,416	20,662,755	(4,574,174)	(3,378,716)
Non-controlling interest		(279,853)	-	-	-
		63,348,563	20,662,755	(4,574,174)	(3,378,716)
Total comprehensive income/ (loss) for the financial year attributable to:					
Owners of parent		63,628,416	20,662,755	(4,574,174)	20,662,755
Non-controlling interest		(279,853)	-	-	-
		63,348,563	20,662,755	(4,574,174)	20,662,755
Earning per share:					
Basic (sen)	36(a)	11.60	5.47		
Diluted (sen)	36(b)	11.60	5.26		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

Group	Note	Share Capital RM	Share Premium RM	Share Issuance Scheme Options ("SIS") Reserve RM	Warrants Reserves RM	Irredeemable Convertible Unsecured Loan Stock ("ICULS") RM	Retained earnings/ (Accumulated Losses) RM	Total Attributable To Owners Of The Parent RM	Non-Controlling Interest RM	Total Equity RM
		Attributable to the Owners of the Parent								
		Non-distributable					Distributable			
At 1 June 2018 as previously stated		418,635,576	-	645,782	4,269,165	267,845	9,206,524	433,024,892	-	433,024,892
Effects of completion of purchase price allocation	46	-	-	-	-	-	(5,519,231)	(5,519,231)	-	(5,519,231)
Opening balance adjustment from adoption of MFRS 9	2(a)(ii)	-	-	-	-	-	(2,472,021)	(2,472,021)	-	(2,472,021)
As at 1 June 2018, as restated		418,635,576	-	645,782	4,269,165	267,845	1,215,272	425,033,640	-	425,033,640
Profit/(loss) for the financial year, representing total comprehensive income/(loss) for the financial year		-	-	-	-	-	63,628,416	63,628,416	(279,853)	63,348,563
Transactions with owners:										
Issuance of ordinary shares	21	30,015,549	-	-	-	-	-	30,015,549	-	30,015,549
Conversion of ICULS	25	7,600	-	-	-	(6,634)	-	966	-	966
Exercise of SIS	23	3,517,211	-	(515,866)	-	-	-	3,001,345	-	3,001,345
Non-controlling interest arising from acquisition of a subsidiary company	8	-	-	-	-	-	-	-	864,789	864,789
Expiry of warrrants	24	-	-	-	(2,520,390)	-	2,520,390	-	-	-
Share-based payment		-	-	509,232	-	-	-	509,232	-	509,232
Share issuance expenses		(1,180,606)	-	-	-	-	-	(1,180,606)	-	(1,180,606)
Total transactions with owners		32,359,754	-	(6,634)	(2,520,390)	(6,634)	2,520,390	32,346,486	864,789	33,211,275
At 31 May 2019		450,995,330	-	639,148	1,748,775	261,211	67,364,078	521,008,542	584,936	521,593,478
At 1 June 2017		87,485,505	6,510	-	4,269,165	298,225	(16,975,462)	75,083,943	-	75,083,943
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	20,662,755	20,662,755	-	20,662,755
Transactions with owners:										
Issuance of ordinary shares	21	281,894,062	54,785,126	-	-	-	-	336,679,188	-	336,679,188
Conversion of ICULS	25	18,315	16,485	-	-	(30,380)	-	4,420	-	4,420
Exercise of SIS	23	166,800	61,549	(33,193)	-	-	-	195,156	-	195,156
Share-based payment		-	-	678,975	-	-	-	678,975	-	678,975
Share issuance expenses		(5,798,776)	-	-	-	-	-	(5,798,776)	-	(5,798,776)
Total transactions with owners		276,280,401	54,863,160	645,782	-	(30,380)	-	331,758,963	-	331,758,963
Transfer in accordance with Section 618(2) of the Companies Act, 2016		54,869,670	(54,869,670)	-	-	-	-	-	-	-
At 31 May 2018		418,635,576	-	645,782	4,269,165	267,845	3,687,293	427,505,661	-	427,505,661

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019 (CONT'D)

Company	Note	Share Capital RM	Share Premium RM	Share Issuance Scheme Options ("SIS") Reserve RM	Warrants Reserves RM	Irredeemable Convertible Unsecured Loan Stock ("ICULS") RM	Retained earnings/ (Accumulated Losses) RM	Total Equity RM
		Non-distributable					Distributable	
At 1 June 2018		418,635,576	-	645,782	4,269,165	267,845	(26,470,639)	397,347,729
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(4,574,174)	(4,574,174)
Transactions with owners:								
Issuance of ordinary shares	21	30,015,549	-	-	-	-	-	30,015,549
Conversion of ICULS	25	7,600	-	-	-	(6,634)	-	966
Exercise of SIS	23	3,517,211	-	(515,866)	-	-	-	3,001,345
Expiry of warrrants	24	-	-	-	(2,520,390)	-	2,520,390	-
Share-based payment		-	-	509,232	-	-	-	509,232
Share issuance expenses		(1,180,606)	-	-	-	-	-	(1,180,606)
Total transactions with owners		32,359,754	-	(6,634)	(2,520,390)	(6,634)	2,520,390	32,346,486
At 31 May 2019		450,995,330	-	639,148	1,748,775	261,211	(28,524,423)	425,120,041
At 1 June 2017		87,485,505	6,510	--	4,269,165	298,225	(23,091,923)	68,967,482
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(3,378,716)	(3,378,716)
Transactions with owners:								
Issuance of ordinary shares	21	281,894,062	54,785,126	-	-	-	-	336,679,188
Conversion of ICULS	25	18,315	16,485	-	-	(30,380)	-	4,420
Exercise of SIS	23	166,800	61,549	(33,193)	-	-	-	195,156
Share-based payment		-	-	678,975	-	-	-	678,975
Share issuance expenses		(5,798,776)	-	-	-	-	-	(5,798,776)
Total transactions with owners		276,280,401	54,863,160	645,782	-	(30,380)	-	331,758,963
Transfer in accordance with Section 618(2) of the Companies Act, 2016		54,869,670	(54,869,670)	-	-	-	-	-
At 31 May 2018		418,635,576	-	645,782	4,269,165	267,845	(26,470,639)	397,347,729

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Cash Flows From Operating Activities					
Profit/(Loss) before taxation		85,622,432	28,690,633	(4,574,174)	(3,358,716)
Adjustments for:					
Amortisation of intangible assets		4,467,636	7,262,146	-	-
Bad debts written off		4,800	-	4,800	-
Deposits written off		-	26,998	-	26,998
Depreciation of property, plant and equipment		1,300,686	574,210	153,936	89,781
Dividend income from other investments		(112,605)	(482,261)	(112,605)	(482,261)
Fair value adjustments on investment properties		(3,248)	62,220	-	62,220
Impairment loss on other receivables		-	240,638	-	240,638
Impairment loss on trade receivables		60,689	-	-	-
Reversal of impairment loss on trade receivables		(158,723)	-	-	-
Interest income		(687,415)	(497,829)	(28,293)	(1,877)
Interest expenses		1,334,131	296,955	294,177	23,217
Gain on bargain purchase on a subsidiary company	8	(648,591)	-	-	-
Share-based payment		509,232	678,975	509,232	678,975
Share of results of associate companies		101,394	647,357	-	-
Share of results of a joint venture company		(191,167)	-	-	-
Waiver of amount due to other payables		(21,957)	(15,544)	-	-
Operating profit/(loss) before working capital changes		91,577,294	37,484,498	(3,752,927)	(2,721,025)
Change in working capital:					
Contract assets		(81,069,234)	(58,435,476)	-	-
Trade and other receivables		(109,053,821)	(80,799,364)	1,248,075	(530,179)
Contract liabilites		2,440,419	(20,580,106)	-	-
Trade and other payables		39,769,088	80,867,483	110,563	51,673
Amount due to a joint venture company		17,943,564	-	-	-
		(129,969,984)	(78,947,463)	1,358,638	(478,506)
Cash used in operations		(38,392,690)	(41,462,965)	(2,394,289)	(3,199,531)
Interest paid		(2,676,524)	(1,155,570)	(294,177)	(23,217)
Interest received		687,415	497,829	28,293	1,877
Dividend received		112,605	482,261	112,605	482,261
Tax paid		(18,009,921)	(8,598,859)	(13,064)	(36,685)
		(19,886,425)	(8,774,339)	(166,343)	424,236
Net cash used in operating activities		(58,279,115)	(50,237,304)	(2,560,632)	(2,775,295)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019 (Cont'd)

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Cash Flows From Investing Activities					
Capital work-in-progress incurred		-	(789,746)	-	-
Net cash inflow/(outflow) from acquisition of a subsidiary company	8	17,630	(176,273,623)	-	(172,617,932)
Acquisition of an associate company		(500,000)	(126,908)	-	-
Acquisition of a joint venture company		(1)	-	-	-
Purchase of property, plant and equipment	4(b)	(3,314,595)	(4,106,632)	(1,680,350)	(7,211)
Purchase of investment properties		-	(49,220)	-	(49,220)
Net cash used in investing activities		(3,796,966)	(181,346,129)	(1,680,350)	(172,674,363)
Cash Flows From Financing Activities					
Repayment of finance lease liabilities		(598,931)	(552,494)	(24,750)	(164,500)
Net changes in amount due from/to subsidiary companies		-	-	(41,742,328)	(65,629,310)
Net changes in amount due from/to associate companies		2,922,988	(3,074,876)	-	-
Proceeds from issuance of ordinary shares		28,834,943	223,498,345	28,834,943	223,498,345
Proceeds from exercise of SIS option		3,001,345	195,156	3,001,345	195,156
Net changes in amount due from/to Directors		131,012	647,817	(25,325)	(122,183)
Decrease/(increase) in cash and bank balances pledged		192,927	(193,034)	-	-
Decrease in fixed deposit pledged		1,686,326	5,500,073	-	-
Drawdown of term loans		-	4,000,000	-	-
Repayment of term loans		(970,839)	(3,367,705)	(215,498)	-
Net changes in trust receipts and invoice financing		2,067,556	1,009,431	-	-
Net cash from financing activities		37,267,327	227,662,713	(10,171,613)	157,777,508
Net decrease in cash and cash equivalents		(24,808,754)	(3,920,720)	(14,412,595)	(17,672,150)
Cash and cash equivalents at beginning of the financial year		30,130,947	34,051,667	12,796,484	30,468,634
Cash and cash equivalents at end of the financial year		5,322,193	30,130,947	(1,616,111)	12,796,484
Cash and cash equivalents at end of the financial year comprises:					
Fixed deposits with licensed banks		18,462,446	20,148,772	-	-
Cash and bank balances		11,512,025	21,785,535	358,255	2,342,903
Other investment		2,272	10,453,581	2,272	10,453,581
Bank overdrafts		(5,475,402)	(1,198,540)	(1,976,638)	-
		24,501,341	51,189,348	(1,616,111)	12,796,484
Less: Fixed deposits pledged with licensed banks		(18,462,446)	(20,148,772)	-	-
Cash and bank balances pledged		(716,702)	(909,629)	-	-
		5,322,193	30,130,947	(1,616,111)	12,796,484

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 MAY 2019

1. Corporate Information

The Company is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at L22, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following MFRSs, amendments to MFRSs and interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
Annual Improvements to MFRSs 2014 – 2017 Cycle:	
• Amendments to MFRS 1	
• Amendments to MFRS 128	

The adoption of the MFRSs, amendments to MFRSs and interpretations did not have any significant impact on the financial statements of the Group and the Company, except for:

(i) MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the financial statements.

The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with the provisions of this Standard, while the hedge accounting requirements under this Standard are not relevant to the Group and to the Company.

The Group and the Company applied MFRS 9 retrospectively. Nevertheless, as permitted by MFRS 9, the Company has elected not to restate the comparative periods in the financial year of initial adoption as permitted under MFRS 9 transitional provision. The impact arising from MFRS 9 adoption were included in the opening retained earnings at the date of initial application, 1 June 2018.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (cont'd)

Adoption of new and amended standards (cont'd)

(i) MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014) (cont'd)

(a) Classification of financial assets

MFRS 9 contains three principal classification categories for financial assets: measured at amortised cost ("AC"), fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") and replaces the existing MFRS 139 Financial Instruments: Recognition and Measurement categories of loans and receivables, held-to-maturity and available-for-sale. Classification under MFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics.

(b) Classification of financial liabilities

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities. There were no changes to the classification and measurements of financial liabilities to the Group and to the Company.

(c) Impairment

MFRS 9 requires impairment assessments to be based on an Expected Credit Loss ("ECL") model, replacing the incurred loss model under MFRS 139. The Group and the Company require to record ECL on all of its loans and receivables, either on a 12-months or lifetime basis. The Group and the Company applied the simplified approach and record lifetime expected losses on all receivables. Based on readily information as at the date of this report, the Group and the Company have accounted for expected credit losses and changes in these expected credit losses of each reporting date to reflect changes in credit risk since initial recognition.

(d) Effect of changes in classification of financial assets on 1 June 2018

	As at 01.06.2018 RM	Remeasurement RM	Reclassification to MFRS 9 AC RM
MFRS 139 measurement category			
Group			
Financial assets			
Loans and receivables			
Trade receivables	133,586,812	(2,472,021)	131,114,791
Other receivables	58,342,980	-	58,342,980
Amount due from associate companies	3,074,876	-	3,074,876
Other investments	10,453,581	-	10,453,581
Fixed deposits with licensed banks	20,148,772	-	20,148,772
Cash and bank balances	21,785,535	-	21,785,535
MFRS 139 measurement category			
Company			
Financial assets			
Loans and receivables			
Other receivables	2,447,470	-	2,447,470
Amount due from subsidiary companies	81,000,987	-	81,000,987
Other investments	10,453,581	-	10,453,581
Cash and bank balances	2,342,903	-	2,342,903

(e) Effect on impairment allowances on 1 June 2018

	Group RM
Impairment of trade receivables	
As 1 June 2018, as previously stated	-
Opening balance adjustment from adoption MFRS 9	2,472,021
As 1 June 2018, as restated	2,472,021

There is no financial impact on the Company's financial statements.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

(ii) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. Revenue is recognised when a customer obtains control of a good or service, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contract with customer. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company are using the modified retrospective method of adoption with the date of initial application of 1 June 2018. Accordingly, the comparative information was not restated and the cumulative effects of initial application of MFRS 15 were recognised as an adjustment to the opening balance of retained earnings as at 1 June 2018. The comparative information continued to be reported under the previous accounting policies governed under MFRS 118 and MFRS 111.

In applying the modified retrospective method, the Group and the Company applied the following practical expedients:

- for completed contracts, contracts that begin and end within the same annual reporting period were not restated;
- for completed contracts that have variable consideration, transaction price at the date the contract was completed was used rather than estimating variable consideration amounts in the comparative reporting periods; and
- for all reporting periods presented before the date of initial application, the amount of the transaction price allocated to the remaining performance obligation and an explanation of when the entity expects to recognise that amount as revenue is not disclosed

The adoption of MFRS 15 has no material financial impact on the Group and on the Company other than the disclosures made in the financial statements.

Impact arising from the adoption of MFRS 9 on the Group's financial statements are as follows:

Statements of Financial Position

	As at 01.06.2018, as previously stated RM	MFRS 9 adjustment RM	As at 01.06.2018, as restated RM
Group			
Trade receivables	133,586,812	(2,472,021)	131,114,791
Retained earnings	(3,687,293)	2,472,021	(1,215,272)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 – 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
Amendments to References to the Conceptual Framework in MFRSs Standards		1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of a Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
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 and the Company plan to apply the abovementioned accounting standards, interpretation and amendments from the annual period beginning on 1 January 2019 for those accounting standards, interpretation and amendments that are effective for annual periods beginning on or after 1 January 2019.

The Group and the Company do not plan to apply MFRS 17 Insurance Contracts that is effective for annual periods beginning or after 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below

<u>MFRS 16 Leases</u>

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of MFRS 16 is currently being assessed by management.

2. Basis of Preparation (Cont'd)

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to nearest RM, unless otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Satisfaction of performance obligation in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4 to the financial statements.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 May 2019 for investment properties. For investment properties, a valuation methodology based on sales comparison approach was used. Fair value was determined by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location, condition and property size.

The key assumptions used to determine the fair value of the investment properties are provided in Note 5 to the financial statements.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 6 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 11 to the financial statements.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 12 to the financial statements.

Impairment of receivables

The Group reviews the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies and associate company at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 13 and 14 to the financial statements.

Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 23 to the financial statements.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 May 2019, the Group has tax recoverable and tax payable of RM5,064 (2018: RM285,997) and RM7,485,525 (2018: RM2,271,754) respectively. As at 31 May 2019, the Company has tax recoverable and tax payable of RM5,064 (2018: RMNil) and RMNil (2018: RM8,000) respectively.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 41 to the financial statements regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates vary from the actual prices that would be achieved in an arm's length transactions at the end of the reporting date.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related cost are expensed in profit or loss as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(b) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or joint venture's profit or loss for the period in which the investment is acquired. An associate or a joint venture is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate or a joint venture. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 Impairment of Assets are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associated or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are either stated at cost less accumulated impairment losses or equity method. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Capital work-in-progress consists of buildings under construction. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction until the property, plant and equipment are ready for their intended use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold building	50 years
Leasehold building	50 to 91 years
Furniture, fittings and equipment	10 years
Motor vehicles	10 years
Plant and machinery	10 years
Electrical fittings	2 to 10 years
Renovation	2 to 10 years
Site equipment	10 years

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Capital work-in-progress

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment and investment properties which takes a substantial period of time to be ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment and investment properties.

(e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

As lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(f) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3. Significant Accounting Policies (Cont'd)

(g) Intangible assets

(i) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets for intangible assets.

(h) Financial instruments

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9 Financial Instruments, the Group and the Company have elected not to restate the comparatives.

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Policy applicable from 1 June 2018

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial instruments are recognised initially, at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that were directly attributable to the acquisition or issue of the financial instrument.

ii) Financial instrument categories and subsequent measurement

Financial assets

Policy applicable from 1 June 2018

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 3(k)(ii)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 3(k)(ii)).

In the previous financial year, financial assets of the Company were classified and measured under MFRS 139 Financial Instruments: Recognised and Measurement as follow:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities

Policy applicable from1 June 2018

The categories of financial liabilities at initial recognition are as follows:

Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Policy applicable before 1 June 2018

In the previous financial year, financial liabilities of the Group or of Company were subsequently measured at financial liabilities measured at amortised cost.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:
(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:
(a) the recognition of an asset on the day it is received by the Group or by the Company, and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or by the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Policy applicable from 1 June 2018

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of:

• the best estimate of the expenditure required to settle the present obligation at the reporting date; and
• the amount initially recognised less cumulative amortization.

Liabilities arising from financial guarantees are presented together with other provisions.

3. Significant Accounting Policies (Cont'd)

(h) Financial instruments (Cont'd)

(iv) Financial guarantee contracts (Cont'd)

Policy applicable before 1 June 2018

In the previous financial year, fair value arising from financial guarantee contracts were classified as deferred income and was amortised to profit or loss using a straight-line method over the contractual period or, when there was no specified contractual period, recognised in profit or loss upon discharge or the guarantee. When settlement of a financial guarantee contract was probable, an estimate of the obligation was made. If the carrying value of the financial guarantee contract was lower than the obligation, the carrying value was adjusted to the obligation amount and accounted for as a provision.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(i) Contract asset/Contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract assets is subject to impairment in accordance to MFRS 9 Financial Instruments (see Note 3(k)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with banks and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for contract assets, deferred tax assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

(k) Impairment of assets(Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9 Financial Instruments, the Group and the Company elected not to restate the comparatives.

Policy applicable from 1 June 2018

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-months expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-months expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

3. Significant Accounting Policies (Cont'd)

(k) Impairment of assets(Cont'd)

(ii) Financial assets (Cont'd)

Policy applicable before 1 June 2018

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies and associates are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

(l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(m) Compound financial instrument

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Provisions (Cont'd)

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(o) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Equity-settled Share-based Payment Transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(p) Revenue recognition

Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(i) Construction contracts

Revenue from construction contracts is recognised by reference to the stage of completion. Stage of completion is determined by reference to total construction cost incurred-to-date as a percentage of total estimated construction cost for each contract.

(ii) Management fee

Management fee is recognised on accrual basis when services are rendered.

(iii) Rendering of project management consultancy services

The Group offers its customers for project management consultancy services. Revenue is allocated to the services obligations and recognised over the period of performance of services to customers. When consideration is collected from customers in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

Revenue from other sources

(i) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3. Significant Accounting Policies (Cont'd)

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

(r) Income taxes (Con'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payable to or receivables from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(u) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. Property, Plant and Equipment

	Freehold buildings RM	Leasehold buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Electrical fittings RM	Renovation RM	Site equipment RM	Total RM
Group 2019 Cost									
At 1 June 2018	4,389,218	1,284,736	544,341	1,653,740	4,754,165	80,746	431,988	250,460	13,389,394
Trasferred to investment properties (Note 5)	(4,389,218)	-	-	-	-	-	-	-	(4,389,218)
Additions	-	9,498,890	449,478	1,049,488	210,595	-	645,869	162,275	12,016,595
At 31 May 2019	-	10,783,626	993,819	2,703,228	4,964,760	80,746	1,077,857	412,735	21,016,771
Accumulated depreciation									
At 1 June 2018	43,453	17,539	133,806	329,027	260,523	47,941	357,934	9,900	1,200,123
Charges for the financial year	49,013	89,999	104,261	285,738	524,420	6,620	210,830	29,805	1,300,686
Trasferred to investment properties (Note 5)	(92,466)	-	-	-	-	-	-	-	(92,466)
At 31 May 2019	-	107,538	238,067	614,765	784,943	54,561	568,764	39,705	2,408,343
Carrying amount									
At 31 May 2019	-	10,676,088	755,752	2,088,463	4,179,817	26,185	509,093	373,030	18,608,428
Group 2018 Cost									
At 1 June 2017	-	-	330,187	1,118,047	102,600	43,737	352,066	-	1,946,637
Acquisition through business combination	-	1,284,736	174,214	535,693	1,021,644	37,009	50,289	106,690	3,210,275
Trasferred from capital work-in progress (Note 7)	4,125,850	-	-	-	-	-	-	-	4,125,850
Additions	263,368	-	39,940	-	3,629,921	-	29,633	143,770	4,106,632
At 31 May 2018	4,389,218	1,284,736	544,341	1,653,740	4,754,165	80,746	431,988	250,460	13,389,394
Accumulated depreciation									
At 1 June 2017	-	-	79,019	166,804	2,565	33,508	344,017	-	625,913
Charges for the financial year	43,453	17,539	54,787	162,223	257,958	14,433	13,917	9,900	574,210
At 31 May 2018	43,453	17,539	133,806	329,027	260,523	47,941	357,934	9,900	1,200,123
Carrying amount									
At 31 May 2018	4,345,765	1,267,197	410,535	1,324,713	4,493,642	32,805	74,054	240,560	12,189,271

4. Property, Plant and Equipment (Cont'd)

	Leasehold buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Total RM
Company					
2019					
Cost					
At 1 June 2018	-	158,656	742,832	314,189	1,215,677
Additions	9,498,890	1,460	-	-	9,500,350
At 31 May 2019	9,498,890	160,116	742,832	314,189	10,716,027
Accumulated depreciation					
At 1 June 2018	-	59,423	218,151	314,189	591,763
Charges for the financial year	63,690	15,962	74,284	-	153,936
At 31 May 2019	63,690	75,385	292,435	314,189	745,699
Carrying amount					
At 31 May 2019	9,435,200	84,731	450,397	-	9,970,328
Company					
2019					
Cost					
At 1 June 2017	-	151,445	742,832	314,189	1,208,466
Additions	-	7,211	-	-	7,211
At 31 May 2018	-	158,656	742,832	314,189	1,215,677
Accumulated depreciation					
At 1 June 2017	-	43,925	143,868	314,189	501,982
Charges for the financial year	-	15,498	74,283	-	89,781
At 31 May 2018	-	59,423	218,151	314,189	591,763
Carrying amount					
At 31 May 2018	-	99,233	524,681	-	623,914

(a) Assets held under finance leases

The carrying amount of property, plant and equipment of the Group and of the Company held under finance leases arrangement are as follow:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Plant and machinery	526,692	761,366	-	-
Motor vehicles	1,631,990	1,324,713	-	524,681
Site equipment	65,708	74,008	-	-
	2,224,390	2,160,087	-	524,681

The leased assets are pledged as security for the related lease liabilities as disclosed in Note 26 to the financial statements.

4. Property, Plant and Equipment (Cont'd)

(b) The aggregate additional cost for the property, plant and equipment of the Company during the financial year under finance lease, term loan and cash payments are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Aggregate costs	12,016,595	4,106,632	9,500,350	7,211
Finance lease financing	(882,000)	-	-	-
Term loan	(7,820,000)	-	(7,820,000)	-
Cash payments	3,314,595	4,106,632	1,680,350	7,211

(c) Assets pledged as securities to licensed banks

The carrying amount of property, plant and equipment of the Group and of the Company pledged as securities for credit facilities as disclosed in Note 27 to the financial statements.

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Freehold buildings	-	4,345,765	-	-
Leasehold buildings	9,435,200	-	9,435,200	-
	9,435,200	4,345,765	9,435,200	-

(d) Transferred to investment properties

During the financial year, two freehold buildings were transferred to investment properties because one of the freehold buildings was leased to a third party and another was no longer used by the Group but intends lease to a third party.

5. Investment Properties

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At fair value:				
At 1 June 2018	800,000	813,000	800,000	813,000
Addition	-	49,220	-	49,220
Transferred from property, plant and equipment (Note 4)	4,296,752	-	-	-
Change in fair value recognised in profit or loss	3,248	(62,220)	-	(62,220)
At 31 May 2019	5,100,000	800,000	800,000	800,000
Included in the above are:				
At fair value				
Freehold land	800,000	800,000	800,000	800,000
Freehold buildings	4,300,000	-	-	-
	5,100,000	800,000	800,000	800,000

(a) Investment properties under leases

Investment properties comprise a piece of freehold land and two lots of freehold buildings that are leased to a third party and another was no longer used by the Group and would be leased to a third party. The lease contains an initial non-cancellable period of two years. Subsequent renewals are negotiated with the leases and on renewal periods are two years.

During the financial year, there were two lots of freehold buildings transferred from property, plant and equipment to investment properties, since the above freehold buildings were no longer used by the Group and are used to either earn rentals or for capital appreciation or both.

5. **Investment Properties (Cont'd)**

(b) Investment properties pledged as securities to licensed banks

As at 31 May 2019, the carrying amount of the investment properties of the Group amounting to RM4,300,000 (2018: RMNil) pledged as securities for credit facilities as disclosed in Note 27 to the financial statements.

(c) Fair value basis of investment properties

The investment properties of the Group and of the Company are valued at fair value based on market values determined by relevant independent qualified valuers amounting to RM5,100,000 (2018: RM800,000) and RM800,000 (2018: RM800,000) respectively. The independent professionally qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair values are within level 2 of the fair value hierarchy.

The fair values have been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There were no transfers between levels during current and previous financial years.

The changes in fair value of the Group and of the Company amounting to RM3,248 (2018: RM62,220) and RMNil (2018:RM62,220) respectively has been recognised in the profit or loss during the financial year.

(d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of an investment properties:

	Group	
	2019 RM	2018 RM
Rental income	53,064	-
Direct expense:		
- Income generating an investment properties	(37,188)	-

6. **Intangible Assets**

	Contractual customer relationship RM	Goodwill on consolidation RM	Total RM
Group			
2019			
Cost			
At 1 June 2018, as previously stated	-	251,647,626	251,647,626
Effect of completion of purchase price allocation	14,978,176	(11,383,414)	3,594,762
At 1 June 2018, as restated	14,978,176	240,264,212	255,242,388
Additions	-	-	-
At 31 May 2019	14,978,176	240,264,212	255,242,388
Less: Accumulated amortisation			
At 1 June 2018, as previously stated	-	-	-
Effect of completion of purchase price allocation	7,262,146	-	7,262,146
At 1 June 2018, as restated	7,262,146	-	7,262,146
Amortisation for the financial year	4,467,636	-	4,467,636
At 31 May 2019	11,729,782	-	11,729,782
Carrying amount			
At 31 May 2019	3,248,394	240,264,212	243,512,606

6. **Intangible Assets (Cont'd)**

	Contractual customer relationship RM	Goodwill on consolidation RM	Total RM
Group			
2018			
Cost			
At 1 June 2017	-	-	-
Acquisition through business combination	14,978,176	240,264,212	255,242,388
At 31 May 2018	14,978,176	240,264,212	255,242,388
Less: Accumulated amortisation			
At 1 June 2017	-	-	-
Amortisation for the financial year	7,262,146	-	7,262,146
At 31 May 2018	7,262,146	-	7,262,146
Carrying amount			
At 31 May 2018	7,716,030	240,264,212	247,980,242

(a) Contractual customer relationship

The Group's contractual customer relationship pertain to established customers with existing business relationships in Malaysia. Customers are expected to continue existing construction contracts with the Group according to their requirements on project and needs basis according to established contracts signed. The Group executed contracts with its customer contracts on the services provided and such contracts have met the contractual legal criterion. The rights obtained to service the contracts are identified as an intangible assets.

Contractual customer relationship is amortised over their estimated useful lives, which is 3 years.

Amortisation is the systematic allocation of the depreciation amount of an intangible asset over its useful life. Amortisation begins only when the asset is available for use asset. The amortisation method of the Group used is selected on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset and is applied consistently from year to year, unless there is a change in the expected pattern of consumption of those future economic benefits.

Impairment testing for contractual customer relationship

Management has carried out a review of the recoverable amount of the contractual customer relationship based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs to which the asset belongs. The growth rates are based on past results and budgets done by management.

The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by management for the next five (5) years. The rate used to discount the forecast cash flows is from 16.93% (2018: 10.66%). As at 31 May 2019, any reasonably possible change to the key assumptions applied not likely to cause the recoverable amounts to be below the carrying amounts of the respective intangible assets.

Having considered the above, management is of the view that there is no impairment of contractual customer relationship as at 31 May 2019.

6. **Intangible Assets (Cont'd)**

(b) Goodwill on consolidation

The aggregate carrying amount of goodwill allocated to each CGU is as follows:

	Group	
	2019 RM	2018 RM
Wira Syukur (M) Sdn. Bhd.	240,264,212	240,264,212

The carrying amount of goodwill is derived from the acquisition of a wholly-owned subsidiary company, Wira Syukur (M) Sdn. Bhd..

The recoverable amounts of the goodwill at the end of the financial year is determined from value in use calculations by discounting the future cash flows generated from the continuing use of the cash generated unit ("CGU").

The key assumptions for the value in use calculations are those regarding the discount rates and growth rates during the period. Management estimates discount rates using pre-tax rates that reflect the current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on past results and budgets done by management.

The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by management for the next five (5) years. The rate used to discount the forecast cash flows from Wira Syukur (M) Sdn. Bhd. is 16.93% (2018: 10.66%) respectively.

As at 31 May 2019, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the respective CGUs. Having considered the above, the management is of the view that there is no impairment of goodwill as at 31 May 2019.

7. Capital Work-in-Progress

	Group	
	2019 RM	2018 RM
At 1 June 2018	789,746	-
Addition	-	789,746
Acquisition through business combination	-	4,125,850
Transferred to property, plant and equipment (Note 4)	-	(4,125,850)
At 31 May 2019	789,746	789,746

8. Investment in Subsidiary Companies

	Group	
	2019 RM	2018 RM
In Malaysia:		
At cost		
Unquoted shares	300,000,002	300,000,002

Details of the subsidiary companies are as follows:

Name of Company	Place of business/ Country of Incorporation	Effective Interest 2019 %	Effective Interest 2018 %	Principal activities
Vizione Construction Sdn. Bhd.	Malaysia	100	100	Subcontractor of the electrical, bulding and civil works for contruction projects
Vizione Development Sdn. Bhd.	Malaysia	100	100	Dormant
Wira Syukur (M) Sdn. Bhd.	Malaysia	100	100	General Contractor in building construction, providing related construction management and consultancy services
Held through Wira Syukur (M) Sdn. Bhd. Zenith Urban Development Sdn. Bhd.	Malaysia	60	-	Property Development

8. **Investment in Subsidiary Companies (Cont'd)**

Acquisition of subsidiary company

On 14 September 2017, the Company had entered into a Share Sale Agreement ("SSA") with Dato Ng Aun Hooi, Bee Jian Ming and Goon Mong Yee for an acquisition of 100% equity interest 2,500,000 ordinary shares in Wira Syukur (M) Sdn. Bhd. ("WSSB") for a total consideration of RM280,000,000. The aggregate purchase consideration is subject for adjustment in case that aggregate profit guarantee of not less than RM82,591,000 for the guaranteed financial years ended 31 December 2017 and year ending 31 December 2018 of the Company could not meet. Pursuant to that, WSSB became a wholly-owned subsidiary company of the Company.

In the previous financial year, the management used its best estimates and assumptions as part of the purchase price allocation process to value the assets acquired and liabilities assumed and the consideration transferred at the acquisition date. The purchase price allocation and considerations for acquisitions may be provisional within the measurement period of up to 12 months after the acquisition date and is subject to refinement as more detailed analysis are completed and additional information about the fair values of the considerations becomes available.

During the financial year, the Group completed its purchase price allocation ("PPA") exercise within the stipulated time period resulting in adjustments to certain assets acquired, liabilities assumed, the fair value of consideration transferred and the goodwill on consolidation previously recognised in the financial statements of the Group.

The following summarises the revised and assumed consideration transferred and recognised amount of assets acquired and liabilities assumed of WSSB at the acquisition date:

	As previously reported RM	Adjustments RM	As restated RM
Property, plant and equipment	3,210,275	-	3,210,275
Intangible asset	-	14,978,176	14,978,176
Investment in an associate company	1,260,450	-	1,260,450
Capital work-in-progress	4,125,850	-	4,125,850
Contract assets	43,556,979	-	43,556,979
Trade receivables	46,920,033	-	46,920,033
Other receivables	33,770,172	-	33,770,172
Amount due from Directors	800,000	-	800,000
Fixed deposits with licensed banks pledged	25,648,845	-	25,648,845
Cash and bank balances	2,623,176	-	2,623,176
Cash and bank balances pledged	716,595	-	716,595
Contract liabilities	(22,564,823)	-	(22,564,823)
Trade payables	(38,874,374)	-	(38,874,374)
Other payables	(54,599,259)	-	(54,599,259)
Tax payable	(281,267)	-	(281,267)
Finance lease liabilities	(926,469)	-	(926,469)
Bank borrowings	(10,626,134)	-	(10,626,134)
Bank overdrafts	(6,278,867)	-	(6,278,867)
Deferred tax liabilities	(128,808)	(3,594,762)	(3,723,570)
Fair value of identifiable assets	28,352,374	11,383,414	39,735,788
Total consideration transferred	(280,000,000)	-	(280,000,000)
Goodwill on consolidation	(251,647,626)	11,383,414	(240,264,212)

Total cost of business combination

The total cos of the business combination is as follows:

	2018 RM
Cash paid	172,617,932
976,200,615 ordinary shares issued at RM0.11 each	107,382,068
	280,000,000

The effect of the acquisition on cash flows is as follows:

	2018 RM
Total cost of the business combination	280,000,000
Less: Non-cash consideration	(107,382,068)
Consideration settled in cash	172,617,932
Add: Cash and cash equivalents of the subsidiary company acquired	3,655,691
	176,273,623

8. **Investment in Subsidiary Companies (Cont'd)**

Contingent consideration

The Company has considered the projected profits for the guarenteed financial years and is of the view that the profit guarantee is achievable. As such, no contingent consideration was recognised as part of the accounting for the acquisition of WSSB.

The effects of the adjustment arising from the completion of the PPA exercise as disclosed in Note 46 to the financial statements.

On 18 April 2018, WSSB had entered into SSA with Consortium Zenith Construction Sdn. Bhd. ("the Vendor") for acquisition of additional 30% equity interest, representing 1,500,000 ordinary shares in Zenith Urban Development Sdn. Bhd. ("ZUD") for a total consideration of RM1. Pursuant of that, WSSB's equity interest in ZUD increased from 30% to 60% and ZUD became an 60% indirect subsidiary company of the Group.

The fair values of the identifiable assets and liabilities of ZUD as at the date of acquisition were:

	2019 RM
Other receivables	4,200,000
Cash and bank balances	17,631
Asset classified as held for sale	56,240,811
Other payables	(32,530,729)
Bank borrowings	(25,765,740)
Fair value of identifiable net assets	2,161,973

Total cost of business combination

The total cost of the business combination is as follows:	2019 RM
Cash paid	1

The effect of the acquisition on cash flows is as follows:	2019 RM
Total cost of the business combination	1
Less: Cash and cash equivalents of the subsidiary company acquired	(17,631)
Net cash inflows on acquisition	(17,630)

Goodwill arising on acquisition

	2019 RM
Fair value of identifiable net assets	2,161,973
Less: Non controlling interests	(864,789)
Less: Fair value of interest in an associate previously held (Note 9)	(648,592)
Group's interest in fair value of net identifiable assets	(648,592)
Bargain purchase gain	648,591
Cost of business combination	(1)

Impact of the acquisition on the statements of profit or loss and other comprehensive income

From the date of acquisition, acquired a sub-subsidiary company has contributed RMNil and RM699,633 to the Group's revenue and loss for the financial year respectively.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

9 **Investment in Associate Companies**

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At cost				
Unquoted shares in Malaysia	500,040	1,500,040	-	-
Share of post-acquisition reserve	(10,025)	(760,039)	-	-
	490,015	740,001	-	-

9 **Investment in Associate Companies (Cont'd)**

Details of the associate companies are as follows:

Name of Company	Place of business/ Country of Incorporation	Effective Interest 2019 %	Effective Interest 2018 %	Principal activities
Held through Wira Syukur (M) Sdn. Bhd. Zenith Urban Development Sdn. Bhd.	Malaysia	-	30	Property Development
Held through Vizione Development Sdn. Bhd. Mahsyur Gemilang Development Sdn. Bhd.*	Malaysia	40	40	Dormant
Held through Vizione Construction Sdn. Bhd. Buildmarque Construction Sdn. Bhd.*	Malaysia	50	-	Construction of other engineering and building

** Associate companies not audited by UHY*

(a) On 23 December 2016, WSSB had acquired 70 ordinary shares in Zenith Urban Development Sdn. Bhd. ("ZUDSB") for a total cash consideration of RM70 of which 40 ordinary shares is held in trust for a Director of the Company. As such, ZUDSB become an associate company of WSSB by virtue of the 30% equity interest owned.

On 21 August 2017, WSSB subscribed an additional 3,499,930 new ordinary shares in ZUDSB for a total cash consideration of RM3,499,930 of which 1,999,960 ordinary shares is held in trust for a Director of the Company. Subsequent to the subscription, ZUDSB remained as 30% owned associate company of the Company.

On 18 August 2018, WSSB had entered into SSA with CZCSB for acquisition of an additional 30% equity interest in ZUD from CZCSB for a cash consideration of RM1. Pursuant to that, WSSB's equity interest in ZUD increased from 30% to 60% and ZUD became an 60% indirect subsidiary company of the Group.

The details of the deemed disposal are as follows:

	RM
Cost of investment	1,500,000
Share of post-acquisition reserve	(851,408)
Share of interest in an associate company	648,592
Fair value of interest held (Note 8)	(648,592)
Fair value gain on disposal	-

As of the date of this report, the Group is in the process of transferring the 40% equity interests in ZUDSB to a Director of the Company.

(b) On 14 August 2018, Vizione Construction Sdn. Bhd. ("VCSB"), a wholly-owned subsidiary company of the Company, had entered into Joint Venture Cum Shareholders Agreement ("JVCSA") with Vertice Construction Sdn. Bhd. ("Vertice") for joint arrangement to form Buildmarque Construction Sdn. Bhd. ("BCSB") as a special vehicle entity to carry on the construction works. VCSB subscribed 500,000 ordinary shares representing 50% equity interest in BCSB for a total cash consideration of RM500,000. Although the Group owns 50% (2018: Nil) of the equity interest in BCSB, the Group has less power to govern the financial and operation policies of BCSB by virtue of the right to appoint one Director out of total three Directors to Board of Directors of BCSB.

10. **Investment in a Joint Venture Company**

	Group	
	2019 RM	2018 RM
At cost		
Unquoted shares in Malaysia	1	-
Share of post-acquisition reserve	191,167	-
	191,168	-

The details of the joint venture company are as follows:

Name of Company	Place of business/ Country of Incorporation	Effective Interest 2019 %	Effective Interest 2018 %	Principal activities
Held through Wira Syukur (M) Sdn. Bhd. Wira Syukur Wibawa Sdn. Bhd.	Malaysia	50	-	A general contractor in building construction, providing related construction management and consultancy services

10. Investment in a Joint Venture Company (Cont'd)

On 15 May 2018, Wira Syukur (M) Sdn. Bhd. ("WSSB"), a wholly-owned subsidiary company of the Company, had entered into Joint Venture Agreement ("JVA") with Wibawa Works Sdn. Bhd. ("WWSB") for joint arrangement to form Wira Syukur Wibawa Sdn. Bhd. ("WSWSB") as a special vehicle entity to build submarines pipelines from Butterworth to Pulau Pinang. WSSB subscribed 1 ordinary share, representing 50% equity interest in WSWSB for a total cash consideration of RM1. Pursuant to that, WSWSB became a joint venture company of the Group.

Summarised financial information of the Group's material joint venture company, WSWSB is disclosed as below:

(a) Summarised statement of financial position

	WSWSB	
	2019 RM	2018 RM
Current assets	18,248,176	-
Current liabilities	(17,865,840)	-
Net assets	382,336	-
Interests in a joint venture company	50%	-
Group's share of net assets	191,167	-

(b) Summarised statement of profit or loss and other comprehensive income

	WSWSB	
	2019 RM	2018 RM
Revenue	17,038,269	-
Profit before taxation	503,071	-
Taxation	(120,737)	-
Profit for the financial period, represented total comprehensive profit for the financial period	382,334	-

11. Deferred Tax Assets/(Liabilities)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
		Restated		
At 1 June, as previously stated	(324,058)	14,465	12,991	14,465
Effect of completion of purchase price allocation	(1,851,847)	-	-	-
At 1 June, as restated	(2,175,905)	14,465	12,991	14,465
Acquisition through business combination	-	(3,723,570)	-	-
Recognised in profit or loss	1,230,756	1,534,674	-	-
Recognised in equity	(321)	(1,474)	(321)	(1,474)
At 31 May	(945,470)	(2,175,905)	12,670	12,991

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
		Restated		
Deferred tax liabilities	(958,140)	(2,188,896)	-	-
Deferred tax assets	12,670	12,991	12,670	12,991
	(945,470)	(2,175,905)	12,670	12,991

11. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of deferred tax assets and liabilities are as follows:

Deferred tax liabilities of the Group

	Accelerated capital allowances RM	Contractual customer relationship RM	Total RM
Group			
At 1 June 2018, as previously stated	(337,049)	-	(337,049)
Effect of completion of purchase price allocation	-	(1,851,847)	(1,851,847)
At 1 June 2018, as restated	(337,049)	(1,851,847)	(2,188,896)
Recognised in profit and loss	158,523	1,072,233	1,230,756
At 31 May 2019	(178,526)	(779,614)	(958,140)
At 1 June 2017	-	-	-
Acqusition through business combination	(128,808)	(3,594,762)	(3,723,570)
Recognised in profit and loss	(208,241)	1,742,915	1,534,674
At 31 May 2018	(337,049)	(1,851,847)	(2,188,896)

Deferred tax assets of the Group and the Company

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
ICULS				
At 1 June	12,991	14,465	12,991	14,465
Recognised in equity	(321)	(1,474)	(321)	(1,474)
At 31 May	12,670	12,991	12,670	12,991

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Unutilised tax losses	4,082,920	876,757	4,082,920	876,757

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

12. Contract Assets/(Liabilities)

	Group	
	2019 RM	2018 RM
Contract assets	188,077,254	107,008,020
Contract liabilities	(3,085,841)	(1,987,815)

Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount generally will be billed within range from 7 days to 20 days and payment is expected within 30 days.

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from a customer for a construction contract, which revenue is recognised overtime during the construction. The contract liabilities as expected to be recognised as revenue over a period of 30 days.

12. Contract Assets/(Liabilities) (Cont'd)

The costs incurred to date on construction contract include the following charges made during the financial year:

	Note	Group 2019 RM	Group 2018 RM
Rental of premises		367,350	141,540
Rental of plant and machineries		5,347,647	2,511,191
Interest expenses	33	1,342,393	858,615
Staff costs	37	2,510,183	1,369,613

13. Trade Receivables

	Group 2019 RM	Group 2018 RM
Trade receivables:		
- Third parties	185,358,903	125,490,961
- Companies in which certain Directors of the Company have substantial financial interest	23,413,662	8,095,851
	208,772,565	133,586,812
Less: Accumulated impairment losses	(2,373,987)	-
	206,398,578	133,586,812

The Group's normal trade credit terms range from 30 to 90 days (2018: 30 to 90 days). Other credit terms are assessed and approved on a case to case basis. These balances are unsecured and non-bearing interests. Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

14. Other Receivables

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Other receivables	19,120,862	8,767,601	1,549,767	1,737,871
Deposits	78,889,242	50,456,954	71,072	1,300,074
Prepayment	132,063	114,584	29,288	49,192
Advance payment in relation to construction contracts	8,347,969	10,057,803	-	-
GST recoverable	2,144,884	1,465,910	184,135	-
	108,635,020	70,862,852	1,834,262	3,087,137
Less: Accumulated impairment loss				
- Other receivables	(590,475)	(590,475)	(590,475)	(590,475)
- Deposits	-	(291,100)	-	-
	108,044,545	69,981,277	1,243,787	2,496,662

15. Amount due From Subsidiary Companies

This represents unsecured advances, non-interest bearing and is repayable on demand.

16. Amount due From Associate Companies

This represents unsecured advances, non-interest bearing and is repayable on demand.

17. Other Investments

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Current				
Loans and receivables				
- Unquoted money market fund	2,272	10,453,581	2,272	10,453,581

18. Fixed Deposits with Licensed Banks

The fixed deposits with licensed banks of the Group have been pledged with licensed banks as security for credit facilities granted to the Group as disclosed in Note 27 to the financial statements.

The maturity period and interest rates per annum are as follows:

	Group 2019	Group 2018
Fixed deposits with licensed banks		
- interest rates per annum	2.50% - 3.35%	2.80% - 3.35%
- maturity periods	30 days - 365 days	30 days - 365 days

19. Cash and Bank Balances

Included in cash and bank balances of the Group are amount of RM716,702 (2018: RM909,629) are pledged as securities for credit facilities granted by the bankers as disclosed in Note 27 to the financial statements.

20. Asset classified as Held For Sale

	Group 2019 RM	Group 2018 RM
At beginning of financial year	-	-
Acquisition through business combination	56,240,811	-
At the end of financial year	56,240,811	-

On 5 December 2018, Zenith Urban Development Sdn. Bhd. ("ZUD"), an indirect subsidiary company of the Group, had entered into a Sales and Purchase Agreement ("SPA") with Oceanfront One (PG) Sdn. Bhd. ("the Purchaser") for disposal of a freehold land for a total cash consideration of RM65,000,000. This transaction is expected to be completed during the financial year ended 31 May 2020.

21. Share Capital

	Group and Company			
	Number of ordinary shares		Amount	
	2019 Units	2018 Units	2019 RM	2018 RM
Issued and fully paid				
At 1 June	3,695,646,822	874,855,050	418,635,576	87,485,505
Conversion of ICULS	40,000	183,157	7,600	18,315
Issuance of ordinary shares	214,396,782	1,842,740,000	30,015,549	184,274,000
Share issued for acquisition of a subsidiary company	-	976,200,615	-	97,620,062
Exercises of SIS options	4,835,554	1,668,000	3,517,211	166,800
Share issuance expenses	-	-	(1,180,606)	(5,798,776)
Effect of share consolidation of 7 shares to 1 share	(3,352,632,518)	-	-	-
Transfer from share premium in accordance with Section 618(2) of the Companies Act, 2016 *	-	-	-	54,869,670
At 31 May	562,286,640	3,695,646,822	450,995,330	418,635,576

* The new Companies Act, 2016 (the "Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM54,869,670 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM54,869,670 for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased as follows:

(i) issuance of 214,396,782 new ordinary shares through Private Placement for working capital purposes;
(ii) issuance of 40,000 new ordinary shares through conversions of Irredeemable Convertible Unsecured Loan Stocks ("ICULS");
(iii) issuance of 4,835,554 new ordinary shares through the exercises of the Share Issuance Scheme ("SIS") Options; and
(iv) share consolidation of 3,911,404,604 ordinary shares into 558,772,086 ordinary shares, on the basis of 7 ordinary shares into 1 ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

22. Share Premium

	Group and Company	
	2019 RM	2018 RM
At 1 June	-	6,510
Par value reduction	-	-
Conversion of ICULS	-	16,485
Issuance of ordinary shares	-	54,785,126
Exercise of SIS	-	61,549
Transfer to share capital in accordance with Section 618(2) of the Companies Act, 2016	-	(54,869,670)
At 31 May	-	-

23. Share Issuance Scheme Options Reserve

At an extraordinary general meeting held on 9 September 2016, the Company's shareholders approved the establishment of SIS for eligible Directors and employees of the Group.

23. Share Issuance Scheme Options Reserve (Cont'd)

The salient features of the SIS Options are as follows:

(a) any employee of the Group shall be eligible if as at the date of offer, the employee:
- (i) has attained at least eighteen (18) years of age;
- (ii) is an employee in a company within the Group, which is not dormant belonging to such categories of employment as determined by the Option Committee; and
- (iii) who falls under such categories and criteria that the Option Committee may decide at its absolute discretion from time to time.

(b) any Director of the Group shall be eligible if as at the date of offer, the Director:
- (i) is at least eighteen (18) years of age; and
- (ii) has been appointed as a Director of a company within the Group, which is not dormant

(c) The maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS Shares shall not exceed fifteen percent (15%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the SIS.

(d) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer.

(e) The SIS shall be in force for a period of five (5) years and the last day to exercise SIS Options is on 5 September 2022.

On 18 October 2018, the exercise price of the SIS was adjusted from RM0.117 to RM0.819 after the share consolidation as disclosed in Note 21 to the financial statements, on the basis of 7 ordinary shares into 1 ordinary share.

Movement in the number of share options and the weighted average exercise prices are as follows:

		Number of options over ordinary shares			
Date of offer	Exercise price	At 01.06.2018	Efffect of share consolidation of seven shares into one share	Exercised	At 31.05.2019
5 September 2017	0.819	129,560,257	(109,919,364)	(4,835,554)	14,805,339

		Number of options over ordinary shares			
Date of offer	Exercise price	At 01.06.2017	Granted	Exercised	At 31.05.2018
5 September 2017	0.117	-	131,228,257	(1,668,000)	129,560,257

Number of share options exercisable as at 31 May 2019 is 14,805,339 (2018: 129,560,257). The weighted average share price at the date of exercise for the financial year was RM0.819 (2018: RM0.117) per share option.

Details of SIS Options outstanding at end of the financial year are as follows:

SIS Options	Weighted average exercise price		Exercise period
	2019 RM	2018 RM	
5 September 2017	0.819	0.117	05.09.2017 - 05.09.2022

The fair value of services received in return for share options granted during the financial year is based on the fair value of share options granted, estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	Group and Company	
	2019 RM	2018 RM
Fair value at grant date: 5 September 2017	0.0199	0.0199
Weighted average share price	1.036	0.148
Weighted average exercise price	0.819	0.117
Expected volatility (%)	58.74	58.74
Expected life (years)	5 years	5 years
Risk free rate (%)	3.39%	3.39%
Expected dividend yield (%)	Nil	Nil

23. Share Issuance Scheme Options Reserve (Cont'd)

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

24. Warrants Reserves

	Warrants 2013/2018 RM	Warrants 2017/2022 RM	Total RM
Group and Company			
At 1 June 2018	2,520,390	1,748,775	4,269,165
Expired during the financial year	(2,520,390)	-	(2,520,390)
At 31 May 2019	-	1,748,775	1,748,775

(i) Warrants 2013/2018

On 28 June 2014, the Company allotted the rights issue of 117,336,600 new ordinary shares of RM0.20 each in the Company together with 70,401,960 free warrants at an issue price of RM0.20 per rights issue on the basis of 5 rights issue together with 3 warrants for every 1 existing ordinary share of the Company.

Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 28 June 2013 up to the date of expiry on 20 June 2018, at an exercise price of RM0.20 each or such adjusted price in accordance with the provisions in the Deed Poll.

On the date of expiry, 87,934,591 units of warrants that remain unexercised are lapsed thereafter and cease to be valid for any purpose.

(ii) Warrants 2017/2022

On 10 February 2017, the Company allotted the rights issue of 582,924,900 new ordinary shares of RM0.10 each in the Company together with 291,462,450 free warrants at an issue price of RM0.10 per rights issue on the basis of 2 rights issue together with 1 warrant for every 1 existing ordinary share of the Company.

Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 6 February 2017 up to the date of expiry on 5 February 2022, at an exercise price of RM0.10 each or such adjusted price in accordance with the provisions in the Deed Poll.

On 18 October 2018, the exercise price of the Warrants 2017/2022 was adjusted from RM0.10 to RM0.70 after the share consolidation as disclosed in Note 21 to the financial statements, on the basis of 7 ordinary shares into 1 ordinary share.

As at 31 May 2019, the total numbers of warrants that remain unexercised after the share consolidation as disclosed in Note 21 to the financial statements were 41,637,492 (2018: 291,462,450).

25. Irredeemable Convertible Unsecured Loan Stocks

	Group and Company 2019 RM	2018 RM
Equity component		
At 1 June	267,845	298,225
Conversion during the financial year	(6,313)	(28,906)
Deferred tax effect upon conversion	(321)	(1,474)
At 31 May	261,211	267,845
Liability component		
At 1 June	5,062	10,955
Conversion during the financial year	(1,288)	(5,893)
At 31 May	3,774	5,062

25. Irredeemable Convertible Unsecured Loan Stocks (Cont'd)

The Irredeemable Convertible Unsecured Loans ("ICULS") represents the unconverted portion of the original RM12,000,000 nominal value of 10 years 3% ICULS issued and allotted at 100% of the nominal value at RM0.10 each, net of the deferred tax.

The ICULS have tenure of ten years from the date of issue and will not be redeemable in cash. All outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price applicable on the maturity date.

The ICULS are convertible into fully paid ordinary share of RM0.20 each at any time during the tenure of the ICULS from 11 August 2011 to the maturity date on 10 August 2021 by:

(a) surrendering for cancellation the ICULS with an aggregate nominal value equivalent to the Conversion Price; or

(b) surrendering for cancellation of RM0.10 nominal value of ICULS and paying the difference between the nominal value of ICULS and the Conversion Price in cash, for every 1 new ordinary share of RM0.20 each.

On 18 October 2018, the conversion price of the ICULS was adjusted from RM0.20 to RM1.33 after the share consolidation as disclosed in Note 21 to the financial statements, on the basis of 7 ordinary shares into 1 ordinary share.

Upon conversion of the ICULS into new ordinary shares, such shares would rank pari passu in all material respects with the existing ordinary shares of the Company in issue at the date of allotment of the new ordinary shares.

The ICULS holders are not entitled to participate in any distribution and/or offer securities in the Company until and unless such ICULS holders convert the ICULS into new ordinary shares of the Company before the determination of the entitlement date for the distribution and/or offer of securities.

The interest on unconverted ICULS is at the rate of 3% per annum on the nominal value of the ICULS commencing August 2011 and is payable annually in arrears in August in each year.

26. Finance Lease Liabilities

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Minimum lease payments:				
Within one year	613,905	530,868	-	26,987
Between one to two years	286,762	334,031	-	-
Between two to five years	283,805	2,338	-	-
	1,184,472	867,237	-	26,987
Less: Future interest charges	(78,802)	(44,636)	-	(2,237)
Present value of minimum lease payments	1,105,670	822,601	-	24,750
Present value of minimum lease payments:				
Within one year	574,742	499,821	-	24,750
Between one to two years	267,606	320,451	-	-
Between two to five years	263,322	2,329	-	-
	1,105,670	822,601	-	24,750
Analysed as:				
Repayable within twelve months	574,742	499,821	-	24,750
Repayable after twelve months	530,928	322,780	-	-
	1,105,670	822,601	-	24,750

Obligations under finance leases

These obligations are secured by a charge are the leased assets as disclosed in Note 4 to the financial statements. The effective interest rates of the Group and of the Company for the leases is ranging from 1.68% to 3.37% (2018: 4.63% to 4.76%) and Nil (2018: 4.64% to 6.76%) per annum respectively.

27. Bank Borrowings

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Secured				
Current				
Bank overdrafts	5,475,402	1,198,540	1,976,638	-
Invoice financing	4,949,910	7,280,000	-	-
Trust receipts	5,170,711	773,065	-	-
Term loans:				
- RM loan at BLR+1.25% per annum	3,621,811	665,000	-	-
- RM loan at BLR-2.10% per annum	112,524	108,286	-	-
- RM loan at BFR-2.25% per annum	376,978	-	376,978	-
	19,707,336	10,024,891	2,353,616	-
Non current				
Term loans:				
- RM loan at BLR+1.25% per annum	22,143,929	-	-	-
- RM loan at BLR-2.10% per annum	3,346,930	3,441,509	-	-
- RM loan at BFR-2.25% per annum	7,227,524	-	7,227,524	-
	32,718,383	3,441,509	7,227,524	-
	52,425,719	13,466,400	9,581,140	-

(a) Bank overdrafts

Bank overdrafts are denominated at RM, bear interest at BLR+1.25% and BFR+1.25% per annum and are secured by the following:

(i) charge over fixed deposits with licensed banks as disclosed in Note 18; and
(ii) jointly and severally guaranteed by the Directors of the Company.

(b) Invoice financing and trust receipts

Invoice financing and trust receipts are denominated at RM, bear interest of BLR+1.25% per annum and are secured by the following:

(i) charge over fixed deposits with licensed bank as disclosed in Note 18;
(ii) charge over certain Designated Collection Account as disclosed in Note 19; and
(iii) jointly and severally guaranteed by the Directors of the Company.

(c) RM loan of BLR+1.25% per annum.

This loan is secured by the following:
(i) charge over fixed deposits with licensed bank as disclosed in Note 18;
(ii) charge over certain Designated Collection Account as disclosed in Note 19; and
(iii) jointly and severally guaranteed by the Directors of the Company.

(d) RM loan of BLR-2.10% per annum.

The loan is secured by the following:
(i) charge over a freehold building as disclosed in Note 4; and
(ii) jointly and severally guaranteed by the Directors of the Company.

(e) RM loan of BFR-2.25% per annum.

The loan is secured by a legal charge over a leasehold building as disclosed in Note 4.

28. Trade Payables

The normal trade credit term granted to the Group ranges from 30 to 60 days (2018: 30 to 60 days) depending on the terms of the contracts. These balances are unsecured and non-bearing interests.

29. Other Payables

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Other payables	589,425	1,675,742	141,920	102,531
Accruals	51,352,130	53,679,342	227,944	156,769
Deposits payable	469,296	-	-	-
Advance payments for the projects	11,812,498	8,775,765	-	-
GST payables	-	3,590	-	-
	64,223,349	64,134,439	369,864	259,300

Included in accruals are project related accruals based on subcontractors' claim amounted to RM47,887,201 (2018: RM51,198,517).

30. Amount due to Directors

This represents unsecured advances, non-interest bearing and is repayable on demand.

31. Amount due to a Joint Venture Company

This represents unsecured advances, non-interest bearing and is repayable on demand.

32. Revenue

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Revenue from contracts with customers:				
Sub-contracting of electrical, building and civil works for construction projects	590,360,618	411,380,753	-	-
Management fee received/receivable from a subsidiary company	-	-	2,199,753	3,020,678
Project management consultant fee	3,455,440	1,805,347	-	-
	593,816,058	413,186,100	2,199,753	3,020,678
Timing of revenue recognition:				
At a point in time	3,455,440	1,805,347	2,199,753	3,020,678
Over time	590,360,618	411,380,753	-	-
Total revenue from contracts with customers	593,816,058	413,186,100	2,199,753	3,020,678

Revenue from contracts with customers recognised for the Group in the current financial year included RM1,987,815 that were included in the contract liabilities at the beginning of the financial year.

33. Finance Costs

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Interest expenses on:				
- Banker overdrafts	290,339	227,632	42,514	-
- Trust receipt and invoice financing	600,292	409,065	-	-
- Bank guarantee	301,104	23,998	-	-
- Bank charges	324	306	-	-
- Bill purchase	30,235	39,387	-	-
- Performance bond charges	284,769	155,083	-	-
- ICULS	9,205	10,249	9,205	10,249
- Finance lease liabilities	39,358	47,005	2,237	12,968
- Term loans	1,120,898	242,845	240,221	-
	2,676,524	1,155,570	294,177	23,217
Less:				
Interest capitalised into construction costs (Note 12)	(1,342,393)	(858,615)	-	-
	1,334,131	296,955	294,177	23,217

34. Profit/(Loss) before taxation

Profit/(Loss) before taxation is determined after charging/(crediting):

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Auditors' remuneration:				
- Statutory				
- Current year	179,700	62,500	40,000	30,000
- Non-statutory	5,000	5,000	5,000	5,000
Amortisation of intangible assets	4,467,636	7,262,146	-	-
Bad debts written off	4,800	-	4,800	-
Deposit written off	-	26,998	-	26,998
Depreciation of property, plant and equipment	1,300,686	574,210	153,936	89,781
Dividend income from other investments	(112,605)	(482,261)	(112,605)	(482,261)
Gain on bargain purchase on acquisition of a subsidiary company	(648,591)	-	-	-
Fair value adjustments on investment properties	(3,248)	62,220	-	62,220
Impairment loss/(gain) on financial assets:				
- trade receivables	60,689	-	-	-
- other receivables	-	240,638	-	240,638
Reversal of impairment losses on financial assets:				
- trade receivables	(158,723)	-	-	-
Net impairment (gain)/loss on financial assets	(98,034)	240,638	-	240,638
Interest income	(687,415)	(497,829)	(28,293)	(1,877)
Non-executive Directors' remuneration:				
- fee	172,000	111,000	172,000	111,000
- share-based payment	81,477	108,636	81,477	108,636
Rental income on plant and machinery	(9,553,064)	(120,100)	-	-
Rental expenses	263,800	304,050	174,500	172,450
Waiver of amount due to other payables	(21,957)	(15,544)	-	-

35. Taxation

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Tax expense recognised in profit or loss:				
- Current year taxation	23,223,523	8,969,529	-	20,000
- Under provision in prior year	281,102	593,023	-	-
	23,504,625	9,562,552	-	20,000
Deferred taxation (Note 11):				
- Origination and reversal of temporary differences	(990,507)	(1,514,346)	-	-
- Over provision in prior year	(240,249)	(20,328)	-	-
	(1,230,756)	(1,534,674)	-	-
	22,273,869	8,027,878	-	20,000

With effective from 1 January 2017, due to a change in the Malaysian corporate income tax rate that was announced during the Malaysian Budget 2017, tax rate on chargeable income has been reduced by 1% to 4% from 24% based on the percentage increase in the chargeable income of a company compared to the chargeable income for the immediate preceding period.

A reconciliation of income tax expenses applicable to profit/(loss) before taxation at the statutory tax rate to income tax expenses at the effective income tax of the Group and the Company are as follows:

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Profit/(loss) before taxation	85,622,432	28,690,633	(4,574,174)	(3,358,716)
Taxation at statutory tax rate of 24% (2018: 24%)	20,549,384	6,885,752	(1,097,802)	(806,100)
Expenses not deductible for tax purposes	935,549	8,112	328,323	264,300
Income not subject to tax	(21,396)	-	-	-
Deferred tax assets not recognised	769,479	561,800	769,479	561,800
Utilisation of previous unrecognised deferred tax assets	-	(481)	-	-
Under provision of taxation in prior years	281,102	593,023	-	-
Over provision of deferred taxation in prior years	(240,249)	(20,328)	-	-
Taxation for the financial year	22,273,869	8,027,878	-	20,000

36. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2019 RM	2018 RM Restated
Profit attributable to owners of the parent	63,628,416	20,662,755
Weighted average number of ordinary share in issue:		
Issued ordinary shares at 1 June	3,695,646,822	874,855,050
Effect of share consolidation	(3,289,445,743)	(749,875,757)
Effect of ordinary shares issued during the financial year	142,555,055	252,595,186
Weighted average number of ordinary share at 31 May	548,756,134	377,574,479^
Basic earnings per ordinary share (sen)	11.60	5.47

^ *Restated to take into account the effects of share consolidation on the basis of 7 ordinary shares into 1 ordinary share which was completed in 2019.*

36. Earnings Per Share (Cont'd)

(b) Diluted earnings per share

The diluted earnings per share has been calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2019 RM	2018 RM Restated
Profit attribute to owners of the parent for basic earnings	63,628,416	20,662,755
Interest expense on 3% ICULS (net of tax)	6,996	7,789
Profit attribute to owners of the parent (diluted)	63,635,412	20,670,544
Weighted average number of ordinary shares used in the calculation of basic earning per share	548,756,134	377,574,479
Adjustment for incremental shares from assumed conversions:		
Warrants	*	*
SIS	*	15,169,928
ICULS	*	307,050
Weighted average number of ordinary shares at 31 May	548,756,134	393,051,457
Diluted earnings per ordinary share (sen)	11.60	5.26

* The effect of the potential incremental shares from Warrants, SIS and ICULS were not taken into account in the computation of diluted earnings per share for the financial year ended 31 May 2019 as the exercise price of the warrants, SIS and ICULS are higher than the average market price of the Company's ordinary shares

37. Staff Costs

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Fee	-	81,000	-	21,000
Salaries, wages and other emoluments	9,904,787	5,846,871	2,815,242	1,877,665
Defined contribution plan	1,193,361	727,043	340,520	252,812
Social security contributions	61,286	40,783	5,708	8,322
Other benefits	984,441	416,152	104,632	106,931
Share-based payment	509,231	678,975	358,911	478,548
	12,653,106	7,790,824	3,625,013	2,745,278
Less: Capitalised into construction costs (Note 12)	(2,510,183)	(1,369,613)	-	-
	10,142,923	6,421,211	3,625,013	2,745,278

Included in staff costs is aggregate amount of remuneration received and receivables by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Executive Directors				
Fee	-	81,000	-	21,000
Salaries and other emoluments	3,749,003	2,096,900	1,930,000	1,001,618
Defined contribution plan	447,204	273,900	231,600	138,000
Social security contributions	2,581	2,486	1,657	1,657
Other benefit	44,690	32,457	42,986	32,457
Share-based payment	297,733	396,976	254,616	339,487
	4,541,211	2,883,719	2,460,859	1,534,219

38. Related Party Transactions

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere to the financial statements, the significant related party transactions of the Group and Company are as follows:

	Group	
	2019 RM	2018 RM
Transactions with companies in which Directors of the Company has substantial financial interests		
- Contract revenue	32,917,423	8,363,753
- Contract costs	28,262,788	20,909,183
- Rental of plant and machinery	-	3,600
- Rental of premises	85,000	80,000

	Company	
	2019 RM	2018 RM
Transactions with subsidiary companies		
- Management fee income	2,199,753	3,020,678

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Fee	172,000	192,000	172,000	132,000
Salaries and other emoluments	3,749,003	2,096,900	1,930,000	1,001,618
Defined contribution plan	447,204	273,900	231,600	138,000
Social security contributions	2,581	2,486	1,657	1,657
Other benefits	44,690	32,457	42,986	32,457
Share-based payment	297,733	396,976	254,616	339,487
	4,713,211	2,994,719	2,632,859	1,645,219

39. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 01.06.2018 RM	Acquisition of a subsidiary Company RM	New finance lease (Note 4(b)) RM	New term loan (Note 4(b)) RM	Financing cash flows (i) RM	Repayment RM	At 31.5.2019 RM
2019							
Group							
Amount due from associate companies	3,074,876	-	-	-	(2,922,988)	-	151,888
Finance lease liabilities (Note 26)	(822,601)	-	(882,000)	-	-	598,931	(1,105,670)
Term loans (Note 27)	(4,214,795)	(25,765,740)	-	(7,820,000)	-	970,839	(36,829,696)
Trust receipts and invoice financing (Note 27)	(8,053,065)	-	-	-	(2,067,556)	-	(10,120,621)
Amount due to Directors	(86,199)	-	-	-	(131,012)	-	(217,211)
	(10,101,784)	(25,765,740)	(882,000)	(7,820,000)	(5,121,556)	1,569,770	(48,121,310)
Company							
Amount due from subsidiary companies	81,000,987	-	-	-	-	41,742,328	122,743,315
Amount due to Directors	(86,199)	-	-	-	-	25,325	(60,874)
Finance lease liabilities (Note 26)	(24,750)	-	-	-	-	24,750	-
Term loans (Note 27)	-	-	-	(7,820,000)	-	215,498	(7,604,502)
	80,890,038	-	-	(7,820,000)	-	42,007,901	115,077,939

	At 01.06.2017 RM	Acquisition of a subsidiary Company RM	Drawndown RM	Financing cash flows (i) RM	Repayment RM	At 31.5.2018 RM
2018						
Group						
Amount due from associate companies	-	-	-	3,074,876	-	3,074,876
Finance lease liabilities (Note 26)	(448,626)	(926,469)	-	-	552,494	(822,601)
Term loans (Note 27)	-	(3,582,500)	(4,000,000)	-	3,367,705	(4,214,795)
Trust receipts and invoice financing (Note 27)	-	(7,043,634)	-	(1,009,431)	-	(8,053,065)
Amount due to Directors	(238,382)	800,000	-	(647,817)	-	(86,199)
	(687,008)	(10,752,603)	(4,000,000)	1,417,628	3,920,199	(10,101,784)
Company						
Amount due from subsidiary companies	34,371,677	-	-	46,629,310	-	81,000,987
Amount due to Directors	(208,382)	-	-	122,183	-	(86,199)
Finance lease liabilities (Note 26)	(189,250)	-	-	-	164,500	(24,750)
	33,974,045	-	-	46,751,493	164,500	80,890,038

(i) The cash flows from:

a) amount due from associate companies and amount due from Directors make up the net amount of advances from and repayment to amount due from associate companies and amount due from Directors in the statement of cash flows;

b) amount due from subsidiary companies makes up the net amount of advances from and repayment to amount due from subsidiary companies and issuance of 19,000,000 ordinary shares at an issue price of RM1 each in the statements of cash flows; and

c) trust receipt and invoice financing make up the net amount of proceeds from a repayments of borrowings in the statement of cash flows.

40. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

Construction	Sub-contracting of electrical, building and civil works for the construction projects
Others	Investment holding

Other non-reportable segments comprise operations of a subsidiary company which is dormant. None of these segments met the quantitative thresholds for reporting segments in 31 May 2018 and 31 May 2019.

40. Segment Information (Cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment liabilities is neither included in the internal management reports nor provided regularly to the management. Hence, no disclosure is made on segment liabilities.

	Construction RM	Others RM	Non-reportable segment RM	Total segments RM	Adjustments and elimination RM	Note	Consolidated RM
Group							
2019							
Revenue							
Total revenue	593,816,058	-	-	593,816,058	-		593,816,058
Inter-segment revenue	38,038,340	2,199,753	-	40,238,093	(40,238,093)		-
Total segment revenue	631,854,398	2,199,753	-	634,054,151	(40,238,093)		593,816,058
Results							
Interest income	659,122	28,293	-	687,415	-		687,415
Finance costs	(332,306)	(294,177)	(707,648)	(1,334,131)	-		(1,334,131)
Dividend income	-	112,605	-	112,605	-		112,605
Fair value adjustments on investment properties	-	3,248	-	3,248	-		3,248
Other non-cash items	(5,516,055)	(19,376)	21,660	(5,513,771)	-	(A)	(5,513,771)
Share of result of associates	(101,354)	-	(40)	(101,394)	-		(101,394)
Share of result of joint venture	191,167	-	-	191,167	-		191,167
Taxation	(23,345,616)	-	(486)	(23,346,102)	1,072,233		(22,273,869)
Segment results	72,072,794	(4,574,174)	(1,493,018)	66,005,602	(2,657,039)		63,348,563
Segment Assets							
Segment assets	594,044,448	435,135,693	73,068,333	1,102,248,474	(244,661,628)		857,586,846
Segment Liabilities							
Segment liabilities	439,266,281	10,015,652	72,787,194	522,069,127	(186,075,759)		335,993,368
Group							
2018							
Revenue							
Total revenue	413,186,100	-	-	413,186,100	-		413,186,100
Inter-segment revenue	54,491,000	3,020,678	-	57,511,678	(57,511,678)		-
Total segment revenue	467,677,100	3,020,678	-	470,697,778	(57,511,678)		413,186,100
Results							
Interest income	495,952	1,877	-	497,829	-		497,829
Finance costs	(273,738)	(23,217)	-	(296,955)	-		(296,955)
Dividend income	-	482,261	-	482,261	-		482,261
Fair value adjustments on investment properties	-	(62,220)	-	(62,220)	-		(62,220)
Other non-cash items	(7,746,575)	(1,036,392)	15,544	(8,767,423)	-	(A)	(8,767,423)
Share of result of associate	(647,357)	-	-	(647,357)	-		(647,357)
Taxation	(9,750,793)	(20,000)	-	(9,770,793)	1,742,915		(8,027,878)
Segment results	30,520,586	(3,378,714)	(312,529)	26,829,343	(6,166,588)		20,662,755
Segment Assets							
Segment assets	376,817,555	397,718,049	2,071,583	776,607,187	(147,783,057)		628,824,130
Segment Liabilities							
Segment liabilities	291,640,161	370,320	2,459,399	294,469,880	(93,151,411)		201,318,469

Adjustment and eliminations

Share of results of associate companies and share of results of joint venture are not allocated to individual segments as the underlying instruments are managed on a group basis.

Inter-segment revenues are eliminated on consolidation.

40. Segment Information (Cont'd)

A. Other non-cash items consist of following as presented in the respective notes to the financial statements:

	Group 2019 RM	Group 2018 RM Restated
Other non-cash items:		
Bad debts written off	(4,800)	-
Deposits written off	-	(26,998)
Amortisation of intangible assets	(4,467,636)	(7,262,146)
Depreciation of property, plant and equipment	(1,300,686)	(574,210)
Gain on bargain purchase	648,591	-
Share-based payment	(509,231)	(678,975)
Impairment loss on trade receivables	(60,689)	-
Reversal of impairment losses on trade receivables	158,723	-
Impairment loss on other receivables	-	(240,638)
Waiver of amount due to other payables	21,957	15,544
	(5,513,771)	(8,767,423)

Major customers

Major customers' information are revenue from transactions with a single external customer amount to ten percent ("10%") or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

The following are major customer with revenue equal or more than 10% of the Group's total revenue arising from:

	Revenue 2019 RM	Revenue 2018 RM
Group		
- Customer A	59,027,467	58,470,765
- Customer B	175,684,417	-
- Customer C	56,523,158	-

41. Financial Instruments

(a) Classification of financial instruments

The table below provides an analysis of financial instruments as at 31 May 2019 categorised as follows:

Group 2019	At Amortised Cost RM
Financial Assets	
Trade receivables	206,398,578
Other receivables	97,419,629
Amount due from associate companies	151,888
Other investments	2,272
Fixed deposits with licensed banks	18,462,446
Cash and bank balances	11,512,025
Total financial assets	333,946,838
Financial Liabilities	
Trade payables	188,557,245
Other payables	52,410,851
Amount due to Directors	217,211
Amount due to a joint venture company	17,943,564
Bank borrowings	52,425,719
Finance lease liabilities	1,105,670
ICULS	3,774
Total financial liabilities	312,664,034

Company 2019	At Amortised Cost RM
Financial Assets	
Other receivables	1,030,364
Amount due from subsidiary companies	122,743,315
Other investments	2,272
Cash and bank balances	358,255
Total financial assets	124,134,206
Financial Liabilities	
Other payables	369,864
Amount due to Directors	60,874
Bank borrowings	9,581,140
ICULS	3,774
Total financial liabilities	10,015,652

41. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The table below provides an analysis of financial instruments as at 31 May 2018 categorised as follows:

	Loans and Receivables RM	Financial Liabilities Measured at Amortised Cost RM	Total RM
Group 2018			
Financial Assets			
Trade receivables	133,586,812	-	133,586,812
Other receivables	58,342,980	-	58,342,980
Amount due from associate companies	3,074,876	-	3,074,876
Other investments	10,453,581	-	10,453,581
Fixed deposits with licensed banks	20,148,772	-	20,148,772
Cash and bank balances	21,785,535	-	21,785,535
Total financial assets	247,392,556	-	247,392,556
Financial Liabilities			
Trade payables	-	116,368,294	116,368,294
Other payables	-	55,355,084	55,355,084
Amount due to Directors	-	86,199	86,199
Bank borrowings	-	13,466,400	13,466,400
Finance lease liabilities	-	822,601	822,601
ICULS	-	5,062	5,062
Total financial liabilities	-	186,103,640	186,103,640
Company 2018			
Financial Assets			
Other receivables	2,447,470	-	2,447,470
Amount due from subsidiary companies	81,000,987	-	81,000,987
Other investments	10,453,581	-	10,453,581
Cash and bank balances	2,342,903	-	2,342,903
Total financial assets	96,244,941	-	96,244,941
Financial Liabilities			
Other payables	-	259,300	259,300
Amount due to Directors	-	86,199	86,199
Finance lease liabilities	-	24,750	24,750
ICULS	-	5,062	5,062
Total financial liabilities	-	375,311	375,311

41. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and market risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from recoverable, loans and advances to subsidiary companies and associate companies, deposits with licensed banks, and financial guarantee given to banks for credit facilities granted to related companies and third parties. There are no significant changes as compared to prior periods.

Contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via Group's management reporting procedures and action will be taken for stagnant contract assets.

At each reporting date, Group assesses whether any of the contract assets are credit impaired.

The gross amounts of credit impaired contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Concentration of credit risk

As at the end of the financial year, the Group has 2 (2018: 3) major contract customers owing RM55,709,702 (2018 RM47,713,563) and accounted for approximately 30% (2018: 45%) of the total contract assets.

Recognition and measurement of impairment loss

As there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. All these customers have low risk of default because there is no history of default from these customers. The Company is of the view that loss allowance is not material and hence, it is not provided for.

The aged analysis of contract assets of the Group as at the end of the reporting period:

	Gross trade receivables RM	Allowance for impairment RM	Net balance RM
2019			
Group			
- Less than 30 days	84,348,760	-	84,348,760
- 31 to 60 days	23,505,263	-	23,505,263
- More than 60 days	80,223,231	-	80,223,231
	188,077,254	-	188,077,254

41. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Group's management reporting procedures and action will be taken for long overdue debts. Majority of the trade receivables are from construction activity.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statements of financial position.

The Group receives collaterals in the form of properties from certain trade receivables in which the Company is permitted to sell the collateral in the absence of default. There are no specific terms and conditions to use the collaterals.

Concentration of credit risk

As at the end of the financial year, the Group has 2 (2018: 5) major customers owing to RM94,613,356 (2018: RM87,600,501) and accounted for approximately 46% (2018: 66%) of the trade receivables outstanding.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within the credit terms. The Group's debt recovery process is that when invoices which are exceeded credit terms, the Company will start to initiate a structured debt recovery process which is monitored by sales team.

The Group uses an allowance matrix to measure ECLs for trade receivables for all segments. Consistent with the debt recovery process, invoices which are exceeded credit terms will be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past three years. Nevertheless, the Group believes that the forward-looking factors are immaterial for the purpose of calculation impairment for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 May 2019.

	Gross amount RM	Loss allowance RM	Net amount RM
2019			
Group			
Current	37,519,671	243,621	37,276,050
Past due not impaired			
- Less than 30 days	27,315,955	219,317	27,096,638
- 31 to 60 days	28,742,976	408,314	28,334,662
- 61 to 90 days	39,236,591	731,468	38,505,123
- More than 90 days	75,957,372	771,267	75,186,105
	171,252,894	2,130,366	169,122,528
	208,772,565	2,373,987	206,398,578

41. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movement in the allowance for impairment losses in respect of trade receivables of the Group during the financial year are as follows:

	Lifetime ECL RM
Group	
At 1 June 2018, as previously stated	-
Effect of adopting of MFRS 9	2,472,021
At 1 June 2018, as restated	2,472,021
Impairment loss recognised	60,689
Impairment loss reversed	(158,723)
At 31 May 2019	2,373,987

Comparative information under MFRS 139, Financial Instruments: Recognition and Measurement

The aging of trade receivables as at 31 May 2018 was as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
2018			
Group			
Current	26,784,861	-	26,784,861
Past due not impaired			
- Less than 30 days	13,889,928	-	13,889,928
- 31 to 60 days	8,218,845	-	8,218,845
- 61 to 90 days	76,413,025	-	76,413,025
- More than 90 days	8,280,153	-	8,280,153
	106,801,951	-	106,801,951
	133,586,812	-	133,586,812

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held with banks and financial institutions. The Group and the Company have a credit policy in place to control credit risk by deposits with banks and financial institutions with good credit rating.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These banks and financial institutions have low credit risks. Consequently, the Group and the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables and deposits are mainly arising from deposits paid for tendering projects. These deposits will be refunded upon unsuccessful in tendering the projects. The Group and the Company manage the credit risk on an ongoing basis via Group and the Company's management reporting procedures and action will be taken for long outstanding debts.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

As there are only a few debtors, the Group and the Company assessed the risk of each debtor individually based on their past trend of payments. All these debtors have low risk of default except as disclosed below, because there is minimal history of default. The Group and the Company are of the view that loss allowance is not material and hence, it is not provided for in current financial year.

The movement in the allowance for impairment losses in respect of other receivables of the Group and of the Company during the financial year are as follows:

	Credit Impaired RM
Group	
At 1 June 2018	881,575
Written off	(291,100)
At 31 May 2019	590,475
Company	
At 1 June 2018 and 31 May 2019	590,475

The movement in the allowance for impairment losses in respect of other receivables of the Group and of the Company in previous financial year are as follows:

	Credit Impaired RM
Group	
At 1 June 2017	640,937
Impairment loss recognised	240,638
At 31 May 2018	881,575
Company	
At 1 June 2017	349,837
Impairment loss recognised	240,638
At 31 May 2018	590,475

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to subsidiary companies and associate companies. The Group and the Company monitor the ability of the subsidiary companies and associate companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

41. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiary companies and associate companies has low credit risk because there is no indicates that any going concern from subsidiary companies and associate companies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provides unsecured financial guarantees to banks in respect of banking facilities granted to related companies and third parties. The Group and the Company monitors the ability of the related companies and related parties to service its loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk for the financial guarantees of the Group and the Company as disclosed in Note 43 to the financial statements.

Recognition and measurement of impairment loss

There is no history of default from third parties, subsidiary company and companies in which certain Directors of the Company have substantial financial interests, and there are no indicates that any going concern from them. The Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

41. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Carrying amount RM
Group						
2019						
Financial liabilities						
Trade payables	188,557,245	-	-	-	188,557,245	188,557,245
Other payables	52,410,851	-	-	-	52,410,851	52,410,851
Amount due to Directors	217,211	-	-	-	217,211	217,211
Amount due to a joint venture company	17,943,564	-	-	-	17,943,564	17,943,564
ICULS	3,774	-	-	-	3,774	3,774
Finance lease liabilites	613,905	286,762	283,805	-	1,184,472	1,105,670
Bank borrowings	21,809,497	7,255,884	21,495,672	12,050,818	62,611,871	52,425,719
Financial guarantee (Note 43)*	122,801,431	-	-	-	122,801,431	122,801,431
	404,357,478	7,542,646	21,779,477	12,050,818	445,730,419	435,465,465
2018						
Financial liabilities						
Trade payables	116,368,294	-	-	-	116,368,294	116,368,294
Other payables	55,355,084	-	-	-	55,355,084	55,355,084
Amount due to Directors	86,199	-	-	-	86,199	86,199
ICULS	5,062	-	-	-	5,062	5,062
Finance lease liabilites	530,868	334,031	2,338	-	867,237	822,601
Bank borrowings	10,192,218	271,980	543,940	4,401,733	15,409,871	13,466,400
Financial guarantee (Note 43)*	109,395,121	-	-	-	109,395,121	109,395,121
	291,932,846	606,011	546,278	4,401,733	297,486,868	295,498,761
Company						
2019						
Financial liabilities						
Other payables	369,864	-	-	-	369,864	369,864
Amount due to Directors	60,874	-	-	-	60,874	60,874
ICULS	3,774	-	-	-	3,774	3,774
Bank borrowings	2,706,082	729,444	2,188,332	6,865,718	12,489,576	9,581,140
Financial guarantee (Note 43)*	34,649,068	-	-	-	34,649,068	34,649,068
	37,789,662	729,444	2,188,332	6,865,718	47,573,156	44,664,720
2018						
Financial liabilities						
Other payables	259,300	-	-	-	259,300	259,300
Amount due to Directors	86,199	-	-	-	86,199	86,199
ICULS	5,062	-	-	-	5,062	5,062
Finance lease liabilites	26,987	-	-	-	26,987	24,750
	377,548	-	-	-	377,548	375,311

** Based on the maximum amount that can be called for under the financial guarantee contract.*

41. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Group and the Company does not have foreign currency dominated financial assets and financial liabilities at the end of the reporting period.

(b) Interest rate risk

The Group and the Company's investments in fixed rate deposits with licensed banks and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short- and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	2019 RM	2018 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	18,462,446	20,148,772
Financial liability		
Finance lease liabilities	1,105,670	822,601
Floating rate instrument		
Financial liability		
Bank borrowings	52,425,719	13,466,400
Company		
Fixed rate instrument		
Financial liability		
Finance lease liabilities	-	24,750
Floating rate instrument		
Financial liability		
Bank borrowings	9,581,140	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change of 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company's profit/(loss) before tax by RM524,257 (2018: RM134,664) and RM95,811 (2018: RMNil) respectively, arising mainly as a result of lower/higher interest expenses on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

41. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(c) Fair values information

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value Level 2 RM	Carrying amount RM
Group		
2019		
Financial Liability		
Finance lease liabilities	547,814	530,928
2018		
Financial Liability		
Finance lease liabilities	327,580	322,780

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

42. Capital Commitments

	Group	
	2019 RM	2018 RM
Capital expenditure		
Approved and contracted for:		
- Capital work-in-progress	107,000	107,000

43. Financial Guarantee

	Group	
	2019 RM	2018 RM
Corporate guarantee given by a subsidiary company to financial institutions for banking facilities granted to:		
- Third parties in relation to construction contracts	69,586,452	31,831,841
- An associate company	-	25,765,740
- A company in which certain Directors of the Company have substantial financial interests	4,285,534	4,483,195
	73,871,986	62,080,776
Performance guarantee extended to third parties in respect of contracts entered into by a subsidiary company	48,929,445	47,314,345
	122,801,431	109,395,121

	Company	
	2019 RM	2018 RM
Corporate guarantee given to a subsidiary company to financial institutions for banking facilities	34,649,068	-

The Group and the Company provides unsecured financial guarantee to financial institution in respect of banking facilities granted to the above parties and monitors on an on-going basis of their financial performance.

Financial guarantee have not been recognised since the fair value on limited recognition was deemed not material and the probability of default is remote.

44. Capital Management

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Total loan and borrowings	53,531,389	14,289,001	9,581,140	24,750
Less: Fixed deposits with licensed banks	(18,462,446)	(20,148,772)	-	-
Less: Other investment and cash and bank balances	(11,514,297)	(32,239,116)	(360,527)	(12,796,484)
Net debts	23,554,646	(38,098,887)	9,220,613	(12,771,734)
Total equity	521,593,478	427,505,661	425,120,041	397,347,729
Gearing ratio (times)	0.05	#	0.02	#

Gearing ratio not applicable as the cash and cash equivalent of the Group and of the Company are sufficient to settle the outstanding debt.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

45. Subsequent Event

On 10 April 2019, Vizione Development Sdn. Bhd. ("VDSB"), a wholly-owned subsidiary company of the Company, had entered into the Sale of Shares Agreement ("SSA") with Wong Nyok Fa and Wong Kee Wee for the acquisition of 250,000 ordinary shares, representing 100% equity interest in Pembinaan Angkasa Permai Sdn. Bhd. ("PAPSB") for a total cash consideration of RM7,000,000. Upon fulfillment of the condition precedents pertaining to the above agreement, PAPSB becoming a wholly-owned subsidiary company of VDSB. This transaction is expecting to be completed during the financial year ending 31 May 2020.

46. Comparative Figures

The Company completed the acquisition of Wira Syukur (M) Sdn. Bhd. ("WSSB") in previous financial year, and as of the date of acquisition, the goodwill was accounted for on a provisional basis. On 28 September 2018, the Company completed the purchase price allocation and retrospectively adjusted the provision amounts recognised at the acquisition date to reflect the new information obtained about facts and circumstances that existed as of the acquisition date.

In preparing the opening statements of financial position at 1 June 2018, the Company has adjusted amounts reported previously in financial statements. The financial impacts on the adjustments are as below:

Reconciliation statements of financial position (Extract):

	As previously stated RM	Prior year adjustments RM	As restated RM
Group			
2018			
Non Current Asset			
Intangible assets	251,647,626	(3,667,384)	247,980,242
Equity			
Retained earnings	(9,206,524)	5,519,231	(3,687,293)
Non-current liability			
Deferred tax liabilties	(324,058)	(1,851,847)	(2,175,905)

Reconciliation statements of profit or loss and other comprehensive income (Extract):

	As previously stated RM	Prior year adjustments RM	As restated RM
Group			
2018			
Administrative expenses	(11,213,070)	(7,262,146)	(18,475,216)
Taxation	(9,770,793)	1,742,915	(8,027,878)

Reconciliation statements of cash flows (Extract):

	As previously stated RM	Prior year adjustments RM	As restated RM
Group			
2018			
Profit before taxation	35,952,779	(7,262,146)	28,690,633
Amortisation of intangible assets	-	7,262,146	7,262,146

46. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 May 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 6 September 2019.

LIST OF PROPERTIES

Location and address	Brief descripton and existng use	Area Building/ Land (sq meters)	Tenure and Year of Expiry	Approximate Age of Building (Years)	Net Book Value as at 31/5/2019 (RM'000)	Date of Valuation
GM 6135 Lot No. PT922, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 922, Sg Tarum, Bandar Kuah, Langkawi, Kedah	Residential	200	Freehold	-	#	25.7.2019
GM 6136 Lot No. PT923, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 923, Sg Tarum, Bandar Kuah, Langkawi, Kedah	Residential	190	Freehold	-	#	25.7.2019
GM 6137 Lot No. PT924, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 924, Sg Tarum, Bandar Kuah, Langkawi, Kedah	Residential	180	Freehold	-	#	25.7.2019
GM 6138 Lot No. PT925, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 925, Sg Tarum, Bandar Kuah, Langkawi, Kedah	Residential	170	Freehold	-	#	25.7.2019
GM 6139 Lot No. PT926, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 926, Sg Tarum, Bandar Kuah, Langkawi, Kedah	Residential	160	Freehold	-	#	25.7.2019
GM 6140 Lot No. PT927, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 927, Sg Tarum, Bandar Kuah, Langkawi, Kedah	Residential	212	Freehold	-	#	25.7.2019
GM 6163 Lot No. PT950, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 950, Sg Tarum, Bandar Kuah, Langkawi, Kedah	Residential	259	Freehold	-	#	25.7.2019
GM 6164 Lot No. PT951, Mukim Bandar Kuah, Daerah Langkawi, Kedah **Land address:** Lot PT 951, Sg Tarom, Bandar Kuah, Langkawi, Kedah	Residential	355	Freehold	-	#	25.7.2019
Unit 2A & 2B, Menara M101 Dang Wangi, No 3, Jalan Kamunting, 50300 Kuala Lumpur	Commercial	164	Freehold	2	4,300	15.4.2019
EW3-06-13, No 13, Jalan SE06, Sunway Eastwood, Taman Equine 43300 Seri Kembangan	Residential	193	Leasehold (Expire: 2112)	3	1,241	-
Level 22, PJX -HM Shah Tower, No. 16 A, Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia.	Office Suite	13,353	Leasehold (Expire: 2105)	9	9,435	-

 # These properties have an aggregate net book value of RM800,000.

SHAREHOLDINGS STATISTICS

ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2019

Issued and Fully Paid-up Capital	: 562,286,640 ordinary shares
Class of Shares	: Ordinary shares
Voting Rights	: One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
719	Less than 100	31,114	0.01
1,216	100 to 1,000	484,512	0.09
2,534	1,001 to 10,000	11,752,456	2.09
1,362	10,001 to 100,000	40,680,016	7.23
260	100,001 to less than 5% of issued shares	424,300,406	75.46
2	5% and above of the issued shares	85,038,136	15.12
6,093	TOTAL	562,286,640	100.00

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

Name of Shareholders	No. of Shares Held	Percentage (%)
1. Kenanga Capital Sdn Bhd Pledged Securities Account for Ng Aun Hooi	50,600,000	9.00
2. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Aun Hooi	34,438,136	6.12
3. HSBC Nominees (Tempatan) Sdn Bhd Exempt An for BNP Paribas Singapore Branch (Local)	23,231,558	4.13
4. MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Aun Hooi (MGN-NAH0008M)	21,000,000	3.73
5. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for Aia Bhd.	19,704,052	3.50
6. Cartaban Nominees (Tempatan) Sdn Bhd Exempt An for Standard Chartered Bank Singapore Branch (BJSSHKBR-CL O L)	17,421,603	3.10
7. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Aun Hooi	17,402,275	3.09
8. Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An for Phillip Capital Management Sdn Bhd (EPF)	14,450,650	2.57
9. Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An for Phillip Capital Management Sdn Bhd	12,084,374	2.15
10. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 14)	11,845,700	2.11
11. Cartaban Nominees (Tempatan) Sdn Bhd Exempt An for Standard Chartered Bank Singapore (EFGBHK - TEMPATAN)	11,614,402	2.07

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

Name of Shareholders	No. of Shares Held	Percentage (%)
12. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Ngia Meng (E-KKU)	10,474,214	1.86
13. Bee Jian Ming	10,302,781	1.83
14. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LBF)	10,000,000	1.78
15. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	9,332,000	1.66
16. Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Growth)	8,864,514	1.58
17. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Ng Aun Hooi (SMART)	8,737,183	1.55
18. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sinwira Sdn Bhd	7,732,100	1.38
19. Maybank Investment Bank Berhad IVT (10)	7,641,200	1.36
20. Hsu, Ching-Fu	7,251,057	1.29
21. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Aun Hooi (7003989)	7,132,114	1.27
22. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited (Foreign)	6,245,142	1.11
23. Kenanga Nominees (Tempatan) Sdn Bhd Woo Yi Xuan	5,944,342	1.06
24. Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Balance)	5,893,242	1.05
25. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for Kenanga Investors Bhd (Account 6)	5,807,201	1.03
26. Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Dana Ekt Prima)	5,762,400	1.02
27. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Warisan Sanjungan Sdn Bhd	5,520,940	0.98
28. Goon Mong Yee	5,473,352	0.97
29. Ambank (M) Berhad Pledged Securities Account for Lim Song Kah (SMART)	5,407,214	0.96
30. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Khoon Chiang	5,382,642	0.96
TOTAL	372,696,388	66.28

LIST OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares Held			
Name of Substantial Shareholders	Direct	Percentage %	Indirect	Percentage %
1. Dato' Ng Aun Hooi	141,526,675*	25.17	218,957**	0.04
2. Bee Jian Ming	10,302,781	1.83	34,323,500***	6.11
3. Goon Mong Yee	5,473,352	0.97	18,234,549#	3.24

DIRECTORS' SHAREHOLDINGS
(AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	No. of Shares Held			
Name of Directors	Direct	Percentage %	Indirect	Percentage %
1. Dato' Mohd Zaihan bin Mohd Zain	-	-	-	-
2. Dato' Ng Aun Hooi	141,526,675*	25.17	218,957**	0.04
3. Bee Jian Ming	10,302,781	1.83	34,323,500***	6.11
4. Chan Chee Wing	-	-	-	-
5. Dato' Ir. Mohamad Shokri bin Abdullah	-	-	-	-
6. Ng Fun Kim	-	-	-	-
7. Y.M. Syed Haizam Hishamuddin Putra Jamalullail	-	-	-	-

** 52,557,959 shares out of 141,526,675 shares was held as Trustee/Stakeholder for Bee Jian Ming and Goon Mong Yee.*

*** Deemed interest by virtue of his spouse's direct shareholdings in the Company.*

**** Deemed interest by virtue the shares held by Dato' Ng as Trustee/Stakeholder for Bee Jian Ming.*

 # Deemed interest by virtue the Shares held by Dato' Ng Aun Hooi as Trustee/Stakeholder for Goon Mong Yee.

.

ANALYSIS OF ICULS HOLDINGS AS AT 30 AUGUST 2019

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

No. of ICULS holders	: 147
Exercise Price of ICULS	: RM1.33
Exercise Period of ICULS	: 9 August 2011 to 8 August 2021
No. of ICULS issuance	: 120,000,000

ICULS HOLDING DISTRIBUTION SCHEDULE

No. of ICULS Holders	Size of ICULS Holdings	No. of ICULS Held	% of ICULS
1	Less than 100	99	*
4	100 to 1,000	700	0.02
78	1,001 to 10,000	411,901	13.77
60	10,001 to 100,000	2,051,300	68.55
3	100,001 to less than 5% of ICULS	328,200	10.97
1	5% and above of the ICULS	200,000	6.68
147	TOTAL	2,992,200	100.00

** Less than 0.01%*

LIST OF 30 LARGEST ICULS HOLDERS
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

Name of ICULS Holders	No. of ICULS Held	Percentage (%)
1. Ban Hock Seng Sdn Bhd	200,000	6.68
2. Kong Ah Then	124,000	4.14
3. Jimmy Lim Thaw Chay	104,000	3.48
4. Lim Onn Lam	100,200	3.35
5. Maybank Nominees (Tempatan) Sdn Bhd Lai Choi Sang	100,000	3.34
6. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chiam Eng An (001)	100,000	3.34
7. Syarikat Rimba Timur (RT) Sdn Bhd	80,000	2.67
8. Ching Gek Lee	80,000	2.67
9. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Yoo Swae	80,000	2.67
10. Lim Onn Lam	80,000	2.67
11. Lee Kim Siong	80,000	2.67
12. Lim Pin Hoon	66,500	2.22
13. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chiam Lee Wah (001)	55,900	1.87
14. Liong Sam Kong	50,000	1.67
15. Loy Sai Hwa	50,000	1.67
16. Chiew Yung Li	50,000	1.67

LIST OF 30 LARGEST ICULS HOLDERS (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

Name of ICULS Holders	No. of ICULS Held	Percentage (%)
17. Pun Kam Po	50,000	1.67
18. Lim Chee Kheong	49,000	1.64
19. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Sau Wah (E-KLC)	48,000	1.60
20. Ng Teck Chiew	44,000	1.47
21. Ong Hock Choo	42,000	1.40
22. See Joo Liong	40,000	1.34
23. Ban Poon Chor @ Ban Pong Cho	40,000	1.34
24. Lee Seng Young	40,000	1.34
25. Neoh Siew Lian	40,000	1.34
26. Lee Kuat Chai	36,000	1.20
27. Low Kwok Thong	36,000	1.20
28. Gloria Hoh Nee Loyson	30,200	1.01
29. Maybank Nominees (Tempatan) Sdn Bhd Tok Chin Long	30,000	1.00
30. Ng Chin Soon	28,000	0.94
TOTAL	1,953,800	65.30

DIRECTORS' ICULS HOLDINGS

Name of Directors	No. of ICULS Held	Percentage (%)
1. Dato' Mohd Zaihan bin Mohd Zain	-	-
2. Dato' Ng Aun Hooi	-	-
3. Bee Jian Ming	-	-
4. Chan Chee Wing	-	-
5. Dato' Ir. Mohamad Shokri bin Abdullah	-	-
6. Ng Fun Kim	-	-
7. Y.M. Syed Haizam Hishamuddin Putra Jamalullail	-	-

ANALYSIS OF WARRANTS C HOLDINGS AS AT 30 AUGUST 2019

WARRANTS C

No. of Warrants holders	: 805
Exercise Price of Warrants	: RM0.70
Exercise Period of Warrants	: 6 February 2017 to 5 February 2022
No. of Warrants	: 41,637,190

WARRANT HOLDINGS DISTRIBUTION SCHEDULE

No. of Warrants C Holders	Size of Warrants C Holdings	No. of Warrants C Held	% of Warrants C
103	Less than 100	4,677	0.01
100	100 to 1,000	44,105	0.11
258	1,001 to 10,000	1,354,261	3.25
269	10,001 to 100,000	9,684,592	23.26
72	100,001 to less than 5% of warrants	23,745,728	57.03
3	5% and above of the warrants	6,803,827	16.34
805	TOTAL	41,637,190	100.00

LIST OF 30 LARGEST WARRANTS C HOLDERS
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

Name of Warrants C Holders	No. of Warrants C Holder Held	Percentage (%)
1. Citigroup Nominee (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited (Foreign)	2,341,428	5.62
2. Kenanga Nominees (Tempatan) Sdn Bhd Woo Yi Xuan	2,256,685	5.42
3. Eng Ging Kiat	2,205,714	5.30
4. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Seaw Wei Tat (7000246)	1,300,000	3.12
5. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Ng Aun Hooi (SMART)	1,171,571	2.81
6. Ho Teik Piew	1,094,500	2.63
7. Seow Khim Soon	1,078,100	2.59
8. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LBF)	907,671	2.18
9. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Aun Hooi	907,142	2.18
10. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Kuek Kuwang (CEB)	845,000	2.03
11. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Kear Huat (7003273)	814,114	1.96
12. Tan Siew Lian	740,100	1.78
13. Maybank Nominees (Tempatan) Sdn Bhd Teo Kian Yeu	665,000	1.60
14. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Teck Wah (8090542)	642,871	1.54

LIST OF 30 LARGEST WARRANTS C HOLDERS (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

Name of Warrants C Holders	No. of Warrants C Holder Held	Percentage (%)
15. HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leow Kuan Shu	579,999	1.39
16. Ong Lam Huat	564,800	1.36
17. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Siew Chan	561,700	1.35
18. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loo Seng Hock (E-PTS)	550,000	1.32
19. CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chow Yee Chin (KEBUN THE-CL)	450,142	1.08
20. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khoo Ai Lian (7004725)	408,000	0.98
21. Tan Tian Kuang	396,000	0.95
22. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Kear Huat (8089889)	380,000	0.91
23. Liong Hong Hoh	361,428	0.87
24. Tan Hwa Imm	350,000	0.84
25. Ng Keng Hong	340,000	0.82
26. Tan Choong Keat	304,714	0.73
27. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Chee Hoon (7004712)	302,000	0.73
28. Lee Choi Fok @ Lee Choon Fook	300,000	0.72
29. Heng Kear Huat	297,800	0.72
30. CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tong Lam Kong	275,500	0.66
TOTAL	23,391,979	56.18

DIRECTORS' WARRANTS C HOLDINGS

	No. of Warrants C Holder Held			
Name of Directors	Direct	Percentage %	Indirect	Percentage %
1. Dato' Mohd Zaihan bin Mohd Zain	-	-	-	-
2. Dato' Ng Aun Hooi	2,078,713	4.99	72,985*	0.18
3. Bee Jian Ming	-	-	-	-
4. Chan Chee Wing	-	-	-	-
5. Dato' Ir. Mohamad Shokri bin Abdullah	-	-	-	-
6. Ng Fun Kim	-	-	-	-
7. Y.M. Syed Haizam Hishamuddin Putra Jamalullail	-	-	-	-

** Deemed interest by his spouse's direct Warrant C holdings in the Company*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First ("21st") Annual General Meeting ("AGM") of **Vizione Holdings Berhad** ("Vizione" or the "Company") will be 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 Tuesday, 29 October 2019 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 May 2019 together with the Reports of the Directors and Auditors thereon. **(See Explanatory Note 9)**

2. To approve the payment of Directors' fees of RM172,000.00 for the financial year ended 31 May 2019 ("FY2019"). **(Ordinary Resolution 1)**

3. To re-elect Dato' Mohd Zaihan bin Mohd Zain who retires pursuant to Article 79 of the Company's Constitution. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who are retiring under Article 80 of the Company's Constitution:-

   (i) Dato' Ir. Mohamad Shokri bin Abdullah **(Ordinary Resolution 3)**
   (ii) Mr Chan Chee Wing **(Ordinary Resolution 4)**

5. To re-appoint Messrs UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions and Special Resolution:

6. **PAYMENT OF DIRECTORS' BENEFITS FOR THE NON-EXECUTIVE DIRECTORS** **(Ordinary Resolution 6)** **(See Explanatory Note 10)**

   THAT approval be and is hereby given for the payment of Directors' Benefits comprised of Meeting Allowance to the Non-Executive Directors of the Company amounting to RM24,700.00 for the FY2019.

7. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("CA 2016")** **(Ordinary Resolution 7)** **(See Explanatory Note 11)**

   "**THAT** pursuant to Sections 75 and 76 of the CA 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company and the Directors be and are also empowered to obtain approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next AGM of the Company."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **(Ordinary Resolution 8)** **(See Explanatory Note 12)**

   "**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and/or its subsidiary companies ("Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature as set out in Section 3.3 of the circular to shareholders of the Company dated 30 September 2019 provided such transactions are:-

   (a) necessary for the day-to-day operations;

   (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and

   (c) not detrimental to the minority shareholders of the Company,

   AND THAT the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in force and effect until:-

   (a) the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;

   (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the CA 2016 but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016; or

   (c) revoked or varied by resolution passed by the shareholders in a general meeting,

   whichever is earlier;

   AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the shareholders' mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."

9. **PROPOSED SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES ("PROPOSED SHARE BUY-BACK AUTHORITY")** **(Ordinary Resolution 9)** **(See Explanatory Note 13)**

"**THAT** subject to the CA 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approval of such relevant governmental and/or regulatory authorities, the Board of Directors of the Company ("Board") be and is hereby unconditionally and generally authorised, to the extent permitted by law, to purchase such number of ordinary shares of Vizione on the Main Market of Bursa Securities ("Proposed Share Buy-Back") at any time through Bursa Securities, upon such terms and conditions as the Board shall in their discretion deem fit and expedient in the best interest of the Company provided that:

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time; and

(b) the maximum amount of funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase by the Company of its own ordinary shares.

THAT upon the purchase by the Company of the ordinary shares, the Board shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the Main Market of Bursa Securities or transferred for the purpose of or under the Vizione Executives' Share Scheme and any other employees' share scheme which the Company may establish or any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the requirements of the Listing Requirements and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution will commence immediately upon the passing of this resolution and may only continue to be in force until:

(a) the conclusion of the next AGM of the Company, at which time the authority will lapse unless by ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting

whichever is the earliest but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the Listing Requirements and/or any other authorities.

AND THAT authority be and is hereby unconditionally and generally given to the Board to take all such steps that are necessary and expedient (including without limitation, the opening and maintaining of central depository accounts under the Securities Industry (Central Depositories) Act 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter on any part of the shares bought-back in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/or regulatory authorities."

10. **SPECIAL RESOLUTION** **(Special Resolution 1)**
PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY **(See Explanatory Note 14)**

"**THAT** approval be and is hereby given to revoke the existing Constitution of the Company within immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix I accompanying the Company's Annual Report for the FY 2019, be and is hereby adopted as the Constitution of the Company, **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

11. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

BY ORDER OF THE BOARD
VIZIONE HOLDINGS BERHAD

LEE WEE HEE (MAICSA 0773340)
WONG YUET CHYN (MAICSA 7047163)
Company Secretaries
Kuala Lumpur
30 September 2019

Notes:

1. *A member shall be entitled to be present and to vote at any general meeting of the Company, or at a meeting of any class of the members of the Company on any question either personally or by proxy.*
2. *Pursuant to Section 334 of the CA 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.*
3. *A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation under its common seal, or the hand of its attorney.*
6. *An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer. The instrument appointing a proxy shall be left at the registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof.*
7. *In respect of deposited securities, only members whose name appear in the Record of Depositors on 21 October 2019 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.*
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the ordinary resolutions set out above will be put to vote by way of poll.*

Explanatory Notes on Ordinary Business

9. **Item 1 of the Agenda**

The audited financial statements are laid in accordance with Section 340(1) (a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

10. **Payment of Directors' Benefits for the Non-Executive Directors**

The Directors' Benefits comprise of meeting allowance payable to each Non-Executive Director, where applicable, for their attendance of Board and Committee meetings during the FY 2019.

11. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the CA 2016**

The proposed Ordinary Resolution 7, is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The Ordinary Resolution 7, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion for such purposes as the Directors would consider is in the best interest of the Company. The authorisation, unless revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next AGM of the Company.

A private placement of 155,300,000 new Vizione Shares at the issue price of RM0.14 per placement share had been completed on 3 April 2018, which raised a total of approximately RM21.74 million.

On 4 October 2018, the private placement had been completed following the listing and quotation of the 2nd tranche of 214,396,782 new ordinary shares on the Main Market of Bursa Securities.

A total of 369,696,782 Vizione Shares under the Private Placement have been fully issued and the Company had raised a total of RM 51,757,549.48 from the Private Placement.

The utilization of proceeds from the above private placement is as follows:-

Details of Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)
Construction projects expenditure	50,558	50,558	-
Expenses in relation to the Corporate Exercise	1,200	1,200	-
Total	51,758	51,758	-

The General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to, further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions.

12. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

The proposed Ordinary Resolution 8, if passed, will authorise the Company and/or its subsidiary companies to enter into Recurrent Related Party Transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company. Please refer to the Circular to Shareholders dated 30 September 2019, which is despatched together with the Company's Annual Report 2019, for more information.

13. **Proposed Share Buy-Back Authority**

The proposed Ordinary Resolution 9, if passed, will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's issued and paid-up share capital at any point of time, by utilizing the funds allocated which shall not exceed the total retained profits and/or share premium of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier. Please refer to the Circular to Shareholders dated 30 September 2019, which is despatched together with the Company's Annual Report 2019, for more information.

14. **Proposed Adoption of the New Constitution of the Company**

The Special Resolution 1, if passed, will bring the Company's Constitution in line with the CA 2016 which came into force on 31 January 2017, the updated provisions of the Main Market Listing Requirements and the prevailing statutory and regulatory requirements, details of which are set out in Appendix I accompanying the Company's Annual Return 2019. Pursuant to Section 36 of the CA 2016, the proposed adoption of the new Constitution of the Company, if passed as a Special Resolution by a majority of not less than 75% of the members who are entitled to vote, and do vote in person or by proxy, shall take immediate effect and it shall bind the Company and the members accordingly.

VIZIONE HOLDINGS BERHAD (442371-A) **FORM OF PROXY**

CDS Account No.	- -
No. of Shares Held	

I/We ______________________________________
(FULL NAME IN BLOCK LETTERS)

(NRIC No/Company Registration No./Passport No. ______________________________

of ______________________________________)
(FULL ADDRESS)

being a member/members of **VIZIONE HOLDINGS BERHAD**, hereby appoint

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholdings to be Represented**
Address		

and/or failing him/her

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholdings to be Represented**
Address		

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Company to be 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 Tuesday, 29 October 2019 at 10.00 a.m., or at any adjournment thereof.

ORDINARY RESOLUTIONS	**FOR**	**AGAINST**
1. Payment of Directors' fees for the financial year ended 31 May 2019		
2. Re-election of Dato' Mohd Zaihan bin Mohd Zain		
3. Re-election of Dato' Ir. Mohamad Shokri bin Abdullah		
4. Re-election of Mr Chan Chee Wing		
5. Re-appointment of Auditors		
6. Payment of Directors' Benefits for the Non-Executive Directors		
7. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016")		
8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		
9. Proposed Share Buy-Back Authority		
SPECIAL RESOLUTION		
1. Proposed Adoption of New Constitution of the Company		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this ____________ day of ______________, 2019.

____
Signature(s) of member(s)

Notes:-

1. *A member shall be entitled to be present and to vote at any general meeting of the Company, or at a meeting of any class of the members of the Company on any question either personally or by proxy.*
2. *Pursuant to Section 334 of the CA 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.*
3. *A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation under its common seal, or the hand of its attorney.*
6. *An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer. The instrument appointing a proxy shall be left at the registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof.*
7. *In respect of deposited securities, only members whose name appear in the Record of Depositors on 21 October 2019 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.*
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the ordinary resolutions set out above will be put to vote by way of poll.*

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Stamp

The Company Secretaries
Vizione Holdings Berhad (442371-A)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Fold this flap for sealing