



Minutes of the **Extraordinary General Meeting (EGM)** of **VIZIONE HOLDINGS BERHAD** (Vizione or the Company) held at Crown Hall 3, Level 4, Crystal Crown Hotel, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 15 April 2025** at **2.30 p.m.**

DIRECTORS' PRESENT : Dato' Jasmy bin Ismail – *Independent Non-Executive Chairman*
Dato' Ng Aun Hooi – *Managing Director*
Mr. Bee Jian Ming – *Executive Director*
Mr. Chong Yee Hing (CYH) – *Executive Director cum Chief Financial Officer*
Mr. Leow Wey Seng – *Independent Non-Executive Director*
Mr. Ling Chi Hoong – *Independent Non-Executive Director*
Ms. Tan Li Peng – *Non-Independent Non-Executive Director (via video conference)*

MEMBERS PRESENT : As per attendance list

BY INVITATION : Guests as per attendance list

IN ATTENDANCE : Ms. Wong Yuet Chyn – Company Secretary

NOTICE

Dato' Chairman welcomed the shareholders, proxies, corporate representatives and guests to the EGM of the Company. Dato' Chairman then took the Chair and called the Meeting to order at 2.30 p.m. Dato' Chairman then proceeded to introduce the members of the Board of Directors (Board), the Company Secretary, representatives from TA Securities Holdings Berhad (Principal Advisers) and representatives from Messrs. Kenny Tan & Co (Solicitors).

Dato' Chairman informed that as at 2.30 p.m., there were 23 members present in person or by proxy. As informed by the Company Secretary that there being a quorum present, Dato' Chairman declared the Meeting duly convened.

Dato' Chairman notified that the Notice convening the EGM had been sent to all the shareholders of the Company and the said Notice was advertised in the New Straits Times on 21 March 2025 in accordance with the Company's Constitution. He proposed and the Meeting consented that the Notice be taken as read.

Dato' Chairman informed that in compliance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), all the resolutions as set out in the Notice will be voted by poll. For this purpose, Dato' Chairman has exercised his right as Dato' Chairman of the Meeting to demand for a poll in accordance with Clause 92 of the Company's Constitution in respect of all the resolutions which would be put to voting at this EGM.

The Share Registrar, Prosec Share Registration Sdn. Bhd., had been appointed as the Poll Administrator to conduct the polling process and Symphony Corporate Services Sdn. Bhd., the Independent Scrutineer be appointed to verify the poll results..

Dato' Chairman informed that the Board will deal with the shareholders' questions after the deliberations of all the agenda.

Dato' Chairman further informed that the Minority Shareholders Watch Group (MSWG) had vide its letter dated 8 April 2025 addressed to the Board sought information and clarification on the Proposed Reduction of the issued share capital of Vizione pursuant to Section 117 of the Companies Act 2016 (Act) (Proposed Share Capital Reduction). For the information of the Shareholders, the MSWG's questions and the responses from the Management were presented as follows:

Question 1(a)

The Company reported significant losses for the six-month period ended 30 November 2024, resulting in a substantial deterioration from retained earnings of RM16.3 million as of 31 May 2024 to accumulated losses of RM520.6 million as of 30 November 2024.

The Company explained that it has recognised impairments related to investments and advances in the affected subsidiaries due to the extended construction timelines for several on-going projects, which resulted in additional operating costs. (Page 2 of Circular)

Kindly provide a detailed breakdown of the impairments recognised, including the names of the affected subsidiaries, the amount of impairment recorded for each subsidiary and the specific construction projects that contributed to these impairments.

Answer 1(a)

The impairment includes:

1. Provision for Impairment of Investments in Subsidiaries

The Group has invested RM383 million in its subsidiaries, of which RM280 million in Vizione Builder Sdn. Bhd. (VBSB), RM45.9 million in Vizione Construction Sdn. Bhd. (VCSB), RM15.65 million in VIP Index Sdn. Bhd. (VIP) and the remaining is spread across other subsidiaries.

The impairments are driven by the financial distress faced by some subsidiaries due to factors such as project delays, long-outstanding receivables, and unprofitable investments.

VBSB has encountered financial difficulties, including a lack of new contracts and long-outstanding receivables, particularly related to Gombak and Semenyih project, which have caused a reduction in the recoverability of investments.

VCSB has been dormant due to the lack of new secured projects, while VIP has disposed of its investment in the glove industry to avoid further losses.

2. Provision for Advances to Subsidiaries

The Group has extended a total of RM296 million in advances to subsidiaries, with RM268 million allocated to VBSB. A portion of these advances are being impaired due to ongoing financial difficulties.

Recognising these impairments ensures that the Company's financial statements reflect a more conservative and realistic valuation of its assets. This approach supports responsible financial reporting by providing a clearer picture of the Company's financial exposure.

The breakdown of the impairments recognised is as follows:

No.	Name of Subsidiaries	Amount (RM' millions)	Remarks
1.	VBSB	484.35	a. Long outstanding receivables including Gombak and Semenyih projects of RM118 million b. Extended project timelines – Langkawi, Midlands City and Bandar Rahman Putra. c. Delay in commencement of new project – Midlands project and Selayang project
2.	VCSB	20.00	No new project secured
3.	VIP	15.65	Disposal of the investment in SSN Medical Products Sdn. Bhd.
Total		520.00	

Question 1(b)(i)

With respect to the ongoing construction projects impacted by these impairments:

- (i) What is the current progress of each project?

Answer 1(b)(i)

The current progress of each project is as follows:

- Langkawi Projects - Overall project completion stood at 60.92% as of the end of February 2025.
- PERKESO Projects - Overall project completion stood at 87.77% as of the end of February 2025.
- Gombak Project - Temporary suspended, pending project revival
- Semenyih Project - Temporary suspended, pending further instructions from the developer.

Question 1(b)(ii)

What are the key factors contributing to the delays in completion?

Answer 1(b)(ii)

The delays in project completion are primarily attributed to the following factors:

- Langkawi Projects - The client's financier restructured its loan, causing delays in payment to VBSB. The project was initially terminated in November 2024 due to overdue payments, but the termination was revoked in December 2024 after the client agreed to settle outstanding dues and extended the completion deadline to 30 September 2025.
- Gombak & Semenyih Project - The client's ultimate shareholder, Paragrene Land Berhad and its Group faced financial difficulties after failing to execute an IPO program, leading to long-outstanding overdue payments and eventual suspension of the project by VBSB

Additionally, the Group has faced post-pandemic challenges, including increased material and staff costs, labour shortages & etc, all of which have compounded delays and cost overruns.

Question 1(b)(iii)

What are the latest projected completion timelines for these projects?

Answer 1(b)(iii)

The latest projected completion timeliness for these projects are:

- Langkawi Projects - EOT until 30 September 2025
- PERKESO Projects - EOT until 30 September 2025
- Gombak Project - 21 months from the commencement of the project revival, which is expected to kick-off upon the Developer secured its financing
- Semenyih Project - Pending further instruction from the Developer

Question 1(b)(iv)

What mitigating strategies has the Board put in place to address cost overruns and minimise further financial impact on the Group?

Answer 1(b)(iv)

The Board has implemented several key strategies to address cost overruns and minimise further financial impact on the Group, including:

1. **Cost Rationalisation:** Ongoing review and optimisation of project budgets and expenditures to identify areas for cost savings without compromising quality or timelines.
2. **Contractual Restructuring:** Engaging with key stakeholders, including developers and subcontractors, to renegotiate contract terms where necessary to better align with current project realities.

3. **Tighter Project Monitoring:** Strengthening project management oversight with enhanced progress tracking and reporting mechanisms to ensure timely detection of issues and corrective action.
4. **Cash Flow Management:** Implementing stricter controls on cash flow, including prioritisation of high-impact projects and close monitoring of receivables and payables.
5. **Strategic Partnerships:** Exploring joint ventures and strategic collaborations to share project risks and capital requirements.
6. **Claims and Variation Order Management:** Actively pursuing legitimate claims and variation orders to recover additional costs incurred due to scope changes or project disruptions.

Dato' Chairman then proceeded to the Agenda for the Meeting.

1. PROPOSED SHARE CAPITAL REDUCTION

Special Resolution on the Proposed Share Capital Reduction.

Dato' Chairman then proceed to the agenda of the Meeting.

Dato' Chairman then proceeded with the Question and Answer session for the Board and Management of the Company (Management) to deal with the questions from the shareholders.

The following questions was raised by shareholders and the responses made by the Board and Management:

1. Shareholder

Question:

What is the main reason for the Proposed Share Capital Reduction - specifically, is it to avoid the Company falling under Practice Note 17 (PN17) of the Main Market Listing Requirements (MMLR) of Bursa Securities? Additionally, what is the total cost of this corporate exercise, and how much is the fee charged by the Principal Adviser?

Reply by representatives from Principal Advisers:

The purpose of the Proposed Share Capital Reduction is stated in Section 3 of the Circular in relation to the Proposed Share Capital Reduction.

The overall estimated cost of the Proposed Share Capital Reduction is detailed in Section 4.2, bullet point no. 2 of the same Circular. The Principal Adviser's fee is approximately RM60,000.

2. Shareholder

Question:

What is the level of losses the Company would have to incur for it to fall under PN17 if the Proposed Share Capital Reduction is not undertaken?

Reply by representatives from Principal Advisers:

Under the MMLR of Bursa Securities, there are specific financial ratios and criteria that determine whether a listed issuer falls under PN17. One of the common criteria is when the net assets of the company are 25% or less of its issued share capital.

For illustration purposes, we have checked based on the MMLR of Bursa Securities requirements. There are two criteria that need to be fulfilled before falling under PN17:

- The net assets are 25% or less of issued share capital; and
- The net assets are less than RM40 million.

The Principal Adviser did a cursory check based on the Company's 2nd quarterly report. The net assets currently stand at about RM490 million. So, if RM40 million is taken as the benchmark, it would mean approximately RM450 million more in losses would be required before triggering PN17 status.

The Proposed Share Capital Reduction will not have any effect on the net assets of the Company; it is merely a reclassification between share capital and accumulated losses.

It is important to note that the Proposed Share Capital Reduction does not change the Company's net asset position.

3. Shareholder

Question:

The Company's cash flow position reported in the 2nd quarter shows a balance of only RM400,000. Is it necessary to proceed with the Proposed Share Capital Reduction now, if the Company is not at risk of falling under PN17?

Reply by CYH:

The Company has sufficient cash flow to continue its operations and there is no concern regarding its ability to carry on its business. As per the 2nd quarter financial results, the Company holds fixed deposits with licensed banks amounting to RM17.793 million and cash and bank balances of RM15.217 million.

4. Shareholder

Question:

The impairment figure has not been audited. May I know the possible impairment value? Additionally, what is the value of the Company's debts?

Reply by CYH:

In terms of goodwill, the full amount of RM280 million will be impaired. For other impairments, the Company will need to engage with creditors or consult independent consultants in relation to the assets. At this point, the estimated impairment value is not yet available.

With respect to creditors, the Company will follow the necessary legal process and engage in negotiations. If, after negotiations, payment cannot be recovered, the Company will proceed with legal action if required.

As for the Company's debts, the total is estimated to range between RM300 million and RM350 million.

5. Shareholder

Question:

What is the cost of today's meeting?

Reply by CYH:

The cost of a general meeting is approximately RM12,000. The cost incurred for today's meeting is approximately RM6,000.

6. Proxy

Question:

There was an announcement by the Company regarding the early termination of the Langkawi project. Please provide an update on the current status of this project and any losses suffered by the Company.

Reply by CYH:

The Langkawi project was initially terminated by the Company in November 2024 due to non-payment issues and failure to comply with certain contractual conditions. Following the termination, the counterparty re-initiated negotiations with the Company and subsequently repaid all outstanding debts within a two-month period.

As a result, the project has been reinstated. There are currently no ongoing legal actions related to this matter. The Langkawi project is expected to be completed by the end of this year.

7. Shareholder

Question:

The share price is currently at RM0.07. Is there any consideration for a share consolidation?

Reply by CYH:

At this point in time, the Company has no intention to undertake a share consolidation.

8. Proxy

Question:

The Capital Reduction was necessary due to losses on the Semenyih and Gombak projects with the Grenepark Group amounting to approximately RM100 million. What is the status of this project at the moment?

Reply by CYH:

The Gombak project was started with Hektar Aneka Sdn. Bhd. (HASB) in 2018, making it approximately seven years since its commencement. As of now, approximately 82% of the project has been completed.

In 2020, HASB encountered difficulties in its IPO exercise. Subsequently, in 2022, the company experienced financial hardship. In 2024, through an invitation by the Ministry of Local Government Development (KPKT), discussions were held to revive the Gombak project. The Company is currently working with both KPKT and HASB to secure new financing with the intention of reviving the project.

9. Shareholder

Question:

The Company has tax recoverable listed under current assets. Has any of it been utilised, given that the allowable period for utilisation is between 7 to 10 years?

Reply by CYH:

In terms of Group's tax recoverable, in previous years the Company had a significantly larger amount, exceeding RM10 million. In 2023, the Company successfully recovered a substantial portion (approximately RM9 million) of tax from the Inland Revenue Board.

10. Shareholder

Question:

Would the Board consider removing the directors' photographs from the Annual Report to prevent potential misuse or scams?

Reply by Dato' Chairman:

Yes, we will take this into consideration.

11. Shareholder

Question:

Would the Board consider starting the refreshment service and the registration counter earlier, so that shareholders have sufficient time to review the Circular?

Reply by Dato' Chairman:

Yes, we will take this into consideration.

12. Proxy

Question:

Regarding the three legal cases mentioned in the Circular, what is Vizione's position on JL Edison's RM3.3 million claim?

Reply by CYH:

There is an ongoing court case between JL Edison and our subsidiary, Zenith Urban Development Sdn. Bhd., involving a claim of RM3.3 million. The claim arose due to JL Edison's failure to fulfil certain conditions. The Company is currently taking steps to strike out the claim by JL Edison.

13. Shareholder

Question:

It is suggested that the Principal Adviser arrive at the meeting at least one hour before it begins, so that shareholders may clarify any queries in advance. It is also recommended that physical copies of the Circular be made available at least two hours before the meeting.

Reply by Dato' Chairman:

Noted. We will take this into consideration. Shareholders may also download the Circular from the Company's website and also from Bursa Securities.

14. Shareholder

Question:

Kindly give e-voucher/e-wallet/parking to attendees as a token of appreciation for attending the meeting.

Reply by Dato' Chairman:

Dato' Chairman replied that the Company would arrange the door gifts to all shareholders attending the Meeting accordingly.

There being no further questions raised by the shareholders, Dato' Chairman urged the shareholders and/or proxies who have yet to submit their votes, the Meeting shall now allocate another 5 minutes for them to complete to cast their votes.

Dato' Chairman then announced the closing of the voting session and then adjourned the Meeting for approximately 20 minutes for the poll votes to be counted by the Poll Administrator in the presence of the appointed scrutineer.

The Meeting resumed at 3.25 p.m. The representative of the scrutineer submitted the report of the results to Dato' Chairman. The results of the poll which was as follow:

Resolution	Voted For			Voted Against		
	No. of Shareholders	No. of Votes	%	No. of Shareholders	No. of Votes	%
Special Resolution Proposed Share Capital Reduction	27	278,248,992	99.9995	5	1,260	0.0005

Dato' Chairman then declared the above resolution carried and **RESOLVED**:

Special Resolution

Proposed Share Capital Reduction

“**THAT** subject to the approvals of the relevant authorities and/or parties being obtained, where required, approval be and is hereby given to the Company to reduce the issued share capital of the Company by way of cancellation of the issued share capital of the Company which is unrepresented by available assets of up to RM500.00 million pursuant to Section 117 of the Act. The corresponding credit of up to RM500.00 million arising from such cancellation will be solely utilised towards offsetting the accumulated losses of the Company;

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Share Capital Reduction, with full powers to assent to any conditions or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities or as may be required by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Share Capital Reduction.”

TERMINATION

There being no other business, the Meeting ended at 3.30 p.m. with a vote of thanks to the Chair.

C O N F I R M E D B Y

-Signed-
CHAIRMAN

Date: 15 April 2025