

**VIVOCOM INTL HOLDINGS BERHAD (596299-D)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2020**

	----- Individual Quarter -----		Cumulative
	Current year quarter 30 June 2020	Preceding year corresponding quarter 30 June 2019	Quarter Current year to date 30 June 2020
	RM'000	RM'000	RM'000
<b>Revenue</b>	46,609	12,357	102,535
Cost of Sales	(32,834)	(10,048)	(71,694)
Operational depreciation and amortization	<u>(149)</u>	<u>(156)</u>	<u>(915)</u>
<b>Gross Profit</b>	13,626	2,153	29,926
Other operating income	1,188	602	6,387
Administrative Expenses	(2,298)	(2,540)	(15,157)
Depreciation and amortization	<u>(230)</u>	<u>(485)</u>	<u>(1,767)</u>
Operating Profit/(Loss)	12,286	(270)	19,389
Finance cost	<u>(9,898)</u>	<u>(408)</u>	<u>(12,275)</u>
<b>Profit/(Loss) Before Tax</b>	2,388	(678)	7,114
Taxation	<u>(683)</u>	<u>(92)</u>	<u>(2,083)</u>
<b>Profit/(Loss) After Tax</b>	1,705	(770)	5,031
Other comprehensive income	-	-	-
Total comprehensive income/(loss)	<u><u>1,705</u></u>	<u><u>(770)</u></u>	<u><u>5,031</u></u>
<b>Profit/(Loss) attributable to :</b>			
Equity holders of the Company	1,815	(703)	4,176
Non-controlling interests	<u>(110)</u>	<u>(67)</u>	<u>855</u>
	<u><u>1,705</u></u>	<u><u>(770)</u></u>	<u><u>5,031</u></u>
<b>Total comprehensive income/(loss) attributable to :</b>			
Equity holders of the Company	1,815	(703)	4,176
Non-controlling interests	<u>(110)</u>	<u>(67)</u>	<u>855</u>
	<u><u>1,705</u></u>	<u><u>(770)</u></u>	<u><u>5,031</u></u>
Weighted average no. of ordinary shares in issue ('000)	5,664,539	5,664,536	5,664,537
Earnings/(Loss) per share (sen):-			
a) Basic	0.03	(0.01)	0.07

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with audited financial statements of the Group for the financial year ended 31 December 2018.

**VIVOCOM INTL HOLDINGS BERHAD (596299-D)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	As at 30 June 2020 (Unaudited) RM'000	As at Preceding Financial Year Ended 31 December 2018 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,341	27,502
Goodwill on consolidation	146,412	146,412
Other investment	4,660	2,969
Receivables	14,792	28,717
Right-of-use assets	833	-
	<u>183,038</u>	<u>205,600</u>
<b>Current assets</b>		
Inventories	1,816	2,061
Receivables	277,584	262,943
Amount due from customers	24,328	33,237
Tax recoverable	466	-
Deposits with licensed banks	6,626	9,783
Cash And Cash Equivalents	28,768	58,915
	<u>339,588</u>	<u>366,939</u>
<b>Total Assets</b>	<u><u>522,626</u></u>	<u><u>572,539</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	415,850	415,850
Other reserves	11,481	11,481
Retained profits	24,564	20,392
<b>Shareholders' equity</b>	<u>451,895</u>	<u>447,723</u>
Non-controlling interests	19,188	18,333
<b>Total equity</b>	<u>471,083</u>	<u>466,056</u>
<b>Non-Current liabilities</b>		
Borrowings	5,058	10,151
Hire purchase payables	114	769
Trade and other payables	4,730	10,690
Lease Liability	383	-
Deferred taxation	-	253
	<u>10,285</u>	<u>21,863</u>
<b>Current liabilities</b>		
Payables	19,703	50,923
Bank overdraft	-	1,175
Borrowings	20,424	29,779
Hire purchase payables	392	717
Lease Liability	451	-
Provision for taxation	288	2,026
	<u>41,258</u>	<u>84,620</u>
<b>Total liabilities</b>	51,543	106,483
<b>Total equity and liabilities</b>	<u><u>522,626</u></u>	<u><u>572,539</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.08</u>	<u>0.08</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018.

VIVOCOM INTL HOLDINGS BERHAD (596299-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2020

	Current year to date 30 June 2020 (Unaudited) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit Before Taxation	7,114
Adjustments for Non-cash items	<u>4,671</u>
<b>Operating profit before working capital changes</b>	11,785
Changes in working capital	
Net change in inventories and work-in-progress	245
Net change in trade and other receivables	(8,896)
Net change in trade and other payables	(37,180)
Net change in amount due from customers	8,909
<b>Net cash from operations</b>	<u>(25,137)</u>
Tax paid	(4,151)
<b>Net cash generated used in operating activities</b>	<u>(29,288)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Placement of fixed deposits	3,157
Disposal of subsidiary	-
Disposal of plant and equipment	8,479
Interest income	1,283
<b>Net cash generated from/(used in) investing activities</b>	<u>12,919</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Borrowings	(14,448)
Hire purchases	(980)
Finance receivables	13,925
Interest paid	(12,275)
<b>Net cash generated used in) from financing activities</b>	<u>(13,778)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(30,147)
<b>Cash and Cash Equivalents at beginning of the period</b>	58,915
<b>Cash and Cash Equivalents at end of the period</b>	<u><u>28,768</u></u>
<b>Represented by :</b>	
Cash and bank balances	28,768
	<u><u>28,768</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with statements of the Group for the financial year ended 31 December 2018.

**VIVOCOM INTL HOLDINGS BERHAD (596299-D)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2020**

	<-----Non-distributable----->			Distributable		Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Warrants Reserve RM'000	Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000		
As at 31 December 2018 (Audited)	415,850	11,481	-	20,388	447,719	18,333	466,052
Total comprehensive income for the period	-	-	-	4,176	4,176	855	5,031
<b>As at 30 June 2020</b>	<b>415,850</b>	<b>11,481</b>	<b>-</b>	<b>24,564</b>	<b>451,895</b>	<b>19,188</b>	<b>471,083</b>

**VIVOCOM INTL HOLDINGS BERHAD (596299-D)  
NOTES TO THE QUARTERLY REPORT**

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING**

**A1. Change in Financial Year End**

As announced on 3 December 2019, the Group has changed its financial year end from 31 December 2019 to 30 June 2020. Accordingly, the current financial period covers an eighteen (18) months period from 1 January 2019 to 30 June 2020.

**A2. Accounting policies and methods of computation**

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is in compliance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the Financial Year Ended ("FYE") 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

The accounting policies and methods of computation adopted by Vivocom Intl Holdings Berhad (“Vivocom”) and its subsidiaries ("Group") for these interim financial statements are in compliance with the new and revised FRSs issued by the Malaysian Accounting Standards Board ("MASB").

**A3. Adoption of new and revised accounting policies**

The Group has adopted the Malaysian Financial Reporting Standards framework (“MFRS Framework”) framework issued by MASB. This MFRS Framework was introduced by the MASB in order to fully converge the Malaysian’s existing FRS framework with the International Financial Reporting Standards framework issued by the International Accounting Standard Board.

The Group has adopted all the new and revised MFRSs, Interpretations and Technical Releases that are relevant and effective for accounting periods beginning on or after 1 January 2018. The adoption of these new and revised MFRSs, Interpretations and Technical Releases did not result in any changes to the significant accounting policies adopted by the Group.

**A4. Qualification on the Auditors' Report of preceding annual financial statements**

There was no audit qualification to the annual audited financial statements of the Group for the FYE 31 December 2018.

**A5. Seasonal or cyclical factors**

The business operations within the industry are not affected by seasonal and cyclical factors.

**A6. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter under review and financial year-to-date.

**A7. Changes in estimates of amounts reported**

There were no changes in estimates that have had a material effect on the current financial quarter under review and financial year-to-date.

**A8. Issuance or repayment of debt and equity securities**

There were no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review and financial year-to-date.

As at 30 June 2020, the following warrants have not been exercised:-

Warrants E	1,132,906,538
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**A9. Dividend paid**

There was no dividend paid nor declared for the current financial quarter under review.

#### **A10. Segmental information**

The Group is organised into the following operating segments:-

- a. Property Development
- b. Construction
- c. Aluminium design and fabrication (“Aluminium”)
- d. Telecommunication Engineering Services (“Telco”)

Quarter ended 30 June 2020	Property Development (RM'000)	Construction (RM'000)	Aluminium (RM'000)	Telco (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Revenue from external customers	32,598	9,474	535	4,002	-	46,609
Cost of sales	(26,590)	(3,759)	(400)	(2,234)	-	(32,983)
Segment profit	6,008	5,715	135	1,768	-	13,626
Profit before taxation						2,388
Income tax expenses						(683)
Profit after tax						1,705
Other comprehensive income						-
<b>Total comprehensive income</b>						<b>1,705</b>

The Group's segmental information by geographical location is not shown as the activities of the Group are in Malaysia.

#### **A11. Valuation of property, plant and equipment**

The Company has not carried out valuation on its property, plant and equipment in the current financial quarter under review and financial year-to-date.

#### **A12. Capital commitments**

There are no material capital commitments in respect of property, plant and equipment as at 30 June 2020.

#### **A13. Capital Expenditure**

There were no major additions and disposals of the property, plant and equipment during the current financial quarter under review and financial year-to-date.

#### **A14. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review.

**A15. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets since the last audited financial statements of the Group for the FYE 31 December 2018.

**A16. Subsequent material events**

There are no material events subsequent to the financial period ended 30 June 2020 that has not been reflected in this interim financial report.

**A17. Significant related party transactions**

There were no significant related party transactions entered by the Group during the current financial quarter under review.



**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of the performance of the Company**

	Individual Period				Cumulative Period
	Current Period Quarter 30.06.20 (RM'000)	Preceding Year Corresponding Quarter 30.06.19 (RM'000)	Changes		Current Period To-Date 30.06.20 (RM'000)
			(RM'000)	(%)	
Revenue	46,609	12,357	34,252	277.2	102,535
Operating Profit	12,286	(270)	12,556	4,650.4	19,389
Profit/(Loss) before tax	2,388	(678)	3,066	452.2	7,114
Profit/(Loss) after tax	1,705	(770)	2,475	321.4	5,031
Profit/(Loss) attributable to Equity holders of the Company	1,815	(703)	2,518	358.2	4,176

For the current financial quarter ended 30 June 2020, the Group recorded revenue of RM46.609 million and profit before tax of RM2.388 million. The strong revenue was attributable to the new core segment, Property Development, which contributed R32.598 million in revenue. For the cumulative financial quarter ended 30 June 2020, the Group recorded revenues of RM102.535 million and profit before tax of RM7.114 million. The strong profitability was again mainly due to the contribution from the new Property Development segment, which helped to mitigate the impact of the MCO.

## Revenue by segment:

	Individual Period				Cumulative Period
	Current Year Quarter 30.06.20 (RM'000)	Preceding Year Corresponding Quarter 30.06.19 (RM'000)	Changes		Current Year To-Date 30.06.20 (RM'000)
			(RM'000)	(%)	
Property Development (*)	32,598	-	32,598	N/A	32,598
Construction	9,474	2,232	7,242	324.5	31,500
Aluminium	535	9,583	(9,048)	(94.4)	30,799
Telco	4,002	542	3,460	638.4	7,638
<b>Total</b>	<b>46,609</b>	<b>12,357</b>	<b>34,252</b>	<b>277.2</b>	<b>102,535</b>

\* New segment for FPE 30 June 2020

### **Property Development**

To mitigate the reliance on its existing businesses, the Group has identified property development as part of its diversification strategy in view to diversify and expand its earnings base. Consequently, the Group had on 30 December 2019 announced that its subsidiary company, Vivocom Enterprise Sdn Bhd has entered into a joint venture development agreement (“JVDA”) with Handy Goals Development Sdn Bhd to develop and complete an on-going residential development in Selangor.

Pursuant to the above, activities from the Property Development segment contributed RM32.598 million for the current financial quarter, making it the largest contributor (69.9%) of the Group’s total revenue for current financial quarter ended 30 June 2020.

### **Construction**

The Construction segment contributed 20.3% of the total revenue for the current financial quarter ended 30 June 2020. The construction revenue was marginally affected by the stop-work order under MCO which took effect on 18 March 2020 and subsequently eased in May 2020.

### **Aluminium**

The Aluminium segment contributed 1.1% of the total revenue for the current financial quarter ended 30 June 2020. The weak revenue was due to the stop-work order under MCO which took effect on 18 March 2020 and subsequently lifted in May 2020. Most of our project sites for aluminium works were delayed in their re-opening due to compliance with the relevant SOPs and works only resumed in late June 2020.

### **Telco**

The Telco segment contributed 8.6% of the total revenue for the current financial quarter ended 30 June 2020. The telco revenue was marginally affected by the stop-work order under MCO as most of the work were almost done prior to the MCO and were subsequently completed once the restrictions were eased in May 2020.

### **B2. Comparison to the results of the preceding quarter**

	Current Year Quarter 30.06.20 (RM'000)	Immediate Preceding Quarter 31.03.20 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	46,609	12,503	34,106	272.8
Operating Profit	12,286	3,155	9,131	289.4
Profit before tax	2,388	2,896	(508)	(17.5)
Profit after tax	1,705	2,066	(361)	(17.5)
Profit attributable to equity holders of the Company	1,815	1,417	398	28.1

Compared to the preceding financial quarter, the higher revenue was due to the contribution from the new Property Development segment. However, profit before tax is lower due to the higher financing cost incurred during the current financial quarter.

### **B3. Prospects for 2020**

To mitigate the reliance on its existing businesses, the Group has identified property development as part of its diversification strategy in view to diversify and expand its earnings base. This strategy proved to be timely as the contribution from the new segment was able to mitigate the impact of the MCO on the Group's results. Moving forward, the Group intends to seek further opportunities in the property development business to strengthen the Group's growth prospects.

Pursuant to the easing of the MCO, all our business functions have resumed their normal operations and all project sites have resumed operation. Notwithstanding the almost 2 months delay due to the stop-work orders, we have activated contingency plans to mitigate the disruptions, and revised our schedules accordingly to make up for the loss time as much as possible. Barring any further unforeseen circumstances, the Board is cautiously optimistic on the prospects of recovery given the success of the present containment measures and the various stimulus packages initiated by the Government.

**B4. Profit forecast and profit estimate**

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

**B5. Taxation**

	<b>Current Quarter 30.06.20 (RM'000)</b>	<b>Cumulative Period-to-Date 30.06.20 (RM'000)</b>
Current tax	683	2,083
	<b>683</b>	<b>2,083</b>

For the current and cumulative quarter, the effective tax rate is 28.6% and 29.3% respectively, which is higher than the statutory tax rate due to losses incurred by the subsidiary companies in the Group.

**B6. Status of corporate proposals**

As at the date of issuance of this interim financial report, save as disclosed below, there are no corporate proposals announced but not completed :-

- a) On 23 July 2020, on behalf of the Board of Directors of the Group, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company is proposed to consolidate every 10 existing Vivocom Shares held by the shareholders of Vivocom, on an entitlement date to be determined and announced later, into 1 consolidated share. Bursa Malaysia Securities Berhad had vide its letter dated 12 August 2020, resolved to approve the Proposed Share Consolidation. The circulars to the shareholders for the Proposed Share Consolidation was dispatched to the shareholders of the Company on 28 August 2020.

**B7. Status of utilisation of proceeds**

- i) The status of utilisation of the gross proceeds of RM56.645 million from the Rights Issue by the Company as at 30 March 2020 are as follows:-

Purposes	Proposed Utilisation (RM'000)	Amount Utilised (RM'000)	Amount Unutilised (RM'000)	Deviation (RM'000)	Intended timeframe for Utilisation	Explanation
Future viable investments	25,000	-	25,000	-	Within 24 months from completion	
Working capital	30,445	30,115		330	Within 24 months from completion	Being additional rights issue expenses of RM330,000 incurred
Rights Issue expenses	1,200	1,530	-	(330)	Upon completion	
<b>Total</b>	<b>56,645</b>	<b>31,645</b>	<b>25,000</b>	<b>-</b>		

**B8. Group borrowings and debt securities**

The Group's borrowings as at 30 June 2020 are as follows:-

	Short Term (RM'000)	Long Term (RM'000)
<b>Secured</b>		
Term Loans	3,787	5,058
Project revolving credit	16,637	-
Hire purchase creditors	392	114
<b>Total</b>	<b>20,816</b>	<b>5,172</b>

**B9. Material Litigation**

There was no material litigation as at the date of issuance of this announcement.

**B10. Dividends**

No interim dividends have been declared during the current financial quarter under review.

**B11. Profit/Loss for the period**

	<b>Current Quarter Ended 30.06.20 (RM'000)</b>	<b>Cumulative Period-to-date 30.06.20 (RM'000)</b>
This is arrived at after (charging)/crediting :-		
Interest income	294	1,283
Gains from disposal of fixed assets	-	2,695
Interest expense	(895)	(3,272)
Depreciation and amortization	(379)	(2,682)

Other disclosure items pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable.

**B12. Earnings per share**

- (a) Basic earnings per share  
Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue for the period.

		<b>Individual Quarter</b>		<b>Cumulative Period</b>
		<b>Current Period Quarter 30.06.20</b>	<b>Preceding Year Corresponding Quarter 30.06.19</b>	<b>Current Period To-Date 30.06.20</b>
Profit/(Loss) attributable to the equity holders of the Company	(RM'000)	1,815	(703)	4,176
Weighted average number of shares in issue	('000)	5,664,539	5,664,536	5,664,537
Basic earnings/(loss) per share	(Sen)	0.03	(0.01)	0.07

- (b) Diluted earnings per share  
Diluted earnings per share is not applicable for the financial period as the unexercised convertible warrants were anti-dilutive in nature. This is due to the average market share price of the Company being below the exercise price of the warrants.

By Order of the Board

Tan Kah Koon SSM PC No.201908001500 (MAICSA 7066666)  
Anne Kung Soo Ching SSM PC No.201908002507 (MIA 8449)  
(Company Secretaries)

Date: 28 August 2020