

**VIVOCOM INTL HOLDINGS BERHAD (596299-D)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	----- Individual Quarter -----		-----Cumulative Quarter-----	
	Current year quarter 30 September 2020	Preceding year corresponding quarter 30 September 2019	Current year to date 30 September 2020	Preceding year corresponding period 30 September 2019
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	13,147	N/A	13,147	N/A
Cost of Sales	(10,190)	N/A	(10,190)	N/A
Operational depreciation and amortization	(149)	N/A	(149)	N/A
<b>Gross Profit</b>	2,808	-	2,808	-
Other operating income	529	N/A	529	N/A
Administrative Expenses	(1,768)	N/A	(1,768)	N/A
Depreciation and amortization	(235)	N/A	(235)	N/A
Operating Profit	1,334	N/A	1,334	N/A
Finance cost	(332)	N/A	(332)	N/A
<b>Profit Before Tax</b>	1,002	N/A	1,002	N/A
Taxation	(359)	N/A	(359)	N/A
<b>Profit After Tax</b>	643	N/A	643	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income	643	N/A	643	N/A
<b>Profit attributable to :</b>				
Equity holders of the Company	400	N/A	400	N/A
Non-controlling interests	243	N/A	243	N/A
	<b>643</b>	<b>N/A</b>	<b>643</b>	<b>N/A</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	400	N/A	400	N/A
Non-controlling interests	243	N/A	243	N/A
	<b>643</b>	<b>N/A</b>	<b>643</b>	<b>N/A</b>
Weighted average no. of ordinary shares in issue ('000)	5,664,539	N/A	5,664,539	N/A
Earnings per share (sen):-				
a) Basic	0.01	N/A	0.01	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2020.

VIVOCOM INTL HOLDINGS BERHAD (596299-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020

	As at 30 September 2020 (Unaudited) RM'000	As at Preceding Financial Year Ended 30 June 2020 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,136	15,520
Right-of-use assets	1,653	1,653
Goodwill on consolidation	146,412	146,412
Other investment	4,660	4,660
Receivables	14,673	14,673
	<u>182,918</u>	<u>182,918</u>
<b>Current assets</b>		
Inventories	1,756	1,816
Receivables	256,306	277,846
Amount due from customers	22,338	24,328
Tax recoverable	401	401
Deposits with licensed banks	6,627	6,627
Cash And Cash Equivalents	41,093	28,768
	<u>328,521</u>	<u>339,786</u>
<b>Total Assets</b>	<u><u>511,439</u></u>	<u><u>522,704</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	25,166	24,766
<b>Shareholders' equity</b>	<u>452,497</u>	<u>452,097</u>
Non-controlling interests	19,486	19,243
<b>Total equity</b>	<u>471,983</u>	<u>471,340</u>
<b>Non-Current liabilities</b>		
Borrowings	4,846	4,846
Lease Liability	383	383
Hire purchase payables	308	326
Payables	4,730	4,730
	<u>10,267</u>	<u>10,285</u>
<b>Current liabilities</b>		
Payables	12,821	19,524
Bank overdraft	851	1,495
Borrowings	14,470	19,144
Hire purchase payables	68	176
Lease Liability	450	450
Provision for taxation	529	290
	<u>29,189</u>	<u>41,079</u>
<b>Total liabilities</b>	39,456	51,364
<b>Total equity and liabilities</b>	<u><u>511,439</u></u>	<u><u>522,704</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 period ended 30 June 2020.

**VIVOCOM INTL HOLDINGS BERHAD (596299-D)****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Current year to date 30 September 2020 (Unaudited) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit Before Taxation	1,002
Adjustments for Non-cash items	<u>346</u>
<b>Operating profit before working capital changes</b>	1,348
Changes in working capital	
Net change in inventories and work-in-progress	60
Net change in trade and other receivables	21,540
Net change in trade and other payables	(6,703)
Net change in amount due from customers	<u>1,990</u>
<b>Net cash from operations</b>	18,235
Tax paid	<u>(504)</u>
<b>Net cash generated from operating activities</b>	<u>17,731</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest income	<u>370</u>
<b>Net cash generated from investing activities</b>	<u>370</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Borrowings	(5,318)
Hire purchases	(126)
Finance receivables	-
Interest paid	<u>(332)</u>
<b>Net cash generated used in financing activities</b>	<u>(5,776)</u>
<b>Net Change in Cash and Cash Equivalents</b>	12,325
<b>Cash and Cash Equivalents at beginning of the period</b>	28,768
<b>Cash and Cash Equivalents at end of the period</b>	<u><u>41,093</u></u>
<b>Represented by :</b>	
Cash and bank balances	<u>41,093</u>
	<u><u>41,093</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2020.

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

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

	<-----Non-distributable----->			Distributable		Non-controlling interests	Total Equity
	Share Capital	Warrants Reserve	Exchange Reserve	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 June 2020 (Audited)	415,850	11,481	-	24,766	452,097	19,243	471,340
Total comprehensive income for the period	-	-	-	400	400	243	643
<b>As at 30 September 2020</b>	<b>415,850</b>	<b>11,481</b>	<b>-</b>	<b>25,166</b>	<b>452,497</b>	<b>19,486</b>	<b>471,983</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for financial period ended 30 June 2020.

**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**

The current financial period under review covers three (3) months period from 1 July 2020 to 30 September 2020 and represents the first period subsequent to the change of the Group’s financial year end. Accordingly, no comparative results and cash flow are presented.

**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") 30 June 2020 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 2019. 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 30 June 2020.

**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 September 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”)

<b>Quarter ended</b>	<b>Property Development</b>	<b>Construction</b>	<b>Aluminium</b>	<b>Telco</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>30 September 2020</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Revenue from external customers	1,424	10,268	1,054	401	-	13,147
Cost of sales	(1,094)	(8,223)	(820)	(202)	-	(10,339)
Segment profit	330	2,045	234	199	-	2,808
Profit before taxation						1,002
Income tax expenses						(359)
Profit after tax						643
Other comprehensive income						-
<b>Total comprehensive income</b>						<b>643</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 September 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 30 June 2020.

**A16. Subsequent material events**

Save as disclosed below, there are no material events subsequent to the financial period ended 30 June 2020 that has not been reflected in this interim financial report:-

- a) On 4 November 2020, the Group had completed the share consolidation exercise of consolidating every 10 existing Vivocom Shares held by the shareholders of Vivocom, into 1 consolidated share.

**A17. Significant related party transactions**

	<b>Current Period Quarter (3 months) 30.09.20 (RM'000)</b>	<b>Cumulative Period To-Date (3 months) 30.09.20 (RM'000)</b>
Contract Revenue from related parties	9,575	9,575



**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**

	<b>Current Period Quarter (3 months) 30.09.20 (RM'000)</b>	<b>Cumulative Period To-Date (3 months) 30.09.20 (RM'000)</b>
Revenue	13,147	13,147
Operating Profit	2,808	2,808
Profit before tax	1,002	1,002
Profit after tax	643	643
Profit attributable to the Equity holders of the Company	643	643

For the current financial and cumulative quarter ended 30 September 2020, the Group recorded revenue of RM13.147 million and profit before tax of RM0.643 million. The revenue was mostly contributed by Construction (78.1%) and Property Development (10.8%). The extension of the CMCO across Malaysia has not significantly affected the Group's on-going projects, whilst new projects are still on schedule to be launched by early 2021.

**Revenue by segment:**

	<b>Current Period Quarter (3 months) 30.09.20 (RM'000)</b>	<b>Cumulative Period To-Date (3 months) 30.09.20 (RM'000)</b>
Property Development	1,424	1,424
Construction	10,268	10,268
Aluminium	1,054	1,054
Telco	402	402
<b>Total</b>	<b>13,148</b>	<b>13,148</b>

### **Property Development**

The Property Development contributed 10.8% of the Group's total revenue for the current financial quarter ended 30 September 2020, arising from the progress work done for its residential project in Selangor.

### **Construction**

The Construction segment contributed 78.1% of the total revenue for the current financial quarter ended 30 September 2020. The Group is scaling up its progress to mitigate the delay caused by the first MCO order which took effect on 18 March 2020 and subsequently eased in May 2020.

### **Aluminium**

The Aluminium segment contributed 8.0% of the total revenue for the current financial quarter ended 30 September 2020. The extension of the CMCO across Malaysia has not significantly affected the on-going projects under Aluminium, with works on a new project expected to commence in early 2021.

### **Telco**

The Telco segment contributed 3.1% of the total revenue for the current financial quarter ended 30 September 2020. The weak revenue is due to low work orders received for new sites, which are mostly delayed until 2021.

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

	Current Year Quarter 30.09.20 (RM'000)	Immediate Preceding Quarter 30.06.20 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	13,147	46,609	(33,462)	(71.8)
Operating Profit	2,808	12,286	(9,478)	(77.1)
Profit before tax	1,002	2,388	(1,386)	(58.0)
Profit after tax	643	1,705	(1,062)	(62.3)
Profit attributable to equity holders of the Company	643	1,815	(1,172)	(64.6)

The higher revenue and profit in the preceding quarter was due to the contribution from the sales completed under Property Development. The revenue from this quarter is mainly derived from the Construction segment from its on-going project in Gombak, Kuala Lumpur.

### **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.

We have also activated contingency plans to mitigate the disruptions, and revised our schedules accordingly to make up for the loss time in the earlier part of 2020 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 30.09.20 (RM'000)</b>	<b>Cumulative Period-to-Date 30.09.20 (RM'000)</b>
Current tax	359	359
	<b>359</b>	<b>359</b>

For the current and cumulative quarter, the effective tax rate is 35.8%, 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 5 November 2020, on behalf of the Board of Directors of the Group, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company had on 5 November 2020, entered into the following definitive agreements:-

- i. the conditional share sale agreement with Dato' Seri Chia Kok Teong for the acquisition by Vivocom of 113,535,000 ordinary shares of V Development Sdn Bhd ("V Development"), representing 45.0% equity interest of V Development for a purchase consideration of RM171,000,000 ("Purchase Consideration") ("Proposed Acquisition"); and
- ii. the subscription agreement with Golden Key Portfolio Sdn Bhd for a private placement of 169,936,172 ordinary shares in Vivocom ("Shares") ("Subscription Shares"), representing 30.0% of the total issued Shares at the subscription price of RM0.35 per Subscription Share ("Proposed Subscription").

In conjunction with the Proposed Acquisition, the Company proposes to undertake an amendment to the Constitution of Vivocom as the Purchase Consideration may involve the issuance of irredeemable convertible preference shares ("Proposed Constitution Amendments").

#### **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 September 2020 are as follows:-

<b>Purposes</b>	<b>Proposed Utilisation (RM'000)</b>	<b>Amount Utilised (RM'000)</b>	<b>Amount Unutilised (RM'000)</b>	<b>Deviation (RM'000)</b>	<b>Intended timeframe for Utilisation</b>	<b>Explanation</b>
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 September 2020 are as follows:-

	<b>Short Term (RM'000)</b>	<b>Long Term (RM'000)</b>
<b>Secured</b>		
Bank overdraft	851	-
Term Loans	3,577	4,846
Project revolving credit	10,893	-
Hire purchase creditors	68	308
<b>Total</b>	<b>15,389</b>	<b>5,154</b>

**B9. Material Litigation**

There is no further update on the material litigation involving the Group 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 30.09.20 (RM'000)</b>	<b>Cumulative Period-to-date 30.09.20 (RM'000)</b>
This is arrived at after (charging)/crediting :-		
Interest income	370	370
Gains from disposal of fixed assets	-	-
Interest expense	(332)	(332)
Depreciation and amortization	(384)	(384)

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>Current Period Quarter (3 months) 30.09.20 (RM'000)</b>	<b>Cumulative Period To-Date (3 months) 30.09.20 (RM'000)</b>
Profit attributable to the equity holders of the Company	(RM'000)	643	643
Weighted average number of shares in issue	('000)	5,664,539	5,664,539
Basic earnings per share	(Sen)	0.01	0.01

(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: 30 November 2020