

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2020**

	----- Individual Quarter -----		Cumulative
	Current year quarter 31 March 2020	Preceding year corresponding quarter 31 March 2019	Quarter Current year to date 31 March 2020
	RM'000	RM'000	RM'000
<b>Revenue</b>	12,503	15,017	55,927
Cost of Sales	(7,016)	(11,921)	(38,860)
Operational depreciation and amortization	<u>(148)</u>	<u>(165)</u>	<u>(766)</u>
<b>Gross Profit</b>	5,339	2,931	16,301
Other operating income	724	239	5,200
Administrative Expenses	(2,674)	(2,952)	(12,859)
Depreciation and amortization	<u>(234)</u>	<u>(195)</u>	<u>(1,538)</u>
Operating Profit/(Loss)	3,155	23	7,104
Finance cost	<u>(259)</u>	<u>(559)</u>	<u>(2,377)</u>
<b>Profit/(Loss) Before Tax</b>	2,896	(536)	4,727
Taxation	<u>(830)</u>	<u>(152)</u>	<u>(1,400)</u>
<b>Profit/(Loss) After Tax</b>	2,066	(688)	3,327
Other comprehensive income	-	-	-
Total comprehensive income/(loss)	<u><u>2,066</u></u>	<u><u>(688)</u></u>	<u><u>3,327</u></u>
<b>Profit/(Loss) attributable to :</b>			
Equity holders of the Company	1,417	(554)	2,362
Non-controlling interests	649	(134)	965
	<u><u>2,066</u></u>	<u><u>(688)</u></u>	<u><u>3,327</u></u>
<b>Total comprehensive income/(loss) attributable to :</b>			
Equity holders of the Company	1,417	(554)	2,362
Non-controlling interests	649	(134)	965
	<u><u>2,066</u></u>	<u><u>(688)</u></u>	<u><u>3,327</u></u>
Weighted average no. of ordinary shares in issue ('000)	5,664,536	5,664,536	5,664,536
Earnings/(Loss) per share (sen):-			
a) Basic	0.03	(0.01)	0.04

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 31 MARCH 2020

	As at 31 March 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	16,559	27,502
Goodwill on consolidation	146,412	146,412
Other investment	2,969	2,969
Receivables	27,516	28,717
Deferred tax assets	-	-
	<u>193,456</u>	<u>205,600</u>
<b>Current assets</b>		
Inventories	1,962	2,061
Receivables	256,729	262,943
Amount due from customers	27,462	33,237
Tax recoverable	1,182	-
Deposits with licensed banks	8,165	9,783
Cash And Cash Equivalents	31,789	58,915
	<u>327,289</u>	<u>366,939</u>
<b>Total Assets</b>	<u><u>520,745</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	22,754	20,392
<b>Shareholders' equity</b>	<u>450,085</u>	<u>447,723</u>
Non-controlling interests	19,298	18,333
<b>Total equity</b>	<u>469,383</u>	<u>466,056</u>
<b>Non-Current liabilities</b>		
Borrowings	6,300	10,151
Hire purchase payables	476	769
Trade and other payables	5,690	10,690
Deferred taxation	253	253
	<u>12,719</u>	<u>21,863</u>
<b>Current liabilities</b>		
Payables	20,305	50,923
Bank overdraft	-	1,175
Borrowings	17,309	29,779
Hire purchase payables	155	717
Provision for taxation	874	2,026
	<u>38,643</u>	<u>84,620</u>
<b>Total liabilities</b>	51,362	106,483
<b>Total equity and liabilities</b>	<u><u>520,745</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 31 MARCH 2020

	Current year to date 31 March 2020 (Unaudited) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
(Loss)/Profit Before Taxation	4,727
Adjustments for Non-cash items	<u>3,692</u>
<b>Operating profit before working capital changes</b>	8,419
Changes in working capital	
Net change in inventories and work-in-progress	99
Net change in trade and other receivables	6,214
Net change in trade and other payables	(35,618)
Net change in amount due from customers	<u>5,775</u>
<b>Net cash from operations</b>	<u>(15,111)</u>
Tax paid	<u>(4,909)</u>
<b>Net cash generated from/(used in) operating activities</b>	<u>(20,020)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Placement of fixed deposits	1,618
Disposal of subsidiary	-
Disposal of plant and equipment	8,639
Interest income	<u>989</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>11,246</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Borrowings	(16,321)
Hire purchases	(855)
Finance receivables	1,201
Interest paid	<u>(2,377)</u>
<b>Net cash generated (used in)/generated from financing activities</b>	<u>(18,352)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(27,126)
<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>31,789</u></u>
<b>Represented by :</b>	
Cash and bank balances	<u>31,789</u>
	<u><u>31,789</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 31 MARCH 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 31 December 2018 (Audited)	415,850	11,481	-	20,392	447,723	18,333	466,056
Total comprehensive income for the period	-	-	-	2,362	2,362	965	3,327
<b>As at 31 March 2020</b>	<b>415,850</b>	<b>11,481</b>	<b>-</b>	<b>22,754</b>	<b>450,085</b>	<b>19,298</b>	<b>469,383</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 31 March 2020, the following warrants have not been exercised:-

Warrants D	346,786,726
Warrants E	1,132,906,538

Warrants D will be expiring on 7 July 2020.

**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. Construction
- b. Aluminium design and fabrication (“Aluminium”)
- c. Telecommunication Engineering Services (“Telco”)

<b>Quarter ended</b>	<b>Construction</b>	<b>Aluminium</b>	<b>Telco</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>31 March 2020</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	9,756	2,429	318	-	12,503
Cost of sales	(6,714)	(159)	(291)	-	(7,164)
Segment profit	3,042	2,270	27	-	5,339
Profit before taxation					2,896
Income tax expenses					(830)
Profit after tax					2,066
Other comprehensive income					-
<b>Total comprehensive income</b>					<b>2,066</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 31 March 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 31 March 2020 that has not been reflected in this interim financial report.

**A17. Significant related party transactions**

There were no related party transactions 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 Year Quarter 31.03.20 (RM'000)	Preceding Year Corresponding Quarter 31.03.19 (RM'000)	Changes		Current Year To-Date 31.03.20 (RM'000)
			(RM'000)	(%)	
Revenue	12,503	15,017	(2,514)	(16.7)	55,927
Operating Profit	3,155	23	3,132	(13,617.4)	(39,626)
Profit/(Loss) before tax	2,896	(536)	3,432	640.3	4,727
Profit/(Loss) after tax	2,066	(688)	2,754	400.3	3,327
Profit/(Loss) attributable to Equity holders of the Company	1,417	(554)	1,971	355.8	2,362

For the current financial quarter ended 31 March 2020, the Group recorded revenue of RM12.503 million and profit before tax of RM2.896 million. The lower revenue was mainly due to decrease under the Aluminium, as a few projects were completed in early 2019. Notwithstanding that, the lower revenue was mitigated by the contributions from Construction as their projects were picking up pace up prior to the stop-work order under MCO which took effect on 18 March 2020.

For the cumulative financial quarter ended 31 March 2020, the Group recorded revenues of RM55.927 million and profit before tax of RM4.727 million. The stronger profitability in the current financial period was due to stronger cost control, lower staff costs and lower holding cost as the construction projects began to pick up pace.

**Revenue by segment:**

	Individual Period				Cumulative Period
	Current Year Quarter 31.03.20 (RM'000)	Preceding Year Corresponding Quarter 31.03.19 (RM'000)	Changes		Current Year To-Date 31.03.20 (RM'000)
			(RM'000)	(%)	
Construction	9,756	2,557	7,199	281.5	22,026
Aluminium	2,429	11,086	(8,657)	(78.1)	30,264
Telco	318	1,374	(1,056)	(76.9)	3,637
<b>Total</b>	<b>12,503</b>	<b>15,017</b>	<b>(2,514)</b>	<b>(16.7)</b>	<b>55,927</b>

### **Construction**

The Construction segment contributed the highest revenue, 78.0% of the total revenue for the current financial quarter ended 31 March 2020, as their projects were picking up pace up prior to the stop-work order under MCO which took effect on 18 March 2020.

### **Aluminium**

The Aluminium segment contributed 19.4% of the total revenue for the current financial quarter ended 31 March 2020. The lower revenue is due to slower roll-out during the quarter, which were further hampered by the stop-work order under MCO which took effect on 18 March 2020.

### **Telco**

The Telco segment contributed 2.5% of the total revenue for the current financial quarter ended 31 March 2020 due to lower work orders received and completed.

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

	Current Year Quarter 31.03.20 (RM'000)	Immediate Preceding Quarter 31.12.19 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	12,503	4,808	7,695	160.0
Operating Profit	3,155	960	2,195	228.6
Profit before tax	2,896	572	2,324	406.3
Profit after tax	2,066	236	1,830	775.4
Profit attributable to equity holders of the Company	1,417	91	1,326	1,457.1

Compared to the preceding financial quarter, the higher revenue was due to projects under Construction picking up pace prior to the stop-work order under MCO which took effect on 18 March 2020. Accordingly, the higher profits were due to higher revenue, and lower holding cost as the projects were picking up pace.

## **B3. Prospects for 2020**

The Group's activity, especially under the Construction segment, were picking up pace from January 2020 onwards, before being abruptly halted on 18 March 2020 due to the stop-work order under MCO. The Group's major subsidiary companies successfully applied to MITI for the resumption of work during the initial phase of CMCO and were able to open our offices earlier than most, subject to the premises adhering to the necessary safety protocols and SOPs.

To-date, all business functions of the Group has 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 31.03.20 (RM'000)</b>	<b>Cumulative Year-to-Date 31.03.20 (RM'000)</b>
Current tax	830	1,400
	<b>830</b>	<b>1,400</b>

For the current and cumulative quarter, the effective tax rate is 28.7% and 29.6% 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, there are no corporate proposals announced but not completed.

**B7. Status of utilisation of proceeds**

- i) The status of utilisation of the gross proceeds of RM56.6457 million from the Rights Issue by the Company as at 31 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 31 March 2020 are as follows:-

	Short Term (RM'000)	Long Term (RM'000)
<b>Secured</b>		
Term Loans	2,555	6,300
Project revolving credit	14,754	
Hire purchase creditors	155	476
<b>Total</b>	<b>17,464</b>	<b>6,776</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 31.03.20 (RM'000)</b>	<b>Cumulative Year-to-date 31.03.19 (RM'000)</b>
This is arrived at after (charging)/crediting :-		
Interest income	318	989
Gains from disposal of fixed assets	-	2,695
Interest expense	(359)	(2,377)
Depreciation and amortization	(493)	(2,304)

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 Year Quarter 31.03.20</b>	<b>Preceding Year Corresponding Quarter 31.03.19</b>	<b>Current Year To-Date 31.03.20</b>
Profit/(Loss) attributable to the equity holders of the Company	(RM'000)	1,417	(554)	2,362
Weighted average number of shares in issue	('000)	5,664,536	5,664,536	5,664,536
Basic earnings/(loss) per share	(Sen)	0.03	(0.01)	0.04

- (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

Earny Sabrina Binti Rosli (MIA27851)  
Anne Kung Soo Ching (MIA 8449)  
(Company Secretaries)

Date: 30 June 2020