

INSTACOM GROUP BERHAD (596299-D)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPT 2015**

	----- Individual Quarter -----		---- Cumulative Quarter ----	
	Current year quarter 30 Sept 2015	Preceding year corresponding quarter 30 Sept 2014	Current year to date 30 Sept 2015	Preceding year corresponding period 30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Revenue	22,233	11,810	37,913	51,889
Cost of Sales	(14,434)	(10,835)	(29,215)	(37,871)
Operational depreciation and amortization	<u>(331)</u>	<u>(446)</u>	<u>(1,120)</u>	<u>(1,255)</u>
Gross Profit	7,468	529	7,578	12,763
Other operating income	991	493	1,889	1,609
Administrative Expenses	(2,091)	(1,748)	(3,740)	(6,936)
Depreciation and amortization	<u>(80)</u>	<u>(77)</u>	<u>(250)</u>	<u>(213)</u>
Operating (Loss) / Profit	6,288	(803)	5,477	7,223
Share of associate's results [^]	931	-	2,527	
Finance cost	<u>(478)</u>	<u>(1,217)</u>	<u>(1,798)</u>	<u>(3,032)</u>
(Loss) / Profit Before Tax	6,741	(2,020)	6,206	4,191
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss) / Profit After Tax	6,741	(2,020)	6,206	4,191
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	<u>6,741</u>	<u>(2,020)</u>	<u>6,206</u>	<u>4,191</u>
(Loss) / Profit attributable to :				
Equity holders of the Company	<u>6,741</u>	<u>(2,020)</u>	<u>6,206</u>	<u>4,191</u>
Total comprehensive (loss) / income attributable to :				
Equity holders of the Company	<u>6,741</u>	<u>(2,020)</u>	<u>6,206</u>	<u>4,191</u>
Weighted average no. of ordinary shares in issue ('000)	1,271,860	786,565	1,121,282	786,565
(Loss) / Earnings per share (sen):-				
a) Basic	0.53	(0.26)	0.55	0.53

[^] As at 30 September 2015, Neata Aluminium (Malaysia) Sdn Bhd recorded unaudited profit after tax of RM7.220 million. Instacom Group Berhad's share of profit is based on 35% of equity in Neata Aluminium (Malaysia) Sdn Bhd.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

INSTACOM GROUP BERHAD (596299-D)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	As at 30 Sept 2015 (Unaudited) RM'000	As at Preceding Financial Year Ended 31 December 2014 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,715	26,576
Goodwill on consolidation	75,760	75,760
Investment in associate company	68,685	-
Receivables	21,823	24,165
	<u>190,983</u>	<u>126,501</u>
Intangible Assets		
Intellectual Property Rights	190	190
Software Licenses	396	396
Development cost	6,452	6,797
	<u>7,038</u>	<u>7,383</u>
Current assets		
Inventories	2,556	2,648
Project work-in-progress	20,334	17,179
Receivables	38,162	43,768
Tax recoverable	63	782
Deposits with licensed banks	5,014	6,270
Cash And Cash Equivalents	37,994	13,451
	<u>104,123</u>	<u>84,098</u>
Total Assets	<u><u>302,144</u></u>	<u><u>217,982</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	130,079	70,225
Share premium	87,522	60,864
Warrants Reserve	4,798	-
Retained profits	37,072	36,406
Shareholders' equity	<u>259,471</u>	<u>167,495</u>
Non-Current liabilities		
Borrowings	10,127	11,758
Hire purchase payables	1,367	2,543
	<u>11,494</u>	<u>14,301</u>
Current liabilities		
Payables	3,503	5,433
Amount owing to Directors	34	56
Bank overdraft	464	7
Borrowings	25,916	28,786
Hire purchase payables	1,261	1,903
Provision for taxation	1	1
	<u>31,179</u>	<u>36,186</u>
Total liabilities	42,673	50,487
Total equity and liabilities	<u><u>302,144</u></u>	<u><u>217,982</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.20</u>	<u>0.24</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 2014.

INSTACOM GROUP BERHAD (596299-D)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Current year to date 30 Sept 2015 (Unaudited) RM'000	Preceding year corresponding period 30 Sept 2014 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	6,206	4,191
Adjustments for Non-cash items	<u>(560)</u>	<u>3,807</u>
Operating profit before working capital changes	5,646	7,998
Changes in working capital		
Net change in inventories and work-in-progress	(3,063)	3,164
Net change in trade and other receivables	10,239	(1,852)
Net change in trade and other payables	(2,608)	(8,039)
Net change in directors account	<u>(22)</u>	<u>51</u>
Net cash from operations	10,192	1,322
Interest paid	72	(657)
Tax refund/(Tax paid)	689	(94)
Net cash generated from operating activities	<u>10,953</u>	<u>571</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in associate company	(7,358)	-
Investment by an asset management company	-	1,797
Withdrawal of fixed deposits	1,255	546
Disposal/(Purchase) of plant and equipment	1,965	764
Interest income	-	309
Net cash generated from/(used in) investing activities	<u>(4,138)</u>	<u>3,416</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue	28,906	-
Rights Issue expenses	(1,194)	-
Borrowings	(4,500)	(4,047)
Hire purchases	(1,818)	(2,054)
Finance receivables	(2,324)	5,654
Interest paid	<u>(1,798)</u>	<u>(2,375)</u>
Net cash generated from/(used in) financing activities	<u>17,272</u>	<u>(2,822)</u>
Net Change in Cash and Cash Equivalents	24,087	1,165
Cash and Cash Equivalents at beginning of the period	13,443	3,539
Cash and Cash Equivalents at end of the period	<u>37,530</u>	<u>4,704</u>
Represented by :		
Cash and bank balances	37,994	6,099
Bank overdrafts	<u>(464)</u>	<u>(1,395)</u>
	<u>37,530</u>	<u>4,704</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with audited financial statements of the Group for the financial year ended 31 December 2014.

INSTACOM GROUP BERHAD (596299-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	<-----Non-distributable----->		<-Distributable->		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	
As at 31 December 2014 (Audited)	70,225	60,864	-	36,406	167,495
Investment in associate company	30,948	27,852	-	(742)	58,058
Rights Issue	28,906	(1,194)	-	-	27,712
Bonus Issue of Warrants	-	-	4,798	(4,798)	-
Total comprehensive loss for the period	-	-	-	6,206	6,206
As at 30 September 2015	<u>130,079</u>	<u>87,522</u>	<u>4,798</u>	<u>37,072</u>	<u>259,471</u>

As at preceding year corresponding quarter 30 September 2014

As at 31 December 2013 (Audited)	70,225	60,864		32,703	163,792
Total comprehensive income for the period	-	-		4,191	4,191
As at 30 September 2014	<u>70,225</u>	<u>60,864</u>		<u>36,894</u>	<u>167,983</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

INSTACOM GROUP BERHAD (596299-D)

NOTES TO THE QUARTERLY REPORT

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

A1. 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 Financial Reporting Standards ("FRS") 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 2014 and the accompanying explanatory notes attached to the interim financial report.

The accounting policies and methods of computation adopted by Instacom Group Berhad (“Instacom”) 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").

A2. 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 2015. 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.

A3. 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 2014.

A4. Seasonal or cyclical factors

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

A5. 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.

A6. 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.

A7. Issuance or repayment of debt and equity securities

Save as disclosed below, 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:-

- i. On 30 January 2015, 309,473,684 new Instacom Shares were issued pursuant to the acquisition by Instacom of 1,400,000 ordinary shares of RM1.00 each in Neata Aluminium (Malaysia) Sdn Bhd ("Neata"), representing 35% of the equity interest in Neata.
- ii. On 23 January 2015, 140,450,852 new Warrants C were issued pursuant to the bonus issue of up to 210,676,278 Warrants C on the basis of one (1) free Warrant C for every five (5) existing Instacom Shares held on 22 January 2015. The Warrants C will expire on 22 January 2020.
- iii. On 14 July 2015, the Company announced that the following were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad : -
 - a) 289,065,127 Rights Shares and 144,532,298 new Warrants D issued pursuant to the Rights Issue with Warrants. The Warrants D will expire on 8 July 2020.
 - b) 24,577,496 additional Warrants B and 9,830,784 additional Warrants C issued pursuant to the adjustments arising from the Rights Issue with Warrants.

As at 30 September 2015, none of the Warrants B, Warrants C and Warrants D have been exercised.

A8. Dividend paid

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

A9. Segmental information

The Group is organised into the following operating segments:-

- a. Civil, mechanical and electrical works (“CME”)
- b. Telecommunication equipment installation (“TI”)
- c. Turnkey Build and Finance (“TBF”)

Quarter Ended 30 September 2015	CME RM'000	TI RM'000	TBF RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from external customers	18,508	204	3,521	-	22,233
Operating expenses (inclusive of depreciation charges)	(11,088)	(160)	(3,517)	-	(14,765)
Gross Profit	7,420	44	4	-	7,468
Share of associate's results					931
Profit before taxation					6,741
Income tax expenses					-
Profit after tax					6,741
Other comprehensive income					-
Total Comprehensive Profit					6,741

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

A10. 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.

A11. Capital commitments

There are no material capital commitments in respect of property, plant and equipment as at 30 September 2015.

A12. Capital Expenditure

The major additions and disposals of the property, plant and equipment during the current financial quarter under review and financial year-to-date were as follows:-

	Current Quarter Ended 30 September 2015 RM'000	Cumulative Year-to-Date 30 September 2015 RM'000
Property, plant & equipment: Additions	-	-

A13. Changes in the composition of the Group

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

A14. 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 2014.

A15. Subsequent material events

Save as disclosed below, there are no material events subsequent to the financial period ended 30 September 2015 that has not been reflected in this interim financial report :

On 6 August 2015, RHB Investment Bank Berhad announced on behalf of the Board of Directors of the Company that the Company proposed to undertake the following:-

- (i) Bonus issue of up to 657,103,877 new ordinary shares of RM0.10 each in Instacom, to be credited as fully paid-up on the basis of one (1) Bonus Share for every three (3) existing Instacom Shares held on an entitlement date to be determined later ("Proposed Bonus Issue"); and
- (ii) Acquisition by Instacom of 5,300,000 ordinary shares of RM1.00 each in Neata, representing approximately 43.6% of the equity interest in Neata from Golden Oasis Resources Sdn Bhd for a purchase consideration of RM73,584,000, which will be fully satisfied via a combination of the issuance of 605,840,000 Instacom Shares at an issue price of RM0.10 per Instacom Share and cash of RM13,000,000 ("Proposed Acquisition").

(Collectively referred to as the "Proposals").

The above Proposals were completed on 5 November 2015.

A16. 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

For the current financial quarter ended 30 September 2015, the Group recorded revenue of RM22.233 million and profit before tax of RM6.741 million.

Compared to the previous corresponding financial quarter ended 30 September 2014, the Group recorded increase of RM10.423 million in revenue. The increase in revenue was attributable to the increase in work orders received for the CME segment. In addition, the Group's share of profit from its associates company amounting to RM0.931 million for the current financial quarter further strengthened the Group's profit before tax.

Revenue by segment:

	Current financial quarter ended 30 September 2015 (RM'000)	Preceding financial quarter ended 30 September 2014 (RM'000)	Current financial period-to-date 30 September 2015 (RM'000)	Preceding Financial period- to-date 30 September 2014 (RM'000)
CME	18,508	9,915	32,323	42,917
TI	204	1,745	1,460	6,086
TBF	3,521	150	4,130	2,886
Total	22,233	11,810	37,913	51,889

CME

CME was the main revenue contributor for the current financial quarter ended 30 September 2015, comprising 83.2% of the total revenue for the quarter. CME recorded increase in revenue of RM8.593 million for the current financial quarter as compared to the same financial quarter last year, due to increase in work orders received. However, the revenue from CME for the year-to-date is lower than the same period last year by RM10.594 million, due to the lower work orders received in the first two (2) financial quarters of the current financial year.

TI

TI contributed 0.9% of the total revenue for the current financial quarter. For current financial quarter and year-to-date, TI recorded decrease in revenue of RM1.541 million and RM4.626 million respectively as compared to the same periods in the preceding year. The decrease was due to the lower number of TI works being commissioned by customers.

TBF

TBF contributed 15.8% of the total revenue for the current financial quarter. For current financial quarter and year-to-date, TBF recorded increase in revenue of RM3.371 million and RM1.244 million respectively as compared to the same periods in the preceding year. The increase was due to the new TBF project sites commissioned by customers.

B2. Comparison to the results of the preceding quarter

	Current Quarter 30 September 2015 RM'000	Preceding Quarter 30 June 2015 RM'000
Revenue	22,233	8,642
Profit/(Loss) before tax	6,741	(1,459)

Compared to the preceding financial quarter, the Group recorded increase of RM13.591 million in revenue due to increase in work order for the CME and TBF segments. Consequently, the increase in revenue managed to reverse preceding financial quarter loss.

B3. Prospects for the current financial year

Instacom Group Bhd, which diversified into construction earlier this year, had clinched three contracts worth RM259.3mil. Its indirect subsidiary, Vivocom Enterprise Sdn Bhd had received two letters of award (LoAs) from CRCC Malaysia Berhad for construction works in Klang and Kuala Lumpur while its telecommunication engineering unit, Instacom Engineering Sdn Bhd, had accepted an LoA to supply, deliver and install tower structures on 30 hub sites in Perak, Negri Sembilan and Sabah. The RM29mil tower project, awarded by Teras Millenium Sdn Bhd, is in accordance with the Universal Service Plan administered by the Malaysian Communications and Multimedia Commission. As of September, the Neata group already had contracts in hand totalling RM351.753mil.

(Source : The Star, 12 November 2015)

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

	Current Quarter Ended 30 September 2015 RM'000	Cumulative Year-to-Date 30 September 2015 RM'000
Current tax	-	-
	-	-

For the current financial and cumulative quarter, no taxation was provided as the Group still has sufficient tax credits. The effective tax rate of the Group is Nil for the current financial and cumulative quarter.

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 :-

On 12 November 2015, the Board of Directors of the Company announced that the Company is proposing to change its name from "Instacom Group Berhad" to "Vivocom Intl Holdings Berhad" ("Proposed Change of Name"). The proposed name, "Vivocom Intl Holdings Berhad", has been approved and reserved by the Companies Commission of Malaysia ("CCM"). The Proposed Change of Name is subject to the approval of the shareholders of the Company which will be tabled as a special resolution at an extraordinary general meeting of the Company to be convened on a date to be announced later. The Proposed Change of Name shall be effective from the date of issuance of the Certificate of Incorporation on Change of Name by the CCM.

B7. Status of utilisation of proceeds

The status of utilisation of the gross proceeds of RM28.906 million from the Rights Issue by the Company as at 30 September 2015 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	15,000	8,101	6,899	-	Within 24 months from completion	
Repayment of borrowings	12,000	1,000	11,000	-	Within 24 months from completion	
Working capital	1,007	-	713	294	Within 24 months from completion	Being the additional rights issue expenses of RM294,000 incurred
Rights Issue expenses	900	1,194	-	(294)	Upon completion	
Total	28,907	10,295	18,612	-		

B8. Realised and Unrealised Profits

The breakdown of retained profits of the Group and Company for the financial quarter ended 30 September 2015 and the preceding year corresponding period 30 September 2014, is as follows :-

	Group Quarter Ended 30 September 2015 RM'000	Group Quarter Ended 30 September 2014 RM'000
Total retained profits of the Group:		
- Realised	61,901	61,578
- Unrealised	-	-
	<hr/> 61,901	<hr/> 61,578
Less : Consolidation adjustments	(24,829)	(24,684)
Total Group retained profits as per consolidated accounts	<hr/> <hr/> 37,072	<hr/> <hr/> 36,894
	Company Quarter Ended 30 September 2015 RM'000	Company Quarter Ended 30 September 2014 RM'000
Total retained profit of the Company :		
- Realised	38,345	37,497
- Unrealised	-	-
Total Company's retained profits as per accounts	<hr/> 38,345	<hr/> 37,497

B9. Group borrowings and debt securities

The Group's borrowings as at 30 September 2015 are as follows:-

	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank overdrafts	464	-
Term loans	2,293	10,127
Project revolving credit	23,623	-
Hire Purchase Creditors	1,261	1,367
	<hr/> 27,641	<hr/> 11,494

B10. Material Litigation

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

B11. Dividends

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

B12. Profit/Loss for the period

	Current Quarter Ended 30 September 2015 RM'000	Cumulative Year-to-Date 30 September 2015 RM'000
This is arrived at after charging :-		
Depreciation and amortisation	411	1,370
Gains on disposal of property, plant and equipment	(521)	(1,475)

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

B13. 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.

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
Profit/(Loss) attributable to the equity holders of the Company (RM'000)	6,741	(2,020)	6,206	4,191
Weighted average number of shares in issue ('000)	1,011,728	702,254	977,720	702,254

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
Effect of issuance of shares pursuant to Rights Issue ('000)	260,132	84,311	143,562	84,311
Adjusted weighted average number of shares in issue ('000)	1,271,860	786,565	1,121,282	786,565
Basic earnings/(loss) per share (sen)	0.53	(0.26)	0.55	0.53

(b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
Profit attributable to the equity holders of the Company (RM'000)	6,741	N/A	6,206	N/A
Weighted average number of shares in issue ('000)	1,271,860	N/A	1,121,282	N/A
Effect of dilution on assumed exercise of warrants ('000)	17,566	N/A	8,749	N/A
Adjusted weighted average number of shares in issue ('000)	1,289,426	N/A	1,130,031	N/A
Diluted earnings per share (sen)	0.52	N/A	0.55	N/A

By Order of the Board

Laang Jhe How (MIA 25193)
Anne Kung Soo Ching (MIA 8449)
(Company Secretaries)

Date: 30 November 2015