

VIVOCOM INTL HOLDINGS BERHAD (596299-D)
(Formerly known as Instacom Group Berhad)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

	----- Individual Quarter -----		---- Cumulative Quarter ----	
	Current year quarter 31 Mar 2016 RM'000	Preceding year corresponding quarter 31 Mar 2015 RM'000	Current year to date 31 Mar 2016 RM'000	Preceding year corresponding period 31 Mar 2015 RM'000
Revenue	141,544	7,038	141,544	7,038
Cost of Sales	(103,852)	(5,629)	(103,852)	(5,629)
Operational depreciation and amortization	<u>(409)</u>	<u>(410)</u>	<u>(409)</u>	<u>(410)</u>
Gross Profit	37,283	999	37,283	999
Other operating income	60	530	60	530
Administrative Expenses	(2,982)	(574)	(2,982)	(574)
Depreciation and amortization	<u>(550)</u>	<u>(88)</u>	<u>(550)</u>	<u>(88)</u>
Operating Profit	33,811	867	33,811	867
Share of associate's results [^]	-	705	-	705
Finance cost	<u>(512)</u>	<u>(649)</u>	<u>(512)</u>	<u>(649)</u>
Profit Before Tax	33,299	923	33,299	923
Taxation	<u>(8,178)</u>	-	<u>(8,178)</u>	-
Profit After Tax	25,121	923	25,121	923
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	<u>25,121</u>	<u>923</u>	<u>25,121</u>	<u>923</u>
Profit attributable to :				
Equity holders of the Company	19,871	923	19,871	923
Non-controlling interests	5,250	-	5,250	-
	<u>25,121</u>	<u>923</u>	<u>25,121</u>	<u>923</u>
Total comprehensive income attributable to :				
Equity holders of the Company	19,871	923	19,871	923
Non-controlling interests	5,250	-	5,250	-
	<u>25,121</u>	<u>923</u>	<u>25,121</u>	<u>923</u>
Weighted average no. of ordinary shares in issue ('000)	2,466,351	996,320	2,466,351	996,320
Earnings per share (sen):-				
a) Basic	0.81	0.09	0.81	0.09

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 2015.

VIVOCOM INTL HOLDINGS BERHAD (596299-D)
(Formerly known as Instacom Group Berhad)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	As at 31 Mar 2016 (Unaudited) RM'000	As at Preceding Financial Year Ended 31 December 2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,996	29,696
Goodwill on consolidation	185,210	185,210
Receivables	13,650	14,810
Deferred tax assets	1,589	1,589
	<u>229,445</u>	<u>231,305</u>
Intangible Assets		
Intellectual Property Rights	158	163
Software Licenses	360	365
Development cost	6,221	6,337
	<u>6,739</u>	<u>6,865</u>
Current assets		
Inventories	2,555	3,070
Project work-in-progress	9,457	11,687
Receivables	89,287	92,145
Amount due from customers	89,135	35,143
Tax recoverable	882	63
Deposits with licensed banks	8,102	9,583
Cash And Cash Equivalents	34,683	23,012
	<u>234,101</u>	<u>174,703</u>
Total Assets	<u>470,285</u>	<u>412,873</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	247,525	234,025
Share premium	63,674	44,229
Other reserves	4,792	4,792
Retained profits	58,659	38,788
Shareholders' equity	<u>374,650</u>	<u>321,834</u>
Non-controlling interests	12,905	7,655
Total equity	<u>387,555</u>	<u>329,489</u>
Non-Current liabilities		
Borrowings	7,972	9,053
Hire purchase payables	891	2,047
Deferred taxation	387	387
	<u>9,250</u>	<u>11,487</u>
Current liabilities		
Payables	32,187	36,073
Amount owing to Directors	6	51
Bank overdraft	-	967
Borrowings	21,252	24,012
Hire purchase payables	2,832	2,445
Provision for taxation	17,203	8,349
	<u>73,480</u>	<u>71,897</u>
Total liabilities	<u>82,730</u>	<u>83,384</u>
Total equity and liabilities	<u>470,285</u>	<u>412,873</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.29</u>	<u>0.14</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 2015.

VIVOCOM INTL HOLDINGS BERHAD (596299-D)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

	Current year to date 31 Mar 2016 (Unaudited) RM'000	Preceding year corresponding period 31 Mar 2015 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	33,299	923
Adjustments for Non-cash items	1,572	254
Operating profit before working capital changes	34,871	1,177
Changes in working capital		
Net change in inventories and work-in-progress	2,745	(3,156)
Net change in trade and other receivables	2,858	5,960
Net change in trade and other payables	(3,886)	6
Net change in amount due from customers	(53,992)	-
Net change in directors account	(45)	(56)
Net cash from operations	(17,449)	3,931
Tax refund/(Tax paid)	(129)	682
Net cash generated from operating activities	(17,578)	4,613
CASH FLOW FROM INVESTING ACTIVITIES		
Withdrawal of fixed deposits	1,481	924
Disposal/(Purchase) of plant and equipment	(259)	492
Interest income	11	-
Net cash generated from/(used in) investing activities	1,233	1,416
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Private Placement	32,945	-
Conversion of warrants	[^]	-
Borrowings	(3,841)	(4,890)
Hire purchases	(769)	(554)
Finance receivables	1,160	677
Interest paid	(512)	(631)
Net cash generated from/(used in) financing activities	28,983	(5,398)
Net Change in Cash and Cash Equivalents	12,638	631
Cash and Cash Equivalents at beginning of the period	22,045	13,451
Cash and Cash Equivalents at end of the period	34,683	14,082
Represented by :		
Cash and bank balances	34,683	14,185
Bank overdrafts	-	(103)
	34,683	14,082

[^] less than RM1,000

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 2015.

VIVOCOM INTL HOLDINGS BERHAD (596299-D)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	<-----Non-distributable----->				Distributable		Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Exchange Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000		
As at 31 December 2015 (Audited)	234,025	44,229	4,798	(6)	38,788	321,834	7,655	329,489
Issuance of shares under Private Placement	13,500	19,445	-	-	-	32,945	-	32,945
Conversion of warrants	^	-	^	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	19,871	19,871	5,250	25,121
As at 31 March 2016	247,525	63,674	4,798	(6)	58,659	374,650	12,905	387,555
As at preceding year corresponding quarter 31 December 2015								
As at 31 December 2014 (Audited)	70,225	60,864	-	-	36,406	167,495	-	167,495
Investment in associate	30,948	27,852	-	-	-	58,800	-	58,800
Total comprehensive income for the period	-	-	-	-	923	923	-	923
As at 31 March 2015	101,173	88,716	-	-	37,329	227,218	-	227,218

^ less than RM1,000

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 2015.

VIVOCOM INTL HOLDINGS BERHAD (596299-D)
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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 2015 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").

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 2016. 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 2015.

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 7 January 2016, 135,000,000 new Vivocom shares were issued pursuant to the proposed private placement of up to 10% of the issued and paid up shares capital of Vivocom at an issue price of RM0.25 per Vivocom share.
- ii. On 19 April 2016, 112,000,000 new Vivocom shares were issued pursuant to the proposed private placement of up to 10% of the issued and paid up shares capital of Vivocom at an issue price of RM0.264 per Vivocom share.
- iii. During the current financial quarter ended 31 March 2016, 3,468 new Vivocom shares were issued arising from the exercise of the Company's Warrants C (2,068 units) and Warrants D (1,400 units).

As at 31 March 2016, 500,933,303 Warrants B, 200,357,715 Warrants C and 192,703,597 Warrants D have not 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”)
- d. Aluminium design and fabrication (“Aluminium”)
- e. Construction

Quarter Ended 31 March 2016	CME RM'000	TI RM'000	TBF RM'000	Alumi- nium	Construc- tion	Elimi- nations RM'000	Consoli- dated RM'000
Revenue from external customers	7,220	327	150	8,041	125,806	-	141,544
Operating expenses (inclusive of depreciation charges)	(5,283)	(250)	(120)	(4,678)	(93,930)	-	(104,261)
Gross Profit	1,937	77	30	3,363	31,876	-	37,283
Profit before taxation							33,299
Income tax expenses							(8,178)
Profit after tax							25,121
Other comprehensive income							-
Total Comprehensive Profit							25,121

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 31 March 2016.

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 31 March 2016 RM'000	Cumulative Year-to-Date 31 March 2016 RM'000
Property, plant & equipment: Additions	259	259

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 2015.

A15. Subsequent material events

There are no material events subsequent to the financial period ended 31 March 2016 that has not been reflected in this interim financial report.

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 31 March 2016, the Group recorded revenue of RM141.544 million and profit before tax of RM33.299 million.

Compared to the previous corresponding financial quarter ended 31 March 2015, the Group recorded increase of RM134.506 million in revenue. The substantial increase in revenue was attributable to the consolidation of the results of the Group's new subsidiary companies, Neata Aluminium (Malaysia) Sdn Bhd ("Neata") and Vivocom Enterprise Sdn Bhd ("VESB"). The Group's profit before tax also increased accordingly by RM32.376 million.

Revenue by segment:

	Current financial quarter ended 31 March 2016 (RM'000)	Preceding financial quarter ended 31 March 2015 (RM'000)	Current financial period-to-date 31 March 2016 (RM'000)	Preceding Financial period- to-date 31 March 2015 (RM'000)
CME	7,220	6,008	7,220	6,008
TI	327	1,030	327	1,030
TBF	150	-	150	-
Aluminium	8,041	N/A	8,041	N/A
Construction	125,806	N/A	125,806	N/A
Total	141,544	7,038	141,544	7,038

CME

CME contributed 5.1% of the total revenue for the current financial quarter ended 31 March 2016. For current financial quarter and year-to-date, CME recorded increase in revenue of RM1.212 million as compared to the same period in the preceding year. The increase was due to the higher work orders received for this segment.

TI

TI contributed 0.2% of the total revenue for the current financial quarter. For current financial quarter and year-to-date, TI recorded decrease in revenue of RM0.703 million as compared to the same period in the preceding year. The decrease was due to the lower number of TI works being commissioned by customers.

TBF

TBF contributed 0.1% of the total revenue for the current financial quarter. For current financial quarter, TBF recorded increase in revenue of RM0.150 million as compared to the same period in the preceding year. The increase was due to the successful commissioning of a few TBF sites this year as compared to none for the same period last year.

Aluminium

Aluminium contributed 5.7% of the total revenue for the current financial quarter, amounting to RM8.041 million. The works carried out comprised the design and fabrication of aluminium structures for several housing projects.

Construction

Construction contributed 88.9% of the total revenue for the current financial quarter, amounting to RM125.806 million. This revenue was derived from the progress billings of several on-going construction projects undertaken by VESB.

B2. Comparison to the results of the preceding quarter

	Current Quarter 31 March 2016 RM'000	Preceding Quarter 31 December 2015 RM'000
Revenue	141,544	60,758
Profit before tax	33,299	6,745

Compared to the preceding financial quarter, the Group recorded increase of RM80.786 million in revenue due to the significant increase in the revenue from the Aluminium and Construction segments. The profit before tax increased in tandem with the increase in revenue, recording increase of RM26.554 million as compared to the preceding quarter.

B3. Prospects for 2016

Since becoming subsidiary companies under the Group in November 2015, Neata and VESB have went on to win numerous contracts with an aggregated value of RM813.668 million. These contract wins were announced vide several announcements from November 2015 till the date of this report.

In addition, VESB had also entered into three (3) separate Heads of Agreement (“HOA”) with several parties for contract works. The expected aggregated value pursuant to the final agreements to be signed between the parties is expected to be not less than RM320.0 million.

In view of the positive developments above and the Group’s strong order book, barring any unforeseen circumstances, the Board is optimistic of achieving a satisfactory performance for the current financial year ending 31 December 2016.

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 31 March 2016 RM’000	Cumulative Year-to-Date 31 March 2016 RM’000
Current tax	8,178	8,178
	<hr/> <hr/>	<hr/> <hr/>
	8,178	8,178

For the current financial and cumulative quarter, the effective tax rate of the Group is 24.6%. The effective tax rate for the current financial quarter is marginally lower than the statutory rate due utilization of unabsorbed losses brought forward for certain subsidiary companies.

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 RM28.907 million from the Rights Issue by the Company as at 31 March 2016 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	13,743	1,257	-	Within 24 months from completion	
Repayment of borrowings	12,000	9,000	3,000	-	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	24,650	4,257	-		

- ii) The status of utilisation of the gross proceeds of RM33.750 million from the Private Placement of up to 10% of the issued and paid up shares capital of Vivocom as at 31 March 2016 are as follows:-

Purposes	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Deviation RM'000	Intended Timeframe for Utilisation
Future viable investments	20,000	-	20,000	-	Within 24 months from completion
General working capital for VESB	12,945	10,000	2,945	-	Within 24 months from completion
Private Placement expenses	805	805	-	-	Upon completion
Total	33,750	10,805	22,945	-	

B8. Realised and Unrealised Profits

The breakdown of retained profits of the Group for the financial quarter ended 31 March 2016 and the preceding year corresponding period 31 March 2015, is as follows :-

	Group Quarter Ended 31 March 2016 RM'000	Group Quarter Ended 31 March 2015 RM'000
Total retained profits of the Group:		
- Realised	99,478	60,912
- Unrealised	1,202	-
	<u>100,680</u>	<u>60,912</u>
Less : Consolidation adjustments	(42,021)	(23,583)
Total Group retained profits as per consolidated accounts	<u>58,659</u>	<u>37,329</u>

B9. Group borrowings and debt securities

The Group's borrowings as at 31 March 2016 are as follows:-

	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Term loans	2,294	7,972
Project revolving credit	18,958	-
Hire Purchase Creditors	2,832	891
	<u>24,084</u>	<u>8,863</u>

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 31 March 2016 RM'000	Cumulative Year-to-Date 31 March 2016 RM'000
This is arrived at after charging :-		
Depreciation and amortisation	959	959
Loss on disposal of property, plant and equipment	13	13

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
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit attributable to the equity holders of the Company (RM'000)	19,871	923	19,871	923
Weighted average number of shares in issue ('000)	2,466,351	912,009	2,466,351	912,009
Effect of issuance of shares pursuant to Rights Issue ('000)	N/A	84,311	N/A	84,311
Adjusted weighted average number of shares in issue ('000)	2,466,351	996,320	2,466,351	996,320
Basic earnings per share (sen)	0.81	0.09	0.81	0.09

(b) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit attributable to the equity holders of the Company (RM'000)	19,871	N/A	19,871	N/A
Weighted average number of shares in issue ('000)	2,466,351	N/A	2,466,351	N/A
Effect of dilution on assumed exercise of warrants ('000)	310,703	N/A	310,703	N/A
Adjusted weighted average number of shares in issue ('000)	<u>2,777,055</u>	<u>N/A</u>	<u>2,777,055</u>	<u>N/A</u>
Diluted earnings per share (sen)	0.72	N/A	0.72	N/A

By Order of the Board

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

Date: 12 May 2016