



**VICOM LTD**

Company Registration No. : 198100320K

**Third Quarter 2013 Financial Statements Announcement**

The Board of Directors announces the unaudited results of the Group for the Third Quarter and Nine Months to 30 September 2013.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>					
	<b>3rd Qtr 2013</b>	<b>3rd Qtr 2012</b>	<b>Incr/ (Decr)</b>	<b>9 months to 30 Sep 2013</b>	<b>9 months to 30 Sep 2012</b>	<b>Incr/ (Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	26,087	24,405	6.9	78,744	72,653	8.4
Staff costs	11,424	10,556	8.2	33,817	31,168	8.5
Depreciation expense	1,426	1,460	(2.3)	4,372	4,262	2.6
Repairs and maintenance	482	415	16.1	1,478	1,234	19.8
Materials and consumables	800	746	7.2	2,296	2,084	10.2
Contract services	1,309	970	34.9	3,597	2,608	37.9
Premises costs	841	780	7.8	2,469	2,297	7.5
Utilities and communication costs	580	598	(3.0)	1,740	1,795	(3.1)
Other operating expenses	1,077	1,181	(8.8)	3,440	3,362	2.3
Total operating expenses	<u>17,939</u>	<u>16,706</u>	7.4	<u>53,209</u>	<u>48,810</u>	9.0
<b>Operating profit</b>	8,148	7,699	5.8	25,535	23,843	7.1
Interest income	120	51	135.3	313	143	118.9
<b>Profit before taxation</b>	8,268	7,750	6.7	25,848	23,986	7.8
Taxation	(1,373)	(1,261)	8.9	(4,416)	(3,967)	11.3
<b>Profit after taxation</b>	<u>6,895</u>	<u>6,489</u>	6.3	<u>21,432</u>	<u>20,019</u>	7.1
Attributable to:						
<b>Shareholders of the Company</b>	6,779	6,391	6.1	21,096	19,741	6.9
Non-controlling interests	116	98	18.4	336	278	20.9
	<u>6,895</u>	<u>6,489</u>	6.3	<u>21,432</u>	<u>20,019</u>	7.1

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	70,851	65,991	68,117	62,326
Trade receivables	11,831	11,855	1,735	2,106
Other receivables and prepayments	1,474	775	230	153
Inventories	20	2	-	-
Total current assets	84,176	78,623	70,082	64,585
<b>Non-current assets</b>				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	309	186	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	52,177	54,504	29,581	30,553
Goodwill	11,325	11,325	-	-
Total non-current assets	64,151	66,355	55,837	56,809
<b>Total assets</b>	148,327	144,978	125,919	121,394
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	19,204	20,729	3,387	2,804
Due to subsidiaries	-	-	32,677	36,589
Income tax payable	5,295	5,390	1,733	1,949
Total current liabilities	24,499	26,119	37,797	41,342
<b>Non-current liability</b>				
Deferred tax liabilities	1,263	1,361	229	226
<b>Capital, reserves and non-controlling interests</b>				
Share capital	35,885	35,200	35,885	35,200
Other reserves	3,101	3,154	3,101	3,154
Foreign currency translation reserve	(83)	(57)	-	-
Accumulated profits	82,818	78,249	48,907	41,472
Equity attributable to shareholders of the Company	121,721	116,546	87,893	79,826
Non-controlling interests	844	952	-	-
Total equity	122,565	117,498	87,893	79,826
<b>Total liabilities &amp; equity</b>	148,327	144,978	125,919	121,394

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr 2013 \$'000	3rd Qtr 2012 \$'000	9 months to 30 Sep 2013 \$'000	9 months to 30 Sep 2012 \$'000
<b>Operating activities</b>				
Profit before taxation	8,268	7,750	25,848	23,986
Adjustments for:				
Depreciation expense	1,426	1,460	4,372	4,262
Interest income	(120)	(51)	(313)	(143)
Loss (Gain) on disposal of vehicles, premises and equipment	2	(8)	2	(1)
Allowance (Write-back) for doubtful trade receivables	-	(8)	91	(13)
Operating cash flows before movements in working capital	9,576	9,143	30,000	28,091
Changes in working capital	1,850	3,766	(2,229)	(1,560)
Cash generated from operations	11,426	12,909	27,771	26,531
Income tax paid	(1,968)	(1,930)	(4,609)	(4,529)
Net cash from operating activities	9,458	10,979	23,162	22,002
<b>Investing activities</b>				
Purchase of vehicles, premises and equipment	(713)	(1,336)	(2,199)	(3,301)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	-	-	489
Proceeds from disposal of vehicles, premises and equipment	-	8	5	8
Interest received	73	45	233	151
Net cash used in investing activities	(640)	(1,283)	(1,961)	(2,653)

**Financing activities**

Proceeds from exercise of share options	-	25	632	751
Dividends paid to non-controlling interests	(198)	(166)	(444)	(447)
Dividends paid	(7,079)	(6,615)	(16,527)	(16,051)
Net cash used in financing activities	(7,277)	(6,756)	(16,339)	(15,747)

**Net effect of exchange rate changes in consolidating subsidiaries**

	-	1	(2)	7
Net increase in cash and cash equivalents	1,541	2,941	4,860	3,609
Cash and cash equivalents at beginning of period	69,310	55,678	65,991	55,010
<b>Cash and cash equivalents at end of period</b>	<b>70,851</b>	<b>58,619</b>	<b>70,851</b>	<b>58,619</b>

**5 GROUP COMPREHENSIVE INCOME STATEMENT**

	<b>Group</b>			
	<b>3rd Qtr 2013</b>	<b>3rd Qtr 2012</b>	<b>9 months to 30 Sep 2013</b>	<b>9 months to 30 Sep 2012</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit after taxation</b>	6,895	6,489	21,432	20,019
Exchange differences arising on translation of foreign operations	(23)	(3)	(26)	(21)
<b>Other comprehensive expense for the period</b>	(23)	(3)	(26)	(21)
<b>Total comprehensive income for the period</b>	<b>6,872</b>	<b>6,486</b>	<b>21,406</b>	<b>19,998</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	6,756	6,388	21,070	19,720
Non-controlling interests	116	98	336	278
	<b>6,872</b>	<b>6,486</b>	<b>21,406</b>	<b>19,998</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 2013:

	Group						
	Attributable to shareholders of the Company						
	Share capital \$'000	Other reserves \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000	Non- controlling interests \$'000	
<b>Balance at 1 January 2013</b>	35,200	3,154	(57)	78,249	116,546	952	117,498
Total comprehensive (expense) income for the period	-	-	(3)	14,317	14,314	220	14,534
Exercise of share options	685	(53)	-	-	632	-	632
Payment of dividends	-	-	-	(9,448)	(9,448)	(246)	(9,694)
<b>Balance at 30 June 2013</b>	35,885	3,101	(60)	83,118	122,044	926	122,970
Total comprehensive (expense) income for the period	-	-	(23)	6,779	6,756	116	6,872
Exercise of share options	-	-	-	-	-	-	-
Payment of dividends	-	-	-	(7,079)	(7,079)	(198)	(7,277)
<b>Balance at 30 September 2013</b>	35,885	3,101	(83)	82,818	121,721	844	122,565

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 2012:

	<b>Group</b>						
	<b>Attributable to shareholders of the Company</b>						
	<b>Share capital</b>	<b>Other reserves</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated profits</b>	<b>Total</b>	<b>Non- controlling interests</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2012</b>	34,397	3,206	(37)	67,891	105,457	1,030	106,487
Total comprehensive (expense)/ income for the period	-	-	(18)	13,350	13,332	180	13,512
Exercise of share options	777	(51)	-	-	726	-	726
Payment of dividends	-	-	-	(9,436)	(9,436)	(281)	(9,717)
<b>Balance at 30 June 2012</b>	35,174	3,155	(55)	71,805	110,079	929	111,008
Total comprehensive (expense) income for the period	-	-	(3)	6,391	6,388	98	6,486
Exercise of share options	26	(1)	-	-	25	-	25
Payment of dividends	-	-	-	(6,615)	(6,615)	(166)	(6,781)
<b>Balance at 30 September 2012</b>	35,200	3,154	(58)	71,581	109,877	861	110,738

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 2013:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2013</b>	35,200	3,154	41,472	79,826
Total comprehensive income for the period	-	-	5,026	5,026
Exercise of share options	685	(53)	-	632
Payment of dividends	-	-	(9,448)	(9,448)
<b>Balance at 30 June 2013</b>	35,885	3,101	37,050	76,036
Total comprehensive income for the period	-	-	18,936	18,936
Exercise of share options	-	-	-	-
Payment of dividends	-	-	(7,079)	(7,079)
<b>Balance at 30 September 2013</b>	35,885	3,101	48,907	87,893

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 2012:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2012</b>	34,397	3,206	36,530	74,133
Total comprehensive income for the period	-	-	4,696	4,696
Exercise of share options	777	(51)	-	726
Payment of dividends	-	-	(9,436)	(9,436)
<b>Balance at 30 June 2012</b>	35,174	3,155	31,790	70,119
Total comprehensive income for the period	-	-	14,289	14,289
Exercise of share options	26	(1)	-	25
Payment of dividends	-	-	(6,615)	(6,615)
<b>Balance at 30 September 2012</b>	35,200	3,154	39,464	77,818

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

During the Third quarter ended 30 September 2013, no new ordinary shares were issued by the Company.

As at 30 September 2013, the total number of issued shares was 88,483,000 (31 December 2012: 88,227,000).

## Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 30 September 2013, options to subscribe for 159,000 ordinary shares (30 September 2012: 415,000) remained outstanding under the 2001 VICOM Share Option Scheme.

As at 30 September 2013, the Company does not hold any treasury shares.

### **8 AUDIT**

The financial statements have not been audited or reviewed.

### **9 AUDITORS' REPORT**

Not applicable.

### **10 ACCOUNTING POLICIES**

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2012.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013. The adoption of these new/revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

### **11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES**

Not applicable.

### **12 GROUP EARNINGS PER ORDINARY SHARE AND GROUP EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)**

#### Earnings per ordinary share

	<b>Group</b>			
	<b>3rd Qtr 2013</b>	<b>3rd Qtr 2012</b>	<b>9 months to 30 Sep 2013</b>	<b>9 months to 30 Sep 2012</b>
(i) Based on weighted average number of ordinary shares in issue - cents	7.67	7.25	23.86	22.39
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.66	7.24	23.84	22.35



## EBITDA

	<b>Group</b>			
	<b>3rd Qtr 2013</b>	<b>3rd Qtr 2012</b>	<b>9 months to 30 Sep 2013</b>	<b>9 months to 30 Sep 2012</b>
(i) EBITDA (\$'000)	9,574	9,159	29,907	28,105
(ii) EBITDA margin (%)	36.7	37.5	38.0	38.7

## **13 NET ASSET VALUE PER ORDINARY SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2013</b>	<b>31 Dec 2012</b>	<b>30 Sep 2013</b>	<b>31 Dec 2012</b>
Net asset value per ordinary share based on issued share capital - cents	137.56	132.10	99.33	90.48

## **14 REVIEW OF GROUP PERFORMANCE**

### **Performance Review**

#### **Revenue**

The Group's total revenue of \$26.1 million for 3Q13 was \$1.7 million or 6.9% higher than 3Q12 from higher business volume.

#### **Operating Expenses**

The Group's operating expenses of \$17.9 million for 3Q13 was \$1.2 million or 7.4% higher than 3Q12 due to higher expenses to support the increase in revenue.

#### **Operating Profit**

Consequently, the Group's operating profit of \$8.1 million for 3Q13 was \$0.4 million or 5.8% higher than 3Q12.

The Group's profit before tax of \$8.3 million for 3Q13 was \$0.5 million or 6.7% higher than 3Q12.

Taxation for the Group of \$1.4 million for 3Q13 was \$0.1 million or 8.9% higher than 3Q12 due to higher profit and lower enhanced capital allowances on qualifying expenditure under the Productivity and Innovation Credit Scheme.

The Group's Profit attributable to Shareholders of the Company of \$6.8 million for 3Q13 was \$0.4 million or 6.1% higher than 3Q12.

### **Statement of Financial Position**

Total Equity increased by \$5.1 million from \$117.5 million as at 31 December 2012 to \$122.6 million as at 30 September 2013 due to profits generated from operations, partially offset by the payment of dividends.

Total Assets increased by \$3.4 million to \$148.3 million as at 30 September 2013 due to the increase in Current Assets by \$5.6 million, partially offset by the decrease in Non-Current Assets by \$2.2 million. The increase in Current Assets was due mainly to the increase in Cash and Bank Balances by \$4.9 million and Other Receivables and Prepayments by \$0.7 million.

Total Liabilities decreased by \$1.7 million to \$25.8 million as at 30 September 2013 due mainly to the decrease in Trade and Other Payable, Income Tax Payable and Deferred Tax Liabilities.

### **Cash Flow**

The net cash inflow in 3Q13 was \$1.5 million.

#### **15 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS**

No forecast or prospect statement has been previously disclosed.

#### **16 GROUP OUTLOOK**

The demand for our testing services is expected to remain favourable. Vehicles are likely to be on the road longer and our non-vehicular testing services are expected to grow despite the keen competition.

#### **17 DIVIDEND**

##### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No.

##### **(b) Corresponding Period of the Immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediate preceding financial year? No.

##### **(c) Date payable**

Not applicable.

##### **(d) Books closure date**

Not applicable.

**18 SEGMENT INFORMATION**

Not applicable.

**19 BREAKDOWN OF REVENUE**

Not applicable.

**20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)**

Not applicable.

**21 INTERESTED PERSON TRANSACTIONS**

There is no Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

**22 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS UNDER SGX LISTING RULE 705(5) OF THE LISTING MANUAL**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the third quarter 2013 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh  
Chairman

Sim Wing Yew  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Chan Wan Tak, Wendy  
Company Secretary

11 November 2013