



VICOM LTD

Company Registration No. : 198100320K

First Quarter 2014 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the First Quarter ended 31 March 2014.

1 GROUP INCOME STATEMENT

	Group		
	1st Qtr 2014	1st Qtr 2013	Incr/ (Decr)
	\$'000	\$'000	%
Revenue	26,897	26,036	3.3
Staff costs	10,988	10,864	1.1
Depreciation and amortisation expenses	1,499	1,490	0.6
Repairs and maintenance	423	461	(8.2)
Materials and consumables	799	748	6.8
Contract services	1,114	984	13.2
Premises costs	907	793	14.4
Utilities and communication costs	527	596	(11.6)
Other operating expenses	1,115	1,042	7.0
Total operating expenses	<u>17,372</u>	<u>16,978</u>	2.3
Operating profit	9,525	9,058	5.2
Interest income	144	86	67.4
Profit before taxation	9,669	9,144	5.7
Taxation	(1,554)	(1,573)	(1.2)
Profit after taxation	<u>8,115</u>	<u>7,571</u>	7.2
Attributable to:			
Shareholders of the Company	8,013	7,463	7.4
Non-controlling interests	102	108	(5.6)
	<u>8,115</u>	<u>7,571</u>	7.2

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar 2014 \$'000	31 Dec 2013 \$'000	31 Mar 2014 \$'000	31 Dec 2013 \$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	84,952	78,535	81,834	76,097
Trade receivables	13,463	13,790	1,688	1,697
Other receivables and prepayments	1,436	1,311	520	365
Inventories	18	20	-	-
Total current assets	99,869	93,656	84,042	78,159
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	42	323	-	-
Club memberships	283	315	283	315
Vehicles, premises and equipment	52,976	52,757	28,779	29,184
Goodwill	11,325	11,325	-	-
Total non-current assets	64,651	64,745	55,003	55,440
Total assets	164,520	158,401	139,045	133,599
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	17,393	20,985	3,320	3,407
Due to subsidiaries	-	-	39,939	37,994
Income tax payable	7,571	5,888	2,286	1,986
Total current liabilities	24,964	26,873	45,545	43,387
Non-current liability				
Deferred tax liabilities	1,357	1,460	370	191
Capital, reserves and non-controlling interests				
Share capital	36,202	35,912	36,202	35,912
Other reserves	3,080	3,100	3,080	3,100
Foreign currency translation reserve	(94)	(93)	-	-
Accumulated profits	98,183	90,170	53,848	51,009
Equity attributable to shareholders of the Company	137,371	129,089	93,130	90,021
Non-controlling interests	828	979	-	-
Total equity	138,199	130,068	93,130	90,021
Total liabilities & equity	164,520	158,401	139,045	133,599

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr 2014	1st Qtr 2013
	\$'000	\$'000
Operating activities		
Profit before taxation	9,669	9,144
Adjustments for:		
Depreciation and amortisation expenses	1,499	1,490
Interest income	(144)	(86)
Loss (Gain) on disposal of vehicles, premises and equipment	4	(4)
Allowance for doubtful trade receivables	109	10
Operating cash flows before movements in working capital	<u>11,137</u>	<u>10,554</u>
Changes in working capital	<u>(3,412)</u>	<u>(3,995)</u>
Cash generated from operations	7,725	6,559
Income tax refund	26	21
Net cash from operating activities	<u>7,751</u>	<u>6,580</u>
Investing activities		
Purchase of vehicles, premises and equipment	(1,418)	(703)
Proceeds from disposal of vehicles, premises and equipment	1	4
Interest received	65	65
Net cash used in investing activities	<u>(1,352)</u>	<u>(634)</u>

	Group	
	1st Qtr 2014	1st Qtr 2013
	\$'000	\$'000
Financing activities		
Proceeds from exercise of share options	270	90
Dividends paid to non-controlling interests	(253)	(246)
Net cash from (used in) cash financing activities	<u>17</u>	<u>(156)</u>
Net effect of exchange rate changes in consolidating subsidiaries	1	(1)
Net increase in cash and cash equivalents	6,417	5,789
Cash and cash equivalents at beginning of period	78,535	65,991
Cash and cash equivalents at end of period	<u>84,952</u>	<u>71,780</u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Qtr 2014	1st Qtr 2013
	\$'000	\$'000
Profit after taxation	8,115	7,571
Exchange differences arising on translation of foreign operations	(1)	2
Other comprehensive expense for the period	<u>(1)</u>	<u>2</u>
Total comprehensive income for the period	<u>8,114</u>	<u>7,573</u>
Total comprehensive income attributable to:		
Shareholders of the Company	8,012	7,465
Non-controlling interests	102	108
	<u>8,114</u>	<u>7,573</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2014:

	Group						
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non- controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2014	35,912	3,100	(93)	90,170	129,089	979	130,068
Total comprehensive income (expense) for the period							
Profit for the period	-	-	-	8,013	8,013	102	8,115
Other comprehensive expense for the period	-	-	(1)	-	(1)	-	(1)
Total	-	-	(1)	8,013	8,012	102	8,114
Transactions recognised directly in equity							
Exercise of share options	290	(20)	-	-	270	-	270
Total	290	(20)	-	-	270	-	270
Payments to non-controlling interests	-	-	-	-	-	(253)	(253)
Balance at 31 March 2014	36,202	3,080	(94)	98,183	137,371	828	138,199

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2013:

	Group						
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non- controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2013	35,200	3,154	(57)	78,249	116,546	952	117,498
Total comprehensive income for the period							
Profit for the period	-	-	-	7,463	7,463	108	7,571
Other comprehensive income for the period	-	-	2	-	2	-	2
Total	-	-	2	7,463	7,465	108	7,573
Transactions recognised directly in equity							
Exercise of share options	97	(7)	-	-	90	-	90
Total	97	(7)	-	-	90	-	90
Payments to non-controlling interests	-	-	-	-	-	(246)	(246)
Balance at 31 March 2013	35,297	3,147	(55)	85,712	124,101	814	124,915

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2014:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2014	35,912	3,100	51,009	90,021
Profit for the period, representing total comprehensive income for the period	-	-	2,839	2,839
Transactions recognised directly in equity				
Exercise of share options	290	(20)	-	270
Total	290	(20)	-	270
Balance at 31 March 2014	36,202	3,080	53,848	93,130

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2013:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	35,200	3,154	41,472	79,826
Profit for the period, representing total comprehensive income for the period	-	-	2,996	2,996
Transactions recognised directly in equity				
Exercise of share options	97	(7)	-	90
Total	97	(7)	-	90
Balance at 31 March 2013	35,297	3,147	44,468	82,912

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 1st quarter ended 31 March 2014, the Company issued 115,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 31 March 2014, the total number of issued shares was 88,614,000 (31 December 2013: 88,499,000).

Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 31 March 2014, options to subscribe for 28,000 ordinary shares (31 March 2013: 371,000) remained outstanding under the 2001 VICOM Share Option Scheme.

As at 31 March 2014, 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 2013.

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 2014. The adoption of these new and 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

	Group	
	1st Qtr 2014	1st Qtr 2013
(i) Based on weighted average number of ordinary shares in issue - cents	9.05	8.46
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	9.05	8.44

EBITDA

	Group	
	1st Qtr 2014	1st Qtr 2013
(i) EBITDA (\$'000)	11,024	10,548
(ii) EBITDA margin (%)	41.0	40.5

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Net asset value per ordinary share based on issued share capital - cents	155.02	145.86	105.10	101.72

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$26.9 million for 1Q14 was \$0.9 million or 3.3% higher than 1Q13, contributed by higher business volume.

Operating Expenses

The Group's operating expenses of \$17.4 million for 1Q14 was \$0.4 million or 2.3% higher than 1Q13 due mainly to the higher expenses needed to generate the increased revenue.

Operating Profit

Consequently, the Group's operating profit of \$9.5 million for 1Q14 was \$0.5 million or 5.2% higher than 1Q13.

The Group's profit before tax of \$9.7 million for 1Q14 was \$0.5 million or 5.7% higher than 1Q13.

Taxation for the Group of \$1.55 million for 1Q14 was \$0.02 million or 1.2% lower than 1Q13 due to the write back of tax provision for prior years.

The Group's Profit attributable to Shareholders of the Company of \$8.0 million for 1Q14 was \$0.6 million or 7.4% higher than 1Q13.

Statement of Financial Position

Total Equity increased by \$8.1 million to \$138.2 million as at 31 March 2014 due mainly to profits generated from operations, partially offset by dividend payment to non controlling interests.

Total Assets increased by \$6.1 million to \$164.5 million as at 31 March 2014 due to the increase in Current Assets by \$6.2 million, partially offset by decrease in Non-Current Assets by \$0.1 million. The increase in Current Assets was due mainly to the increase in Cash and Bank Balances by \$6.4 million and Other Receivables and Prepayments by \$0.1 million, partially offset by decrease in Trade Receivables by \$0.3 million.

Total Liabilities decreased by \$2.0 million to \$26.3 million as at 31 March 2014 due mainly to the payment of variable bonus in March 2014, offset by the increase in Income Tax Payable.

Cash Flow

The net cash inflow in the quarter was \$6.4 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 the vehicle testing services is expected to moderate as more vehicles are expected to be deregistered in the year. The non-vehicle testing business is 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 first quarter 2014 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

8 May 2014