



VICOM LTD

Company Registration No. : 198100320K

Third Quarter 2014 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the Third Quarter and Nine Months to 30 September 2014.

1 GROUP INCOME STATEMENT

	Group					
	3rd Qtr 2014	3rd Qtr 2013	Incr/ (Decr)	9 months to 30 Sep 2014	9 months to 30 Sep 2013	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	27,008	26,087	3.5	81,169	78,744	3.1
Staff costs	12,072	11,424	5.7	35,371	33,817	4.6
Depreciation and amortisation expenses	1,505	1,426	5.5	4,501	4,372	3.0
Repairs and maintenance	524	482	8.7	1,304	1,478	(11.8)
Materials and consumables	779	800	(2.6)	2,346	2,296	2.2
Contract services	1,023	1,309	(21.8)	3,175	3,597	(11.7)
Premises costs	912	841	8.4	2,687	2,469	8.8
Utilities and communication costs	566	580	(2.4)	1,612	1,740	(7.4)
Other operating expenses	1,077	1,077	-	3,447	3,440	0.2
Total operating expenses	<u>18,458</u>	<u>17,939</u>	2.9	<u>54,443</u>	<u>53,209</u>	2.3
Operating profit	8,550	8,148	4.9	26,726	25,535	4.7
Interest income	174	120	45.0	455	313	45.4
Profit before taxation	8,724	8,268	5.5	27,181	25,848	5.2
Taxation	<u>(1,441)</u>	<u>(1,373)</u>	5.0	<u>(4,435)</u>	<u>(4,416)</u>	0.4
Profit after taxation	<u>7,283</u>	<u>6,895</u>	5.6	<u>22,746</u>	<u>21,432</u>	6.1
Attributable to:						
Shareholders of the Company	7,158	6,779	5.6	22,402	21,096	6.2
Non-controlling interests	<u>125</u>	<u>116</u>	7.8	<u>344</u>	<u>336</u>	2.4
	<u>7,283</u>	<u>6,895</u>	5.6	<u>22,746</u>	<u>21,432</u>	6.1

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	83,074	78,535	79,671	76,097
Trade receivables	11,911	13,790	1,857	1,697
Other receivables and prepayments	1,260	1,311	528	365
Inventories	21	20	-	-
Total current assets	<u>96,266</u>	<u>93,656</u>	<u>82,056</u>	<u>78,159</u>
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	347	323	-	-
Club memberships	283	315	283	315
Vehicles, premises and equipment	51,959	52,757	27,920	29,184
Goodwill	11,325	11,325	-	-
Total non-current assets	<u>63,939</u>	<u>64,745</u>	<u>54,144</u>	<u>55,440</u>
Total assets	<u>160,205</u>	<u>158,401</u>	<u>136,200</u>	<u>133,599</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	20,983	20,985	3,310	3,407
Due to subsidiaries	-	-	33,302	37,994
Income tax payable	5,830	5,888	1,880	1,986
Total current liabilities	<u>26,813</u>	<u>26,873</u>	<u>38,492</u>	<u>43,387</u>
Non-current liability				
Deferred tax liabilities	<u>1,332</u>	<u>1,460</u>	<u>294</u>	<u>191</u>
Total liabilities	<u>28,145</u>	<u>28,333</u>	<u>38,786</u>	<u>43,578</u>
Capital, reserves and non-controlling interests				
Share capital	36,225	35,912	36,225	35,912
Other reserves	3,078	3,100	3,078	3,100
Foreign currency translation reserve	(83)	(93)	-	-
Accumulated profits	<u>91,967</u>	<u>90,170</u>	<u>58,111</u>	<u>51,009</u>
Equity attributable to shareholders of the Company	131,187	129,089	97,414	90,021
Non-controlling interests	873	979	-	-
Total equity	<u>132,060</u>	<u>130,068</u>	<u>97,414</u>	<u>90,021</u>
Total liabilities & equity	<u>160,205</u>	<u>158,401</u>	<u>136,200</u>	<u>133,599</u>

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr 2014	3rd Qtr 2013	9 months to 30 Sep 2014	9 months to 30 Sep 2013
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	8,724	8,268	27,181	25,848
Adjustments for:				
Depreciation and amortisation expenses	1,505	1,426	4,501	4,372
Interest income	(174)	(120)	(455)	(313)
Loss on disposal of vehicles, premises and equipment	9	2	7	2
Allowance for doubtful trade receivables	106	-	188	91
Operating cash flows before movements in working capital	10,170	9,576	31,422	30,000
Changes in working capital	3,176	1,850	1,482	(2,229)
Cash generated from operations	13,346	11,426	32,904	27,771
Income tax paid	(1,984)	(1,968)	(4,621)	(4,609)
Net cash from operating activities	11,362	9,458	28,283	23,162
Investing activities				
Purchase of vehicles, premises and equipment	(658)	(713)	(3,392)	(2,199)
Proceeds from disposal of vehicles, premises and equipment	-	-	12	5
Interest received	174	73	399	233
Net cash used in investing activities	(484)	(640)	(2,981)	(1,961)

	Group			
	3rd Qtr 2014	3rd Qtr 2013	9 months to 30 Sep 2014	9 months to 30 Sep 2013
	\$'000	\$'000	\$'000	\$'000
Financing activities				
Proceeds from exercise of share options	-	-	291	632
Dividends paid to non-controlling interests	(197)	(198)	(450)	(444)
Dividends paid	(7,755)	(7,079)	(20,605)	(16,527)
Net cash used in cash financing activities	<u>(7,952)</u>	<u>(7,277)</u>	<u>(20,764)</u>	<u>(16,339)</u>
Net effect of exchange rate changes in consolidating subsidiaries	-	-	1	(2)
Net increase in cash and cash equivalents	2,926	1,541	4,539	4,860
Cash and cash equivalents at beginning of period	80,148	69,310	78,535	65,991
Cash and cash equivalents at end of period	<u>83,074</u>	<u>70,851</u>	<u>83,074</u>	<u>70,851</u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	3rd Qtr 2014	3rd Qtr 2013	9 months to 30 Sep 2014	9 months to 30 Sep 2013
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	7,283	6,895	22,746	21,432
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	-	(23)	10	(26)
Other comprehensive income for the period	<u>(23)</u>	<u>(23)</u>	<u>10</u>	<u>(26)</u>
Total comprehensive income for the period	<u>7,283</u>	<u>6,872</u>	<u>22,756</u>	<u>21,406</u>
Total comprehensive income attributable to:				
Shareholders of the Company	7,158	6,756	22,412	21,070
Non-controlling interests	125	116	344	336
	<u>7,283</u>	<u>6,872</u>	<u>22,756</u>	<u>21,406</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 2014:

	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	Total equity \$'000
Balance at 1 January 2014	35,912	3,100	(93)	90,170	129,089	979	130,068
Total comprehensive income for the period							
Profit for the period	-	-	-	15,244	15,244	219	15,463
Other comprehensive income for the period	-	-	10	-	10	-	10
Total	-	-	10	15,244	15,254	219	15,473
Transactions recognised directly in equity							
Exercise of share options	313	(22)	-	-	291	-	291
Payment of dividends	-	-	-	(12,850)	(12,850)	-	(12,850)
Total	313	(22)	-	(12,850)	(12,559)	-	(12,559)
Payments to non-controlling interests	-	-	-	-	-	(253)	(253)
Balance at 30 June 2014	36,225	3,078	(83)	92,564	131,784	945	132,729
Total comprehensive income for the period							
Profit for the period	-	-	-	7,158	7,158	125	7,283
Other comprehensive income for the period	-	-	-	-	-	-	-
Total	-	-	-	7,158	7,158	125	7,283
Transactions recognised directly in equity							
Exercise of share options	-	-	-	-	-	-	-
Payment of dividends	-	-	-	(7,755)	(7,755)	-	(7,755)
Total	-	-	-	(7,755)	(7,755)	-	(7,755)
Payments to non-controlling interests	-	-	-	-	-	(197)	(197)
Balance at 30 September 2014	36,225	3,078	(83)	91,967	131,187	873	132,060

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	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	-	-	-	14,317	14,317	220	14,537
Other comprehensive income for the period	-	-	(3)	-	(3)	-	(3)
Total	-	-	(3)	14,317	14,314	220	14,534
Transactions recognised directly in equity							
Exercise of share options	685	(53)	-	-	632	-	632
Payment of dividends	-	-	-	(9,448)	(9,448)	-	(9,448)
Total	685	(53)	-	(9,448)	(8,816)	-	(8,816)
Payments to non-controlling interests	-	-	-	-	-	(246)	(246)
Balance at 30 June 2013	35,885	3,101	(60)	83,118	122,044	926	122,970
Total comprehensive income for the period							
Profit for the period	-	-	-	6,779	6,779	116	6,895
Other comprehensive income for the period	-	-	(23)	-	(23)	-	(23)
Total	-	-	(23)	6,779	6,756	116	6,872
Transactions recognised directly in equity							
Exercise of share options	-	-	-	-	-	-	-
Payment of dividends	-	-	-	(7,079)	(7,079)	-	(7,079)
Total	-	-	-	(7,079)	(7,079)	-	(7,079)
Payments to non-controlling interests	-	-	-	-	-	(198)	(198)
Balance at 30 September 2013	35,885	3,101	(83)	82,818	121,721	844	122,565

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 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	-	-	5,442	5,442
Transactions recognised directly in equity				
Exercise of share options	313	(22)	-	291
Payment of dividends	-	-	(12,850)	(12,850)
Total	313	(22)	(12,850)	(12,559)
Balance at 30 June 2014	36,225	3,078	43,601	82,904
Profit for the period, representing total comprehensive income for the period	-	-	22,265	22,265
Transactions recognised directly in equity				
Exercise of share options	-	-	-	-
Payment of dividends	-	-	(7,755)	(7,755)
Total	-	-	(7,755)	(7,755)
Balance at 30 September 2014	36,225	3,078	58,111	97,414

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 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	-	-	5,026	5,026
Transactions recognised directly in equity				
Exercise of share options	685	(53)	-	632
Payment of dividends	-	-	(9,448)	(9,448)
Total	685	(53)	(9,448)	(8,816)
Balance at 30 June 2013	35,885	3,101	37,050	76,036
Profit for the period, representing total comprehensive income for the period	-	-	18,936	18,936
Transactions recognised directly in equity				
Exercise of share options	-	-	-	-
Payment of dividends	-	-	(7,079)	(7,079)
Total	-	-	(7,079)	(7,079)
Balance at 30 September 2013	35,885	3,101	48,907	87,893

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the third quarter ended 30 September 2014, no new ordinary shares were issued by the Company.

As at 30 September 2014, the total number of issued shares was 88,622,000 (31 December 2013: 88,499,000).

Outstanding Shares – The 2001 VICOM Share Option Scheme

The VICOM Share Option Scheme was not renewed following its expiry on 26 April 2011.

As at 30 September 2014, options to subscribe for 20,000 ordinary shares (30 September 2013: 159,000) remained outstanding under the 2001 VICOM Share Option Scheme.

As at 30 September 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/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			
	3rd Qtr 2014	3rd Qtr 2013	9 months to 30 Sep 2014	9 months to 30 Sep 2013
(i) Based on weighted average number of ordinary shares in issue - cents	8.08	7.67	25.28	23.86
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	8.08	7.66	25.28	23.84

EBITDA

	Group			
	3rd Qtr 2014	3rd Qtr 2013	9 months to 30 Sep 2014	9 months to 30 Sep 2013
(i) EBITDA (\$'000)	10,055	9,574	31,227	29,907
(ii) EBITDA margin (%)	37.2	36.7	38.5	38.0

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Net asset value per ordinary share based on issued share capital - cents	148.03	145.86	109.92	101.72

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$27.0 million for 3Q14 was \$0.9 million or 3.5% higher than 3Q13, contributed by higher business volume.

Operating Expenses

The Group's operating expenses of \$18.5 million for 3Q14 was \$0.5 million or 2.9% higher than 3Q13 due mainly to the higher expenses needed to generate the increased revenue.

Operating Profit

Consequently, the Group's operating profit of \$8.6 million for 3Q14 was \$0.4 million or 4.9% higher than 3Q13.

The Group's profit before tax of \$8.7 million for 3Q14 was \$0.5 million or 5.5% higher than 3Q13.

Taxation for the Group of \$1.44 million for 3Q14 was \$0.07 million or 5.0% higher than 3Q13 due mainly to the higher profit in 3Q14.

The Group's Profit attributable to Shareholders of the Company of \$7.2 million for 3Q14 was \$0.4 million or 5.6% higher than 3Q13.

Statement of Financial Position

Total Equity increased by \$2.0 million from \$130.1 million as at 31 December 2013 to \$132.1 million as at 30 September 2014 due mainly to profits generated from operations, partially offset by payment of dividends.

Total Assets increased by \$1.8 million to \$160.2 million as at 30 September 2014 due to the increase in Current Assets by \$2.6 million, partially offset by the decrease in Non-Current Assets by \$0.8 million. The increase in Current Assets was due mainly to the increase in Cash and Bank Balances by \$4.5 million, partially offset by the decrease in Trade Receivables by \$1.9 million.

Total Liabilities decreased by \$0.2 million to \$28.1 million as at 30 September 2014 due mainly to the decrease in Trade and Other Payable, Income Tax Payable and Deferred Tax Liabilities.

Cash Flow

The net cash inflow in 3Q14 was \$2.9 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 even though competition remains keen.

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 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

11 November 2014