



VICOM LTD

Company Registration No. : 198100320K

Second Quarter 2015 Financial Statements and Dividend Announcement

The Board of Directors announces the unaudited results of the Group for the Second Quarter and Half Year ended 30 June 2015.

1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr 2015	2nd Qtr 2014	Incr/ (Decr)	1st Half 2015	1st Half 2014	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	27,291	27,264	0.1	55,577	54,161	2.6
Staff costs	12,230	12,311	(0.7)	23,984	23,299	2.9
Depreciation and amortisation	1,505	1,497	0.5	3,027	2,996	1.0
Contract services	976	1,038	(6.0)	2,035	2,152	(5.4)
Premises costs	904	868	4.1	1,818	1,775	2.4
Materials and consumables	682	768	(11.2)	1,445	1,567	(7.8)
Utilities and communication costs	510	519	(1.7)	978	1,046	(6.5)
Repairs and maintenance costs	373	357	4.5	712	780	(8.7)
Other operating costs	1,145	1,255	(8.8)	2,687	2,370	13.4
Total operating costs	<u>18,325</u>	<u>18,613</u>	(1.5)	<u>36,686</u>	<u>35,985</u>	1.9
Operating profit	8,966	8,651	3.6	18,891	18,176	3.9
Interest income	266	137	94.2	497	281	76.9
Profit before taxation	9,232	8,788	5.1	19,388	18,457	5.0
Taxation	<u>(1,534)</u>	<u>(1,440)</u>	6.5	<u>(3,166)</u>	<u>(2,994)</u>	5.7
Profit after taxation	<u>7,698</u>	<u>7,348</u>	4.8	<u>16,222</u>	<u>15,463</u>	4.9
Attributable to:						
Shareholders of the Company	7,580	7,231	4.8	16,002	15,244	5.0
Non-controlling interests	118	117	0.9	220	219	0.5
	<u>7,698</u>	<u>7,348</u>	4.8	<u>16,222</u>	<u>15,463</u>	4.9

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	90,472	91,028	87,407	88,653
Trade receivables	14,040	13,297	1,825	1,964
Other receivables and prepayments	1,598	1,190	949	442
Inventories	19	21	-	-
Total current assets	106,129	105,536	90,181	91,059
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	140	-	-	-
Club memberships	251	283	251	283
Vehicles, premises and equipment	50,369	52,120	26,764	27,618
Goodwill	11,325	11,325	-	-
Total non-current assets	62,110	63,753	52,956	53,842
Total assets	168,239	169,289	143,137	144,901
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	20,239	21,413	3,515	3,887
Due to subsidiaries	-	-	47,445	38,927
Income tax payable	6,863	6,502	2,335	2,273
Total current liabilities	27,102	27,915	53,295	45,087
Non-current liability				
Deferred tax liabilities	1,518	1,486	294	208
Total liabilities	28,620	29,401	53,589	45,295
Capital, reserves and non-controlling interests				
Share capital	36,225	36,225	36,225	36,225
Other reserves	3,078	3,078	3,078	3,078
Foreign currency translation reserve	(171)	(107)	-	-
Accumulated profits	99,535	99,707	50,245	60,303
Equity attributable to shareholders of the Company	138,667	138,903	89,548	99,606
Non-controlling interests	952	985	-	-
Total equity	139,619	139,888	89,548	99,606
Total liabilities & equity	168,239	169,289	143,137	144,901

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group			
	2nd Qtr 2015 \$'000	2nd Qtr 2014 \$'000	1st Half 2015 \$'000	1st Half 2014 \$'000
Operating activities				
Profit before taxation	9,232	8,788	19,388	18,457
Adjustments for:				
Depreciation and amortisation	1,505	1,497	3,027	2,996
Interest income	(266)	(137)	(497)	(281)
Loss (Gain) on disposal of vehicles, premises and equipment	5	(6)	-	(2)
Allowance (Write-back) for doubtful trade receivables	149	(27)	533	82
Operating cash flows before movements in working capital	10,625	10,115	22,451	21,252
Changes in working capital	902	1,718	(2,809)	(1,694)
Cash generated from operations	11,527	11,833	19,642	19,558
Income tax paid	(2,802)	(2,663)	(2,773)	(2,637)
Net cash from operating activities	8,725	9,170	16,869	16,921
Investing activities				
Purchase of vehicles, premises and equipment	(727)	(1,316)	(1,308)	(2,734)
Proceeds from disposal of vehicles, premises and equipment	3	11	8	12
Interest received	213	160	310	225
Net cash used in investing activities	(511)	(1,145)	(990)	(2,497)

	Group			
	2nd Qtr 2015	2nd Qtr 2014	1st Half 2015	1st Half 2014
	\$'000	\$'000	\$'000	\$'000
Financing activities				
Proceeds from exercise of share options	-	21	-	291
Dividends paid to non-controlling interests	-	-	(253)	(253)
Dividends paid	(16,174)	(12,850)	(16,174)	(12,850)
Net cash used in cash financing activities	<u>(16,174)</u>	<u>(12,829)</u>	<u>(16,427)</u>	<u>(12,812)</u>
Net effect of exchange rate changes in consolidating subsidiaries	(7)	-	(8)	1
Net (decrease) increase in cash and cash equivalents	(7,967)	(4,804)	(556)	1,613
Cash and cash equivalents at beginning of period	98,439	84,952	91,028	78,535
Cash and cash equivalents at end of period	<u>90,472</u>	<u>80,148</u>	<u>90,472</u>	<u>80,148</u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	2nd Qtr 2015	2nd Qtr 2014	1st Half 2015	1st Half 2014
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	7,698	7,348	16,222	15,463
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	(42)	11	(64)	10
Other comprehensive income for the period	(42)	11	(64)	10
Total comprehensive income for the period	<u>7,656</u>	<u>7,359</u>	<u>16,158</u>	<u>15,473</u>
Total comprehensive income attributable to:				
Shareholders of the Company	7,538	7,242	15,938	15,254
Non-controlling interests	118	117	220	219
	<u>7,656</u>	<u>7,359</u>	<u>16,158</u>	<u>15,473</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Second Quarter and Half Year ended 30 June 2015:

	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 2015	36,225	3,078	(107)	99,707	138,903	985	139,888
Total comprehensive income for the period							
Profit for the period	-	-	-	8,422	8,422	102	8,524
Other comprehensive income for the period	-	-	(22)	-	(22)	-	(22)
Total	-	-	(22)	8,422	8,400	102	8,502
Payments to non-controlling interests	-	-	-	-	-	(253)	(253)
Balance at 31 March 2015	36,225	3,078	(129)	108,129	147,303	834	148,137
Total comprehensive income for the period							
Profit for the period	-	-	-	7,580	7,580	118	7,698
Other comprehensive income for the period	-	-	(42)	-	(42)	-	(42)
Total	-	-	(42)	7,580	7,538	118	7,656
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(16,174)	(16,174)	-	(16,174)
Total	-	-	-	(16,174)	(16,174)	-	(16,174)
Balance at 30 June 2015	36,225	3,078	(171)	99,535	138,667	952	139,619

Consolidated Statement of Changes in Equity for the Second Quarter and Half Year ended 30 June 2014:

	Group						Total equity
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	
\$'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 for the period							
Profit for the period	-	-	-	8,013	8,013	102	8,115
Other comprehensive income 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
Total comprehensive income for the period							
Profit for the period	-	-	-	7,231	7,231	117	7,348
Other comprehensive income for the period	-	-	11	-	11	-	11
Total	-	-	11	7,231	7,242	117	7,359
Transactions recognised directly in equity							
Exercise of share options	23	(2)	-	-	21	-	21
Payment of dividends	-	-	-	(12,850)	(12,850)	-	(12,850)
Total	23	(2)	-	(12,850)	(12,829)	-	(12,829)
Balance at 30 June 2014	36,225	3,078	(83)	92,564	131,784	945	132,729

Statement of Changes in Equity of the Company for the Second Quarter and Half Year ended 30 June 2015:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2015	36,225	3,078	60,303	99,606
Profit for the period, representing total comprehensive income for the period	-	-	3,458	3,458
Balance at 31 March 2015	36,225	3,078	63,761	103,064
Profit for the period, representing total comprehensive income for the period	-	-	2,658	2,658
Transactions recognised directly in equity				
Payment of dividends	-	-	(16,174)	(16,174)
Total	-	-	(16,174)	(16,174)
Balance at 30 June 2015	36,225	3,078	50,245	89,548

Statement of Changes in Equity of the Company for the Second Quarter and Half Year ended 30 June 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
Profit for the period, representing total comprehensive income for the period	-	-	2,603	2,603
Transactions recognised directly in equity				
Exercise of share options	23	(2)	-	21
Payment of dividends	-	-	(12,850)	(12,850)
Total	23	(2)	(12,850)	(12,829)
Balance at 30 June 2014	36,225	3,078	43,601	82,904

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the second quarter ended 30 June 2015, no new ordinary shares were issued by the Company.

As at 30 June 2015, the total number of issued shares was 88,622,000 (31 December 2014: 88,622,000).

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 June 2015, options to subscribe for 20,000 ordinary shares (30 June 2014: 20,000) remained outstanding under the 2001 VICOM Share Option Scheme.

As at 30 June 2015, 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 2014.

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 1 January 2015.

The adoption of these new and revised FRSs 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			
	2nd Qtr 2015	2nd Qtr 2014	1st Half 2015	1st Half 2014
(i) Based on weighted average number of ordinary shares in issue - cents	8.55	8.16	18.06	17.20
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	8.55	8.16	18.05	17.20

EBITDA

	Group			
	2nd Qtr 2015	2nd Qtr 2014	1st Half 2015	1st Half 2014
(i) EBITDA (\$'000)	10,471	10,148	21,918	21,172
(ii) EBITDA margin (%)	38.4	37.2	39.4	39.1

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
Net asset value per ordinary share based on issued share capital - cents	156.47	156.74	101.04	112.39

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$27.3 million for 2Q15 was marginally higher by \$0.03 million or 0.1% compared to 2Q14.

Operating Costs

The Group's operating costs of \$18.3 million for 2Q15 were \$0.3 million or 1.5% lower than 2Q14.

Operating Profit

Consequently, the Group's operating profit of \$9.0 million for 2Q15 was \$0.3 million or 3.6% higher than 2Q14.

The Group's profit before tax of \$9.2 million for 2Q15 was \$0.4 million or 5.1% higher than 2Q14.

Taxation for the Group of \$1.53 million for 2Q15 was \$0.09 million or 6.5% higher than 2Q14.

The Group's Profit attributable to Shareholders of the Company of \$7.6 million for 2Q15 was \$0.3 million or 4.8% higher than 2Q14.

Statement of Financial Position

Total Equity decreased by \$0.3 million to \$139.6 million as at 30 June 2015 due mainly to payment of dividends offset by profits generated from operations.

Total Assets decreased by \$1.1 million to \$168.2 million as at 30 June 2015 due to the decrease in Non-Current Assets by \$1.6 million, partially offset by the increase in Current Assets by \$0.5 million. The decrease in Non-Current Assets was due mainly to the decrease in fixed assets.

Total Liabilities decreased by \$0.8 million to \$28.6 million as at 30 June 2015 due mainly to the decrease in Trade and Other Payables by \$1.2 million after the payment of variable bonus, partially offset by an increase in Income Tax Payable of \$0.4 million.

Cash Flow

The net cash outflow in 2Q15 was \$8.0 million after payment of dividends.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Demand for vehicle testing services is expected to moderate as more vehicles are expected to be deregistered during the year. Demand for non-vehicle testing services is expected to fall as growth in some industries slows.

17 DIVIDEND

(a) Current Financial Period Reported On

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 8.75 cents (2014: 8.75 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	8.75 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	8.75 cents
Tax Rate	Exempt one-tier

(c) Date payable

The interim dividend will be paid on 26 August 2015.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 20 August 2015 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 19 August 2015 will be registered to determine Shareholders' entitlements to the interim dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 19 August 2015 will be entitled to the interim dividend.

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 second quarter 2015 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 August 2015