



**VICOM LTD**

Company Registration No. : 198100320K

**Second Quarter 2016 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 2016.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>					
	<b>2nd Qtr 2016</b>	<b>2nd Qtr 2015</b>	<b>Incr/ (Decr)</b>	<b>1st Half 2016</b>	<b>1st Half 2015</b>	<b>Incr/ (Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	25,403	27,291	(6.9)	50,761	55,577	(8.7)
Staff costs	11,674	12,230	(4.5)	22,648	23,984	(5.6)
Depreciation and amortisation	1,621	1,505	7.7	3,206	3,027	5.9
Contract services	955	976	(2.2)	1,850	2,035	(9.1)
Premises costs	914	904	1.1	1,810	1,818	(0.4)
Materials and consumables	629	682	(7.8)	1,237	1,445	(14.4)
Utilities and communication costs	382	510	(25.1)	815	978	(16.7)
Repairs and maintenance costs	383	373	2.7	743	712	4.4
Other operating costs	1,311	1,145	14.5	2,395	2,687	(10.9)
<b>Total operating costs</b>	<b>17,869</b>	<b>18,325</b>	<b>(2.5)</b>	<b>34,704</b>	<b>36,686</b>	<b>(5.4)</b>
<b>Operating profit</b>	<b>7,534</b>	<b>8,966</b>	<b>(16.0)</b>	<b>16,057</b>	<b>18,891</b>	<b>(15.0)</b>
Interest income	383	266	44.0	769	497	54.7
<b>Profit before taxation</b>	<b>7,917</b>	<b>9,232</b>	<b>(14.2)</b>	<b>16,826</b>	<b>19,388</b>	<b>(13.2)</b>
Taxation	(1,192)	(1,534)	(22.3)	(2,681)	(3,166)	(15.3)
<b>Profit after taxation</b>	<b>6,725</b>	<b>7,698</b>	<b>(12.6)</b>	<b>14,145</b>	<b>16,222</b>	<b>(12.8)</b>
Attributable to:						
<b>Shareholders of the Company</b>	6,624	7,580	(12.6)	13,937	16,002	(12.9)
Non-controlling interests	101	118	(14.4)	208	220	(5.5)
	<u>6,725</u>	<u>7,698</u>	(12.6)	<u>14,145</u>	<u>16,222</u>	(12.8)

2 STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2016 \$'000</u>	<u>31 Dec 2015 \$'000</u>	<u>30 Jun 2016 \$'000</u>	<u>31 Dec 2015 \$'000</u>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	95,762	100,064	93,559	98,193
Trade receivables	14,232	13,762	2,201	2,281
Other receivables and prepayments	1,940	1,662	946	788
Inventories	27	19	-	-
<b>Total current assets</b>	<u>111,961</u>	<u>115,507</u>	<u>96,706</u>	<u>101,262</u>
<b>Non-current assets</b>				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Club memberships	219	251	219	251
Vehicles, premises and equipment	48,204	49,638	25,569	26,407
Goodwill	11,325	11,325	-	-
<b>Total non-current assets</b>	<u>59,773</u>	<u>61,239</u>	<u>51,729</u>	<u>52,599</u>
<b>Total assets</b>	<u>171,734</u>	<u>176,746</u>	<u>148,435</u>	<u>153,861</u>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	20,201	21,205	4,421	4,608
Due to subsidiaries	-	-	42,689	38,631
Income tax payable	6,113	6,567	2,719	2,601
<b>Total current liabilities</b>	<u>26,314</u>	<u>27,772</u>	<u>49,829</u>	<u>45,840</u>
<b>Non-current liability</b>				
Deferred tax liabilities	1,724	1,722	344	240
<b>Total liabilities</b>	<u>28,038</u>	<u>29,494</u>	<u>50,173</u>	<u>46,080</u>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	36,284	36,225	36,284	36,225
Other reserves	3,073	3,078	3,073	3,078
Foreign currency translation reserve	(227)	(244)	-	-
Accumulated profits	103,626	107,196	58,905	68,478
Equity attributable to shareholders of the Company	142,756	146,255	98,262	107,781
Non-controlling interests	940	997	-	-
<b>Total equity</b>	<u>143,696</u>	<u>147,252</u>	<u>98,262</u>	<u>107,781</u>
<b>Total liabilities &amp; equity</b>	<u>171,734</u>	<u>176,746</u>	<u>148,435</u>	<u>153,861</u>

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	Group			
	2nd Qtr 2016 \$'000	2nd Qtr 2015 \$'000	1st Half 2016 \$'000	1st Half 2015 \$'000
<b>Operating activities</b>				
Profit before taxation	7,917	9,232	16,826	19,388
Adjustments for:				
Depreciation and amortisation	1,621	1,505	3,206	3,027
Interest income	(383)	(266)	(769)	(497)
(Gain) Loss on disposal of vehicles, premises and equipment	(4)	5	(9)	-
Allowance for expected credit losses	343	149	455	533
Operating cash flows before movements in working capital	9,494	10,625	19,709	22,451
Changes in working capital	163	902	(2,053)	(2,809)
Cash generated from operations	9,657	11,527	17,656	19,642
Income tax paid	(3,121)	(2,802)	(3,133)	(2,773)
Net cash from operating activities	6,536	8,725	14,523	16,869
<b>Investing activities</b>				
Purchase of vehicles, premises and equipment	(1,075)	(727)	(1,731)	(1,308)
Proceeds from disposal of vehicles, premises and equipment	10	3	15	8
Interest received	353	213	607	310
Net cash used in investing activities	(712)	(511)	(1,109)	(990)

	Group			
	2nd Qtr 2016	2nd Qtr 2015	1st Half 2016	1st Half 2015
	\$'000	\$'000	\$'000	\$'000
<b>Financing activities</b>				
Proceeds from exercise of share options	-	-	54	-
Dividends paid to non-controlling interests	-	-	(265)	(253)
Dividends paid	(17,507)	(16,174)	(17,507)	(16,174)
Net cash used in financing activities	<u>(17,507)</u>	<u>(16,174)</u>	<u>(17,718)</u>	<u>(16,427)</u>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<u>(4)</u>	<u>(7)</u>	<u>2</u>	<u>(8)</u>
Net decrease in cash and cash equivalents	(11,687)	(7,967)	(4,302)	(556)
Cash and cash equivalents at beginning of period	107,449	98,439	100,064	91,028
<b>Cash and cash equivalents at end of period</b>	<u>95,762</u>	<u>90,472</u>	<u>95,762</u>	<u>90,472</u>

## 5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	2nd Qtr 2016	2nd Qtr 2015	1st Half 2016	1st Half 2015
	\$'000	\$'000	\$'000	\$'000
<b>Profit after taxation</b>	6,725	7,698	14,145	16,222
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences arising on translation of foreign operations	<u>(26)</u>	<u>(42)</u>	<u>17</u>	<u>(64)</u>
<b>Other comprehensive income for the period</b>	(26)	(42)	17	(64)
<b>Total comprehensive income for the period</b>	<u>6,699</u>	<u>7,656</u>	<u>14,162</u>	<u>16,158</u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	6,598	7,538	13,954	15,938
Non-controlling interests	101	118	208	220
	<u>6,699</u>	<u>7,656</u>	<u>14,162</u>	<u>16,158</u>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Second Quarter and Half Year ended 30 June 2016:

	<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 2016</b>	36,225	3,078	(244)	107,196	146,255	997	147,252
Total comprehensive income for the period							
Profit for the period	-	-	-	7,313	7,313	107	7,420
Other comprehensive income for the period	-	-	43	-	43	-	43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>7,313</b>	<b>7,356</b>	<b>107</b>	<b>7,463</b>
Transactions recognised directly in equity							
Exercise of share options	59	(5)	-	-	54	-	54
<b>Total</b>	<b>59</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>-</b>	<b>54</b>
Payments to non-controlling interests	-	-	-	-	-	(265)	(265)
<b>Balance at 31 March 2016</b>	<b>36,284</b>	<b>3,073</b>	<b>(201)</b>	<b>114,509</b>	<b>153,665</b>	<b>839</b>	<b>154,504</b>
Total comprehensive income for the period							
Profit for the period	-	-	-	6,624	6,624	101	6,725
Other comprehensive income for the period	-	-	(26)	-	(26)	-	(26)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(26)</b>	<b>6,624</b>	<b>6,598</b>	<b>101</b>	<b>6,699</b>
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(17,507)	(17,507)	-	(17,507)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,507)</b>	<b>(17,507)</b>	<b>-</b>	<b>(17,507)</b>
<b>Balance at 30 June 2016</b>	<b>36,284</b>	<b>3,073</b>	<b>(227)</b>	<b>103,626</b>	<b>142,756</b>	<b>940</b>	<b>143,696</b>

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

	<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 2015</b>	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)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(22)</b>	<b>8,422</b>	<b>8,400</b>	<b>102</b>	<b>8,502</b>
Payments to non-controlling interests	-	-	-	-	-	(253)	(253)
<b>Balance at 31 March 2015</b>	<b>36,225</b>	<b>3,078</b>	<b>(129)</b>	<b>108,129</b>	<b>147,303</b>	<b>834</b>	<b>148,137</b>
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)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(42)</b>	<b>7,580</b>	<b>7,538</b>	<b>118</b>	<b>7,656</b>
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(16,174)	(16,174)	-	(16,174)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,174)</b>	<b>(16,174)</b>	<b>-</b>	<b>(16,174)</b>
<b>Balance at 30 June 2015</b>	<b>36,225</b>	<b>3,078</b>	<b>(171)</b>	<b>99,535</b>	<b>138,667</b>	<b>952</b>	<b>139,619</b>

Statement of Changes in Equity of the Company for the Second Quarter and Half Year ended 30 June 2016:

	<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 2016</b>	36,225	3,078	68,478	107,781
Profit for the period, representing total comprehensive income for the period	-	-	4,326	4,326
Transactions recognised directly in equity				
Exercise of share options	59	(5)	-	54
Total	59	(5)	-	54
<b>Balance at 31 March 2016</b>	36,284	3,073	72,804	112,161
Profit for the period, representing total comprehensive income for the period	-	-	3,608	3,608
Transactions recognised directly in equity				
Payment of dividends	-	-	(17,507)	(17,507)
Total	-	-	(17,507)	(17,507)
<b>Balance at 30 June 2016</b>	36,284	3,073	58,905	98,262

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

	<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 2015</b>	36,225	3,078	60,303	99,606
Profit for the period, representing total comprehensive income for the period	-	-	3,458	3,458
<b>Balance at 31 March 2015</b>	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)
<b>Balance at 30 June 2015</b>	36,225	3,078	50,245	89,548

## **7 CHANGES IN COMPANY'S SHARE CAPITAL**

### Share Capital

During the second quarter ended 30 June 2016, no new ordinary shares were issued by the Company.

As at 30 June 2016, the total number of issued shares was 88,642,000 (31 December 2015: 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 2016, there were no outstanding options to subscribe for ordinary shares (30 June 2015: 20,000) under the 2001 VICOM Share Option Scheme.

As at 30 June 2016, 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 2015.

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 2016.

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

	<b>Group</b>			
	<b>2nd Qtr 2016</b>	<b>2nd Qtr 2015</b>	<b>1st Half 2016</b>	<b>1st Half 2015</b>
(i) Based on weighted average number of ordinary shares in issue - cents	7.47	8.55	15.72	18.06
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.47	8.55	15.72	18.05

EBITDA

	<b>Group</b>			
	<b>2nd Qtr 2016</b>	<b>2nd Qtr 2015</b>	<b>1st Half 2016</b>	<b>1st Half 2015</b>
(i) EBITDA (\$'000)	9,155	10,471	19,263	21,918
(ii) EBITDA margin (%)	36.0	38.4	37.9	39.4

**13 NET ASSET VALUE PER ORDINARY SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2016</b>	<b>31 Dec 2015</b>	<b>30 Jun 2016</b>	<b>31 Dec 2015</b>
Net asset value per ordinary share based on issued share capital - cents	161.05	165.03	110.85	121.62

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

#### Revenue

The Group's total revenue of \$25.4 million for 2Q16 was \$1.9 million or 6.9% lower than 2Q15 due to lower business volumes.

#### Operating Costs

The Group's operating costs of \$17.9 million for 2Q16 were \$0.5 million or 2.5% lower than 2Q15.

#### Operating Profit

Consequently, the Group's operating profit of \$7.5 million for 2Q16 was \$1.4 million or 16.0% lower than 2Q15.

The Group's profit before tax of \$7.9 million for 2Q16 was \$1.3 million or 14.2% lower than 2Q15.

Taxation for the Group of \$1.2 million for 2Q16 was \$0.3 million or 22.3% lower than 2Q15.

The Group's Profit attributable to Shareholders of the Company of \$6.6 million for 2Q16 was \$1.0 million or 12.6% lower than 2Q15.

#### Statement of Financial Position

Total Equity decreased by \$3.6 million to \$143.7 million as at 30 June 2016 due mainly to payment of dividends offset by profits generated from operations.

Total Assets decreased by \$5.0 million to \$171.7 million as at 30 June 2016 due to the decrease in Current Assets of \$3.5 million and Non-Current Assets of \$1.5 million. The decrease in Current Assets was due mainly to the lower Cash and Bank Balances by \$4.3 million, offset by the increase in Trade Receivables of \$0.5 million and Other Receivables and Prepayments of \$0.3 million. The decrease in Non-Current Assets was due mainly to the decrease in Vehicles, Premises and Equipment.

Total Liabilities decreased by \$1.5 million to \$28.0 million as at 30 June 2016 due mainly to the decrease in Trade and Other Payables of \$1.0 million and Income Tax Payable of \$0.5 million.

#### Cash Flow

The net cash outflow in 2Q16 was \$11.7 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 will continue to be impacted as more vehicles will be deregistered during the year. Demand for non-vehicle testing services is not expected to improve with the continuing slow down in the industries that we serve.

**17 DIVIDEND**

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

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 8.00 cents (2015: 8.75 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	8.00 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 25 August 2016.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 19 August 2016 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 18 August 2016 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 18 August 2016 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 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**23 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 2016 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

10 August 2016