



VICOM LTD

Company Registration No. : 198100320K

First Quarter 2018 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the First Quarter ended 31 March 2018.

1 GROUP INCOME STATEMENT

	Group		
	1st Qtr 2018 \$'000	1st Qtr 2017 \$'000	Incr/ (Decr) %
Revenue	24,523	24,126	1.6
Staff costs	10,685	10,386	2.9
Depreciation and amortisation	1,590	1,608	(1.1)
Premises costs	934	892	4.7
Contract services	701	899	(22.0)
Materials and consumables	612	626	(2.2)
Repairs and maintenance costs	389	359	8.4
Utilities and communication costs	377	347	8.6
Other operating costs	1,016	1,066	(4.7)
Total operating costs	<u>16,304</u>	<u>16,183</u>	0.7
Operating profit	8,219	7,943	3.5
Interest income	384	411	(6.6)
Profit before taxation	8,603	8,354	3.0
Taxation	(1,483)	(1,406)	5.5
Profit after taxation	<u>7,120</u>	<u>6,948</u>	2.5
Attributable to:			
Shareholders of the Company	7,005	6,850	2.3
Non-controlling interests	115	98	17.3
	<u>7,120</u>	<u>6,948</u>	2.5

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar	31 Dec	31 Mar	31 Dec
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	113,093	107,514	109,131	104,180
Trade receivables	14,873	13,417	1,991	2,294
Other receivables and prepayments	1,803	1,686	1,111	1,135
Inventories	18	20	-	-
Total current assets	129,787	122,637	112,233	107,609
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Club memberships	155	187	155	187
Vehicles, premises and equipment	44,524	45,373	23,182	23,162
Goodwill	11,325	11,325	-	-
Total non-current assets	56,029	56,910	49,278	49,290
Total assets	185,816	179,547	161,511	156,899
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	20,763	22,872	5,650	6,057
Due to subsidiaries	-	-	38,358	38,832
Income tax payable	6,812	5,449	4,055	3,331
Total current liabilities	27,575	28,321	48,063	48,220
Non-current liability				
Deferred tax liabilities	2,026	1,917	405	282
Total liabilities	29,601	30,238	48,468	48,502
Capital, reserves and non-controlling interests				
Share capital	36,284	36,284	36,284	36,284
Other reserves	3,073	3,073	3,073	3,073
Foreign currency translation reserve *	36	6	-	-
Accumulated profits *	115,974	108,969	73,686	69,040
Equity attributable to shareholders of the Company	155,367	148,332	113,043	108,397
Non-controlling interests	848	977	-	-
Total equity	156,215	149,309	113,043	108,397
Total liabilities and equity	185,816	179,547	161,511	156,899

* The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)s) on 1 January 2018 and has elected the optional exemption to reset its cumulative translation reserve to nil at the date of transition on 1 January 2017. Please refer to paragraph 11 for further details.

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr 2018	1st Qtr 2017
	\$'000	\$'000
Operating activities		
Profit before taxation	8,603	8,354
Adjustments for:		
Depreciation and amortisation	1,590	1,608
Interest income	(384)	(411)
Gain on disposal of vehicles, premises and equipment	(1)	-
Allowance for expected credit losses	96	74
Operating cash flows before movements in working capital	9,904	9,625
Changes in working capital	(3,745)	(2,735)
Cash generated from operations	6,159	6,890
Income tax paid	(11)	(592)
Net cash from operating activities	6,148	6,298
Investing activities		
Purchase of vehicles, premises and equipment	(694)	(513)
Proceeds from disposal of vehicles, premises and equipment	10	-
Interest received	353	309
Net cash used in investing activities	(331)	(204)

	Group	
	1st Qtr 2018	1st Qtr 2017
	\$'000	\$'000
Financing activity		
Dividends paid to non-controlling interests, representing cash used in financing activity	(244)	(238)
Net effect of exchange rate changes in consolidating subsidiaries	6	(5)
Net increase in cash and cash equivalents	5,579	5,851
Cash and cash equivalents at beginning of period	107,514	105,681
Cash and cash equivalents at end of period	<u>113,093</u>	<u>111,532</u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Qtr 2018	1st Qtr 2017
	\$'000	\$'000
Profit after taxation	7,120	6,948
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	30	(23)
Other comprehensive income for the period	30	(23)
Total comprehensive income for the period	<u>7,150</u>	<u>6,925</u>
Total comprehensive income attributable to:		
Shareholders of the Company	7,035	6,827
Non-controlling interests	115	98
	<u>7,150</u>	<u>6,925</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2018:

	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	
Balance at 1 January 2018	36,284	3,073	(259)	109,234	148,332	977	149,309
Reclassification on adoption of SFRS(I)1 *	-	-	265	(265)	-	-	-
Balance at 1 January 2018 (restated)	36,284	3,073	6	108,969	148,332	977	149,309
Total comprehensive income for the period							
Profit for the period	-	-	-	7,005	7,005	115	7,120
Other comprehensive income for the period	-	-	30	-	30	-	30
Total	-	-	30	7,005	7,035	115	7,150
Payments to non-controlling interests	-	-	-	-	-	(244)	(244)
Balance at 31 March 2018	36,284	3,073	36	115,974	155,367	848	156,215

* The Group has adopted SFRS(I)1 on 1 January 2018 and has elected the optional exemption to reset its cumulative translation reserve to nil at the date of transition on 1 January 2017. Please refer to paragraph 11 for further details.

Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2017:

	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	
Balance at 1 January 2017	36,284	3,073	(265)	110,760	149,852	971	150,823
Reclassification on adoption of SFRS(I)1 *	-	-	265	(265)	-	-	-
Balance at 1 January 2017 (restated)	36,284	3,073	-	110,495	149,852	971	150,823
Total comprehensive income for the period							
Profit for the period	-	-	-	6,850	6,850	98	6,948
Other comprehensive income for the period	-	-	(23)	-	(23)	-	(23)
Total	-	-	(23)	6,850	6,827	98	6,925
Payments to non-controlling interests	-	-	-	-	-	(238)	(238)
Balance at 31 March 2017 (restated)	36,284	3,073	(23)	117,345	156,679	831	157,510

* The Group has adopted SFRS(I)1 on 1 January 2018 and has elected the optional exemption to reset its cumulative translation reserve to nil at the date of transition on 1 January 2017. Please refer to paragraph 11 for further details.

Statement of Changes in Equity of the Company for the First Quarter ended 31 March 2018:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	36,284	3,073	69,040	108,397
Profit for the period, representing total comprehensive income for the period	-	-	4,646	4,646
Balance at 31 March 2018	36,284	3,073	73,686	113,043

Statement of Changes in Equity of the Company for the First Quarter ended 31 March 2017:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2017	36,284	3,073	72,862	112,219
Profit for the period, representing total comprehensive income for the period	-	-	4,493	4,493
Balance at 31 March 2017	36,284	3,073	77,355	116,712

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the first quarter ended 31 March 2018, no new ordinary shares were issued by the Company.

As at 31 March 2018, the total number of issued shares was 88,642,000 (31 December 2017: 88,642,000).

The Company does not hold any treasury shares as at 31 March 2018.

8 AUDIT

The Financial Statements have not been audited or reviewed.

9 AUDITORS' REPORT

Not applicable.

10 ACCOUNTING POLICIES

Except as disclosed in paragraph 11 below. 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 2017.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, the Singapore Financial Reporting Standards (International) (SFRS(I)s), that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after 1 January 2018.

The Group has adopted a new financial reporting framework, SFRS(I)s on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

The Group has elected for the optional exemption to reset its foreign currency translation differences for all foreign operations to nil at the date of transition on 1 January 2017. As a result, cumulative foreign currency translation losses of \$265k were reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The Group has reclassified the revaluation reserve relating to a property to capital reserve within other reserves at the date of transition on 1 January 2017 in accordance with SFRS(I)1.

Other than as disclosed above, the adoption of SFRS(I)s will have no material impact on the Group's Financial Statements in this year of initial application.

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

Earnings per ordinary share – Basic and Diluted

	Group	
	1st Qtr 2018	1st Qtr 2017
Based on weighted average number of ordinary shares in issue - cents	7.90	7.73

EBITDA

	Group	
	1st Qtr 2018	1st Qtr 2017
(i) EBITDA (\$'000)	9,809	9,551
(ii) EBITDA margin (%)	40.0	39.6

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Net asset value per ordinary share based on issued share capital - cents	175.27	167.34	127.53	122.29

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$24.5 million for 1Q18 was \$0.4 million or 1.6% higher than 1Q17, contributed by higher business volumes.

Operating Costs

The Group's operating costs of \$16.3 million for 1Q18 were \$0.1 million or 0.7% higher than 1Q17 due mainly to expenses incurred to generate the increase in revenue.

Operating Profit

Consequently, the Group's operating profit of \$8.2 million for 1Q18 was \$0.3 million or 3.5% higher than 1Q17.

The Group's profit before tax of \$8.6 million for 1Q18 was \$0.2 million or 3.0% higher than 1Q17.

Taxation for the Group of \$1.5 million for 1Q18 was \$0.1 million or 5.5% higher than 1Q17 due mainly to the higher profit in 1Q18.

The Group's Profit attributable to Shareholders of the Company of \$7.0 million for 1Q18 was \$0.2 million or 2.3% higher than 1Q17.

Statements of Financial Position

Total Equity increased by \$6.9 million to \$156.2 million as at 31 March 2018 due mainly to profits generated from operations offset by dividend payment to non-controlling interests.

Total Assets increased by \$6.3 million to \$185.8 million as at 31 March 2018 due to the increase in Current Assets by \$7.2 million, offset by the decrease in Non-Current Assets by \$0.9 million. The increase in Current Assets was due mainly to the increase in Cash and Cash Equivalents of \$5.6 million, Trade Receivables of \$1.5 million and Other Receivables & Prepayments of \$0.1 million.

Total Liabilities decreased by \$0.6 million to \$29.6 million as at 31 March 2018 due mainly to the decrease in Trade and Other Payables of \$2.1 million, offset by the increase in Tax Provision of \$1.5 million.

Cash Flow

The net cash inflow in the quarter was \$5.6 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 vehicle testing business is expected to improve and the non-vehicle testing business is expected to remain stable.

The recent announcement by the National Environment Agency to incentivise de-registration of older motorcycles over the next five years is not expected to have a material impact on the vehicle inspection business.

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 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 first quarter 2018 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 / Yeo Tee Yeok, Edwin
Joint Company Secretaries

9 May 2018