



VICOM LTD

Company Registration No. : 198100320K

First Quarter 2015 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the First Quarter ended 31 March 2015.

1 GROUP INCOME STATEMENT

| | Group | | |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| | 1st Qtr 2015 | 1st Qtr 2014 | Incr/ (Decr) |
| | \$'000 | \$'000 | % |
| Revenue | 28,286 | 26,897 | 5.2 |
| Staff costs | 11,754 | 10,988 | 7.0 |
| Depreciation and amortisation | 1,522 | 1,499 | 1.5 |
| Contract services | 1,059 | 1,114 | (4.9) |
| Premises costs | 914 | 907 | 0.8 |
| Materials and consumables | 763 | 799 | (4.5) |
| Utilities and communication costs | 468 | 527 | (11.2) |
| Repairs and maintenance costs | 339 | 423 | (19.9) |
| Other operating costs | 1,542 | 1,115 | 38.3 |
| Total operating expenses | <u>18,361</u> | <u>17,372</u> | 5.7 |
| Operating profit | 9,925 | 9,525 | 4.2 |
| Interest income | 231 | 144 | 60.4 |
| Profit before taxation | 10,156 | 9,669 | 5.0 |
| Taxation | (1,632) | (1,554) | 5.0 |
| Profit after taxation | <u>8,524</u> | <u>8,115</u> | 5.0 |
| Attributable to: | | | |
| Shareholders of the Company | 8,422 | 8,013 | 5.1 |
| Non-controlling interests | 102 | 102 | - |
| | <u>8,524</u> | <u>8,115</u> | 5.0 |

2 STATEMENTS OF FINANCIAL POSITION

| | Group | | Company | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 31 Mar 2015 \$'000 | 31 Dec 2014 \$'000 | 31 Mar 2015 \$'000 | 31 Dec 2014 \$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 98,439 | 91,028 | 94,976 | 88,653 |
| Trade receivables | 14,692 | 13,297 | 2,022 | 1,964 |
| Other receivables and prepayments | 1,450 | 1,190 | 611 | 442 |
| Inventories | 21 | 21 | - | - |
| Total current assets | 114,602 | 105,536 | 97,609 | 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 | 51,190 | 52,120 | 27,190 | 27,618 |
| Goodwill | 11,325 | 11,325 | - | - |
| Total non-current assets | 62,931 | 63,753 | 53,382 | 53,842 |
| Total assets | 177,533 | 169,289 | 150,991 | 144,901 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Trade and other payables | 19,747 | 21,413 | 3,636 | 3,887 |
| Due to subsidiaries | - | - | 41,211 | 38,927 |
| Income tax payable | 8,007 | 6,502 | 2,745 | 2,273 |
| Total current liabilities | 27,754 | 27,915 | 47,592 | 45,087 |
| Non-current liability | | | | |
| Deferred tax liabilities | 1,642 | 1,486 | 335 | 208 |
| Total liabilities | 29,396 | 29,401 | 47,927 | 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 | (129) | (107) | - | - |
| Accumulated profits | 108,129 | 99,707 | 63,761 | 60,303 |
| Equity attributable to shareholders of the Company | 147,303 | 138,903 | 103,064 | 99,606 |
| Non-controlling interests | 834 | 985 | - | - |
| Total equity | 148,137 | 139,888 | 103,064 | 99,606 |
| Total liabilities & equity | 177,533 | 169,289 | 150,991 | 144,901 |

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

| | Group | |
|---|-------------------------|-------------------------|
| | 1st Qtr 2015 | 1st Qtr 2014 |
| | \$'000 | \$'000 |
| Operating activities | | |
| Profit before taxation | 10,156 | 9,669 |
| Adjustments for: | | |
| Depreciation and amortisation | 1,522 | 1,499 |
| Interest income | (231) | (144) |
| (Gain) Loss on disposal of vehicles, premises and equipment | (5) | 4 |
| Allowance for doubtful trade receivables | 384 | 109 |
| Operating cash flows before movements in working capital | <u>11,826</u> | <u>11,137</u> |
| Changes in working capital | <u>(3,711)</u> | <u>(3,412)</u> |
| Cash generated from operations | 8,115 | 7,725 |
| Income tax refund | 29 | 26 |
| Net cash from operating activities | <u>8,144</u> | <u>7,751</u> |
| Investing activities | | |
| Purchase of vehicles, premises and equipment | (581) | (1,418) |
| Proceeds from disposal of vehicles, premises and equipment | 5 | 1 |
| Interest received | 97 | 65 |
| Net cash used in investing activities | <u>(479)</u> | <u>(1,352)</u> |

| | Group | |
|--|-------------------------|-------------------------|
| | 1st Qtr 2015 | 1st Qtr 2014 |
| | \$'000 | \$'000 |
| Financing activities | | |
| Proceeds from exercise of share options | - | 270 |
| Dividends paid to non-controlling interests | (253) | (253) |
| Net cash (used in) from cash financing activities | <u>(253)</u> | <u>17</u> |
| Net effect of exchange rate changes in consolidating subsidiaries | (1) | 1 |
| Net increase in cash and cash equivalents | 7,411 | 6,417 |
| Cash and cash equivalents at beginning of period | 91,028 | 78,535 |
| Cash and cash equivalents at end of period | <u><u>98,439</u></u> | <u><u>84,952</u></u> |

5 GROUP COMPREHENSIVE INCOME STATEMENT

| | Group | |
|--|-------------------------|-------------------------|
| | 1st Qtr 2015 | 1st Qtr 2014 |
| | \$'000 | \$'000 |
| Profit after taxation | 8,524 | 8,115 |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange differences arising on translation of foreign operations | <u>(22)</u> | <u>(1)</u> |
| Other comprehensive income for the period | (22) | (1) |
| Total comprehensive income for the period | <u><u>8,502</u></u> | <u><u>8,114</u></u> |
| Total comprehensive income attributable to: | | |
| Shareholders of the Company | 8,400 | 8,012 |
| Non-controlling interests | <u>102</u> | <u>102</u> |
| | <u><u>8,502</u></u> | <u><u>8,114</u></u> |

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2015:

| | 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 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 |

Consolidated Statement of Changes in Equity for the First 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 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 |

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

Statement of Changes in Equity of the Company for the First 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 |

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the first quarter ended 31 March 2015, no new ordinary shares were issued by the Company.

As at 31 March 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 31 March 2015, options to subscribe for 20,000 ordinary shares (31 March 2014: 28,000) remained outstanding under the 2001 VICOM Share Option Scheme.

As at 31 March 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 | |
|--|-------------------------|-------------------------|
| | 1st Qtr 2015 | 1st Qtr 2014 |
| (i) Based on weighted average number of ordinary shares in issue - cents | 9.50 | 9.05 |
| (ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents | 9.50 | 9.05 |

EBITDA

| | Group | |
|------------------------|-------------------------|-------------------------|
| | 1st Qtr 2015 | 1st Qtr 2014 |
| (i) EBITDA (\$'000) | 11,447 | 11,024 |
| (ii) EBITDA margin (%) | 40.5 | 41.0 |

13 NET ASSET VALUE PER ORDINARY SHARE

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31 Mar 2015 | 31 Dec 2014 | 31 Mar 2015 | 31 Dec 2014 |
| Net asset value per ordinary share based on issued share capital - cents | 166.21 | 156.74 | 116.30 | 112.39 |

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$28.3 million for 1Q15 was \$1.4 million or 5.2% higher than 1Q14, contributed by higher business volume.

Operating Expenses

The Group's operating expenses of \$18.4 million for 1Q15 were \$1.0 million or 5.7% higher than 1Q14 due mainly to expenses incurred to generate the increase in revenue.

Operating Profit

Consequently, the Group's operating profit of \$9.9 million for 1Q15 was \$0.4 million or 4.2% higher than 1Q14.

The Group's profit before tax of \$10.2 million for 1Q15 was \$0.5 million or 5.0% higher than 1Q14.

Taxation for the Group of \$1.63 million for 1Q15 was \$0.08 million or 5.0% higher than 1Q14 due mainly to the higher profit in 1Q15.

The Group's Profit attributable to Shareholders of the Company of \$8.4 million for 1Q15 was \$0.4 million or 5.1% higher than 1Q14.

Statement of Financial Position

Total Equity increased by \$8.2 million to \$148.1 million as at 31 March 2015 due mainly to profits generated from operations, partially offset by dividend payment to non controlling interests.

Total Assets increased by \$8.2 million to \$177.5 million as at 31 March 2015 due to the increase in Current Assets by \$9.0 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 \$7.4 million, Trade Receivables by \$1.4 million and Other Receivables and Prepayments by \$0.2 million.

Total Liabilities of \$29.4 million as at 31 March 2015 was comparable with 31 December 2014.

Cash Flow

The net cash inflow in the quarter was \$7.4 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

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 continue 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 first 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 May 2015