



VICOM LTD

Company Registration No. : 198100320K

Third Quarter 2015 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the Third Quarter and Nine Months to 30 September 2015.

1 GROUP INCOME STATEMENT

	Group					
	3rd Qtr 2015	3rd Qtr 2014	Incr/ (Decr)	9 months to 30 Sep 2015	9 months to 30 Sep 2014	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	25,383	27,008	(6.0)	80,960	81,169	(0.3)
Staff costs	11,092	12,072	(8.1)	35,076	35,371	(0.8)
Depreciation and amortisation	1,525	1,505	1.3	4,552	4,501	1.1
Contract services	861	1,023	(15.8)	2,896	3,175	(8.8)
Premises costs	899	912	(1.4)	2,717	2,687	1.1
Materials and consumables	501	779	(35.7)	1,946	2,346	(17.1)
Utilities and communication costs	471	566	(16.8)	1,449	1,612	(10.1)
Repairs and maintenance costs	348	524	(33.6)	1,060	1,304	(18.7)
Other operating costs	1,090	1,077	1.2	3,777	3,447	9.6
Total operating costs	16,787	18,458	(9.1)	53,473	54,443	(1.8)
Operating profit	8,596	8,550	0.5	27,487	26,726	2.8
Interest income	290	174	66.7	787	455	73.0
Profit before taxation	8,886	8,724	1.9	28,274	27,181	4.0
Taxation	(1,386)	(1,441)	(3.8)	(4,552)	(4,435)	2.6
Profit after taxation	7,500	7,283	3.0	23,722	22,746	4.3
Attributable to:						
Shareholders of the Company	7,377	7,158	3.1	23,379	22,402	4.4
Non-controlling interests	123	125	(1.6)	343	344	(0.3)
	7,500	7,283	3.0	23,722	22,746	4.3

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep 2015 \$'000	31 Dec 2014 \$'000	30 Sep 2015 \$'000	31 Dec 2014 \$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	90,970	91,028	88,426	88,653
Trade receivables	14,156	13,297	1,880	1,964
Other receivables and prepayments	1,843	1,190	1,014	442
Inventories	22	21	-	-
Total current assets	<u>106,991</u>	<u>105,536</u>	<u>91,320</u>	<u>91,059</u>
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Club memberships	251	283	251	283
Vehicles, premises and equipment	49,915	52,120	26,335	27,618
Goodwill	11,325	11,325	-	-
Total non-current assets	<u>61,516</u>	<u>63,753</u>	<u>52,527</u>	<u>53,842</u>
Total assets	<u>168,507</u>	<u>169,289</u>	<u>143,847</u>	<u>144,901</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	21,736	21,413	4,135	3,887
Due to subsidiaries	-	-	32,764	38,927
Income tax payable	6,117	6,502	2,212	2,273
Total current liabilities	<u>27,853</u>	<u>27,915</u>	<u>39,111</u>	<u>45,087</u>
Non-current liability				
Deferred tax liabilities	<u>1,570</u>	<u>1,486</u>	<u>250</u>	<u>208</u>
Total liabilities	<u>29,423</u>	<u>29,401</u>	<u>39,361</u>	<u>45,295</u>
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	(254)	(107)	-	-
Accumulated profits	<u>99,158</u>	<u>99,707</u>	<u>65,183</u>	<u>60,303</u>
Equity attributable to shareholders of the Company	138,207	138,903	104,486	99,606
Non-controlling interests	877	985	-	-
Total equity	<u>139,084</u>	<u>139,888</u>	<u>104,486</u>	<u>99,606</u>
Total liabilities & equity	<u>168,507</u>	<u>169,289</u>	<u>143,847</u>	<u>144,901</u>

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr 2015 \$'000	3rd Qtr 2014 \$'000	9 months to 30 Sep 2015 \$'000	9 months to 30 Sep 2014 \$'000
Operating activities				
Profit before taxation	8,886	8,724	28,274	27,181
Adjustments for:				
Depreciation and amortisation	1,525	1,505	4,552	4,501
Interest income	(290)	(174)	(787)	(455)
(Gain) Loss on disposal of vehicles, premises and equipment	(2)	9	(2)	7
(Write-back) Allowance for doubtful trade receivables	(18)	106	515	188
Operation profit before movements in working capital	10,101	10,170	32,552	31,422
Changes in working capital	1,260	3,176	(1,549)	1,482
Cash generated from operations	11,361	13,346	31,003	32,904
Income tax paid	(2,080)	(1,984)	(4,853)	(4,621)
Net cash from operating activities	9,281	11,362	26,150	28,283
Investing activities:				
Purchase of vehicles, premises and equipment	(1,158)	(658)	(2,466)	(3,392)
Proceeds from disposal of vehicles, premises and equipment	2	-	10	12
Interest received	321	174	631	399
Net cash used in investing activities	(835)	(484)	(1,825)	(2,981)

	Group			
	3rd Qtr	3rd Qtr	9 months	9 months
	2015	2014	to 30 Sep	to 30 Sep
	\$'000	\$'000	2015	2014
			\$'000	\$'000
Financing activities				
Proceeds from exercise of shares options	-	-	-	291
Dividends paid to non-controlling interests	(198)	(197)	(451)	(450)
Dividends paid	(7,754)	(7,755)	(23,928)	(20,605)
Net cash used in financing activities	<u>(7,952)</u>	<u>(7,952)</u>	<u>(24,379)</u>	<u>(20,764)</u>
Net effect of exchange rate changes in consolidating subsidiaries	4	-	(4)	1
Net increase (decrease) in cash and cash equivalents	498	2,926	(58)	4,539
Cash and cash equivalents at beginning of period	<u>90,472</u>	<u>80,148</u>	<u>91,028</u>	<u>78,535</u>
Cash and cash equivalents at end of period	<u><u>90,970</u></u>	<u><u>83,074</u></u>	<u><u>90,970</u></u>	<u><u>83,074</u></u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	3rd Qtr	3rd Qtr	9 months	9 months
	2015	2014	to 30 Sep	to 30 Sep
	\$'000	\$'000	2015	2014
			\$'000	\$'000
Profit after taxation	7,500	7,283	23,722	22,746
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	(83)	-	(147)	10
Other comprehensive income for the period	(83)	-	(147)	10
Total comprehensive income for the period	<u>7,417</u>	<u>7,283</u>	<u>23,575</u>	<u>22,756</u>
Total comprehensive income attributable to:				
Shareholders of the Company	7,294	7,158	23,232	22,412
Non-controlling interests	123	125	343	344
	<u>7,417</u>	<u>7,283</u>	<u>23,575</u>	<u>22,756</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 2015:

	Group						
	Attributable to shareholders of the Company					Non- controlling interests	Total equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total		
	\$'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	-	-	-	16,002	16,002	220	16,222
Other comprehensive income for the period	-	-	(64)	-	(64)	-	(64)
Total	-	-	(64)	16,002	15,938	220	16,158
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(16,174)	(16,174)	-	(16,174)
Total	-	-	-	(16,174)	(16,174)	-	(16,174)
Payments to non-controlling interests	-	-	-	-	-	(253)	(253)
Balance at 30 June 2015	36,225	3,078	(171)	99,535	138,667	952	139,619
Total comprehensive income for the period							
Profit for the period	-	-	-	7,377	7,377	123	7,500
Other comprehensive income for the period	-	-	(83)	-	(83)	-	(83)
Total	-	-	(83)	7,377	7,294	123	7,417
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(7,754)	(7,754)	-	(7,754)
Total	-	-	-	(7,754)	(7,754)	-	(7,754)
Payments to non-controlling interests	-	-	-	-	-	(198)	(198)
Balance at 30 September 2015	36,225	3,078	(254)	99,158	138,207	877	139,084

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

	Group						
	Attributable to shareholders of the Company					Non- controlling interests	Total equity
	Share capital	Other reserves	Foreign currency translation	Accumulated	Total		
			reserve	profits			
	\$'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	-	-	-	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
Total	-	-	-	7,158	7,158	125	7,283
Transactions recognised directly in equity							
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

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 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	-	-	6,116	6,116
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
Profit for the period, representing total comprehensive income for the period	-	-	22,692	22,692
Transactions recognised directly in equity				
Payment of dividends	-	-	(7,754)	(7,754)
Total	-	-	(7,754)	(7,754)
Balance at 30 September 2015	36,225	3,078	65,183	104,486

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				
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

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

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

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

As at 30 September 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			
	3rd Qtr 2015	3rd Qtr 2014	9 months to 30 Sep 2015	9 months to 30 Sep 2014
(i) Based on weighted average number of ordinary shares in issue - cents	8.32	8.08	26.38	25.28
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	8.32	8.08	26.38	25.28

EBITDA

	Group			
	3rd Qtr 2015	3rd Qtr 2014	9 months to 30 Sep 2015	9 months to 30 Sep 2014
(i) EBITDA (\$'000)	10,121	10,055	32,039	31,227
(ii) EBITDA margin (%)	39.9	37.2	39.6	38.5

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
Net asset value per ordinary share based on issued share capital - cents	155.95	156.74	117.90	112.39

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$25.4 million for 3Q15 was \$1.6 million or 6.0% lower than 3Q14.

Operating Costs

The Group's operating costs of \$16.8 million for 3Q15 was \$1.7 million or 9.1% lower than 3Q14.

Operating Profit

Consequently, the Group's operating profit of \$8.6 million for 3Q15 was marginally higher by \$0.05 million or 0.5% than 3Q14.

The Group's profit before tax of \$8.9 million for 3Q15 was \$0.2 million or 1.9% higher than 3Q14.

Taxation for the Group of \$1.39 million for 3Q15 was \$0.06 million or 3.8% lower than 3Q14 due mainly to a tax adjustment for prior year.

The Group's Profit attributable to Shareholders of the Company of \$7.4 million for 3Q15 was \$0.2 million or 3.1% higher than 3Q14.

Statement of Financial Position

Total Equity decreased by \$0.8 million to \$139.1 million as at 30 September 2015 due mainly to payment of dividends offset by profits generated from operations.

Total Assets decreased by \$0.8 million to \$168.5 million as at 30 September 2015 due to the decrease in Non-Current Assets by \$2.2 million offset by the increase in Current Assets by \$1.4 million. The decrease in Non-Current Assets was due mainly to the decrease in vehicles, premises and equipment.

Total Liabilities of \$29.4 million as at 30 September 2015 was comparable with 31 December 2014.

Cash Flow

The net cash inflow in 3Q15 was \$0.5 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 vehicle testing services is expected to be lower with more vehicles likely to be deregistered during the year. Demand for non-vehicle testing services is expected to fall with the slow down in some industries.

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 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 November 2015