



VICOM LTD

Company Registration No. : 198100320K

Third Quarter 2016 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the Third Quarter and Nine Months to 30 September 2016.

1 GROUP INCOME STATEMENT

	Group					
	3rd Qtr	3rd Qtr	Incr/	9 months	9 months	Incr/
	2016	2015	(Decr)	to 30 Sep	to 30 Sep	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	25,407	25,383	0.1	76,168	80,960	(5.9)
Staff costs	11,394	11,092	2.7	34,042	35,076	(2.9)
Depreciation and amortisation	1,646	1,525	7.9	4,852	4,552	6.6
Contract services	1,027	861	19.3	2,877	2,896	(0.7)
Premises costs	919	899	2.2	2,729	2,717	0.4
Materials and consumables	698	501	39.3	1,935	1,946	(0.6)
Utilities and communication costs	363	471	(22.9)	1,178	1,449	(18.7)
Repairs and maintenance costs	431	348	23.9	1,174	1,060	10.8
Other operating costs	1,090	1,090	-	3,485	3,777	(7.7)
Total operating costs	<u>17,568</u>	<u>16,787</u>	4.7	<u>52,272</u>	<u>53,473</u>	(2.2)
Operating profit	7,839	8,596	(8.8)	23,896	27,487	(13.1)
Interest income	376	290	29.7	1,145	787	45.5
Profit before taxation	8,215	8,886	(7.6)	25,041	28,274	(11.4)
Taxation	<u>(1,302)</u>	<u>(1,386)</u>	(6.1)	<u>(3,983)</u>	<u>(4,552)</u>	(12.5)
Profit after taxation	<u>6,913</u>	<u>7,500</u>	(7.8)	<u>21,058</u>	<u>23,722</u>	(11.2)
Attributable to:						
Shareholders of the Company	6,795	7,377	(7.9)	20,732	23,379	(11.3)
Non-controlling interests	118	123	(4.1)	326	343	(5.0)
	<u>6,913</u>	<u>7,500</u>	(7.8)	<u>21,058</u>	<u>23,722</u>	(11.2)

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep 2016 \$'000	31 Dec 2015 \$'000	30 Sep 2016 \$'000	31 Dec 2015 \$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	95,981	100,064	93,420	98,193
Trade receivables	15,059	13,762	2,055	2,281
Other receivables and prepayments	2,434	1,662	833	788
Inventories	23	19	-	-
Total current assets	<u>113,497</u>	<u>115,507</u>	<u>96,308</u>	<u>101,262</u>
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Club memberships	219	251	219	251
Vehicles, premises and equipment	47,706	49,638	25,117	26,407
Goodwill	11,325	11,325	-	-
Total non-current assets	<u>59,275</u>	<u>61,239</u>	<u>51,277</u>	<u>52,599</u>
Total assets	<u>172,772</u>	<u>176,746</u>	<u>147,585</u>	<u>153,861</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	22,655	21,205	4,860	4,608
Due to subsidiaries	-	-	31,369	38,631
Income tax payable	5,152	6,567	2,554	2,601
Total current liabilities	<u>27,807</u>	<u>27,772</u>	<u>38,783</u>	<u>45,840</u>
Non-current liability				
Deferred tax liabilities	1,645	1,722	274	240
Total liabilities	<u>29,452</u>	<u>29,494</u>	<u>39,057</u>	<u>46,080</u>
Capital, reserves and non-controlling interests				
Share capital	36,284	36,225	36,284	36,225
Other reserves	3,073	3,078	3,073	3,078
Foreign currency translation reserve	(226)	(244)	-	-
Accumulated profits	103,330	107,196	69,171	68,478
Equity attributable to shareholders of the Company	142,461	146,255	108,528	107,781
Non-controlling interests	859	997	-	-
Total equity	<u>143,320</u>	<u>147,252</u>	<u>108,528</u>	<u>107,781</u>
Total liabilities & equity	<u>172,772</u>	<u>176,746</u>	<u>147,585</u>	<u>153,861</u>

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr 2016 \$'000	3rd Qtr 2015 \$'000	9 months to 30 Sep 2016 \$'000	9 months to 30 Sep 2015 \$'000
Operating activities				
Profit before taxation	8,215	8,886	25,041	28,274
Adjustments for:				
Depreciation and amortisation	1,646	1,525	4,852	4,552
Interest income	(376)	(290)	(1,145)	(787)
Loss (Gain) on disposal of vehicles, premises and equipment	1	(2)	(8)	(2)
Allowance for expected credit losses	128	(18)	583	515
Operating cash flows before movements in working capital	9,614	10,101	29,323	32,552
Changes in working capital	880	1,260	(1,173)	(1,549)
Cash generated from operations	10,494	11,361	28,150	31,003
Income tax paid	(2,342)	(2,080)	(5,475)	(4,853)
Net cash from operating activities	8,152	9,281	22,675	26,150
Investing activities				
Purchase of vehicles, premises and equipment	(1,149)	(1,158)	(2,880)	(2,466)
Proceeds from disposal of vehicles, premises and equipment	-	2	15	10
Interest received	505	321	1,112	631
Net cash used in investing activities	(644)	(835)	(1,753)	(1,825)

	Group			
	3rd Qtr 2016	3rd Qtr 2015	9 months to 30 Sep 2016	9 months to 30 Sep 2015
	\$'000	\$'000	\$'000	\$'000
Financing activities				
Proceeds from exercise of share options	-	-	54	-
Dividends paid to non-controlling interests	(199)	(198)	(464)	(451)
Dividends paid	(7,091)	(7,754)	(24,598)	(23,928)
Net cash used in financing activities	<u>(7,290)</u>	<u>(7,952)</u>	<u>(25,008)</u>	<u>(24,379)</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>1</u>	<u>4</u>	<u>3</u>	<u>(4)</u>
Net increase (decrease) in cash and cash equivalents	219	498	(4,083)	(58)
Cash and cash equivalents at beginning of period	95,762	90,472	100,064	91,028
Cash and cash equivalents at end of period	<u>95,981</u>	<u>90,970</u>	<u>95,981</u>	<u>90,970</u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	3rd Qtr 2016	3rd Qtr 2015	9 months to 30 Sep 2016	9 months to 30 Sep 2015
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	6,913	7,500	21,058	23,722
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	<u>1</u>	<u>(83)</u>	<u>18</u>	<u>(147)</u>
Other comprehensive income for the period	1	(83)	18	(147)
Total comprehensive income for the period	<u>6,914</u>	<u>7,417</u>	<u>21,076</u>	<u>23,575</u>
Total comprehensive income attributable to:				
Shareholders of the Company	6,796	7,294	20,750	23,232
Non-controlling interests	118	123	326	343
	<u>6,914</u>	<u>7,417</u>	<u>21,076</u>	<u>23,575</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 2016:

	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 2016	36,225	3,078	(244)	107,196	146,255	997	147,252
Total comprehensive income for the period							
Profit for the period	-	-	-	13,937	13,937	208	14,145
Other comprehensive income for the period	-	-	17	-	17	-	17
Total	-	-	17	13,937	13,954	208	14,162
Transactions recognised directly in equity							
Exercise of share options	59	(5)	-	-	54	-	54
Payment of dividends	-	-	-	(17,507)	(17,507)	-	(17,507)
Total	59	(5)	-	(17,507)	(17,453)	-	(17,453)
Payments to non-controlling interests	-	-	-	-	-	(265)	(265)
Balance at 30 June 2016	36,284	3,073	(227)	103,626	142,756	940	143,696
Total comprehensive income for the period							
Profit for the period	-	-	-	6,795	6,795	118	6,913
Other comprehensive income for the period	-	-	1	-	1	-	1
Total	-	-	1	6,795	6,796	118	6,914
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(7,091)	(7,091)	-	(7,091)
Total	-	-	-	(7,091)	(7,091)	-	(7,091)
Payments to non-controlling interests	-	-	-	-	-	(199)	(199)
Balance at 30 September 2016	36,284	3,073	(226)	103,330	142,461	859	143,320

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

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 2016:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	36,225	3,078	68,478	107,781
Profit for the period, representing total comprehensive income for the period	-	-	7,934	7,934
Transactions recognised directly in equity				
Exercise of share options	59	(5)	-	54
Payment of dividends	-	-	(17,507)	(17,507)
Total	59	(5)	(17,507)	(17,453)
Balance at 30 June 2016	36,284	3,073	58,905	98,262
Profit for the period, representing total comprehensive income for the period	-	-	17,357	17,357
Transactions recognised directly in equity				
Payment of dividends	-	-	(7,091)	(7,091)
Total	-	-	(7,091)	(7,091)
Balance at 30 September 2016	36,284	3,073	69,171	108,528

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

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

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

As at 30 September 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 September 2016, there were no outstanding options to subscribe for ordinary shares (30 September 2015: 20,000) under the 2001 VICOM Share Option Scheme.

As at 30 September 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

	Group			
	3rd Qtr 2016	3rd Qtr 2015	9 months to 30 Sep 2016	9 months to 30 Sep 2015
(i) Based on weighted average number of ordinary shares in issue - cents	7.67	8.32	23.39	26.38
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.67	8.32	23.39	26.38

EBITDA

	Group			
	3rd Qtr 2016	3rd Qtr 2015	9 months to 30 Sep 2016	9 months to 30 Sep 2015
(i) EBITDA (\$'000)	9,485	10,121	28,748	32,039
(ii) EBITDA margin (%)	37.3	39.9	37.7	39.6

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Net asset value per ordinary share based on issued share capital - cents	160.72	165.03	122.43	121.62

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$25.4 million for 3Q16 was marginally higher by \$0.02 million or 0.1% than 3Q15.

Operating Costs

The Group's operating costs of \$17.6 million for 3Q16 was \$0.8 million or 4.7% higher than 3Q15.

Operating Profit

Consequently, the Group's operating profit of \$7.8 million for 3Q16 was \$0.8 million or 8.8% lower than 3Q15.

The Group's profit before tax of \$8.2 million for 3Q16 was \$0.7 million or 7.6% lower than 3Q15.

Taxation for the Group of \$1.3 million for 3Q16 was \$0.08 million or 6.1% lower than 3Q15.

The Group's Profit attributable to Shareholders of the Company of \$6.8 million for 3Q16 was \$0.6 million or 7.9% lower than 3Q15.

Statement of Financial Position

Total Equity decreased by \$3.9 million to \$143.3 million as at 30 September 2016 due mainly to payment of dividends offset by profits generated from operations.

Total Assets decreased by \$4.0 million to \$172.8 million as at 30 September 2016 due to the decrease in Current Assets and Non-Current Assets of \$2 million each. The decrease in Current Assets was mainly due to the lower Cash and Bank Balances by \$4.1 million, offset by the increase in Trade Receivables of \$1.3 million and Other Receivables and Prepayments of \$0.8 million. The decrease in Non-Current Assets was due mainly to the decrease in vehicles, premises and equipment.

Total Liabilities of \$29.5 million as at 30 September 2016 was comparable with 31 December 2015.

Cash Flow

The net cash inflow in 3Q16 was \$0.2 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 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

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 third 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

9 November 2016