



VICOM LTD

Company Registration No. : 198100320K

First Quarter 2017 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the First Quarter ended 31 March 2017.

1 GROUP INCOME STATEMENT

	Group		
	1st Qtr 2017	1st Qtr 2016	Incr/ (Decr)
	\$'000	\$'000	%
Revenue	24,126	25,358	(4.9)
Staff costs	10,386	10,974	(5.4)
Depreciation and amortisation	1,608	1,585	1.5
Contract services	899	895	0.4
Premises costs	892	896	(0.4)
Materials and consumables	626	608	3.0
Repairs and maintenance costs	359	360	(0.3)
Utilities and communication costs	347	433	(19.9)
Other operating costs	1,066	1,084	(1.7)
Total operating costs	<u>16,183</u>	<u>16,835</u>	(3.9)
Operating profit	7,943	8,523	(6.8)
Interest income	411	386	6.5
Profit before taxation	8,354	8,909	(6.2)
Taxation	<u>(1,406)</u>	<u>(1,489)</u>	(5.6)
Profit after taxation	<u>6,948</u>	<u>7,420</u>	(6.4)
Attributable to:			
Shareholders of the Company	6,850	7,313	(6.3)
Non-controlling interests	98	107	(8.4)
	<u>6,948</u>	<u>7,420</u>	(6.4)

2 STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Company</u>	
	<u>31 Mar 2017 \$'000</u>	<u>31 Dec 2016 \$'000</u>	<u>31 Mar 2017 \$'000</u>	<u>31 Dec 2016 \$'000</u>
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	111,532	105,681	107,563	102,955
Trade receivables	13,137	13,259	2,018	2,125
Other receivables and prepayments	1,808	1,948	1,108	965
Inventories	21	21	-	-
Total current assets	<u>126,498</u>	<u>120,909</u>	<u>110,689</u>	<u>106,045</u>
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Club memberships	187	219	187	219
Vehicles, premises and equipment	46,083	47,164	24,226	24,668
Goodwill	11,325	11,325	-	-
Total non-current assets	<u>57,620</u>	<u>58,733</u>	<u>50,354</u>	<u>50,828</u>
Total assets	<u>184,118</u>	<u>179,642</u>	<u>161,043</u>	<u>156,873</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	18,273	21,298	4,549	5,168
Due to subsidiaries	-	-	36,052	36,194
Income tax payable	6,539	5,752	3,323	3,029
Total current liabilities	<u>24,812</u>	<u>27,050</u>	<u>43,924</u>	<u>44,391</u>
Non-current liability				
Deferred tax liabilities	1,796	1,769	407	263
Total liabilities	<u>26,608</u>	<u>28,819</u>	<u>44,331</u>	<u>44,654</u>
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	(288)	(265)	-	-
Accumulated profits	117,610	110,760	77,355	72,862
Equity attributable to shareholders of the Company	156,679	149,852	116,712	112,219
Non-controlling interests	831	971	-	-
Total equity	<u>157,510</u>	<u>150,823</u>	<u>116,712</u>	<u>112,219</u>
Total liabilities & equity	<u>184,118</u>	<u>179,642</u>	<u>161,043</u>	<u>156,873</u>

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr 2017	1st Qtr 2016
	\$'000	\$'000
Operating activities		
Profit before taxation	8,354	8,909
Adjustments for:		
Depreciation and amortisation	1,608	1,585
Interest income	(411)	(386)
Gain on disposal of vehicles, premises and equipment	-	(5)
Allowance for expected credit losses	74	112
Operating cash flows before movements in working capital	9,625	10,215
Changes in working capital	(2,735)	(2,216)
Cash generated from operations	6,890	7,999
Income tax paid	(592)	(12)
Net cash from operating activities	6,298	7,987
Investing activities		
Purchase of vehicles, premises and equipment	(513)	(656)
Proceeds from disposal of vehicles, premises and equipment	-	5
Interest received	309	254
Net cash used in investing activities	(204)	(397)

	Group	
	1st Qtr 2017	1st Qtr 2016
	\$'000	\$'000
Financing activities		
Proceeds from exercise of share options	-	54
Dividends paid to non-controlling interests	(238)	(265)
Net cash used in financing activities	<u>(238)</u>	<u>(211)</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>(5)</u>	<u>6</u>
Net increase in cash and cash equivalents	5,851	7,385
Cash and cash equivalents at beginning of period	<u>105,681</u>	<u>100,064</u>
Cash and cash equivalents at end of period	<u><u>111,532</u></u>	<u><u>107,449</u></u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Qtr 2017	1st Qtr 2016
	\$'000	\$'000
Profit after taxation	6,948	7,420
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	<u>(23)</u>	<u>43</u>
Other comprehensive income for the period	(23)	43
Total comprehensive income for the period	<u><u>6,925</u></u>	<u><u>7,463</u></u>
Total comprehensive income attributable to:		
Shareholders of the Company	6,827	7,356
Non-controlling interests	<u>98</u>	<u>107</u>
	<u><u>6,925</u></u>	<u><u>7,463</u></u>

6 STATEMENTS OF CHANGES IN EQUITY

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

	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			
Balance at 1 January 2017	36,284	3,073	(265)	110,760	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	36,284	3,073	(288)	117,610	156,679	831	157,510

Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 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	-	-	-	7,313	7,313	107	7,420
Other comprehensive income for the period	-	-	43	-	43	-	43
Total	-	-	43	7,313	7,356	107	7,463
Transactions recognised directly in equity							
Exercise of share options	59	(5)	-	-	54	-	54
Total	59	(5)	-	-	54	-	54
Payments to non-controlling interests	-	-	-	-	-	(265)	(265)
Balance at 31 March 2016	36,284	3,073	(201)	114,509	153,665	839	154,504

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	<u>36,284</u>	<u>3,073</u>	<u>77,355</u>	<u>116,712</u>

Statement of Changes in Equity of the Company for the First Quarter ended 31 March 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	-	-	4,326	4,326
Transactions recognised directly in equity				
Exercise of share options	59	(5)	-	54
Total	<u>59</u>	<u>(5)</u>	<u>-</u>	<u>54</u>
Balance at 31 March 2016	<u>36,284</u>	<u>3,073</u>	<u>72,804</u>	<u>112,161</u>

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the first quarter ended 31 March 2017, no new ordinary shares were issued by the Company.

As at 31 March 2017, the total number of issued shares was 88,642,000 (31 December 2016: 88,642,000).

The Company does not hold any treasury shares as at 31 March 2017.

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 2016.

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 2017.

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 – Basic and Diluted

	Group	
	1st Qtr 2017	1st Qtr 2016
Based on weighted average number of ordinary shares in issue - cents	7.73	8.25

EBITDA

	Group	
	1st Qtr 2017	1st Qtr 2016
(i) EBITDA (\$'000)	9,551	10,108
(ii) EBITDA margin (%)	39.6	39.9

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Net asset value per ordinary share based on issued share capital - cents	176.75	169.05	131.67	126.60

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$24.1 million for 1Q17 was \$1.2 million or 4.9% lower than 1Q16, due to lower business volumes.

Operating Costs

The Group's operating costs of \$16.2 million for 1Q17 were \$0.7 million or 3.9% lower than 1Q16, in tandem with the lower business volumes.

Operating Profit

Consequently, the Group's operating profit of \$7.9 million for 1Q17 was \$0.6 million or 6.8% lower than 1Q16.

The Group's profit before tax of \$8.4 million for 1Q17 was \$0.6 million or 6.2% lower than 1Q16.

Taxation for the Group of \$1.4 million for 1Q17 was \$0.1 million or 5.6% lower than 1Q16.

The Group's Profit attributable to Shareholders of the Company of \$6.9 million for 1Q17 was \$0.5 million or 6.3% lower than 1Q16.

Statement of Financial Position

Total Equity increased by \$6.7 million to \$157.5 million as at 31 March 2017 due mainly to profits generated from operations offset by dividend payment to non-controlling interests.

Total Assets increased by \$4.5 million to \$184.1 million as at 31 March 2017 due to the increase in Current Assets by \$5.6 million, offset by the decrease in Non-Current Assets by \$1.1 million. The increase in Current Assets was due mainly to the increase of \$5.9 million in Cash and Cash Equivalents, offset by the decrease of \$0.1 million in Other Receivables & Prepayments and Trade Receivables respectively.

Total Liabilities decreased by \$2.2 million to \$26.6 million as at 31 March 2017 due mainly to the decrease in Trade and Other Payables of \$3.0 million, offset by the increase in Provision for Taxation of \$0.8 million.

Cash Flow

The net cash inflow in the quarter was \$5.9 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

Business conditions are expected to remain challenging for the Group. The vehicle testing business will continue to be faced with the high de-registration rate although this will be offset partially by the increase in the number of Certificate of Entitlement (COE) revalidations. The non-vehicle testing business will continue to weaken with the general slowdown 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 first quarter 2017 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

8 May 2017