



VICOM LTD

Company Registration No. : 198100320K

First Quarter 2016 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the First Quarter ended 31 March 2016.

1 GROUP INCOME STATEMENT

	Group		
	1st Qtr 2016	1st Qtr 2015	Incr/ (Decr)
	\$'000	\$'000	%
Revenue	25,358	28,286	(10.4)
Staff costs	10,974	11,754	(6.6)
Depreciation and amortisation	1,585	1,522	4.1
Premises costs	896	914	(2.0)
Contract services	895	1,059	(15.5)
Materials and consumables	608	763	(20.3)
Utilities and communication costs	433	468	(7.5)
Repairs and maintenance costs	360	339	6.2
Other operating costs	1,084	1,542	(29.7)
Total operating costs	16,835	18,361	(8.3)
Operating profit	8,523	9,925	(14.1)
Interest income	386	231	67.1
Profit before taxation	8,909	10,156	(12.3)
Taxation	(1,489)	(1,632)	(8.8)
Profit after taxation	7,420	8,524	(13.0)
Attributable to:			
Shareholders of the Company	7,313	8,422	(13.2)
Non-controlling interests	107	102	4.9
	7,420	8,524	(13.0)

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	107,449	100,064	103,897	98,193
Trade receivables	13,062	13,762	2,218	2,281
Other receivables and prepayments	2,005	1,662	980	788
Inventories	19	19	-	-
Total current assets	<u>122,535</u>	<u>115,507</u>	<u>107,095</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	48,778	49,638	25,965	26,407
Goodwill	11,325	11,325	-	-
Total non-current assets	<u>60,347</u>	<u>61,239</u>	<u>52,125</u>	<u>52,599</u>
Total assets	<u>182,882</u>	<u>176,746</u>	<u>159,220</u>	<u>153,861</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	18,612	21,205	4,551	4,608
Due to subsidiaries	-	-	38,896	38,631
Income tax payable	8,012	6,567	3,265	2,601
Total current liabilities	<u>26,624</u>	<u>27,772</u>	<u>46,712</u>	<u>45,840</u>
Non-current liability				
Deferred tax liabilities	<u>1,754</u>	<u>1,722</u>	<u>347</u>	<u>240</u>
Total liabilities	<u>28,378</u>	<u>29,494</u>	<u>47,059</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	(201)	(244)	-	-
Accumulated profits	<u>114,509</u>	<u>107,196</u>	<u>72,804</u>	<u>68,478</u>
Equity attributable to shareholders of the Company	153,665	146,255	112,161	107,781
Non-controlling interests	<u>839</u>	<u>997</u>	<u>-</u>	<u>-</u>
Total equity	<u>154,504</u>	<u>147,252</u>	<u>112,161</u>	<u>107,781</u>
Total liabilities & equity	<u>182,882</u>	<u>176,746</u>	<u>159,220</u>	<u>153,861</u>

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr	1st Qtr
	2016	2015
	\$'000	\$'000
Operating activities		
Profit before taxation	8,909	10,156
Adjustments for:		
Depreciation and amortisation	1,585	1,522
Interest income	(386)	(231)
Gain on disposal of vehicles, premises and equipment	(5)	(5)
Allowance for expected credit losses	112	384
Operating cash flows before movements in working capital	10,215	11,826
Changes in working capital	(2,216)	(3,711)
Cash generated from operations	7,999	8,115
Income tax (paid) refund	(12)	29
Net cash from operating activities	7,987	8,144
Investing activities		
Purchase of vehicles, premises and equipment	(656)	(581)
Proceeds from disposal of vehicles, premises and equipment	5	5
Interest received	254	97
Net cash used in investing activities	(397)	(479)

	Group	
	1st Qtr 2016	1st Qtr 2015
	\$'000	\$'000
Financing activities		
Proceeds from exercise of shares options	54	-
Dividends paid to non-controlling interests	(265)	(253)
Net cash used in financing activities	(211)	(253)
Net effect of exchange rate changes in consolidating subsidiaries	6	(1)
Net increase in cash and cash equivalents	7,385	7,411
Cash and cash equivalents at beginning of period	100,064	91,028
Cash and cash equivalents at end of period	107,449	98,439

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Qtr 2016	1st Qtr 2015
	\$'000	\$'000
Profit after taxation	7,420	8,524
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	43	(22)
Other comprehensive income for the period	43	(22)
Total comprehensive income for the period	7,463	8,502
Total comprehensive income attributable to:		
Shareholders of the Company	7,356	8,400
Non-controlling interests	107	102
	7,463	8,502

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2016:

	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 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

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

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	59	(5)	-	54
Balance at 31 March 2016	36,284	3,073	72,804	112,161

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

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the first quarter ended 31 March 2016, the company issued 20,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 31 March 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 31 March 2016, there were no outstanding options to subscribe for ordinary shares (31 March 2015: 20,000) under the 2001 VICOM Share Option Scheme.

As at 31 March 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	
	1st Qtr 2016	1st Qtr 2015
(i) Based on weighted average number of ordinary shares in issue - cents	8.25	9.50
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	8.25	9.50

EBITDA

	Group	
	1st Qtr 2016	1st Qtr 2015
(i) EBITDA (\$'000)	10,108	11,447
(ii) EBITDA margin (%)	39.9	40.5

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Net asset value per ordinary share based on issued share capital - cents	173.35	165.03	126.53	121.62

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$25.4 million for 1Q16 was \$2.9 million or 10.4% lower than 1Q15, due to lower business volumes.

Operating Costs

The Group's operating costs of \$16.8 million for 1Q16 were \$1.5 million or 8.3% lower than 1Q15.

Operating Profit

Consequently, the Group's operating profit of \$8.5 million for 1Q16 was \$1.4 million or 14.1% lower than 1Q15.

The Group's profit before tax of \$8.9 million for 1Q16 was \$1.2 million or 12.3% lower than 1Q15.

Taxation for the Group of \$1.5 million for 1Q16 was \$0.1 million or 8.8% lower than 1Q15.

The Group's Profit attributable to Shareholders of the Company of \$7.3 million for 1Q16 was \$1.1 million or 13.2% lower than 1Q15.

Statement of Financial Position

Total Equity increased by \$7.3 million to \$154.5 million as at 31 March 2016 due mainly to profits generated from operations offset by dividend payment to non controlling interests.

Total Assets increased by \$6.1 million to \$182.9 million as at 31 March 2016 due to the increase in Current Assets by \$7.0 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 Bank Balances by \$7.4 million and Other Receivables and Prepayments by \$0.3 million, offset by the decrease in Trade Receivables by \$0.7 million.

Total Liabilities decreased by \$1.1 million to \$28.4 million as at 31 March 2016 due mainly to the decrease in Trade and Other Payables of \$2.6 million, offset by the increase in Provision for Taxation of \$1.5 million.

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 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 first 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

10 May 2016