



**VICOM LTD**  
Company Registration No. : 198100320K

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**Financial Statement Announcement for the 1st Quarter ended 31 March 2010**

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The Board of Directors announces the unaudited results of the Group for the 1st quarter ended 31 March 2010.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>		
	<b>1st Qtr 2010 \$'000</b>	<b>1st Qtr 2009 \$'000</b>	<b>Incr/ (Decr) %</b>
<b>Revenue</b>	20,338	19,094	6.5
Staff costs	(8,984)	(8,365)	7.4
Depreciation expense	(1,350)	(1,291)	4.6
Repairs and maintenance	(300)	(303)	(1.0)
Materials and consumables	(562)	(603)	(6.8)
Contract services	(811)	(960)	(15.5)
Premises costs	(630)	(546)	15.4
Insurance	(40)	(34)	17.6
Other operating expenses	(1,175)	(1,257)	(6.5)
Total operating expenses	(13,852)	(13,359)	3.7
<b>Operating profit</b>	6,486	5,735	13.1
Interest income	40	45	(11.1)
<b>Profit before taxation</b>	6,526	5,780	12.9
Taxation	(1,219)	(1,046)	16.5
<b>Profit after taxation</b>	5,307	4,734	12.1
Attributable to:			
Shareholders of the Company	5,266	4,674	12.7
Non-controlling interests	41	60	(31.7)
	5,307	4,734	12.1

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar	31 Dec	31 Mar	31 Dec
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	42,584	42,377	40,454	40,001
Trade receivables	10,614	6,553	1,614	1,302
Other receivables and prepayments	801	861	541	633
Inventories	21	25	-	-
Total current assets	54,020	49,816	42,609	41,936
<b>Non-current assets</b>				
Subsidiaries	-	-	26,196	26,196
Other receivables and prepayments	178	26	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	42,305	43,297	27,357	27,792
Goodwill	11,325	11,325	-	-
Total non-current assets	54,123	54,963	53,868	54,303
<b>Total assets</b>	108,143	104,779	96,477	96,239
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade payables	3,197	4,228	1,137	1,281
Other payables	12,608	14,479	33,017	35,279
Income tax payable	5,231	4,133	1,694	1,347
Total current liabilities	21,036	22,840	35,848	37,907
<b>Non-current liability</b>				
Deferred tax liabilities	1,191	1,168	183	160
<b>Capital, reserves and non-controlling interests</b>				
Share capital	30,311	30,296	30,311	30,296
Capital reserves	3,187	3,144	3,196	3,175
Accumulated profits	51,066	45,800	26,939	24,701
Equity attributable to shareholders of the Company	84,564	79,240	60,446	58,172
Non-controlling interests	1,352	1,531	-	-
Total equity	85,916	80,771	60,446	58,172
<b>Total liabilities &amp; equity</b>	108,143	104,779	96,477	96,239

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr 2010	1st Qtr 2009
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	6,526	5,780
Adjustments for:		
Depreciation expense	1,350	1,291
Interest income	(40)	(45)
Gain on disposal of vehicles, premises and equipment	(4)	(13)
Share-based payment expense	21	8
Allowance for doubtful trade receivables	50	11
Operating cash flows before movements in working capital	7,903	7,032
Changes in working capital	(7,038)	(2,542)
Cash generated from operations	865	4,490
Income tax paid	(98)	(162)
Net cash from operating activities	767	4,328
<b>Investing activities</b>		
Purchase of vehicles, premises and equipment	(524)	(1,636)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	98	-
Proceeds from disposal of vehicles, premises and equipment	17	16
Interest received	32	14
Net cash used in investing activities	(377)	(1,606)

	Group	
	1st Qtr 2010	1st Qtr 2009
	\$'000	\$'000
<b>Financing activities</b>		
Proceeds from exercise of share options	15	68
Payment to non-controlling interests	(220)	(421)
Net cash used in financing activities	(205)	(353)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	22	-
Net increase in cash and cash equivalents	207	2,369
Cash and cash equivalents at beginning of period	42,377	27,691
<b>Cash and cash equivalents at end of period</b>	<b>42,584</b>	<b>30,060</b>

## 5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Qtr 2010	1st Qtr 2009
	\$'000	\$'000
<b>Profit after taxation</b>	5,307	4,734
Exchange differences arising on translation of foreign operations	22	-
<b>Other comprehensive income for the period</b>	22	-
<b>Total comprehensive income for the period</b>	<b>5,329</b>	<b>4,734</b>
Total comprehensive income attributable to:		
Shareholders of the Company	5,288	4,674
Non-controlling interests	41	60
	<b>5,329</b>	<b>4,734</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

	Group					
	Attributable to shareholders of the Company				Non-controlling interests	Total equity
	Share capital	Capital reserves	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2010</b>	30,296	3,144	45,800	79,240	1,531	80,771
Total comprehensive income for the period	-	22	5,266	5,288	41	5,329
Exercise of share options	15	-	-	15	-	15
Recognition of share-based payments	-	21	-	21	-	21
Payment of dividend to non-controlling interests	-	-	-	-	(220)	(220)
<b>Balance at 31 March 2010</b>	<b>30,311</b>	<b>3,187</b>	<b>51,066</b>	<b>84,564</b>	<b>1,352</b>	<b>85,916</b>

	Group					
	Attributable to shareholders of the Company				Non-controlling interests	Total equity
	Share capital	Capital reserves	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2009</b>	30,056	3,096	34,366	67,518	1,749	69,267
Total comprehensive income for the period	-	-	4,674	4,674	60	4,734
Exercise of share options	72	(4)	-	68	-	68
Recognition of share-based payments	-	8	-	8	-	8
Payment of dividend to non-controlling interests	-	-	-	-	(421)	(421)
<b>Balance at 31 March 2009</b>	<b>30,128</b>	<b>3,100</b>	<b>39,040</b>	<b>72,268</b>	<b>1,388</b>	<b>73,656</b>

	<b>Company</b>			
	<b>Share capital</b>	<b>Capital reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2010</b>	30,296	3,175	24,701	58,172
Total comprehensive income for the period	-	-	2,238	2,238
Exercise of share options	15	-	-	15
Recognition of share-based payments	-	21	-	21
<b>Balance at 31 March 2010</b>	<b>30,311</b>	<b>3,196</b>	<b>26,939</b>	<b>60,446</b>

	<b>Company</b>			
	<b>Share capital</b>	<b>Capital reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2009</b>	30,056	3,126	17,144	50,326
Total comprehensive income for the period	-	-	2,285	2,285
Exercise of share options	72	(4)	-	68
Recognition of share-based payments	-	8	-	8
<b>Balance at 31 March 2009</b>	<b>30,128</b>	<b>3,130</b>	<b>19,429</b>	<b>52,687</b>

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

Since 31 December 2009, the Company issued 11,500 new ordinary shares following the exercise of options granted under the 2001 VICOM Share Option Scheme by option holders.

As at 31 March 2010, the total number of issued shares was 85,675,000 (31 December 2009: 85,663,500).

### Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 31 March 2010, options to subscribe for 2,170,000 ordinary shares (31 March 2009: 1,600,000) remained outstanding under the 2001 VICOM Share Option Scheme.

## 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 2009.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2010. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and 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

	<u>Group</u>	
	<u>1st Qtr 2010</u>	<u>1st Qtr 2009</u>
(i) Based on weighted average number of ordinary shares in issue - cents	6.15	5.47
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	6.09	5.45

### EBITDA

	<u>Group</u>	
	<u>1st Qtr 2010</u>	<u>1st Qtr 2009</u>
(i) EBITDA (\$'000)	7,836	7,026
(ii) EBITDA margin (%)	38.5	36.8

## 13 NET ASSET VALUE PER ORDINARY SHARE

	<u>Group</u>		<u>Company</u>	
	<u>31 Mar</u> <u>2010</u>	<u>31 Dec</u> <u>2009</u>	<u>31 Mar</u> <u>2010</u>	<u>31 Dec</u> <u>2009</u>
Net asset value per ordinary share based on issued share capital - cents	98.70	92.50	70.55	67.91

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

#### Revenue

The Group's total revenue for the first quarter of 2010 increased by \$1.2 million or 6.5% to \$20.3 million against the corresponding period last year, mainly contributed by growth in the vehicle inspection and test & inspection services.

#### Operating Expenses

Operating expenses for the quarter of \$13.9 million was \$0.5 million or 3.7% higher compared with the same period last year. This increase was due mainly to the higher expenses to support the increase in revenue. The withdrawal of property tax and rental rebates as well as lower grants from the Jobs Credit scheme for the quarter also contributed to the increased operating expenses.

#### Operating Profit

Relative to last year, operating profits for the quarter were higher by \$0.2 million for vehicle inspection and \$0.6 million for test & inspection services, mainly the result of increased revenue in both sectors.

Interest income decreased due to lower interest rates.

Group profit before tax for the quarter increased by \$0.7 million or 12.9% to \$6.5 million.

Taxation for the Group of \$1.2 million for the quarter was \$0.2 million higher than the \$1.0 million in the corresponding period last year due to higher taxable profits.

Profit after tax attributable to shareholders of the Company for the quarter was \$5.3 million, which was 12.7% higher.

A breakdown by Business Segment is provided under item 19.

#### Statement of Financial Position

Total Equity increased by \$5.1 million from \$80.8 million as at 31 December 2009 to \$85.9 million as at 31 March 2010 due mainly to profits generated from operations.

Total Assets increased by \$3.4 million to \$108.1 million due mainly to the increase in Trade Receivables of \$4.1 million arising from lower billings to customers in last quarter 2009 but partially offset by the decrease in Vehicles, Premises and Equipment of \$1.0 million.



Total Liabilities decreased by \$1.8 million to \$22.2 million due mainly to the decreases in Other Payables and Trade Payables by \$1.9 million and \$1.0 million respectively but partially offset by the increase in Income Tax Payable of \$1.1 million. The decrease in Other Payables arose from variable bonus payments in March 2010.

### **Cash Flow**

The net cash inflow in the quarter was \$0.2 million after variable bonus payments.

#### **15 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS**

No forecast or prospect statement was previously disclosed.

#### **16 GROUP OUTLOOK**

The number of vehicles due for inspection in 2010 is expected to remain high given the low deregistration rates and the high number of new cars registered in 2007.

The test and inspection business is expected to continue on its growth path as the economy picks up, although this may be somewhat mitigated by the completion of major construction projects in the forthcoming months.

#### **17 DIVIDEND**

##### **(a) Current Financial Period Reported On**

No.

##### **(b) Corresponding Period of the Immediately Preceding Financial Year**

No.

##### **(c) Date payable**

Not applicable.

##### **(d) Books closure date**

Not applicable.

#### **18 IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT**

No dividend has been recommended.

## SEGMENT INFORMATION

## Business Segments

<u>Group</u> <u>First quarter ended</u> <u>31 Mar 2010</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> \$'000	<u>Vehicle</u> <u>Assessment</u> \$'000	<u>Test &amp;</u> <u>Inspection</u> <u>Services</u> \$'000	<u>Rental</u> <u>Income</u> \$'000	<u>Other</u> <u>Related</u> <u>Business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<b>REVENUE</b>							
External sales	6,379	478	12,315	456	710	-	20,338
Inter-segment sales	-	-	27	1,602	183	(1,812)	-
Total	6,379	478	12,342	2,058	893	(1,812)	20,338
<b>RESULT</b>							
Segment result	2,287	(79)	2,466	1,270	542	-	6,486
Interest income							40
Profit before taxation							6,526
Taxation							(1,219)
Profit after taxation							5,307
Non-controlling interests							(41)
Profit attributable to shareholders of the Company							5,266

<u>Group</u> <u>First quarter ended</u> <u>31 Mar 2009</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> \$'000	<u>Vehicle</u> <u>Assessment</u> \$'000	<u>Test &amp;</u> <u>Inspection</u> <u>Services</u> \$'000	<u>Rental</u> <u>Income</u> \$'000	<u>Other</u> <u>Related</u> <u>Business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<b>REVENUE</b>							
External sales	6,005	543	11,461	401	684	-	19,094
Inter-segment sales	-	-	27	1,609	186	(1,822)	-
Total	6,005	543	11,488	2,010	870	(1,822)	19,094
<b>RESULT</b>							
Segment result	2,134	(58)	1,906	1,309	444	-	5,735
Interest income							45
Profit before taxation							5,780
Taxation							(1,046)
Profit after taxation							4,734
Non-controlling interests							(60)
Profit attributable to shareholders of the Company							4,674

## **Geographical segmental information for first quarter ended 31 March 2010**

Please refer to item 14 for commentaries relating to changes in performance of business segment.

The Group operates predominantly in Singapore.

### **20 BREAKDOWN OF REVENUE**

Not applicable.

### **21 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)**

Not applicable.

### **22 INTERESTED PERSON TRANSACTIONS**

There is no Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

### **23 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS UNDER SGX LISTING RULE 705(4) 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 2010 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh  
Chairman

Heng Chye Kiou  
Chief Executive Officer

### **BY ORDER OF THE BOARD**

Chan Wan Tak, Wendy / Chew Si Lyn, Cecilia  
Joint Company Secretaries

11 May 2010