



VICOM LTD

Company Registration No. : 198100320K

Financial Statements Announcement for the 3rd Quarter and Nine Months ended 30 September 2010

The Board of Directors announces the unaudited results of the Group for the 3rd quarter and 9 months to 30 September 2010.

1 GROUP INCOME STATEMENT

	Group					
	3rd Qtr 2010	3rd Qtr 2009	Incr/ (Decr)	9 months to 30 Sep 2010	9 months to 30 Sep 2009	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	21,648	19,520	10.9	63,066	58,087	8.6
Staff costs	(9,415)	(8,473)	11.1	(27,609)	(25,065)	10.1
Depreciation expense	(1,347)	(1,291)	4.3	(4,049)	(3,866)	4.7
Repairs and maintenance	(392)	(326)	20.2	(1,023)	(926)	10.5
Materials and consumables	(744)	(539)	38.0	(1,958)	(1,755)	11.6
Contract services	(962)	(908)	5.9	(2,644)	(2,859)	(7.5)
Premises costs	(670)	(547)	22.5	(1,950)	(1,637)	19.1
Insurance	(36)	(39)	(7.7)	(115)	(112)	2.7
Other operating expenses	(1,267)	(1,213)	4.5	(3,598)	(3,557)	1.2
Total operating expenses	(14,833)	(13,336)	11.2	(42,946)	(39,777)	8.0
Operating profit	6,815	6,184	10.2	20,120	18,310	9.9
Net income from investments	26	-	N.M.	26	-	N.M.
Interest income	41	36	13.9	121	111	9.0
Profit before taxation	6,882	6,220	10.6	20,267	18,421	10.0
Taxation	(1,243)	(1,079)	15.2	(3,672)	(3,147)	16.7
Profit after taxation	5,639	5,141	9.7	16,595	15,274	8.6
Attributable to:						
Shareholders of the Company	5,583	5,074	10.0	16,444	15,060	9.2
Non-controlling interests	56	67	(16.4)	151	214	(29.4)
	5,639	5,141	9.7	16,595	15,274	8.6

N.M. - Not meaningful

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	48,795	42,377	47,026	40,001
Trade receivables	9,246	6,553	1,441	1,302
Other receivables and prepayments	1,689	861	483	633
Inventories	9	25	-	-
Total current assets	59,739	49,816	48,950	41,936
Non-current assets				
Subsidiaries	-	-	26,196	26,196
Other receivables and prepayments	8	26	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	41,781	43,297	26,715	27,792
Goodwill	11,325	11,325	-	-
Total non-current assets	53,429	54,963	53,226	54,303
Total assets	113,168	104,779	102,176	96,239
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	3,137	4,228	1,078	1,281
Other payables	17,117	14,479	34,824	35,279
Income tax payable	3,986	4,133	1,111	1,347
Total current liabilities	24,240	22,840	37,013	37,907
Non-current liability				
Deferred tax liabilities	1,407	1,168	359	160
Capital, reserves and non-controlling interests				
Share capital	31,352	30,296	31,352	30,296
Capital reserves	3,221	3,144	3,235	3,175
Accumulated profits	51,651	45,800	30,217	24,701
Equity attributable to shareholders of the Company	86,224	79,240	64,804	58,172
Non-controlling interests	1,297	1,531	-	-
Total equity	87,521	80,771	64,804	58,172
Total liabilities & equity	113,168	104,779	102,176	96,239

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr	3rd Qtr	9 months	9 months
	2010	2009	to 30 Sep	to 30 Sep
	\$'000	\$'000	2010	2009
			\$'000	\$'000
Operating activities				
Profit before taxation	6,882	6,220	20,267	18,421
Adjustments for:				
Depreciation expense	1,347	1,291	4,049	3,866
Interest income	(41)	(36)	(121)	(111)
Loss (Gain) on disposal of vehicles, premises and equipment	-	5	(4)	(8)
Share-based payment expense	49	21	91	37
Allowance (Write-back) for doubtful trade receivables	1	(18)	37	(83)
Net income from investments	(26)	-	(26)	-
Operating cash flows before movements in working capital	8,212	7,483	24,293	22,122
Changes in working capital	1,845	3,164	(2,067)	1,269
Cash generated from operations	10,057	10,647	22,226	23,391
Income tax paid	(1,469)	(1,476)	(3,580)	(3,595)
Net cash from operating activities	8,588	9,171	18,646	19,796
Investing activities				
Purchase of vehicles, premises and equipment	(1,202)	(2,671)	(2,532)	(5,167)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	-	98	-
Proceeds from disposal of vehicles, premises and equipment	-	-	17	16
Interest received	54	35	125	88
Net cash used in investing activities	(1,148)	(2,636)	(2,292)	(5,063)

	Group			
	3rd Qtr	3rd Qtr	9 months	9 months
	2010	2009	to 30 Sep	to 30 Sep
	\$'000	\$'000	\$'000	\$'000
Financing activities				
Proceeds from exercise of share options	595	157	1,025	232
Payment to non-controlling interests	(165)	(99)	(385)	(520)
Dividends paid	(5,439)	(4,966)	(10,593)	(8,603)
Net cash used in financing activities	(5,009)	(4,908)	(9,953)	(8,891)
Net effect of exchange rate changes in consolidating subsidiaries	(5)	(6)	17	(15)
Net increase in cash and cash equivalents	2,426	1,621	6,418	5,827
Cash and cash equivalents at beginning of period	46,369	31,897	42,377	27,691
Cash and cash equivalents at end of period	48,795	33,518	48,795	33,518

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	3rd Qtr	3rd Qtr	9 months	9 months
	2010	2009	to 30 Sep	to 30 Sep
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	5,639	5,141	16,595	15,274
Exchange differences arising on translation of foreign operations	(5)	(6)	17	(15)
Other comprehensive (expense) income for the period	(5)	(6)	17	(15)
Total comprehensive income for the period	5,634	5,135	16,612	15,259
Total comprehensive income attributable to:				
Shareholders of the Company	5,578	5,068	16,461	15,045
Non-controlling interests	56	67	151	214
	5,634	5,135	16,612	15,259

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 3rd quarter and 9 months to 30 September 2010:

	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
Balance at 1 January 2010	30,296	3,144	45,800	79,240	1,531	80,771
Total comprehensive income for the period	-	22	10,861	10,883	95	10,978
Exercise of share options	442	(12)	-	430	-	430
Recognition of share-based payments	-	42	-	42	-	42
Payment of dividends	-	-	(5,154)	(5,154)	(220)	(5,374)
Balance at 30 June 2010	30,738	3,196	51,507	85,441	1,406	86,847
Total comprehensive (expense) income for the period	-	(5)	5,583	5,578	56	5,634
Exercise of share options	614	(19)	-	595	-	595
Recognition of share-based payments	-	49	-	49	-	49
Payment of dividends	-	-	(5,439)	(5,439)	(165)	(5,604)
Balance at 30 September 2010	31,352	3,221	51,651	86,224	1,297	87,521

Consolidated Statement of Changes in Equity for the 3rd quarter and 9 months to 30 September 2009:

	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
Balance at 1 January 2009	30,056	3,096	34,366	67,518	1,749	69,267
Total comprehensive (expense) income for the period	-	(9)	9,986	9,977	147	10,124
Exercise of share options	79	(4)	-	75	-	75
Recognition of share-based payments	-	16	-	16	-	16
Payment of dividends	-	-	(3,637)	(3,637)	(421)	(4,058)
Balance at 30 June 2009	30,135	3,099	40,715	73,949	1,475	75,424
Total comprehensive (expense) income for the period	-	(6)	5,074	5,068	67	5,135
Exercise of share options	161	(4)	-	157	-	157
Recognition of share-based payments	-	21	-	21	-	21
Payment of dividends	-	-	(4,966)	(4,966)	(99)	(5,065)
Balance at 30 September 2009	30,296	3,110	40,823	74,229	1,443	75,672

Statement of Changes in Equity of the Company for the 3rd quarter and 9 months to 30 September 2010:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2010	30,296	3,175	24,701	58,172
Total comprehensive income for the period	-	-	3,806	3,806
Exercise of share options	442	(12)	-	430
Recognition of share-based payments	-	42	-	42
Payment of dividends	-	-	(5,154)	(5,154)
Balance at 30 June 2010	30,738	3,205	23,353	57,296
Total comprehensive income for the period	-	-	12,303	12,303
Exercise of share options	614	(19)	-	595
Recognition of share-based payments	-	49	-	49
Payment of dividends	-	-	(5,439)	(5,439)
Balance at 30 September 2010	31,352	3,235	30,217	64,804

Statement of Changes in Equity of the Company for the 3rd quarter and 9 months to 30 September 2009:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	30,056	3,126	17,144	50,326
Total comprehensive income for the period	-	-	3,797	3,797
Exercise of share options	79	(4)	-	75
Recognition of share-based payments	-	16	-	16
Payment of dividends	-	-	(3,637)	(3,637)
Balance at 30 June 2009	30,135	3,138	17,304	50,577
Total comprehensive income for the period	-	-	10,726	10,726
Exercise of share options	161	(4)	-	157
Recognition of share-based payments	-	21	-	21
Payment of dividends	-	-	(4,966)	(4,966)
Balance at 30 September 2009	30,296	3,155	23,064	56,515

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 3rd quarter ended 30 September 2010, the Company issued 442,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 30 September 2010, the total number of issued shares was 86,350,000 (31 December 2009: 85,663,500).

Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 30 September 2010, options to subscribe for 2,318,000 ordinary shares (30 September 2009: 2,181,500) 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 or after 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

	Group			
	3rd Qtr 2010	3rd Qtr 2009	9 months to 30 Sep 2010	9 months to 30 Sep 2009
(i) Based on weighted average number of ordinary shares in issue - cents	6.47	5.93	19.11	17.59
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	6.43	5.91	18.99	17.55

EBITDA

	Group			
	3rd Qtr 2010	3rd Qtr 2009	9 months to 30 Sep 2010	9 months to 30 Sep 2009
(i) EBITDA (\$'000)	8,162	7,475	24,169	22,176
(ii) EBITDA margin (%)	37.7	38.3	38.3	38.2

13 **NET ASSET VALUE PER ORDINARY SHARE**

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
Net asset value per ordinary share based on issued share capital - cents	99.85	92.50	75.05	67.91

14 **REVIEW OF GROUP PERFORMANCE**

Performance Review

Revenue

The Group's total revenue for 3Q10 increased by \$2.1 million or 10.9% to \$21.6 million against the corresponding quarter last year due mainly to growth in our vehicle inspection and test & inspection services.

Operating Expenses

Operating expenses were \$14.8 million in 3Q10. This was \$1.5 million or 11.2% more compared with the same quarter last year, due mainly to the higher expenses to generate the increased revenue and from the withdrawal of Jobs Credit, property tax and rental rebates.

Operating Profit

Group operating profit in 3Q10 increased by \$0.6 million against the corresponding quarter last year due mainly to the higher revenue.

Group profit before tax for 3Q10 increased by \$0.7 million or 10.6% to \$6.9 million.

Taxation for the Group of \$1.2 million for 3Q10 was \$0.2 million higher due to the higher profits.

Profit after tax attributable to shareholders of the Company for 3Q10 was \$5.6 million, which was 10.0% higher than that for 3Q09.

A breakdown by Business Segment is provided under item 19.

Statement of Financial Position

Total Equity increased by \$6.8 million from \$80.8 million as at 31 December 2009 to \$87.5 million as at 30 September 2010 due mainly to profits generated from operations, partially offset by the payment of dividends.

Total Assets increased by \$8.4 million to \$113.2 million as at 30 September 2010 due mainly to the increases in Cash and Bank Balances by \$6.4 million, Trade Receivables by \$2.7 million, Other Receivables and Prepayments by \$0.8 million, partially offset by the decrease in Vehicles, Premises and Equipment by \$1.5 million.

Total Liabilities increased by \$1.6 million to \$25.6 million due mainly to the increase in Other Payables by \$2.6 million, partially offset by the decrease in Trade Payables by \$1.1 million. The increase in Other Payables was due mainly to the higher deferred income in Setsco.

Cash Flow

The net cash inflow in 3Q10 was \$2.4 million after payment of dividends.

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

No forecast or prospect statement was previously disclosed.

16 GROUP OUTLOOK

The demand for vehicle inspection services is expected to remain strong in the next quarter and next year.

The test and inspection business will continue to face keen competition.

17 DIVIDEND

(a) Current Financial Period Reported On

Any dividend proposed 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 IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT

No dividend has been recommended.

19 **SEGMENT INFORMATION**

Business Segments

Group 3rd quarter ended 30 Sep 2010	Vehicle Inspection Business \$'000	Vehicle Assessment \$'000	Test & Inspection Services \$'000	Rental Income \$'000	Other Related Business \$'000	Elimination \$'000	Total \$'000
REVENUE							
External sales	6,430	476	13,410	450	882	-	21,648
Inter-segment sales	1	-	28	1,678	197	(1,904)	-
Total	6,431	476	13,438	2,128	1,079	(1,904)	21,648
RESULT							
Operating profit	2,249	(81)	2,653	1,327	667	-	6,815
Net income from investments							26
Interest income							41
Profit before taxation							6,882
Taxation							(1,243)
Profit after taxation							5,639
Non-controlling interests							(56)
Profit attributable to shareholders of the Company							5,583

Group 3rd quarter ended 30 Sep 2009	Vehicle Inspection Business \$'000	Vehicle Assessment \$'000	Test & Inspection Services \$'000	Rental Income \$'000	Other Related Business \$'000	Elimination \$'000	Total \$'000
REVENUE							
External sales	5,709	498	12,032	463	818	-	19,520
Inter-segment sales	-	-	27	1,602	179	(1,808)	-
Total	5,709	498	12,059	2,065	997	(1,808)	19,520
RESULT							
Operating profit	1,979	(58)	2,358	1,363	542	-	6,184
Interest income							36
Profit before taxation							6,220
Taxation							(1,079)
Profit after taxation							5,141
Non-controlling interests							(67)
Profit attributable to shareholders of the Company							5,074

Certain comparative figures have been reclassified to conform to current period's presentation.

Group 9 months ended 30 Sep 2010	Vehicle Inspection Business \$'000	Vehicle Assessment \$'000	Test & Inspection Services \$'000	Rental Income \$'000	Other Related Business \$'000	Elimination \$'000	Total \$'000
REVENUE							
External sales	18,969	1,424	38,737	1,356	2,580	-	63,066
Inter-segment sales	2	-	82	5,030	576	(5,690)	-
Total	18,971	1,424	38,819	6,386	3,156	(5,690)	63,066
RESULT							
Operating profit	6,727	(232)	7,688	3,991	1,946	-	20,120
Net income from investments							26
Interest income							121
Profit before taxation							20,267
Taxation							(3,672)
Profit after taxation							16,595
Non-controlling interests							(151)
Profit attributable to shareholders of the Company							16,444

Group 9 months ended 30 Sep 2009	Vehicle Inspection Business \$'000	Vehicle Assessment \$'000	Test & Inspection Services \$'000	Rental Income \$'000	Other Related Business \$'000	Elimination \$'000	Total \$'000
REVENUE							
External sales	17,287	1,571	35,384	1,285	2,560	-	58,087
Inter-segment sales	1	-	81	4,814	543	(5,439)	-
Total	17,288	1,571	35,465	6,099	3,103	(5,439)	58,087
RESULT							
Operating profit	5,926	(158)	6,801	3,991	1,750	-	18,310
Interest income							111
Profit before taxation							18,421
Taxation							(3,147)
Profit after taxation							15,274
Non-controlling interests							(214)
Profit attributable to shareholders of the Company							15,060

Certain comparative figures have been reclassified to conform to current period's presentation.

Geographical segmental information for third quarter ended 30 September 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(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 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
Company Secretary

10 November 2010