



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

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## Second Quarter 2012 Financial Statements and Dividend Announcement

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The Board of Directors announces the unaudited results of the Group for the Second Quarter and Half Year ended 30 June 2012.

### 1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr	2nd Qtr	Incr/ (Decr)	1st Half	1st Half	Incr/ (Decr)
	2012	2011	%	2012	2011	%
	\$'000	\$'000		\$'000	\$'000	
<b>Revenue</b>	23,959	22,264	7.6	48,248	44,720	7.9
Staff costs	(10,635)	(9,883)	7.6	(20,612)	(19,820)	4.0
Depreciation expense	(1,422)	(1,299)	9.5	(2,802)	(2,616)	7.1
Repairs and maintenance	(441)	(337)	30.9	(819)	(647)	26.6
Materials and consumables	(684)	(641)	6.7	(1,338)	(1,300)	2.9
Contract services	(797)	(873)	(8.7)	(1,638)	(1,759)	(6.9)
Premises costs	(768)	(692)	11.0	(1,517)	(1,388)	9.3
Utilities and communication costs	(596)	(496)	20.2	(1,197)	(969)	23.5
Other operating expenses	(1,031)	(854)	20.7	(2,181)	(1,833)	19.0
Total operating expenses	(16,374)	(15,075)	8.6	(32,104)	(30,332)	5.8
<b>Operating profit</b>	7,585	7,189	5.5	16,144	14,388	12.2
Interest income	42	38	10.5	92	80	15.0
<b>Profit before taxation</b>	7,627	7,227	5.5	16,236	14,468	12.2
Taxation	(1,195)	(1,278)	(6.5)	(2,706)	(2,247)	20.4
<b>Profit after taxation</b>	6,432	5,949	8.1	13,530	12,221	10.7
Attributable to:						
<b>Shareholders of the Company</b>	6,344	5,864	8.2	13,350	12,003	11.2
Non-controlling interests	88	85	3.5	180	218	(17.4)
	6,432	5,949	8.1	13,530	12,221	10.7

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	55,678	55,010	53,377	52,377
Trade receivables	11,911	10,530	2,025	2,365
Other receivables and prepayments	833	905	127	450
Inventories	6	8	-	-
Total current assets	68,428	66,453	55,529	55,192
<b>Non-current assets</b>				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	192	297	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	54,772	55,535	31,354	32,148
Goodwill	11,325	11,325	-	-
Total non-current assets	66,629	67,497	57,610	58,404
<b>Total assets</b>	135,057	133,950	113,139	113,596
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	17,280	20,801	2,396	2,702
Due to subsidiaries	-	-	38,483	34,661
Income tax payable	5,352	5,080	1,805	1,750
Total current liabilities	22,632	25,881	42,684	39,113
<b>Non-current liability</b>				
Deferred tax liabilities	1,417	1,582	336	350
<b>Capital, reserves and non-controlling interests</b>				
Share capital	35,174	34,397	35,174	34,397
Other reserves	3,155	3,206	3,155	3,206
Foreign currency translation reserve	(55)	(37)	-	-
Accumulated profits	71,805	67,891	31,790	36,530
Equity attributable to shareholders of the Company	110,079	105,457	70,119	74,133
Non-controlling interests	929	1,030	-	-
Total equity	111,008	106,487	70,119	74,133
<b>Total liabilities &amp; equity</b>	135,057	133,950	113,139	113,596

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	Group			
	2nd Qtr 2012 \$'000	2nd Qtr 2011 \$'000	1st Half 2012 \$'000	1st Half 2011 \$'000
<b>Operating activities</b>				
Profit before taxation	7,627	7,227	16,236	14,468
Adjustments for:				
Depreciation expense	1,422	1,299	2,802	2,616
Interest income	(42)	(38)	(92)	(80)
Loss (Gain) on disposal of vehicles, premises and equipment	7	1	7	(2)
Share-based payment expense	-	49	-	98
Write-back for doubtful trade receivables	(21)	(1)	(5)	-
Operating cash flows before movements in working capital	8,993	8,537	18,948	17,100
Changes in working capital	(760)	(2,306)	(5,326)	(5,088)
Cash generated from operations	8,233	6,231	13,622	12,012
Income tax paid	(2,573)	(1,316)	(2,599)	(2,195)
Net cash from operating activities	5,660	4,915	11,023	9,817
<b>Investing activities</b>				
Purchase of vehicles, premises and equipment	(942)	(5,531)	(1,965)	(7,663)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	-	489	-
Proceeds from disposal of vehicles, premises and equipment	-	-	-	30
Interest received	62	45	106	81
Net cash used in investing activities	(880)	(5,486)	(1,370)	(7,552)

**Financing activities**

Proceeds from exercise of share options	162	181	726	1,592
Dividends paid to non-controlling interests	-	-	(281)	(220)
Dividends paid	(9,436)	(8,554)	(9,436)	(8,554)
Net cash used in financing activities	(9,274)	(8,373)	(8,991)	(7,182)

**Net effect of exchange rate changes in consolidating subsidiaries**

6	(9)	6	(14)
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Net (decrease) increase in cash and cash equivalents

(4,488)	(8,953)	668	(4,931)
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Cash and cash equivalents at beginning of period

60,166	53,105	55,010	49,083
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**Cash and cash equivalents at end of period**

55,678	44,152	55,678	44,152
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**5****GROUP COMPREHENSIVE INCOME STATEMENT**

	<b>Group</b>			
	<b>2nd Qtr 2012</b>	<b>2nd Qtr 2011</b>	<b>1st Half 2012</b>	<b>1st Half 2011</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit after taxation</b>	6,432	5,949	13,530	12,221
Exchange differences arising on translation of foreign operations	(18)	(15)	(18)	(23)
<b>Other comprehensive expense for the period</b>	(18)	(15)	(18)	(23)
<b>Total comprehensive income for the period</b>	<b>6,414</b>	<b>5,934</b>	<b>13,512</b>	<b>12,198</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	6,326	5,849	13,332	11,980
Non-controlling interests	88	85	180	218
	<b>6,414</b>	<b>5,934</b>	<b>13,512</b>	<b>12,198</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Second Quarter and Half Year ended 30 June 2012:

	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	
<b>Balance at 1 January 2012</b>	34,397	3,206	(37)	67,891	105,457	1,030	106,487
Total comprehensive income for the period	-	-	-	7,006	7,006	92	7,098
Exercise of share options	605	(41)	-	-	564	-	564
Payment of dividends to non-controlling interests	-	-	-	-	-	(281)	(281)
<b>Balance at 31 March 2012</b>	35,002	3,165	(37)	74,897	113,027	841	113,868
Total comprehensive (expense) income for the period	-	-	(18)	6,344	6,326	88	6,414
Exercise of share options	172	(10)	-	-	162	-	162
Payment of dividends	-	-	-	(9,436)	(9,436)	-	(9,436)
<b>Balance at 30 June 2012</b>	35,174	3,155	(55)	71,805	110,079	929	111,008

Consolidated Statement of Changes in Equity for the Second Quarter and Half Year ended 30 June 2011:

	<b>Group</b>						
	<b>Attributable to shareholders of the Company</b>				<b>Total</b>	<b>Non-controlling interests</b>	<b>equity</b>
	<b>Share capital</b>	<b>Other reserves</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated profits</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2011</b>	31,355	3,284	(21)	57,372	91,990	1,330	93,320
Total comprehensive (expense)/ income for the period	-	-	(8)	6,139	6,131	133	6,264
Exercise of share options	1,474	(63)	-	-	1,411	-	1,411
Recognition of share-based payments	-	49	-	-	49	-	49
Payment of dividends to non-controlling interests	-	-	-	-	-	(220)	(220)
<b>Balance at 31 March 2011</b>	32,829	3,270	(29)	63,511	99,581	1,243	100,824
Total comprehensive (expense) income for the period	-	-	(15)	5,864	5,849	85	5,934
Exercise of share options	188	(7)	-	-	181	-	181
Recognition of share-based payments	-	49	-	-	49	-	49
Payment of dividends	-	-	-	(8,554)	(8,554)	-	(8,554)
<b>Balance at 30 June 2011</b>	33,017	3,312	(44)	60,821	97,106	1,328	98,434

Statement of Changes in Equity of the Company for the Second Quarter and Half Year ended 30 June 2012:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other 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 2012</b>	34,397	3,206	36,530	74,133
Total comprehensive income for the period	-	-	2,985	2,985
Exercise of share options	605	(41)	-	564
<b>Balance at 31 March 2012</b>	35,002	3,165	39,515	77,682
Total comprehensive income for the period	-	-	1,711	1,711
Exercise of share options	172	(10)	-	162
Payment of dividends	-	-	(9,436)	(9,436)
<b>Balance at 30 June 2012</b>	35,174	3,155	31,790	70,119

Statement of Changes in Equity of the Company for the Second Quarter and Half Year ended 30 June 2011:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other 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 2011</b>	31,355	3,284	31,690	66,329
Total comprehensive income for the period	-	-	2,350	2,350
Exercise of share options	1,474	(63)	-	1,411
Recognition of share-based payments	-	49	-	49
<b>Balance at 31 March 2011</b>	32,829	3,270	34,040	70,139
Total comprehensive income for the period	-	-	1,563	1,563
Exercise of share options	188	(7)	-	181
Recognition of share-based payments	-	49	-	49
Payment of dividends	-	-	(8,554)	(8,554)
<b>Balance at 30 June 2011</b>	33,017	3,312	27,049	63,378

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

During the 2nd quarter ended 30 June 2012, the Company issued 85,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 30 June 2012, the total number of issued shares was 88,199,000 (31 December 2011: 87,863,000).

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

As at 30 June 2012, options to subscribe for 443,000 ordinary shares (30 June 2011: 1,385,000) 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 2011.

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 or after 1 January 2012. The adoption of these new/revised 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			
	2nd Qtr 2012	2nd Qtr 2011	1st Half 2012	1st Half 2011
(i) Based on weighted average number of ordinary shares in issue - cents	7.20	6.72	15.14	13.76
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.19	6.69	15.11	13.70

### EBITDA

	Group			
	2nd Qtr 2012	2nd Qtr 2011	1st Half 2012	1st Half 2011
(i) EBITDA (\$'000)	9,007	8,488	18,946	17,004
(ii) EBITDA margin (%)	37.6	38.1	39.3	38.0



## 13 NET ASSET VALUE PER ORDINARY SHARE

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun</u> <u>2012</u>	<u>31 Dec</u> <u>2011</u>	<u>30 Jun</u> <u>2012</u>	<u>31 Dec</u> <u>2011</u>
Net asset value per ordinary share based on issued share capital - cents	124.81	120.02	79.50	84.37

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

#### Revenue

The Group's total revenue of \$24.0 million for 2Q12 was \$1.7 million or 7.6% higher than that of \$22.3 million for 2Q11 contributed by the core businesses in the vehicle inspection and test & inspection services.

#### Operating Expenses

The Group's operating expenses of \$16.4 million for 2Q12 were \$1.3 million or 8.6% higher than that of \$15.1 million for 2Q11. The higher operating expense was in tandem with the higher revenue coupled with the higher depreciation from the new building at Teban Gardens.

#### Operating Profit

The Group's operating profit and profit before tax of \$7.6 million for 2Q12 was \$0.4 million or 5.5% higher than the \$7.2 million for 2Q11 due to the higher revenue.

Taxation for the Group of \$1.2 million for 2Q12 was \$0.1 million lower than the \$1.3 million for 2Q11 due mainly to the lower taxable profits for 2Q12 arising from enhanced capital allowances on qualifying expenditure under the Productivity and Innovation Credit Scheme.

The Group's Profit attributable to Shareholders of the Company of \$6.3 million for 2Q12 was \$0.4 million or 8.2% higher than that of \$5.9 million for 2Q11.

#### Statement of Financial Position

Total Equity increased by \$4.5 million from \$106.5 million as at 31 December 2011 to \$111.0 million as at 30 June 2012 due mainly to profits generated from operations offset by the payment of dividends.

Total Assets increased by \$1.1 million to \$135.1 million as at 30 June 2012. This was due to an increase in Current Assets by \$2.0 million, partially offset by a 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 \$0.7 million and Trade Receivables by \$1.4 million partially offset by decrease in Other Receivables and Prepayments of \$0.1 million. The higher Trade Receivables as at 30 June 2012 arose mainly from the higher 2Q12 billings.

Total Liabilities decreased by \$3.4 million to \$24.0 million as at 30 June 2012 due mainly to the lower Current Liabilities after payment of variable bonus.

## **Cash Flow**

The net cash outflow in 2Q12 was \$4.5 million after payment of dividends.

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

No forecast or prospect statement has been previously disclosed.

### **16 GROUP OUTLOOK**

The demand for vehicle inspection is expected to remain strong as vehicles are likely to be on the road longer.

The demand for test and inspection services is expected to be sustained despite the keen competition.

### **17 DIVIDEND**

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

##### Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	7.5 cents
Tax Rate	Exempt one-tier

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

##### Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	6.9 cents
Tax Rate	Exempt one-tier

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

The Directors have declared a tax-exempt one-tier interim dividend of 7.5 cents per ordinary share. The interim dividend will be payable on 30 August 2012.

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

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 22 August 2012 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 21 August 2012 will be registered before Shareholders' entitlements to the interim dividend are determined.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 21 August 2012 will be entitled to the interim dividend.

**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 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 second quarter 2012 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 August 2012