



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

### Third Quarter 2012 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the Third Quarter and Nine Months to 30 September 2012.

#### 1 GROUP INCOME STATEMENT

	Group					
	3rd Qtr 2012 \$'000	3rd Qtr 2011 \$'000	Incr/ (Decr) %	9 months to 30 Sep 2012 \$'000	9 months to 30 Sep 2011 \$'000	Incr/ (Decr) %
<b>Revenue</b>	24,405	22,865	6.7	72,653	67,585	7.5
Staff costs	10,556	10,222	3.3	31,168	30,042	3.7
Depreciation expense	1,460	1,282	13.9	4,262	3,898	9.3
Repairs and maintenance	415	330	25.8	1,234	977	26.3
Materials and consumables	746	639	16.7	2,084	1,939	7.5
Contract services	970	930	4.3	2,608	2,689	(3.0)
Premises costs	780	709	10.0	2,297	2,097	9.5
Utilities and communication costs	598	449	33.2	1,795	1,418	26.6
Other operating expenses	1,181	923	28.0	3,362	2,756	22.0
Total operating expenses	16,706	15,484	7.9	48,810	45,816	6.5
<b>Operating profit</b>	7,699	7,381	4.3	23,843	21,769	9.5
Interest income	51	39	30.8	143	119	20.2
<b>Profit before taxation</b>	7,750	7,420	4.4	23,986	21,888	9.6
Taxation	(1,261)	(1,086)	16.1	(3,967)	(3,333)	19.0
<b>Profit after taxation</b>	6,489	6,334	2.4	20,019	18,555	7.9
Attributable to:						
<b>Shareholders of the Company</b>	6,391	6,233	2.5	19,741	18,236	8.3
Non-controlling interests	98	101	(3.0)	278	319	(12.9)
	6,489	6,334	2.4	20,019	18,555	7.9

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	58,619	55,010	55,824	52,377
Trade receivables	10,474	10,530	2,167	2,365
Other receivables and prepayments	1,009	905	132	450
Inventories	11	8	-	-
Total current assets	70,113	66,453	58,123	55,192
<b>Non-current assets</b>				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	218	297	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	54,618	55,535	30,951	32,148
Goodwill	11,325	11,325	-	-
Total non-current assets	66,501	67,497	57,207	58,404
<b>Total assets</b>	136,614	133,950	115,330	113,596
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	19,776	20,801	2,750	2,702
Due to subsidiaries	-	-	32,821	34,661
Income tax payable	4,733	5,080	1,609	1,750
Total current liabilities	24,509	25,881	37,180	39,113
<b>Non-current liability</b>				
Deferred tax liabilities	1,367	1,582	332	350
<b>Capital, reserves and non-controlling interests</b>				
Share capital	35,200	34,397	35,200	34,397
Other reserves	3,154	3,206	3,154	3,206
Foreign currency translation reserve	(58)	(37)	-	-
Accumulated profits	71,581	67,891	39,464	36,530
Equity attributable to shareholders of the Company	109,877	105,457	77,818	74,133
Non-controlling interests	861	1,030	-	-
Total equity	110,738	106,487	77,818	74,133
<b>Total liabilities &amp; equity</b>	136,614	133,950	115,330	113,596

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr 2012 \$'000	3rd Qtr 2011 \$'000	9 months to 30 Sep 2012 \$'000	9 months to 30 Sep 2011 \$'000
<b>Operating activities</b>				
Profit before taxation	7,750	7,420	23,986	21,888
Adjustments for:				
Depreciation expense	1,460	1,282	4,262	3,898
Interest income	(51)	(39)	(143)	(119)
Gain on disposal of vehicles, premises and equipment	(8)	(8)	(1)	(10)
(Write-back) Share-based payment expense	-	(6)	-	92
(Write-back) Allowance for doubtful trade receivables	(8)	62	(13)	62
Operating cash flows before movements in working capital	9,143	8,711	28,091	25,811
Changes in working capital	3,766	2,405	(1,560)	(2,683)
Cash generated from operations	12,909	11,116	26,531	23,128
Income tax paid	(1,930)	(1,306)	(4,529)	(3,501)
Net cash from operating activities	10,979	9,810	22,002	19,627
<b>Investing activities</b>				
Purchase of vehicles, premises and equipment	(1,336)	(1,861)	(3,301)	(9,524)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	-	489	-
Proceeds from disposal of vehicles, premises and equipment	8	33	8	63
Interest received	45	35	151	116
Net cash used in investing activities	(1,283)	(1,793)	(2,653)	(9,345)

**Financing activities**

Proceeds from exercise of share options	25	400	751	1,992
Dividends paid to non-controlling interests	(166)	(256)	(447)	(476)
Dividends paid	(6,615)	(6,027)	(16,051)	(14,581)
Net cash used in financing activities	(6,756)	(5,883)	(15,747)	(13,065)

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

	1	(3)	7	(17)
Net increase (decrease) in cash and cash equivalents	2,941	2,131	3,609	(2,800)
Cash and cash equivalents at beginning of period	55,678	44,152	55,010	49,083
<b>Cash and cash equivalents at end of period</b>	<b>58,619</b>	<b>46,283</b>	<b>58,619</b>	<b>46,283</b>

**5 GROUP COMPREHENSIVE INCOME STATEMENT**

	<b>Group</b>			
	<b>3rd Qtr 2012</b>	<b>3rd Qtr 2011</b>	<b>9 months to 30 Sep 2012</b>	<b>9 months to 30 Sep 2011</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit after taxation</b>	6,489	6,334	20,019	18,555
Exchange differences arising on translation of foreign operations	(3)	(2)	(21)	(25)
<b>Other comprehensive expense for the period</b>	(3)	(2)	(21)	(25)
<b>Total comprehensive income for the period</b>	<b>6,486</b>	<b>6,332</b>	<b>19,998</b>	<b>18,530</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	6,388	6,231	19,720	18,211
Non-controlling interests	98	101	278	319
	<b>6,486</b>	<b>6,332</b>	<b>19,998</b>	<b>18,530</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 2012:

	Group						Total equity
	Attributable to shareholders of the Company				Total	Non-controlling interests	
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits			
\$'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	-	-	(18)	13,350	13,332	180	13,512
Exercise of share options	777	(51)	-	-	726	-	726
Payment of dividends	-	-	-	(9,436)	(9,436)	(281)	(9,717)
<b>Balance at 30 June 2012</b>	35,174	3,155	(55)	71,805	110,079	929	111,008
Total comprehensive (expense) income for the period	-	-	(3)	6,391	6,388	98	6,486
Exercise of share options	26	(1)	-	-	25	-	25
Payment of dividends	-	-	-	(6,615)	(6,615)	(166)	(6,781)
<b>Balance at 30 September 2012</b>	35,200	3,154	(58)	71,581	109,877	861	110,738

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 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	-	-	(23)	12,003	11,980	218	12,198
Exercise of share options	1,662	(70)	-	-	1,592	-	1,592
Recognition of share-based payments	-	98	-	-	98	-	98
Payment of dividends	-	-	-	(8,554)	(8,554)	(220)	(8,774)
<b>Balance at 30 June 2011</b>	33,017	3,312	(44)	60,821	97,106	1,328	98,434
Total comprehensive (expense) income for the period	-	-	(2)	6,233	6,231	101	6,332
Exercise of share options	434	(34)	-	-	400	-	400
Write-back of share-based payments	-	(6)	-	-	(6)	-	(6)
Payment of dividends	-	-	-	(6,027)	(6,027)	(256)	(6,283)
<b>Balance at 30 September 2011</b>	33,451	3,272	(46)	61,027	97,704	1,173	98,877

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 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	-	-	4,696	4,696
Exercise of share options	777	(51)	-	726
Payment of dividends	-	-	(9,436)	(9,436)
<b>Balance at 30 June 2012</b>	35,174	3,155	31,790	70,119
Total comprehensive income for the period	-	-	14,289	14,289
Exercise of share options	26	(1)	-	25
Payment of dividends	-	-	(6,615)	(6,615)
<b>Balance at 30 September 2012</b>	35,200	3,154	39,464	77,818

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 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	-	-	3,913	3,913
Exercise of share options	1,662	(70)	-	1,592
Recognition of share-based payments	-	98	-	98
Payment of dividends	-	-	(8,554)	(8,554)
<b>Balance at 30 June 2011</b>	33,017	3,312	27,049	63,378
Total comprehensive income for the period	-	-	13,458	13,458
Exercise of share options	434	(34)	-	400
Write-back of share-based payments	-	(6)	-	(6)
Payment of dividends	-	-	(6,027)	(6,027)
<b>Balance at 30 September 2011</b>	33,451	3,272	34,480	71,203

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

During the Third quarter ended 30 September 2012, the Company issued 28,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 30 September 2012, the total number of issued shares was 88,227,000 (31 December 2011: 87,863,000).

As at 30 September 2012, the Company does not hold any treasury shares.

## Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 30 September 2012, options to subscribe for 415,000 ordinary shares (30 September 2011: 1,206,000) 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

	<b>Group</b>			
	<b>3rd Qtr 2012</b>	<b>3rd Qtr 2011</b>	<b>9 months to 30 Sep 2012</b>	<b>9 months to 30 Sep 2011</b>
(i) Based on weighted average number of ordinary shares in issue - cents	7.25	7.13	22.39	20.88
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.24	7.10	22.35	20.79



## EBITDA

	<b>Group</b>			
	<b>3rd Qtr 2012</b>	<b>3rd Qtr 2011</b>	<b>9 months to 30 Sep 2012</b>	<b>9 months to 30 Sep 2011</b>
(i) EBITDA (\$'000)	9,159	8,663	28,105	25,667
(ii) EBITDA margin (%)	37.5	37.9	38.7	38.0

## 13 NET ASSET VALUE PER ORDINARY SHARE

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2012</b>	<b>31 Dec 2011</b>	<b>30 Sep 2012</b>	<b>31 Dec 2011</b>
Net asset value per ordinary share based on issued share capital - cents	124.54	120.02	88.20	84.37

## 14 REVIEW OF GROUP PERFORMANCE

### **Performance Review**

#### **Revenue**

The Group's total revenue of \$24.4 million for 3Q12 was \$1.5 million or 6.7% higher than that of \$22.9 million for 3Q11 contributed by the core vehicle inspection and test & inspection services.

#### **Operating Expenses**

The Group's operating expenses of \$16.7 million for 3Q12 was \$1.2 million or 7.9% more as compared to 3Q11 due mainly to higher expenses needed to generate the increased revenue coupled with the higher depreciation from the new building at Teban Gardens.

#### **Operating Profit**

Consequently, the Group's operating profit of \$7.7 million for 3Q12 was \$0.3 million or 4.3% higher than the \$7.4 million for 3Q11.

The Group's profit before tax of \$7.8 million for 3Q12 was \$0.4 million or 4.4% higher than the \$7.4 million for 3Q11.

Taxation for the Group of \$1.3 million for 3Q12 was \$0.2 million higher than the \$1.1 million for 3Q11 in line with the higher profit.

The Group's Profit attributable to Shareholders of the Company of \$6.4 million for 3Q12 was \$0.2 million or 2.5% higher than that of \$6.2 million for 3Q11.

## **Statement of Financial Position**

Total Equity increased by \$4.2 million from \$106.5 million as at 31 December 2011 to \$110.7 million as at 30 September 2012 due mainly to profits generated from operations offset by the payment of dividends.

Total Assets increased by \$2.7 million from \$133.9 million as at 31 December 2011 to \$136.6 million as at 30 September 2012. This was due to an increase in Current Assets by \$3.7 million, partially offset by a decrease in Non-Current Assets by \$1.0 million. The increase in Current Assets was due mainly to the increase in Cash and Bank Balances by \$3.6 million and Other Receivables and Prepayments of \$0.1 million. The decrease in Non-Current Assets of \$1.0 million was due to depreciation charge being higher than the addition to vehicles, premises and equipment.

Total Liabilities decreased by \$1.6 million from \$27.5 million as at 31 December 2011 to \$25.9 million as at 30 September 2012 due to decreases in Trade and Other Payables, Income Tax Payable and Deferred Tax Liabilities.

## **Cash Flow**

The net cash inflow in 3Q12 was \$2.9 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**

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 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 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

8 November 2012