



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

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**Financial Statement and Dividend Announcement for the year ended 31 December 2009**

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The Board of Directors announces the audited results of the Group for the year ended 31 December 2009.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>		
	<b>FY 2009</b>	<b>FY 2008</b>	<b>Incr/ (Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	77,953	73,845	5.6
Staff costs	(33,975)	(33,217)	2.3
Depreciation expense	(5,199)	(5,072)	2.5
Repairs and maintenance	(1,246)	(1,293)	(3.6)
Materials and consumables	(2,132)	(2,530)	(15.7)
Contract services	(3,678)	(4,147)	(11.3)
Premises costs	(2,331)	(2,438)	(4.4)
Insurance	(146)	(153)	(4.6)
Other operating expenses	(4,695)	(5,167)	(9.1)
Total operating expenses	(53,402)	(54,017)	(1.1)
<b>Operating profit</b>	24,551	19,828	23.8
Interest income	149	190	(21.6)
<b>Profit before taxation</b>	24,700	20,018	23.4
Taxation	(4,361)	(3,833)	13.8
<b>Profit after taxation</b>	20,339	16,185	25.7
Attributable to:			
Shareholders of the Company	20,037	15,794	26.9
Minority interests	302	391	(22.8)
	20,339	16,185	25.7

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	42,377	27,691	40,001	25,041
Trade receivables	6,553	7,641	1,302	1,315
Other receivables and prepayments	861	921	633	238
Inventories	25	52	-	-
Total current assets	49,816	36,305	41,936	26,594
<b>Non-current assets</b>				
Subsidiaries	-	-	26,196	26,196
Other receivables and prepayments	26	18	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	43,297	42,464	27,792	26,658
Goodwill	11,325	11,325	-	-
Total non-current assets	54,963	54,122	54,303	53,169
<b>Total assets</b>	104,779	90,427	96,239	79,763
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade payables	4,228	2,979	1,281	583
Other payables	14,479	13,166	35,279	27,293
Income tax payable	4,133	3,965	1,347	1,561
Total current liabilities	22,840	20,110	37,907	29,437
<b>Non-current liability</b>				
Deferred tax liabilities	1,168	1,050	160	-
<b>Capital, reserves and minority interests</b>				
Share capital	30,296	30,056	30,296	30,056
Capital reserves	3,144	3,096	3,175	3,126
Accumulated profits	45,800	34,366	24,701	17,144
Equity attributable to shareholders of the Company	79,240	67,518	58,172	50,326
Minority interests	1,531	1,749	-	-
Total equity	80,771	69,267	58,172	50,326
<b>Total liabilities &amp; equity</b>	104,779	90,427	96,239	79,763

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	Group	
	FY 2009	FY 2008
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	24,700	20,018
Adjustments for:		
Depreciation expense	5,199	5,072
Interest income	(149)	(190)
(Gain) Loss on disposal of vehicles, premises and equipment	(15)	1
Share-based payment expense	58	31
Write-back for doubtful trade receivables	(71)	(105)
Operating cash flows before movements in working capital	29,722	24,827
Changes in working capital	3,831	3,225
Cash generated from operations	33,553	28,052
Income tax paid	(4,075)	(3,225)
Net cash from operating activities	29,478	24,827
<b>Investing activities</b>		
Purchase of vehicles, premises and equipment	(7,915)	(4,452)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	1,859	-
Proceeds from disposal of vehicles, premises and equipment	24	8
Interest received	132	191
Net cash used in investing activities	(5,900)	(4,253)

	<b>Group</b>	
	<b>FY 2009</b>	<b>FY 2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financing activities</b>		
Proceeds from exercise of share options	231	179
Payment to minority interests	(520)	(440)
Dividend paid	(8,603)	(6,622)
Net cash used in financing activities	(8,892)	(6,883)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	-	(15)
Net increase in cash and cash equivalents	14,686	13,676
Cash and cash equivalents at beginning of year	27,691	14,015
<b>Cash and cash equivalents at end of year</b>	<b>42,377</b>	<b>27,691</b>

## 5 GROUP COMPREHENSIVE INCOME STATEMENT

	<b>Group</b>	
	<b>FY 2009</b>	<b>FY 2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit after taxation</b>	20,339	16,185
Exchange differences arising on translation of foreign operations	(1)	(20)
<b>Other comprehensive income for the year</b>	(1)	(20)
<b>Total comprehensive income for the year</b>	<b>20,338</b>	<b>16,165</b>
Total comprehensive income attributable to:		
Shareholders of the Company	20,036	15,774
Minority interests	302	391
	<b>20,338</b>	<b>16,165</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

	Group					
	Attributable to shareholders of the Company				Minority interests	Total equity
	Share capital	Capital reserves	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2008</b>	29,874	3,088	25,194	58,156	1,798	59,954
Total comprehensive income for the year	-	(20)	15,794	15,774	391	16,165
Exercise of share options	182	(3)	-	179	-	179
Recognition of share-based payments	-	31	-	31	-	31
Payment of dividend	-	-	(6,622)	(6,622)	-	(6,622)
Payment of dividend to minority interests	-	-	-	-	(440)	(440)
<b>Balance at 31 December 2008</b>	30,056	3,096	34,366	67,518	1,749	69,267
Total comprehensive income for the year	-	(1)	20,037	20,036	302	20,338
Exercise of share options	240	(9)	-	231	-	231
Recognition of share-based payments	-	58	-	58	-	58
Payment of dividend	-	-	(8,603)	(8,603)	-	(8,603)
Payment of dividend to minority interests	-	-	-	-	(520)	(520)
<b>Balance at 31 December 2009</b>	30,296	3,144	45,800	79,240	1,531	80,771

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
	<b>Balance at 1 January 2008</b>	29,874	3,098	12,841
Total comprehensive income for the year	-	-	10,925	10,925
Exercise of share options	182	(3)	-	179
Recognition of share-based payments	-	31	-	31
Payment of dividend	-	-	(6,622)	(6,622)
<b>Balance at 31 December 2008</b>	30,056	3,126	17,144	50,326
Total comprehensive income for the year	-	-	16,160	16,160
Exercise of share options	240	(9)	-	231
Recognition of share-based payments	-	58	-	58
Payment of dividend	-	-	(8,603)	(8,603)
<b>Balance at 31 December 2009</b>	30,296	3,175	24,701	58,172

## 7 **CHANGES IN COMPANY'S SHARE CAPITAL**

### Share Capital

Since the last financial period ended 30 September 2009, no new ordinary shares were issued by the Company.

As at 31 December 2009, the total number of issued shares was 85,663,500 (31 December 2008: 85,498,000).

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

As at 31 December 2009, options to subscribe for 2,181,500 ordinary shares (31 December 2008: 1,670,000) remained outstanding under the 2001 VICOM Share Option Scheme.

## 8 **AUDIT**

The financial statements have been audited in accordance with the Singapore Standards on Auditing.

## 9 **AUDITORS' REPORT**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VICOM LTD**

We have audited the financial statements of VICOM Ltd (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 December 2009, the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

DELOITTE & TOUCHE LLP  
Public Accountants and  
Certified Public Accountants

Singapore  
9 February 2010

## **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 as at the year ended 31 December 2008.

In the current financial year, 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 2009. 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 EBITDA

### Earnings per ordinary share

	<b>Group</b>	
	<b>FY 2009</b>	<b>FY 2008</b>
(i) Based on the weighted average number of ordinary share in issue - cents	23.41	18.61
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	23.33	18.56

Earnings per share is calculated on the Group profit for the financial periods attributed to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Diluted earnings per share is calculated on the same basis as earnings per share by applying the weighted average number of ordinary shares and adjusted to include the outstanding exercisable share options deemed exercised up to 31 December of the reporting periods.

### Earnings before interest, taxation, depreciation and amortisation (EBITDA)

	<b>Group</b>	
	<b>FY 2009</b>	<b>FY 2008</b>
(i) EBITDA (\$'000)	29,750	24,900
(ii) EBITDA margin (%)	38.2	33.7

## 13 NET ASSET VALUE PER ORDINARY SHARE

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
Net asset value per ordinary share based on issued share capital - cents	92.50	78.97	67.91	58.86



## REVIEW OF GROUP PERFORMANCE

### Performance Review

#### Revenue

The Group's total revenue for 2009 was \$78.0 million. This was \$4.1 million or 5.6% more than the year before due mainly to higher revenue from vehicle inspection and test & inspection services.

#### Operating Expenses

Group's operating expenses of \$53.4 million was \$0.6 million or 1.1% lower as compared to a year ago due mainly to lower material and subcontractor costs and the grants from the Jobs Credit scheme.

#### Operating Profit

The Group's operating profit for 2009 increased by \$4.7 million or 23.8% to \$24.6 million due mainly to the higher revenue. Of this, \$3.2 million came from test & inspection services while \$1.4 million was contributed by vehicle inspection.

Interest income decreased due to lower interest rates.

Group profit before tax for 2009 increased by \$4.7 million or 23.4% to \$24.7 million.

Profit after tax attributable to Shareholders of the Company for 2009 was \$20.0 million, which was 26.9% higher than the year before.

A breakdown by business segment is provided under item 19.

#### Statement of Financial Position

Total Equity increased by \$11.5 million from \$69.3 million as at 31 December 2008 to \$80.8 million as at 31 December 2009 due mainly to profits generated from operations, partially offset by dividend payments.

Total Assets increased by \$14.4 million to \$104.8 million due mainly to the increases in Cash and Bank Balances of \$14.7 million, Vehicles, Premises and Equipment of \$0.8 million partially offset by the decrease in Trade Receivables of \$1.1 million.

Total Liabilities increased by \$2.8 million to \$24.0 million due mainly to the increases in Other Payables of \$1.3 million and Trade Payables of \$1.2 million. The increase in Other Payables arose from higher accrued expenses.

#### Cash Flow

The net cash inflow in 2009 was \$14.7 million after dividend payments.

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

No forecast or prospect statement was previously disclosed.

**16 GROUP OUTLOOK**

With the trend of low private vehicle scrap rates and high number of vehicles registered in 2007, the number of vehicles due for inspection in 2010 is expected to remain high.

The test & inspection services sector has remained buoyant going into the new year. However, demand is expected to soften with the completion of the major construction projects later in the year.

**17 DIVIDEND**

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

Proposed final dividend

Name of Dividend	Tax-exempt final
Dividend Type	Cash
Dividend Amount per ordinary share	6.00 cents

Declared interim dividend

Name of Dividend	Tax-exempt interim
Dividend Type	Cash
Dividend Amount per ordinary share	5.80 cents

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

Declared final dividend

Name of Dividend	Tax-exempt final
Dividend Type	Cash
Dividend Amount per ordinary share	4.25 cents

Declared interim dividend

Name of Dividend	Tax-exempt interim
Dividend Type	Cash
Dividend Amount per ordinary share	5.00 cents

**(c) Date payable**

The Directors have proposed a tax-exempt final dividend of 6 cents per ordinary share. The final dividend, if approved by the shareholders at the Twenty-Ninth Annual General Meeting of the Company to be held on 27 April 2010, will be payable on 17 May 2010.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 6 May 2010 for the purposes of determining shareholders' entitlements to the proposed final 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 5 May 2010 will be registered before shareholders' entitlements to the final 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 5 May 2010 will be entitled to the proposed final dividend.

**18**

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

Not applicable.

19 **GROUP SEGMENTAL INFORMATION**

**By Business Activity**

<u>Group</u> <u>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	23,585	2,105	47,686	1,729	2,848	-	77,953
Inter-segment sales	2	-	108	6,416	722	(7,248)	-
Total	<u>23,587</u>	<u>2,105</u>	<u>47,794</u>	<u>8,145</u>	<u>3,570</u>	<u>(7,248)</u>	<u>77,953</u>
<b>RESULT</b>							
Segment result	8,469	(198)	8,789	5,314	2,177	-	24,551
Interest income							149
Profit before taxation							24,700
Taxation							(4,361)
Profit after taxation							20,339
Minority interests							(302)
Profit attributable to shareholders of the Company							<u>20,037</u>
<b>OTHER INFORMATION</b>							
Additions to vehicles, premises and equipment	199	13	3,045	-	2,785	-	6,042
Depreciation expense	922	22	2,604	-	1,651	-	<u>5,199</u>
<b>STATEMENT OF FINANCIAL POSITION</b>							
<b>ASSETS</b>							
Segment assets	6,360	487	17,263	-	69,029	-	93,139
Goodwill	2,057	-	9,268	-	-	-	11,325
Unallocated corporate assets							315
Consolidated total assets							<u>104,779</u>
<b>LIABILITIES</b>							
Segment liabilities	2,708	144	13,952	-	1,903	-	18,707
Unallocated corporate liabilities							5,301
Consolidated total liabilities							<u>24,008</u>

<b><u>Group</u></b> <b><u>2008</u></b>	<b>Vehicle</b> <b>Inspection</b> <b><u>Business</u></b> <b>\$'000</b>	<b>Vehicle</b> <b>Assessment</b> <b>\$'000</b>	<b>Test &amp;</b> <b>Inspection</b> <b><u>Services</u></b> <b>\$'000</b>	<b>Rental</b> <b><u>Income</u></b> <b>\$'000</b>	<b>Other</b> <b>Related</b> <b><u>Business</u></b> <b>\$'000</b>	<b><u>Elimination</u></b> <b>\$'000</b>	<b><u>Total</u></b> <b>\$'000</b>
<b>REVENUE</b>							
External sales	22,527	2,607	43,760	1,612	3,339	-	73,845
Inter-segment sales	1	-	97	6,303	719	(7,120)	-
Total	<u>22,528</u>	<u>2,607</u>	<u>43,857</u>	<u>7,915</u>	<u>4,058</u>	<u>(7,120)</u>	<u>73,845</u>
<b>RESULT</b>							
Segment result	7,061	56	5,572	4,882	2,257	-	19,828
Interest income							<u>190</u>
Profit before taxation							20,018
Taxation							<u>(3,833)</u>
Profit after taxation							16,185
Minority interests							<u>(391)</u>
Profit attributable to shareholders of the Company							<u><u>15,794</u></u>
<b>OTHER INFORMATION</b>							
Additions to vehicles, premises and equipment	245	4	4,027	-	176	-	4,452
Depreciation expense	1,324	42	2,086	-	1,620	-	<u>5,072</u>
<b>STATEMENT OF FINANCIAL POSITION</b>							
<b>ASSETS</b>							
Segment assets	7,166	510	18,744	-	52,367	-	78,787
Goodwill	2,057	-	9,268	-	-	-	11,325
Unallocated corporate assets							<u>315</u>
Consolidated total assets							<u><u>90,427</u></u>
<b>LIABILITIES</b>							
Segment liabilities	2,351	141	11,894	-	1,759	-	16,145
Unallocated corporate liabilities							<u>5,015</u>
Consolidated total liabilities							<u><u>21,160</u></u>

## Geographical segmental information for FY 2009

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

	Group 2009 \$'000	Group 2008 \$'000	Increase/(decrease) %
Sales reported for first half year	38,567	35,473	8.7
Operating profit/(loss) after tax before deducting minority interests reported for first half year	10,133	8,759	15.7
Sales reported for second half year	39,386	38,372	2.6
Operating profit/(loss) after tax before deducting minority interests reported for second half year	10,206	7,426	37.4

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

	FY 2009 \$'000	FY 2008 \$'000
Ordinary		
- interim	4,966 tax-exempt	4,274 tax-exempt
- final (proposed)	5,140 tax-exempt	3,637 tax-exempt
Total:	10,106 tax-exempt	7,911 tax-exempt

### 22 INTERESTED PERSON TRANSACTIONS

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

#### BY ORDER OF THE BOARD

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

9 February 2010