



VICOM LTD
Company Registration No. : 198100320K

Financial Statements and Dividend Announcement for the year ended 31 December 2011

The Board of Directors announces the audited results of the Group for the year ended 31 December 2011.

1 GROUP INCOME STATEMENT

	Group		
	FY 2011	FY 2010	Incr/ (Decr)
	\$'000	\$'000	%
Revenue	90,739	83,978	8.1
Staff costs	(39,763)	(36,039)	10.3
Depreciation expense	(5,241)	(5,388)	(2.7)
Repairs and maintenance	(1,572)	(1,440)	9.2
Materials and consumables	(2,709)	(2,723)	(0.5)
Contract services	(2,866)	(3,816)	(24.9)
Premises costs	(3,055)	(2,737)	11.6
Utilities and communication costs	(1,992)	(1,811)	10.0
Other operating expenses	(3,555)	(3,128)	13.7
Total operating expenses	<u>(60,753)</u>	<u>(57,082)</u>	6.4
Operating profit	29,986	26,896	11.5
Net income from investments	-	26	(100.0)
Interest income	166	162	2.5
Share of loss in associate	(15)	(10)	50.0
Profit before taxation	<u>30,137</u>	<u>27,074</u>	11.3
Taxation	(4,613)	(4,725)	(2.4)
Profit after taxation	<u>25,524</u>	<u>22,349</u>	14.2
Attributable to:			
Shareholders of the Company	25,100	22,165	13.2
Non-controlling interests	424	184	130.4
	<u>25,524</u>	<u>22,349</u>	14.2

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	55,010	49,083	52,377	46,987
Trade receivables	10,530	6,935	2,365	1,468
Other receivables and prepayments	905	1,498	450	887
Inventories	8	10	-	-
Total current assets	66,453	57,526	55,192	49,342
Non-current assets				
Subsidiaries	-	-	25,941	26,187
Associate	25	40	-	-
Other receivables and prepayments	297	103	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	55,535	48,876	32,148	33,445
Goodwill	11,325	11,325	-	-
Total non-current assets	67,497	60,659	58,404	59,947
Total assets	133,950	118,185	113,596	109,289
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	20,801	18,745	37,363	41,086
Income tax payable	5,080	4,392	1,750	1,499
Total current liabilities	25,881	23,137	39,113	42,585
Non-current liability				
Deferred tax liabilities	1,582	1,728	350	375
Capital, reserves and non-controlling interests				
Share capital	34,397	31,355	34,397	31,355
Other reserves	3,206	3,284	3,206	3,284
Foreign currency translation reserve	(37)	(21)	-	-
Accumulated profits	67,891	57,372	36,530	31,690
Equity attributable to shareholders of the Company	105,457	91,990	74,133	66,329
Non-controlling interests	1,030	1,330	-	-
Total equity	106,487	93,320	74,133	66,329
Total liabilities & equity	133,950	118,185	113,596	109,289

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	FY 2011	FY 2010
	\$'000	\$'000
Operating activities		
Profit before taxation	30,137	27,074
Adjustments for:		
Depreciation expense	5,241	5,388
Interest income	(166)	(162)
(Gain) Loss on disposal of vehicles, premises and equipment	(11)	29
Share-based payment expense	92	140
Allowance (Write-back) for doubtful trade receivables	68	(20)
Bad debts written off	10	-
Share of loss in associate	15	10
Net income from investments	-	(26)
Operating cash flows before movements in working capital	35,386	32,433
Changes in working capital	(1,007)	(1,018)
Cash generated from operations	34,379	31,415
Income tax paid	(4,071)	(3,906)
Net cash from operating activities	30,308	27,509
Investing activities		
Purchase of vehicles, premises and equipment	(12,155)	(11,092)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	98
Proceeds from disposal of vehicles, premises and equipment	65	20
Investment in associate	-	(50)
Interest received	151	167
Net cash used in investing activities	(11,939)	(10,857)

	Group	
	FY 2011	FY 2010
	\$'000	\$'000
Financing activities		
Proceeds from exercise of share options	2,872	1,028
Payments to non-controlling interests	(724)	(385)
Dividends paid	(14,581)	(10,593)
Net cash used in financing activities	(12,433)	(9,950)
Net effect of exchange rate changes in consolidating subsidiaries	(9)	4
Net increase in cash and cash equivalents	5,927	6,706
Cash and cash equivalents at beginning of year	49,083	42,377
Cash and cash equivalents at end of year	55,010	49,083

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	FY 2011	FY 2010
	\$'000	\$'000
Profit after taxation	25,524	22,349
Exchange differences arising on translation of foreign operations	(16)	10
Other comprehensive (expense) income for the year	(16)	10
Total comprehensive income for the year	25,508	22,359
Total comprehensive income attributable to:		
Shareholders of the Company	25,084	22,175
Non-controlling interests	424	184
	25,508	22,359

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2011:

	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	
Balance at 1 January 2010	30,296	3,175	(31)	45,800	79,240	1,531	80,771
Total comprehensive income for the year	-	-	10	22,165	22,175	184	22,359
Exercise of share options	1,059	(31)	-	-	1,028	-	1,028
Recognition of share-based payments	-	140	-	-	140	-	140
Payment of dividends	-	-	-	(10,593)	(10,593)	-	(10,593)
Payment of dividends to non-controlling interests	-	-	-	-	-	(385)	(385)
Balance at 31 December 2010	31,355	3,284	(21)	57,372	91,990	1,330	93,320
Total comprehensive (expense) income for the year	-	-	(16)	25,100	25,084	424	25,508
Exercise of share options	3,042	(170)	-	-	2,872	-	2,872
Recognition of share-based payments	-	92	-	-	92	-	92
Payment of dividends	-	-	-	(14,581)	(14,581)	-	(14,581)
Payments to non-controlling interests	-	-	-	-	-	(724)	(724)
Balance at 31 December 2011	34,397	3,206	(37)	67,891	105,457	1,030	106,487

Statement of Changes in Equity of the Company for the year ended 31 December 2011:

	Company			
	Share capital	Other 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 year	-	-	17,582	17,582
Exercise of share options	1,059	(31)	-	1,028
Recognition of share-based payments	-	140	-	140
Payment of dividends	-	-	(10,593)	(10,593)
Balance at 31 December 2010	31,355	3,284	31,690	66,329
Total comprehensive income for the year	-	-	19,421	19,421
Exercise of share options	3,042	(170)	-	2,872
Recognition of share-based payments	-	92	-	92
Payment of dividends	-	-	(14,581)	(14,581)
Balance at 31 December 2011	34,397	3,206	36,530	74,133

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

Since 30 September 2011, the Company issued 427,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 31 December 2011, the total number of issued shares was 87,863,000 (31 December 2010: 86,358,000).

Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 31 December 2011, options to subscribe for 779,000 ordinary shares (31 December 2010: 2,310,000) 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

Report on the Financial Statements

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 2011, 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 of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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 accounts and balance sheets and to maintain accountability of assets.

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 about 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 of financial statements that give a true and fair view 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, 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 2011 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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 2012

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 December 2010.

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 2011. 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	
	FY 2011	FY 2010
(i) Based on weighted average number of ordinary shares in issue - cents	28.73	25.76
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	28.65	25.59

EBITDA

	Group	
	FY 2011	FY 2010
(i) EBITDA (\$'000)	35,227	32,284
(ii) EBITDA margin (%)	38.8	38.4

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Net asset value per ordinary share based on issued share capital - cents	120.02	106.52	84.37	76.81

14 REVIEW OF GROUP PERFORMANCE

Performance Review

The Group's total revenue for 2011 was \$90.7 million. This was \$6.8 million or 8.1% more than the year before due mainly to higher revenue from vehicle inspection and test & inspection services.

The Group's operating expenses of \$60.8 million was \$3.7 million or 6.4% more as compared to a year ago due mainly to higher expenses needed to generate the increased revenue.

Consequently, the Group's operating profit for 2011 increased by \$3.1 million or 11.5% to \$30.0 million.

Group profit before tax for 2011 increased by \$3.1 million or 11.3% to \$30.1 million.

However, taxation for the Group decreased by \$0.1 million or 2.4% to \$4.6 million in spite of a higher profit. This was due mainly to the enhanced capital allowances and deductions under the Productivity and Innovation Credit scheme from the Singapore Government 2011 Budget.

Profit attributable to Shareholders of the Company for 2011 was \$25.1 million, which was 13.2% higher than the year before.

A breakdown by Business Segment is provided under item 18.

Statement of Financial Position

Total Equity increased by \$13.2 million from \$93.3 million as at 31 December 2010 to \$106.5 million as at 31 December 2011 due mainly to profits generated from operations, partially offset by dividend payments.

Total Assets increased by \$15.8 million to \$134.0 million due to the increases in Current Assets by \$8.9 million and Non-Current Assets by \$6.8 million. The increase in Current Assets was due mainly to the increases in Cash and Bank Balances by \$5.9 million and Trade Receivables by \$3.6 million. The higher Trade Receivables as at 31 December 2011 arose mainly from higher billings in the last quarter 2011. The increase in Non-Current Assets was due mainly to the capitalization of the new building at Setsco.

Total Liabilities increased by \$2.6 million to \$27.5 million due mainly to the increases in Trade and Other Payables by \$2.1 million and Income Tax Payable by \$0.7 million.

Cash Flow

The net cash inflow in 2011 was \$5.9 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

The number of vehicles due for inspection is expected to remain high as the de-registration rate of vehicles continues to be low.

With a comprehensive range and variety of services, it is expected that the test and inspection business will continue to sustain its performance despite the anticipated economic slowdown.

17 DIVIDEND

(a) Current Financial Period Reported On

Proposed final dividend

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per ordinary share	7.5 cents	3.2 cents
Tax Rate	Exempt one-tier	Exempt one-tier

Declared interim dividend

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

(b) Corresponding Period of the Immediate Preceding Financial Year

Declared final dividend

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per ordinary share	6.6 cents	3.2 cents
Tax Rate	Exempt one-tier	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per ordinary share	6.3 cents
Tax Rate	Exempt one-tier

(c) Date payable

The Directors have proposed a tax-exempt one-tier final dividend of 7.5 cents per ordinary share and a tax-exempt one-tier special dividend of 3.2 cents per ordinary share. The final and special dividends, if approved by the shareholders at the Thirty-First Annual General Meeting of the Company to be held on 26 April 2012, will be payable on 14 May 2012.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 4 May 2012 for the purposes of determining shareholders' entitlements to the proposed final and special dividends.

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 3 May 2012 will be registered before shareholders' entitlements to the final and special dividends 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 3 May 2012 will be entitled to the proposed final and special dividends.

18 SEGMENT INFORMATION

Business Segments

<u>Group</u> <u>2011</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> \$'000	<u>Test &</u> <u>Inspection</u> <u>Services</u> \$'000	<u>Other</u> <u>Related</u> <u>Business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
REVENUE					
External sales	28,230	55,074	7,435	-	90,739
Inter-segment sales	3	113	9,342	(9,458)	-
Total	<u>28,233</u>	<u>55,187</u>	<u>16,777</u>	<u>(9,458)</u>	<u>90,739</u>
RESULT					
Operating profit	10,618	10,585	8,783	-	29,986
Interest income					166
					<u>30,152</u>
Share of loss in associate					(15)
Profit before taxation					<u>30,137</u>
Taxation					(4,613)
Profit after taxation					<u>25,524</u>
Non-controlling interests					(424)
Profit attributable to shareholders of the Company					<u>25,100</u>
OTHER INFORMATION					
Additions to vehicles, premises and equipment	1,379	10,499	83	-	11,961
Depreciation expense	2,301	2,762	178	-	<u>5,241</u>
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	49,093	51,445	21,772	-	122,310
Goodwill	2,057	9,268	-	-	11,325
Unallocated corporate assets					315
Consolidated total assets					<u>133,950</u>
LIABILITIES					
Segment liabilities	2,433	15,665	2,703	-	20,801
Unallocated corporate liabilities					6,662
Consolidated total liabilities					<u>27,463</u>

Group 2010	Vehicle Inspection Business \$'000	Test & Inspection Services \$'000	Other Related Business \$'000	Elimination \$'000	Total \$'000
REVENUE					
External sales	25,517	51,295	7,166	-	83,978
Inter-segment sales	2	109	7,493	(7,604)	-
Total	<u>25,519</u>	<u>51,404</u>	<u>14,659</u>	<u>(7,604)</u>	<u>83,978</u>
RESULT					
Operating profit	9,544	9,830	7,522	-	26,896
Net income from investments					26
Interest income					<u>162</u>
					27,084
Share of loss in associate					<u>(10)</u>
Profit before taxation					27,074
Taxation					<u>(4,725)</u>
Profit after taxation					22,349
Non-controlling interests					<u>(184)</u>
Profit attributable to shareholders of the Company					<u>22,165</u>
OTHER INFORMATION					
Additions to vehicles, premises and equipment	8,071	2,672	267	-	11,010
Depreciation expense	2,396	2,771	221	-	<u>5,388</u>
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	49,262	44,454	12,829	-	106,545
Goodwill	2,057	9,268	-	-	11,325
Unallocated corporate assets					<u>315</u>
Consolidated total assets					<u>118,185</u>
LIABILITIES					
Segment liabilities	2,714	13,986	2,045	-	18,745
Unallocated corporate liabilities					<u>6,120</u>
Consolidated total liabilities					<u>24,865</u>

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

Geographical segmental information for FY 2011

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

The Group operates predominantly in Singapore.

19 BREAKDOWN OF REVENUE

	Group 2011 \$'000	Group 2010 \$'000	Increase/(decrease) %
Revenue reported for first half year	44,720	41,418	8.0
Operating profit after tax before deducting non-controlling interests reported for first half year	12,221	10,956	11.5
Revenue reported for second half year	46,019	42,560	8.1
Operating profit after tax before deducting non-controlling interests reported for second half year	13,303	11,393	16.8

20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	FY 2011 \$'000	FY 2010 \$'000
Ordinary shares (tax-exempt one-tier)		
- Interim	6,027	5,439
- Final (proposed)	6,590	5,761
- Special (proposed)	2,811	2,793
Total:	15,428	13,993

21 INTERESTED PERSON TRANSACTIONS

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

22 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2011, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

Kua Zhizhen, Jean / Chan Wan Tak, Wendy
Joint Company Secretaries

9 February 2012