



VICOM LTD
Company Registration No. : 198100320K

Financial Statements Announcement for the 1st Quarter ended 31 March 2011

The Board of Directors announces the unaudited results of the Group for the 1st quarter ended 31 March 2011.

1 GROUP INCOME STATEMENT

	Group		
	1st Qtr 2011 \$'000	1st Qtr 2010 \$'000	Incr/ (Decr) %
Revenue	22,456	20,338	10.4
Staff costs	(9,937)	(8,984)	10.6
Depreciation expense	(1,317)	(1,350)	(2.4)
Repairs and maintenance	(310)	(300)	3.3
Materials and consumables	(659)	(562)	17.3
Contract services	(886)	(811)	9.2
Premises costs	(696)	(630)	10.5
Insurance	(52)	(40)	30.0
Other operating expenses	(1,400)	(1,175)	19.1
Total operating expenses	(15,257)	(13,852)	10.1
Operating profit	7,199	6,486	11.0
Interest income	42	40	5.0
Profit before taxation	7,241	6,526	11.0
Taxation	(969)	(1,219)	(20.5)
Profit after taxation	6,272	5,307	18.2
Attributable to:			
Shareholders of the Company	6,139	5,266	16.6
Non-controlling interests	133	41	N.M.
	6,272	5,307	18.2

N.M. - Not meaningful

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar	31 Dec	31 Mar	31 Dec
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	53,105	49,083	51,082	46,987
Trade receivables	12,147	6,935	1,928	1,468
Other receivables and prepayments	1,193	1,498	454	887
Inventories	6	10	-	-
Total current assets	66,451	57,526	53,464	49,342
Non-current assets				
Subsidiaries	-	-	26,196	26,187
Associate	40	40	-	-
Other receivables and prepayments	120	103	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	49,642	48,876	33,249	33,445
Goodwill	11,325	11,325	-	-
Total non-current assets	61,442	60,659	59,760	59,947
Total assets	127,893	118,185	113,224	109,289
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	20,854	18,745	41,127	41,086
Income tax payable	4,602	4,392	1,591	1,499
Total current liabilities	25,456	23,137	42,718	42,585
Non-current liability				
Deferred tax liabilities	1,613	1,728	367	375
Capital, reserves and non-controlling interests				
Share capital	32,829	31,355	32,829	31,355
Capital reserves	3,241	3,263	3,270	3,284
Accumulated profits	63,511	57,372	34,040	31,690
Equity attributable to shareholders of the Company	99,581	91,990	70,139	66,329
Non-controlling interests	1,243	1,330	-	-
Total equity	100,824	93,320	70,139	66,329
Total liabilities and equity	127,893	118,185	113,224	109,289

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr 2011	1st Qtr 2010
	\$'000	\$'000
Operating activities		
Profit before taxation	7,241	6,526
Adjustments for:		
Depreciation expense	1,317	1,350
Interest income	(42)	(40)
Gain on disposal of vehicles, premises and equipment	(3)	(4)
Share-based payment expense	49	21
Allowance for doubtful trade receivables	1	50
Operating cash flows before movements in working capital	8,563	7,903
Changes in working capital	(2,782)	(7,038)
Cash generated from operations	5,781	865
Income tax paid	(879)	(98)
Net cash from operating activities	4,902	767
Investing activities		
Purchase of vehicles, premises and equipment	(2,129)	(524)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	98
Proceeds from disposal of vehicles, premises and equipment	30	17
Interest received	36	32
Net cash used in investing activities	(2,063)	(377)
Financing activities		
Proceeds from exercise of share options	1,411	15
Dividends paid to non-controlling interests	(220)	(220)
Net cash used in financing activities	1,191	(205)
Net effect of exchange rate changes in consolidating subsidiaries	(8)	22
Net increase in cash and cash equivalents	4,022	207
Cash and cash equivalents at beginning of period	49,083	42,377
Cash and cash equivalents at end of period	53,105	42,584

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Qtr 2011	1st Qtr 2010
	\$'000	\$'000
Profit after taxation	6,272	5,307
Exchange differences arising on translation of foreign operations	(8)	22
Other comprehensive income for the period	6,264	22
Total comprehensive income for the period	6,264	5,329
Total comprehensive income attributable to:		
Shareholders of the Company	6,131	5,288
Non-controlling interests	133	41
	6,264	5,329

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2011:

	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 2011	31,355	3,263	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)
Balance at 31 March 2011	32,829	3,241	63,511	99,581	1,243	100,824

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2010:

	Group					
	Attributable to shareholders of the Company				Non-	Total
	Share	Capital	Accumulated		controlling	equity
capital	reserves	profits	Total		interests	
\$'000	\$'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	5,266	5,288	41	5,329
Exercise of share options	15	-	-	15	-	15
Recognition of share-based payments	-	21	-	21	-	21
Payment of dividends to non-controlling interests	-	-	-	-	(220)	(220)
Balance at 31 March 2010	30,311	3,187	51,066	84,564	1,352	85,916

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2011:

	Company			
	Share	Capital	Accumulated	Total
	capital	reserves	profits	equity
\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2011	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
Balance at 31 March 2011	32,829	3,270	34,040	70,139

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2010:

	Company			
	Share	Capital	Accumulated	Total
	capital	reserves	profits	equity
\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2010	30,296	3,175	24,701	58,172
Total comprehensive income for the period	-	-	2,238	2,238
Exercise of share options	15	-	-	15
Recognition of share-based payments	-	21	-	21
Balance at 31 March 2010	30,311	3,196	26,939	60,446

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 1st quarter ended 31 March 2011, the Company issued 811,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 31 March 2011, the total number of issued shares was 87,169,000 (31 December 2010: 86,358,000).

Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 31 March 2011, options to subscribe for 1,499,000 ordinary shares (31 March 2010: 2,170,000) 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 2010.

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 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

	<u>Group</u>	
	<u>1st Qtr 2011</u>	<u>1st Qtr 2010</u>
(i) Based on weighted average number of ordinary shares in issue - cents	7.04	6.15
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.01	6.09

EBITDA

	<u>Group</u>	
	<u>1st Qtr 2011</u>	<u>1st Qtr 2010</u>
(i) EBITDA (\$'000)	8,516	7,836
(ii) EBITDA margin (%)	37.9	38.5

13 NET ASSET VALUE PER ORDINARY SHARE

	<u>Group</u>		<u>Company</u>	
	<u>31 Mar 2011</u>	<u>31 Dec 2010</u>	<u>31 Mar 2011</u>	<u>31 Dec 2010</u>
Net asset value per ordinary share based on issued share capital - cents	114.24	106.52	80.46	76.81

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue for the first quarter of 2011 increased by \$2.1 million or 10.4% to \$22.5 million against the corresponding period last year, contributed by growth in the vehicle inspection and test & inspection services.

Operating Expenses

The Group's operating expenses for the quarter of \$15.3 million was \$1.4 million or 10.1% higher than that of the same period last year. This increase was due mainly to the higher expenses to generate the increased revenue and the withdrawal of Jobs Credit.

Operating Profit

Compared to last year, operating profits for the quarter were higher by \$0.4 million for vehicle inspection and \$0.1 million for test & inspection services, due to the increased revenue in both sectors.

The Group has consolidated its vehicle assessment business under other related business with effect from January 2011.

Group profit before tax for the quarter increased by \$0.7 million or 11.0% to \$7.2 million.

Taxation for the Group of \$1.0 million for the quarter was \$0.3 million lower due to the enhanced capital allowances and deductions under the Productivity and Innovation Credit scheme from the Singapore Government 2011 Budget and the one-off corporate income tax rebate for Year of Assessment 2011, partially offset by higher taxable profits.

Profit after tax attributable to shareholders of the Company for the quarter was \$6.1 million, which was 16.6% higher.

A breakdown by Business Segment is provided under item 19.

Statement of Financial Position

Total Equity increased by \$7.5 million from \$93.3 million as at 31 December 2010 to \$100.8 million as at 31 March 2011 due mainly to profits generated from operations.

Total Assets increased by \$9.7 million from \$118.2 million as at 31 December 2010 to \$127.9 million as at 31 March 2011 due to an increase in Current Assets by \$8.9 million and Non-Current Assets by \$0.8 million. The increase in Current Assets was due mainly to the increases in Trade Receivables by \$5.2 million and Cash and Bank Balances by \$4.0 million. As more jobs were completed and more collections received from customers in the last quarter 2010, Trade Receivables were comparatively lower as at 31 December 2010.

Total Liabilities increased by \$2.2 million to \$27.1 million as at 31 March 2011 due mainly to higher Trade and Other Payables. The higher Other Payables arose mainly from the delay in the payment of variable bonus by Setsco to April 2011 as well as higher GST payable.

Cash Flow

The net cash inflow for the quarter was \$4.0 million after variable bonus payments by the Group excluding Setsco.

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 in 2011 is expected to remain high as vehicle de-registration rates continue to be low.

While demand for test & inspection services is expected to remain healthy, competition is also expected to remain strong.

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

<u>Group</u> <u>First quarter ended</u> <u>31 Mar 2011</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> \$'000	<u>Test &</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
REVENUE						
External sales	6,968	13,548	441	1,499	-	22,456
Inter-segment sales	-	28	1,723	119	(1,870)	-
Total	6,968	13,576	2,164	1,618	(1,870)	22,456
RESULT						
Operating profit	2,562	2,552	1,346	739	-	7,199
Interest income						42
Profit before taxation						7,241
Taxation						(969)
Profit after taxation						6,272
Non-controlling interests						(133)
Profit attributable to shareholders of the Company						6,139

<u>Group</u> <u>First quarter ended</u> <u>31 Mar 2010</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> \$'000	<u>Test &</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
REVENUE						
External sales	6,248	12,315	456	1,319	-	20,338
Inter-segment sales	-	27	1,602	183	(1,812)	-
Total	6,248	12,342	2,058	1,502	(1,812)	20,338
RESULT						
Operating profit (loss)	2,193	2,466	1,270	557	-	6,486
Interest income						40
Profit before taxation						6,526
Taxation						(1,219)
Profit after taxation						5,307
Non-controlling interests						(41)
Profit attributable to shareholders of the Company						5,266

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

Geographical segmental information for first quarter ended 31 March 2011

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 first quarter 2011 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

11 May 2011