



VICOM LTD
Company Registration No. : 198100320K

Second Quarter 2011 Financial Statements and Dividend Announcement

The Board of Directors announces the unaudited results of the Group for the Second Quarter and Half Year ended 30 June 2011.

1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr	2nd Qtr	Incr/	1st Half	1st Half	Incr/
	2011	2010	(Decr)	2011	2010	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	22,264	21,080	5.6	44,720	41,418	8.0
Staff costs	(9,883)	(9,210)	7.3	(19,820)	(18,194)	8.9
Depreciation expense	(1,299)	(1,352)	(3.9)	(2,616)	(2,702)	(3.2)
Repairs and maintenance	(337)	(331)	1.8	(647)	(631)	2.5
Materials and consumables	(641)	(652)	(1.7)	(1,300)	(1,214)	7.1
Contract services	(873)	(871)	0.2	(1,759)	(1,682)	4.6
Premises costs	(692)	(650)	6.5	(1,388)	(1,280)	8.4
Insurance	(39)	(39)	-	(91)	(79)	15.2
Other operating expenses	(1,311)	(1,156)	13.4	(2,711)	(2,331)	16.3
Total operating expenses	(15,075)	(14,261)	5.7	(30,332)	(28,113)	7.9
Operating profit	7,189	6,819	5.4	14,388	13,305	8.1
Interest income	38	40	(5.0)	80	80	-
Profit before taxation	7,227	6,859	5.4	14,468	13,385	8.1
Taxation	(1,278)	(1,210)	5.6	(2,247)	(2,429)	(7.5)
Profit after taxation	5,949	5,649	5.3	12,221	10,956	11.5
Attributable to:						
Shareholders of the Company	5,864	5,595	4.8	12,003	10,861	10.5
Non-controlling interests	85	54	57.4	218	95	129.5
	5,949	5,649	5.3	12,221	10,956	11.5

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	44,152	49,083	42,729	46,987
Trade receivables	10,964	6,935	1,669	1,468
Other receivables and prepayments	1,089	1,498	464	887
Inventories	13	10	-	-
Total current assets	56,218	57,526	44,862	49,342
Non-current assets				
Subsidiaries	-	-	26,196	26,187
Associate	40	40	-	-
Other receivables and prepayments	87	103	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	53,899	48,876	32,844	33,445
Goodwill	11,325	11,325	-	-
Total non-current assets	65,666	60,659	59,355	59,947
Total assets	121,884	118,185	104,217	109,289
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	17,278	18,745	38,924	41,086
Income tax payable	4,658	4,392	1,554	1,499
Total current liabilities	21,936	23,137	40,478	42,585
Non-current liability				
Deferred tax liabilities	1,514	1,728	361	375
Capital, reserves and non-controlling interests				
Share capital	33,017	31,355	33,017	31,355
Capital reserves	3,268	3,263	3,312	3,284
Accumulated profits	60,821	57,372	27,049	31,690
Equity attributable to shareholders of the Company	97,106	91,990	63,378	66,329
Non-controlling interests	1,328	1,330	-	-
Total equity	98,434	93,320	63,378	66,329
Total liabilities & equity	121,884	118,185	104,217	109,289

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group			
	2nd Qtr 2011 \$'000	2nd Qtr 2010 \$'000	1st Half 2011 \$'000	1st Half 2010 \$'000
Operating activities				
Profit before taxation	7,227	6,859	14,468	13,385
Adjustments for:				
Depreciation expense	1,299	1,352	2,616	2,702
Interest income	(38)	(40)	(80)	(80)
Loss (Gain) on disposal of vehicles, premises and equipment	1	-	(2)	(4)
Share-based payment expense	49	21	98	42
(Write-back) Allowance for doubtful trade receivables	(1)	(14)	-	36
Operating cash flows before movements in working capital	8,537	8,178	17,100	16,081
Changes in working capital	(2,306)	3,126	(5,088)	(3,912)
Cash generated from operations	6,231	11,304	12,012	12,169
Income tax paid	(1,316)	(2,013)	(2,195)	(2,111)
Net cash from operating activities	4,915	9,291	9,817	10,058
Investing activities				
Purchase of vehicles, premises and equipment	(5,525)	(806)	(7,654)	(1,330)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	-	-	98
Proceeds from disposal of vehicles, premises and equipment	-	-	30	17
Interest received	45	39	81	71
Net cash used in investing activities	(5,480)	(767)	(7,543)	(1,144)

	Group			
	2nd Qtr 2011	2nd Qtr 2010	1st Half 2011	1st Half 2010
	\$'000	\$'000	\$'000	\$'000
Financing activities				
Proceeds from exercise of share options	181	415	1,592	430
Dividends paid to non-controlling interests	-	-	(220)	(220)
Dividends paid	(8,554)	(5,154)	(8,554)	(5,154)
Net cash used in financing activities	(8,373)	(4,739)	(7,182)	(4,944)
Net effect of exchange rate changes in consolidating subsidiaries	(15)	-	(23)	22
Net (decrease) increase in cash and cash equivalents	(8,953)	3,785	(4,931)	3,992
Cash and cash equivalents at beginning of period	53,105	42,584	49,083	42,377
Cash and cash equivalents at end of period	44,152	46,369	44,152	46,369

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	2nd Qtr 2011	2nd Qtr 2010	1st Half 2011	1st Half 2010
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	5,949	5,649	12,221	10,956
Exchange differences arising on translation of foreign operations	(15)	-	(23)	22
Other comprehensive income for the period	5,934	-	12,198	22
Total comprehensive income for the period	5,934	5,649	12,198	10,978
Total comprehensive income attributable to:				
Shareholders of the Company	5,849	5,595	11,980	10,883
Non-controlling interests	85	54	218	95
	5,934	5,649	12,198	10,978

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Second Quarter and Half Year ended 30 June 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
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)
Balance at 30 June 2011	33,017	3,268	60,821	97,106	1,328	98,434

Consolidated Statement of Changes in Equity for the Second Quarter and Half Year ended 30 June 2010:

	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 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
Total comprehensive income for the period	-	-	5,595	5,595	54	5,649
Exercise of share options	427	(12)	-	415	-	415
Recognition of share-based payments	-	21	-	21	-	21
Payment of dividends	-	-	(5,154)	(5,154)	-	(5,154)
Balance at 30 June 2010	30,738	3,196	51,507	85,441	1,406	86,847

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

	Company			
	Share capital	Capital reserves	Accumulated profits	Total 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
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)
Balance at 30 June 2011	33,017	3,312	27,049	63,378

Statement of Changes in Equity of the Company for the Second Quarter and Half Year ended 30 June 2010:

	Company			
	Share capital	Capital 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 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
Total comprehensive income for the period	-	-	1,568	1,568
Exercise of share options	427	(12)	-	415
Recognition of share-based payments	-	21	-	21
Payment of dividends	-	-	(5,154)	(5,154)
Balance at 30 June 2010	30,738	3,205	23,353	57,296

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the Second Quarter ended 30 June 2011, the Company issued 114,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 30 June 2011, the total number of issued shares was 87,283,000 (31 December 2010: 86,358,000).

Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 30 June 2011, options to subscribe for 1,385,000 ordinary shares (30 June 2010: 1,937,000) 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

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2011	2010	2011	2010
(i) Based on weighted average number of ordinary shares in issue - cents	6.72	6.51	13.76	12.65
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	6.69	6.46	13.70	12.55

EBITDA

	<u>Group</u>			
	<u>2nd Qtr</u> <u>2011</u>	<u>2nd Qtr</u> <u>2010</u>	<u>1st Half</u> <u>2011</u>	<u>1st Half</u> <u>2010</u>
(i) EBITDA (\$'000)	8,488	8,171	17,004	16,007
(ii) EBITDA margin (%)	38.1	38.8	38.0	38.6

13 **NET ASSET VALUE PER ORDINARY SHARE**

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun</u> <u>2011</u>	<u>31 Dec</u> <u>2010</u>	<u>30 Jun</u> <u>2011</u>	<u>31 Dec</u> <u>2010</u>
Net asset value per ordinary share based on issued share capital - cents	111.25	106.52	72.61	76.81

14 **REVIEW OF GROUP PERFORMANCE**

Performance Review

Revenue

The Group's total revenue for 2Q11 was \$22.3 million. This was \$1.2 million or 5.6% more than the corresponding quarter last year due mainly to higher revenue from the core businesses of vehicle inspection and test & inspection services.

Operating Expenses

Operating expenses were \$15.1 million in 2Q11. This was \$0.8 million or 5.7% more compared with the same quarter last year, due mainly to higher expenses needed to generate the increased revenue and the withdrawal of the Jobs Credit scheme. Excluding the Jobs Credit in 2Q10, the increase would have been 4.9%.

Operating Profit

The Group's operating profit increased by \$0.4 million or 5.4% to \$7.2 million in 2Q11 due mainly to higher revenue.

Operating profit in 2Q11 for the vehicle inspection business and test & inspection services increased by \$0.1 million and \$0.2 million respectively, due mainly to the increase in revenue.

Group profit before tax for 2Q11 increased by \$0.4 million or 5.4% to \$7.2 million.

Taxation for the Group of \$1.3 million for 2Q11 was \$0.1 million higher than the \$1.2 million in the corresponding quarter last year due mainly to higher taxable profits.

Profit after tax attributable to shareholders of the Company for 2Q11 was \$5.9 million, which was \$0.3 million or 4.8% higher.

A breakdown by Business Segment is provided under item 18.

Statement of Financial Position

As at 30 June 2011, Total Equity increased by \$5.1 million from \$93.3 million as at 31 December 2010 to \$98.4 million due to profits earned for the first half 2011, partially offset by dividend payments.

Total Assets increased by \$3.7 million to \$121.9 million due mainly to the increase in Non-Current Assets by \$5.0 million, partially offset by the decrease in Current Assets by \$1.3 million. The increase in Non-Current Assets was due mainly to the progressive payments for the construction of the new building at Setsco. The decrease in Current Assets was due mainly to the decreases in Cash and Bank Balances by \$4.9 million after payment of dividends and Other Receivables and Prepayments by \$0.4 million, partially offset by the increase in Trade Receivables 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 decreased by \$1.4 million to \$23.5 million due mainly to the decrease in Trade and Other Payables by \$1.5 million. Other Payables decreased following the payment of variable bonus by Setsco in April 2011.

Cash Flow

The net cash outflow in 2Q11 was \$9.0 million after payment of dividends and progressive payments for the construction of the building at 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 vehicle inspection business is expected to continue to be favourable as the de-registration rate of older vehicles is likely to remain low.

Under current economic conditions, demand for our test & inspection services is expected to remain satisfactory.

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	6.9 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial YearDeclared interim dividend

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

(c) Date payable

The Directors have declared a tax-exempt one-tier interim dividend of 6.9 cents per ordinary share. The interim dividend will be payable on 31 August 2011.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 20 August 2011 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 19 August 2011 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 19 August 2011 will be entitled to the interim dividend.

18 **SEGMENT INFORMATION**

Business Segments

Group Second Quarter ended 30 Jun 2011	Vehicle Inspection Business \$'000	Test & Inspection Services \$'000	Rental Income \$'000	Other Related Business \$'000	Elimination \$'000	Total \$'000
REVENUE						
External sales	6,789	13,714	445	1,316	-	22,264
Inter-segment sales	1	28	1,721	104	(1,854)	-
Total	6,790	13,742	2,166	1,420	(1,854)	22,264

RESULT

Operating profit	2,424	2,750	1,336	679	-	7,189
Interest income						38
Profit before taxation						7,227
Taxation						(1,278)
Profit after taxation						5,949
Non-controlling interests						(85)
Profit attributable to shareholders of the Company						5,864

Group Second Quarter ended 30 Jun 2010	Vehicle Inspection Business \$'000	Test & Inspection Services \$'000	Rental Income \$'000	Other Related Business \$'000	Elimination \$'000	Total \$'000
REVENUE						
External sales	6,291	13,012	450	1,327	-	21,080
Inter-segment sales	1	27	1,750	196	(1,974)	-
Total	6,292	13,039	2,200	1,523	(1,974)	21,080

RESULT

Operating profit	2,285	2,569	1,394	571	-	6,819
Interest income						40
Profit before taxation						6,859
Taxation						(1,210)
Profit after taxation						5,649
Non-controlling interests						(54)
Profit attributable to shareholders of the Company						5,595

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

<u>Group</u> <u>Half Year ended</u> <u>30 Jun 2011</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> <u>\$'000</u>	<u>Test &</u> <u>Inspection</u> <u>Services</u> <u>\$'000</u>	<u>Rental</u> <u>Income</u> <u>\$'000</u>	<u>Other</u> <u>Related</u> <u>Business</u> <u>\$'000</u>	<u>Elimination</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
REVENUE						
External sales	13,757	27,262	886	2,815	-	44,720
Inter-segment sales	1	56	3,444	223	(3,724)	-
Total	13,758	27,318	4,330	3,038	(3,724)	44,720

RESULT

Operating profit	4,986	5,302	2,682	1,418	-	14,388
Interest income						80
Profit before taxation						14,468
Taxation						(2,247)
Profit after taxation						12,221
Non-controlling interests						(218)
Profit attributable to shareholders of the Company						12,003

<u>Group</u> <u>Half Year ended</u> <u>30 Jun 2010</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> <u>\$'000</u>	<u>Test &</u> <u>Inspection</u> <u>Services</u> <u>\$'000</u>	<u>Rental</u> <u>Income</u> <u>\$'000</u>	<u>Other</u> <u>Related</u> <u>Business</u> <u>\$'000</u>	<u>Elimination</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
REVENUE						
External sales	12,539	25,327	906	2,646	-	41,418
Inter-segment sales	1	54	3,352	379	(3,786)	-
Total	12,540	25,381	4,258	3,025	(3,786)	41,418

RESULT

Operating profit	4,478	5,035	2,664	1,128	-	13,305
Interest income						80
Profit before taxation						13,385
Taxation						(2,429)
Profit after taxation						10,956
Non-controlling interests						(95)
Profit attributable to shareholders of the Company						10,861

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

Geographical segmental information for Second Quarter ended 30 June 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

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 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

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

11 August 2011