



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

### Third Quarter 2011 Financial Statements

The Board of Directors announces the unaudited results of the Group for the Third Quarter and Nine Months to 30 September 2011.

#### 1 GROUP INCOME STATEMENT

	<b>Group</b>					
	<b>3rd Qtr 2011 \$'000</b>	<b>3rd Qtr 2010 \$'000</b>	<b>Incr/ (Decr) %</b>	<b>9 months to 30 Sep 2011 \$'000</b>	<b>9 months to 30 Sep 2010 \$'000</b>	<b>Incr/ (Decr) %</b>
<b>Revenue</b>	22,865	21,648	5.6	67,585	63,066	7.2
Staff costs	(10,222)	(9,415)	8.6	(30,042)	(27,609)	8.8
Depreciation expense	(1,282)	(1,347)	(4.8)	(3,898)	(4,049)	(3.7)
Repairs and maintenance	(330)	(392)	(15.8)	(977)	(1,023)	(4.5)
Materials and consumables	(639)	(744)	(14.1)	(1,939)	(1,958)	(1.0)
Contract services	(930)	(962)	(3.3)	(2,689)	(2,644)	1.7
Premises costs	(709)	(670)	5.8	(2,097)	(1,950)	7.5
Insurance	(35)	(36)	(2.8)	(126)	(115)	9.6
Other operating expenses	(1,337)	(1,267)	5.5	(4,048)	(3,598)	12.5
<b>Total operating expenses</b>	<b>(15,484)</b>	<b>(14,833)</b>	<b>4.4</b>	<b>(45,816)</b>	<b>(42,946)</b>	<b>6.7</b>
<b>Operating profit</b>	<b>7,381</b>	<b>6,815</b>	<b>8.3</b>	<b>21,769</b>	<b>20,120</b>	<b>8.2</b>
Net income from investments	-	26	-	-	26	-
Interest income	39	41	(4.9)	119	121	(1.7)
<b>Profit before taxation</b>	<b>7,420</b>	<b>6,882</b>	<b>7.8</b>	<b>21,888</b>	<b>20,267</b>	<b>8.0</b>
Taxation	(1,086)	(1,243)	(12.6)	(3,333)	(3,672)	(9.2)
<b>Profit after taxation</b>	<b>6,334</b>	<b>5,639</b>	<b>12.3</b>	<b>18,555</b>	<b>16,595</b>	<b>11.8</b>
Attributable to:						
<b>Shareholders of the Company</b>	<b>6,233</b>	<b>5,583</b>	<b>11.6</b>	<b>18,236</b>	<b>16,444</b>	<b>10.9</b>
Non-controlling interests	101	56	80.4	319	151	111.3
	<b>6,334</b>	<b>5,639</b>	<b>12.3</b>	<b>18,555</b>	<b>16,595</b>	<b>11.8</b>

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	46,283	49,083	44,851	46,987
Trade receivables	11,944	6,935	1,773	1,468
Other receivables and prepayments	1,029	1,498	487	887
Inventories	9	10	-	-
Total current assets	59,265	57,526	47,111	49,342
<b>Non-current assets</b>				
Subsidiaries	-	-	26,196	26,187
Associate	40	40	-	-
Other receivables and prepayments	188	103	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	54,351	48,876	32,463	33,445
Goodwill	11,325	11,325	-	-
Total non-current assets	66,219	60,659	58,974	59,947
<b>Total assets</b>	125,484	118,185	106,085	109,289
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	20,655	18,745	33,007	41,086
Income tax payable	4,487	4,392	1,519	1,499
Total current liabilities	25,142	23,137	34,526	42,585
<b>Non-current liability</b>				
Deferred tax liabilities	1,465	1,728	356	375
<b>Capital, reserves and non-controlling interests</b>				
Share capital	33,451	31,355	33,451	31,355
Capital reserves	3,226	3,263	3,272	3,284
Accumulated profits	61,027	57,372	34,480	31,690
Equity attributable to shareholders of the Company	97,704	91,990	71,203	66,329
Non-controlling interests	1,173	1,330	-	-
Total equity	98,877	93,320	71,203	66,329
<b>Total liabilities &amp; equity</b>	125,484	118,185	106,085	109,289

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	<b>Group</b>			
	<b>3rd Qtr</b>	<b>3rd Qtr</b>	<b>9 months</b>	<b>9 months</b>
	<b>2011</b>	<b>2010</b>	<b>to 30 Sep</b>	<b>to 30 Sep</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>2011</b>	<b>2010</b>
			<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>				
Profit before taxation	7,420	6,882	21,888	20,267
Adjustments for:				
Depreciation expense	1,282	1,347	3,898	4,049
Interest income	(39)	(41)	(119)	(121)
Gain on disposal of vehicles, premises and equipment	(8)	-	(10)	(4)
(Write-back) Share-based payment expense	(6)	49	92	91
Allowance for doubtful trade receivables	62	1	62	37
Net income from investments	-	(26)	-	(26)
Operating cash flows before movements in working capital	8,711	8,212	25,811	24,293
Changes in working capital	2,405	1,845	(2,683)	(2,067)
Cash generated from operations	11,116	10,057	23,128	22,226
Income tax paid	(1,306)	(1,469)	(3,501)	(3,580)
Net cash from operating activities	9,810	8,588	19,627	18,646
<b>Investing activities</b>				
Purchase of vehicles, premises and equipment	(1,862)	(1,202)	(9,516)	(2,532)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	-	-	-	98
Proceeds from disposal of vehicles, premises and equipment	33	-	63	17
Interest received	35	54	116	125
Net cash used in investing activities	(1,794)	(1,148)	(9,337)	(2,292)

	Group			
	3rd Qtr 2011	3rd Qtr 2010	9 months to 30 Sep 2011	9 months to 30 Sep 2010
	\$'000	\$'000	\$'000	\$'000
<b>Financing activities</b>				
Proceeds from exercise of share options	400	595	1,992	1,025
Dividends paid to non-controlling interests	(256)	(165)	(476)	(385)
Dividends paid	(6,027)	(5,439)	(14,581)	(10,593)
Net cash used in financing activities	(5,883)	(5,009)	(13,065)	(9,953)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	(2)	(5)	(25)	17
Net increase (decrease) in cash and cash equivalents	2,131	2,426	(2,800)	6,418
Cash and cash equivalents at beginning of period	44,152	46,369	49,083	42,377
<b>Cash and cash equivalents at end of period</b>	46,283	48,795	46,283	48,795

## 5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	3rd Qtr 2011	3rd Qtr 2010	9 months to 30 Sep 2011	9 months to 30 Sep 2010
	\$'000	\$'000	\$'000	\$'000
<b>Profit after taxation</b>	6,334	5,639	18,555	16,595
Exchange differences arising on translation of foreign operations	(2)	(5)	(25)	17
<b>Other comprehensive (expense) income for the period</b>	(2)	(5)	(25)	17
<b>Total comprehensive income for the period</b>	6,332	5,634	18,530	16,612
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	6,231	5,578	18,211	16,461
Non-controlling interests	101	56	319	151
	6,332	5,634	18,530	16,612

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 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
<b>Balance at 1 January 2011</b>	31,355	3,263	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	3,268	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	3,226	61,027	97,704	1,173	98,877

Consolidated Statement of Changes in Equity for the Third Quarter and Nine Months to 30 September 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
<b>Balance at 1 January 2010</b>	30,296	3,144	45,800	79,240	1,531	80,771
Total comprehensive income for the period	-	22	10,861	10,883	95	10,978
Exercise of share options	442	(12)	-	430	-	430
Recognition of share-based payments	-	42	-	42	-	42
Payment of dividends	-	-	(5,154)	(5,154)	(220)	(5,374)
<b>Balance at 30 June 2010</b>	30,738	3,196	51,507	85,441	1,406	86,847
Total comprehensive (expense) income for the period	-	(5)	5,583	5,578	56	5,634
Exercise of share options	614	(19)	-	595	-	595
Recognition of share-based payments	-	49	-	49	-	49
Payment of dividends	-	-	(5,439)	(5,439)	(165)	(5,604)
<b>Balance at 30 September 2010</b>	31,352	3,221	51,651	86,224	1,297	87,521

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>Capital 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

Statement of Changes in Equity of the Company for the Third Quarter and Nine Months to 30 September 2010:

	<b>Company</b>			
	<b>Share capital</b>	<b>Capital 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 2010</b>	30,296	3,175	24,701	58,172
Total comprehensive income for the period	-	-	3,806	3,806
Exercise of share options	442	(12)	-	430
Recognition of share-based payments	-	42	-	42
Payment of dividends	-	-	(5,154)	(5,154)
<b>Balance at 30 June 2010</b>	30,738	3,205	23,353	57,296
Total comprehensive income for the period	-	-	12,303	12,303
Exercise of share options	614	(19)	-	595
Recognition of share-based payments	-	49	-	49
Payment of dividends	-	-	(5,439)	(5,439)
<b>Balance at 30 September 2010</b>	31,352	3,235	30,217	64,804

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

### Share Capital

During the Third Quarter ended 30 September 2011, 26,000 options of the 2001 VICOM Share Option Scheme lapsed and the Company also issued 153,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 30 September 2011, the total number of issued shares was 87,436,000 (31 December 2010: 86,358,000).

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

As at 30 September 2011, options to subscribe for 1,206,000 ordinary shares (30 September 2010: 2,318,000) 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

	<b>Group</b>			
	<b>3rd Qtr 2011</b>	<b>3rd Qtr 2010</b>	<b>9 months to 30 Sep 2011</b>	<b>9 months to 30 Sep 2010</b>
(i) Based on weighted average number of ordinary shares in issue - cents	7.13	6.47	20.88	19.11
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.10	6.43	20.79	18.99

EBITDA

	<b>Group</b>			
	<b>3rd Qtr 2011</b>	<b>3rd Qtr 2010</b>	<b>9 months to 30 Sep 2011</b>	<b>9 months to 30 Sep 2010</b>
(i) EBITDA (\$'000)	8,663	8,162	25,667	24,169
(ii) EBITDA margin (%)	37.9	37.7	38.0	38.3

**13 NET ASSET VALUE PER ORDINARY SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2011</b>	<b>31 Dec 2010</b>	<b>30 Sep 2011</b>	<b>31 Dec 2010</b>
Net asset value per ordinary share based on issued share capital - cents	111.74	106.52	81.43	76.81



## REVIEW OF GROUP PERFORMANCE

### Performance Review

#### Revenue

The Group's total revenue for 3Q11 increased by \$1.2 million or 5.6% to \$22.9 million against the corresponding quarter last year due mainly to growth in our vehicle inspection and test & inspection services.

#### Operating Expenses

Operating expenses were \$15.5 million in 3Q11. This was \$0.7 million or 4.4% more compared with the same quarter last year, due mainly to higher expenses needed to generate the increased revenue.

#### Operating Profit

The Group's operating profit increased by \$0.6 million or 8.3% to \$7.4 million against the corresponding quarter last year, mainly from the higher revenue for the vehicle inspection and test & inspection services.

Group profit before tax for 3Q11 increased by \$0.5 million or 7.8% to \$7.4 million.

Taxation for the Group of \$1.1 million for 3Q11 was \$0.2 million lower due 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 3Q11 was \$6.2 million, which was 11.6% higher than that for 3Q10.

A breakdown by Business Segment is provided under item 18.

#### Statement of Financial Position

Total Equity increased by \$5.6 million from \$93.3 million as at 31 December 2010 to \$98.9 million as at 30 September 2011 due mainly to profits generated from operations, partially offset by the payment of dividends.

Total Assets increased by \$7.3 million to \$125.5 million as at 30 September 2011 due mainly to the increases in Non-Current Assets by \$5.6 million and Current Assets by \$1.7 million. The increase in Non-Current Assets was due mainly to the progressive payments for the construction of the new building at Setsco. The increase in Current Assets was due mainly to the increase in Trade Receivables by \$5.0 million, partially offset by the decrease in Cash and Bank Balances by \$2.8 million after payment of dividends.

Total Liabilities increased by \$1.7 million to \$26.6 million as at 30 September 2011 due mainly to the increase in Trade and Other Payables by \$1.9 million, partially offset by the decrease in Deferred Tax Liabilities by \$0.3 million.

#### Cash Flow

The net cash inflow in 3Q11 was \$2.1 million after payment of dividends.

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

No forecast or prospect statement was previously disclosed.

**16 GROUP OUTLOOK**

The demand for vehicle inspection services is expected to remain strong in the next quarter and in 2012.

In spite of an expected slowing down of the economy, the demand for the test & inspection business is expected to be sustained.

**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**

**Business Segments**

<u>Group</u> <u>Third Quarter ended</u> <u>30 Sep 2011</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</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	7,111	13,883	437	1,434	-	22,865
Inter-segment sales	1	28	1,723	108	(1,860)	-
Total	7,112	13,911	2,160	1,542	(1,860)	22,865

**RESULT**

Operating profit	2,663	2,621	1,328	769	-	7,381
Interest income						39
Profit before taxation						7,420
Taxation						(1,086)
Profit after taxation						6,334
Non-controlling interests						(101)
Profit attributable to shareholders of the Company						6,233

<u>Group</u> <u>Third Quarter ended</u> <u>30 Sep 2010</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</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	6,430	13,410	450	1,358	-	21,648
Inter-segment sales	1	28	1,678	197	(1,904)	-
Total	6,431	13,438	2,128	1,555	(1,904)	21,648

**RESULT**

Operating profit	2,249	2,653	1,327	586	-	6,815
Net income from investments						26
Interest income						41
Profit before taxation						6,882
Taxation						(1,243)
Profit after taxation						5,639
Non-controlling interests						(56)
Profit attributable to shareholders of the Company						5,583

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

<b><u>Group</u></b> <b><u>9 months ended</u></b> <b><u>30 Sep 2011</u></b>	<b>Vehicle</b> <b>Inspection</b> <b>Business</b> <b>\$'000</b>	<b>Test &amp;</b> <b>Inspection</b> <b>Services</b> <b>\$'000</b>	<b>Rental</b> <b>Income</b> <b>\$'000</b>	<b>Other</b> <b>Related</b> <b>Business</b> <b>\$'000</b>	<b>Elimination</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
<b>REVENUE</b>						
External sales	20,868	41,145	1,323	4,249	-	67,585
Inter-segment sales	2	84	5,167	331	(5,584)	-
Total	20,870	41,229	6,490	4,580	(5,584)	67,585

#### **RESULT**

Operating profit	7,649	7,923	4,010	2,187	-	21,769
Interest income						119
Profit before taxation						21,888
Taxation						(3,333)
Profit after taxation						18,555
Non-controlling interests						(319)
Profit attributable to shareholders of the Company						18,236

<b><u>Group</u></b> <b><u>9 months ended</u></b> <b><u>30 Sep 2010</u></b>	<b>Vehicle</b> <b>Inspection</b> <b>Business</b> <b>\$'000</b>	<b>Test &amp;</b> <b>Inspection</b> <b>Services</b> <b>\$'000</b>	<b>Rental</b> <b>Income</b> <b>\$'000</b>	<b>Other</b> <b>Related</b> <b>Business</b> <b>\$'000</b>	<b>Elimination</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
<b>REVENUE</b>						
External sales	18,969	38,737	1,356	4,004	-	63,066
Inter-segment sales	2	82	5,030	576	(5,690)	-
Total	18,971	38,819	6,386	4,580	(5,690)	63,066

#### **RESULT**

Operating profit	6,727	7,688	3,991	1,714	-	20,120
Net income from investments						26
Interest income						121
Profit before taxation						20,267
Taxation						(3,672)
Profit after taxation						16,595
Non-controlling interests						(151)
Profit attributable to shareholders of the Company						16,444

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

## **Geographical segmental information for Third Quarter ended 30 September 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 third 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

10 November 2011