



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

---

**Financial Statements and Dividend Announcement for the year ended 31 December 2012**

---

The Board of Directors announces the audited results of the Group for the year ended 31 December 2012.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>		
	<b>FY 2012</b>	<b>FY 2011</b>	<b>Incr/ (Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	97,102	90,739	7.0
Staff costs	(41,709)	(39,763)	4.9
Depreciation expense	(5,733)	(5,241)	9.4
Repairs and maintenance	(1,689)	(1,572)	7.4
Materials and consumables	(2,918)	(2,709)	7.7
Contract services	(3,550)	(2,866)	23.9
Premises costs	(2,915)	(3,055)	(4.6)
Utilities and communication costs	(2,375)	(1,992)	19.2
Other operating expenses	(4,461)	(3,555)	25.5
Total operating expenses	(65,350)	(60,753)	7.6
<b>Operating profit</b>	31,752	29,986	5.9
Interest income	224	166	34.9
Share of loss in associate	-	(15)	(100.0)
<b>Profit before taxation</b>	31,976	30,137	6.1
Taxation	(5,198)	(4,613)	12.7
<b>Profit after taxation</b>	26,778	25,524	4.9
Attributable to:			
<b>Shareholders of the Company</b>	26,409	25,100	5.2
Non-controlling interests	369	424	(13.0)
	26,778	25,524	4.9

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	65,991	55,010	62,326	52,377
Trade receivables	11,855	10,530	2,106	2,365
Other receivables and prepayments	775	905	153	450
Inventories	2	8	-	-
Total current assets	78,623	66,453	64,585	55,192
<b>Non-current assets</b>				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	186	297	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	54,504	55,535	30,553	32,148
Goodwill	11,325	11,325	-	-
Total non-current assets	66,355	67,497	56,809	58,404
<b>Total assets</b>	144,978	133,950	121,394	113,596
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	20,729	20,801	2,804	2,702
Due to subsidiaries	-	-	36,589	34,661
Income tax payable	5,390	5,080	1,949	1,750
Total current liabilities	26,119	25,881	41,342	39,113
<b>Non-current liability</b>				
Deferred tax liabilities	1,361	1,582	226	350
<b>Capital, reserves and non-controlling interests</b>				
Share capital	35,200	34,397	35,200	34,397
Other reserves	3,154	3,206	3,154	3,206
Foreign currency translation reserve	(57)	(37)	-	-
Accumulated profits	78,249	67,891	41,472	36,530
Equity attributable to shareholders of the Company	116,546	105,457	79,826	74,133
Non-controlling interests	952	1,030	-	-
Total equity	117,498	106,487	79,826	74,133
<b>Total liabilities &amp; equity</b>	144,978	133,950	121,394	113,596

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

#### Details of any collateral

NIL

### 4 GROUP CASH FLOW STATEMENT

	Group	
	FY 2012	FY 2011
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	31,976	30,137
Adjustments for:		
Depreciation expense	5,733	5,241
Interest income	(224)	(166)
Gain on disposal of vehicles, premises and equipment	(9)	(11)
Share-based payment expense	-	92
Allowance for doubtful trade receivables	78	68
Bad debts written off	7	10
Share of loss in associate	-	15
Operating cash flows before movements in working capital	37,561	35,386
Changes in working capital	(1,793)	(1,007)
Cash generated from operations	35,768	34,379
Income tax paid	(5,109)	(4,071)
Net cash from operating activities	30,659	30,308
<b>Investing activities</b>		
Purchase of vehicles, premises and equipment	(4,627)	(12,155)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	489	-
Proceeds from disposal of vehicles, premises and equipment	18	65
Interest received	182	151
Net cash used in investing activities	(3,938)	(11,939)

	<b>Group</b>	
	<b>FY 2012</b>	<b>FY 2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financing activities</b>		
Proceeds from exercise of share options	751	2,872
Payments to non-controlling interests	(447)	(724)
Dividends paid	(16,051)	(14,581)
Net cash used in financing activities	(15,747)	(12,433)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	7	(9)
Net increase in cash and cash equivalents	10,981	5,927
Cash and cash equivalents at beginning of year	55,010	49,083
<b>Cash and cash equivalents at end of year</b>	<b>65,991</b>	<b>55,010</b>

## 5 GROUP COMPREHENSIVE INCOME STATEMENT

	<b>Group</b>	
	<b>FY 2012</b>	<b>FY 2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit after taxation</b>	26,778	25,524
Exchange differences arising on translation of foreign operations	(20)	(16)
<b>Other comprehensive expense for the year</b>	(20)	(16)
<b>Total comprehensive income for the year</b>	<b>26,758</b>	<b>25,508</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	26,389	25,084
Non-controlling interests	369	424
	<b>26,758</b>	<b>25,508</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2012

	Group						
	Attributable to shareholders of the Company						
	Share capital \$'000	Other reserves \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 January 2011</b>	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)
Payment of dividends to non-controlling interests	-	-	-	-	-	(724)	(724)
<b>Balance at 31 December 2011</b>	34,397	3,206	(37)	67,891	105,457	1,030	106,487
Total comprehensive (expense) income for the year	-	-	(20)	26,409	26,389	369	26,758
Exercise of share options	803	(52)	-	-	751	-	751
Payment of dividends	-	-	-	(16,051)	(16,051)	-	(16,051)
Payments to non-controlling interests	-	-	-	-	-	(447)	(447)
<b>Balance at 31 December 2012</b>	35,200	3,154	(57)	78,249	116,546	952	117,498

Statement of Changes in Equity of the Company for the year ended 31 December 2012

	<b>Company</b>			
	<b>Share capital</b>	<b>Other 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 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)
<b>Balance at 31 December 2011</b>	<b>34,397</b>	<b>3,206</b>	<b>36,530</b>	<b>74,133</b>
Total comprehensive income for the year	-	-	20,993	20,993
Exercise of share options	803	(52)	-	751
Payment of dividends	-	-	(16,051)	(16,051)
<b>Balance at 31 December 2012</b>	<b>35,200</b>	<b>3,154</b>	<b>41,472</b>	<b>79,826</b>

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

During the year, the Company issued 364,000 (31 December 2011: 1,505,000) new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 31 December 2012, the total number of issued shares was 88,227,000 (31 December 2011: 87,863,000).

As at 31 December 2012, the Company does not hold any treasury shares.

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

As at 31 December 2012, options to subscribe for 415,000 ordinary shares (31 December 2011: 779,000) 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 2012, 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 2012 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

## 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 2011 except for the matter disclosed in paragraph 18.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards (“FRSs”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2012. The adoption of these new/revised 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>FY 2012</u>	<u>FY 2011</u>
(i) Based on weighted average number of ordinary shares in issue - cents	29.95	28.73
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	29.89	28.65

### EBITDA

	<u>Group</u>	
	<u>FY 2012</u>	<u>FY 2011</u>
(i) EBITDA (\$'000)	37,485	35,227
(ii) EBITDA margin (%)	38.6	38.8



## 13 NET ASSET VALUE PER ORDINARY SHARE

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec</u> <u>2012</u>	<u>31 Dec</u> <u>2011</u>	<u>31 Dec</u> <u>2012</u>	<u>31 Dec</u> <u>2011</u>
Net asset value per ordinary share based on issued share capital - cents	132.10	120.02	90.48	84.37

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

#### Revenue

The Group's total revenue for 2012 was \$97.1 million. This was \$6.4 million or 7.0% more than the year before due to higher business volume.

#### Operating Expenses

The Group's operating expenses of \$65.4 million was \$4.6 million or 7.6% more as compared to the year before due mainly to higher expenses needed to generate the increased revenue coupled with the higher depreciation from the new building at Teban Gardens.

#### Operating Profit

Consequently, the Group's operating profit for 2012 increased by \$1.8 million or 5.9% to \$31.8 million.

The Group's profit before tax for 2012 increased by \$1.8 million or 6.1% to \$32.0 million.

Taxation for the Group of \$5.2 million was \$0.6 million or 12.7% higher than the \$4.6 million due mainly to the higher profits for 2012 and lower taxation in 2011 arising from the enhanced capital allowances under the Productivity and Innovation Credit Scheme.

Profit attributable to Shareholders of the Company for 2012 was \$26.4 million, which was 5.2% or \$1.3 million higher than 2011.

#### Statement of Financial Position

Total Equity increased by \$11.0 million from \$106.5 million as at 31 December 2011 to \$117.5 million as at 31 December 2012 due mainly to profits generated from operations, partially offset by dividend payments.

Total Assets increased by \$11.0 million to \$145.0 million due to the increases in Current Assets by \$12.2 million, partially offset by a decrease in Non-Current Assets by \$1.2 million. The increase in Current Assets was due mainly to the increases in Cash and Bank Balances by \$10.9 million and Trade Receivables by \$1.3 million. The decrease in Non-Current Assets was due mainly to depreciation charge being higher than the addition to vehicles, premises and equipment.

Total Liabilities remained comparable at \$27.5 million for 2012 and 2011.

#### Cash Flow

The net cash inflow in 2012 was \$11.0 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 demand for our testing services is expected to remain strong. Vehicles are likely to be on the road longer and our non-vehicular testing services are expected to grow despite the keen competition.

**17 DIVIDEND**

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

The Directors are pleased to propose a tax-exempt one-tier final dividend of 7.50 cents (2011: 7.50 cents) per ordinary share and a tax-exempt one-tier special dividend of 3.20 cents (2011: 3.20 cents) per ordinary share.

Name of Dividend	Final	Special
Dividend Type	Cash; Tax-exempt one-tier	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	7.50 cents	3.20 cents
Tax Rate	Exempt one-tier	Exempt one-tier

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

Name of Dividend	Final	Special
Dividend Type	Cash; Tax-exempt one-tier	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	7.50 cents	3.20 cents
Tax Rate	Exempt one-tier	Exempt one-tier

**(c) Date payable**

The proposed final and special dividends, if approved by the Shareholders at the Thirty-Second Annual General Meeting of the Company to be held on 24 April 2013, will be payable on 13 May 2013.

**(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 2013 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 2013 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 2013 will be entitled to the proposed final and special dividends.

## 18 SEGMENT INFORMATION

The Group operates predominantly in Singapore. In prior year, the Group presented their operating segments in the following 3 reportable segments:

1. Vehicle Inspection business
2. Test and inspection services
3. Other related businesses

In 2012, following the change in the Group's Chief Executive Officer, who is the chief operating decision maker, all vehicle inspection and non-vehicle testing services are managed and reported together as one segment in order to improve productivity and efficiency as these services have similar economic characteristics and processes.

## 19 BREAKDOWN OF REVENUE

	Group 2012 \$'000	Group 2011 \$'000	Increase/ (decrease) %
Revenue reported for first half year	48,248	44,720	7.9
Operating profit after tax before deducting non-controlling interests reported for first half year	13,530	12,221	10.7
Revenue reported for second half year	48,854	46,019	6.2
Operating profit after tax before deducting non-controlling interests reported for second half year	13,248	13,303	(0.4)

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

	FY 2012 \$'000	FY 2011 \$'000
Ordinary shares (tax-exempt one-tier)		
- Interim	6,615	6,027
- Final (proposed)	6,617	6,614
- Special (proposed)	2,823	2,822
Total:	16,055	15,463

## 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 2012, 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**

Chan Wan Tak, Wendy  
Company Secretary

6 February 2013