



VICOM LTD
Company Registration No. : 198100320K

First Quarter 2012 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the First Quarter ended 31 March 2012.

1 GROUP INCOME STATEMENT

	Group		
	1st Qtr 2012 \$'000	1st Qtr 2011 \$'000	Incr/ (Decr) %
Revenue	24,289	22,456	8.2
Staff costs	(9,977)	(9,937)	0.4
Depreciation expense	(1,380)	(1,317)	4.8
Repairs and maintenance	(378)	(310)	21.9
Materials and consumables	(654)	(659)	(0.8)
Contract services	(841)	(886)	(5.1)
Premises costs	(749)	(696)	7.6
Utilities and communication costs	(601)	(473)	27.1
Other operating expenses	(1,150)	(979)	17.5
Total operating expenses	(15,730)	(15,257)	3.1
Operating profit	8,559	7,199	18.9
Interest income	50	42	19.0
Profit before taxation	8,609	7,241	18.9
Taxation	(1,511)	(969)	55.9
Profit after taxation	7,098	6,272	13.2
Attributable to:			
Shareholders of the Company	7,006	6,139	14.1
Non-controlling interests	92	133	(30.8)
	7,098	6,272	13.2

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar	31 Dec	31 Mar	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	60,166	55,010	57,984	52,377
Trade receivables	11,593	10,530	2,286	2,365
Other receivables and prepayments	809	905	101	450
Inventories	8	8	-	-
Total current assets	72,576	66,453	60,371	55,192
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	267	297	-	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	55,208	55,535	31,768	32,148
Goodwill	11,325	11,325	-	-
Total non-current assets	67,140	67,497	58,024	58,404
Total assets	139,716	133,950	118,395	113,596
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	17,701	20,801	38,140	37,363
Income tax payable	6,617	5,080	2,229	1,750
Total current liabilities	24,318	25,881	40,369	39,113
Non-current liability				
Deferred tax liabilities	1,530	1,582	344	350
Capital, reserves and non-controlling interests				
Share capital	35,002	34,397	35,002	34,397
Other reserves	3,165	3,206	3,165	3,206
Foreign currency translation reserve	(37)	(37)	-	-
Accumulated profits	74,897	67,891	39,515	36,530
Equity attributable to shareholders of the Company	113,027	105,457	77,682	74,133
Non-controlling interests	841	1,030	-	-
Total equity	113,868	106,487	77,682	74,133
Total liabilities & equity	139,716	133,950	118,395	113,596

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	1st Qtr 2012	1st Qtr 2011
	\$'000	\$'000
Operating activities		
Profit before taxation	8,609	7,241
Adjustments for:		
Depreciation expense	1,380	1,317
Interest income	(50)	(42)
Gain on disposal of vehicles, premises and equipment	-	(3)
Share-based payment expense	-	49
Allowance for doubtful trade receivables	16	1
Operating cash flows before movements in working capital	9,955	8,563
Changes in working capital	(4,566)	(2,782)
Cash generated from operations	5,389	5,781
Income tax paid	(26)	(879)
Net cash from operating activities	5,363	4,902
Investing activities		
Purchase of vehicles, premises and equipment	(1,023)	(2,129)
Funding from Land Transport Authority for Vehicle Emission Test Laboratory	489	-
Proceeds from disposal of vehicles, premises and equipment	-	30
Interest received	44	36
Net cash used in investing activities	(490)	(2,063)

	Group	
	1st Qtr 2012	1st Qtr 2011
	\$'000	\$'000
Financing activities		
Proceeds from exercise of share options	564	1,411
Dividends paid to non-controlling interests	(281)	(220)
Net cash used in financing activities	283	1,191
Net effect of exchange rate changes in consolidating subsidiaries	-	(8)
Net increase in cash and cash equivalents	5,156	4,022
Cash and cash equivalents at beginning of period	55,010	49,083
Cash and cash equivalents at end of period	60,166	53,105

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Qtr 2012	1st Qtr 2011
	\$'000	\$'000
Profit after taxation	7,098	6,272
Exchange differences arising on translation of foreign operations	-	(8)
Other comprehensive expense for the period	-	(8)
Total comprehensive income for the period	7,098	6,264
Total comprehensive income attributable to:		
Shareholders of the Company	7,006	6,131
Non-controlling interests	92	133
	7,098	6,264

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2012:

	Group						Total equity \$'000
	Attributable to shareholders of the Company					Non-controlling interests \$'000	
	Share capital \$'000	Other reserves \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000		
Balance at 1 January 2012	34,397	3,206	(37)	67,891	105,457	1,030	106,487
Total comprehensive income for the period	-	-	-	7,006	7,006	92	7,098
Exercise of share options	605	(41)	-	-	564	-	564
Payment of dividends to non-controlling interests	-	-	-	-	-	(281)	(281)
Balance at 31 March 2012	35,002	3,165	(37)	74,897	113,027	841	113,868

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

	Group						Total equity \$'000
	Attributable to shareholders of the Company					Non-controlling interests \$'000	
	Share capital \$'000	Other reserves \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000		
Balance at 1 January 2011	31,355	3,284	(21)	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	3,270	(29)	63,511	99,581	1,243	100,824

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2012:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2012	34,397	3,206	36,530	74,133
Total comprehensive income for the period	-	-	2,985	2,985
Exercise of share options	605	(41)	-	564
Balance at 31 March 2012	35,002	3,165	39,515	77,682

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

	Company			
	Share capital	Other 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

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 1st quarter ended 31 March 2012, the Company issued 251,000 new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 31 March 2012, the total number of issued shares was 88,114,000 (31 December 2011: 87,863,000).

Outstanding Shares – The 2001 VICOM Share Option Scheme

As at 31 March 2012, options to subscribe for 528,000 ordinary shares (31 March 2011: 1,499,000) 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 2011.

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

	Group	
	1st Qtr 2012	1st Qtr 2011
(i) Based on weighted average number of ordinary shares in issue - cents	7.96	7.04
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	7.94	7.01

EBITDA

	Group	
	1st Qtr 2012	1st Qtr 2011
(i) EBITDA (\$'000)	9,939	8,516
(ii) EBITDA margin (%)	40.9	37.9

13 NET ASSET VALUE PER ORDINARY SHARE

	<u>Group</u>		<u>Company</u>	
	<u>31 Mar</u>	<u>31 Dec</u>	<u>31 Mar</u>	<u>31 Dec</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net asset value per ordinary share based on issued share capital - cents	128.27	120.02	88.16	84.37

14 REVIEW OF GROUP PERFORMANCE

Performance Review

The Group's total revenue for the first quarter of 2012 increased by \$1.8 million or 8.2% to \$24.3 million against the corresponding period last year, contributed by growth in the vehicle inspection and test & inspection services.

The Group's operating expenses for the quarter of \$15.7 million was \$0.5 million or 3.1% higher than that of the same period last year. This increase was due mainly to the higher expenses required to generate the increased revenue, partially offset by the write-back of unused provisions for bonus.

Compared to last year, the Group's operating profits for the quarter were higher by \$1.4 million due mainly to the increased revenue and the write-back of bonus provisions.

Group profit before tax for the quarter increased by \$1.4 million or 18.9% to \$8.6 million.

Compared to last year, the Group's taxation for the quarter increased by \$0.5 million. This was due to higher taxable profits for the first quarter of 2012, as well as the deductions in the first quarter of last year from enhanced capital allowances and the Productivity and Innovation Credit Scheme from the Singapore Government 2011 Budget for Year of Assessment 2011.

Profit after tax attributable to shareholders of the Company for the quarter was \$7.0 million, which was 14.1% higher.

Statement of Financial Position

Total Equity increased by \$7.4 million from \$106.5 million as at 31 December 2011 to \$113.9 million as at 31 March 2012 due mainly to profits generated from operations.

Total Assets increased by \$5.8 million to \$139.7 million as at 31 March 2012. This was due to an increase in Current Assets by \$6.1 million, partially offset by a decrease in Non-Current Assets by \$0.4 million. The increase in Current Assets was due mainly to the increases in Cash and Bank Balances by \$5.2 million and Trade Receivables by \$1.1 million. The higher Trade Receivables as at 31 March 2012 arose mainly from higher billings in the first quarter of 2012.

Total Liabilities decreased by \$1.6 million to \$25.8 million as at 31 March 2012 due mainly to lower Current Liabilities after payment of variable bonus in March 2012.

Cash Flow

The net cash inflow in the quarter was \$5.2 million.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

The demand for vehicle inspection services is expected to remain strong as vehicles are likely to be left on the road longer amidst a climate of rising Certificate of Entitlement premiums.

The test and inspection business remains highly competitive but Setsco will continue to explore new services to sustain its performance.

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

Not applicable.

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 first quarter 2012 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Sim Wing Yew
Chief Executive Officer

BY ORDER OF THE BOARD

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

10 May 2012