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Company Registration No: 198100320K

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## **VICOM Pays \$3M for 41.5% of JIC Inspection Services Pte Ltd**

VICOM Ltd has, on 22 March 2004, entered into a conditional sale & purchase agreement with CIAS Enterprises Pte Ltd (CIAS) and ALPHA Container Services Pte Ltd (ALPHA) to acquire their combined 41.5% share in vehicle inspection business, JIC Inspection Services Pte Ltd (JIC).

The move is part of VICOM's long-term strategy to expand its vehicle inspection services islandwide, and to offer value-added services to its customers.

Under the agreement, VICOM will pay a total consideration of \$3,012,900 for CIAS' and ALPHA's 36.5% and 5% stake respectively in JIC. The other two shareholders JIC are CWT Distribution Limited and DelGro Engineering Pte Ltd. The purchase sum was achieved on a willing buyer willing seller basis.

The consideration will be payable upon completion of the share purchase. The share purchase will be completed by 31 March 2004 and VICOM will take over the management of the two centres of JIC from 1 April 2004. The share purchase will be funded using internal resources.

The profit after tax of JIC for the year ended 31 December 2002 was \$0.726 million. The NTA of JIC as at 31 December 2002 was \$4.3 million. The company enjoyed an estimated market share of 14% in 2002.

VICOM will leverage on the economy of scale and integration of inspection operations to achieve greater efficiency. With five centres currently in operation at Sin Ming, Changi, Bukit Batok, Yishun, and Kaki Bukit, the proposed share purchase will bring about a strategic expansion of VICOM's existing operations to the western part of Singapore. The share purchase is in line with VICOM's strategy of bringing its services closer to its customers.

The share purchase is not expected to have a significant impact on the net tangible asset ("NTA") of the Company immediately upon share purchase. However, the improved earnings arising from the share purchase will contribute positively to the NTA of the Company in the long run.

None of the Directors of VICOM have an interest, direct or indirect, in the above acquisition.