



VICOM LTD

Company Registration No. : 198100320K

Financial Statement and Dividend Announcement for the 2nd Quarter and Half Year ended 30 June 2009

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR RESULTS AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding periods of the immediately preceding financial year

The Board of Directors announces the unaudited results of the Group for the 2nd quarter and half year ended 30 June 2009.

	Group					
	2nd Qtr 2009	2nd Qtr 2008	Incr/ (Decr)	1st Half 2009	1st Half 2008	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	19,473	18,248	6.7	38,567	35,477	8.7
Staff costs	(8,227)	(7,481)	10.0	(16,592)	(15,126)	9.7
Depreciation expense	(1,284)	(1,267)	1.3	(2,575)	(2,486)	3.6
Repairs and maintenance	(297)	(373)	(20.4)	(600)	(602)	(0.3)
Materials and consumables	(613)	(567)	8.1	(1,216)	(1,105)	10.0
Contract services	(991)	(1,028)	(3.6)	(1,951)	(2,002)	(2.5)
Premises costs	(544)	(556)	(2.2)	(1,090)	(1,142)	(4.6)
Insurance	(39)	(37)	5.4	(73)	(76)	(3.9)
Other operating expenses	(1,087)	(1,245)	(12.7)	(2,344)	(2,277)	2.9
Total operating expenses	(13,082)	(12,554)	4.2	(26,441)	(24,816)	6.5
Operating profit	6,391	5,694	12.2	12,126	10,661	13.7
Interest income	30	42	(28.6)	75	92	(18.5)
Profit before taxation	6,421	5,736	11.9	12,201	10,753	13.5
Taxation	(1,022)	(1,151)	(11.2)	(2,068)	(1,994)	3.7
Profit after taxation	5,399	4,585	17.8	10,133	8,759	15.7
Attributable to:						
Shareholders of the Company	5,312	4,477	18.7	9,986	8,577	16.4
Minority interests	87	108	(19.4)	147	182	(19.2)
	5,399	4,585	17.8	10,133	8,759	15.7

1(a)(ii) Included in the determination of profit before taxation is:

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
After crediting:				
Write-back for doubtful trade receivables	76	57	65	139

1(a)(iii) Adjustment for (under) over provision of taxation in respect of prior years:

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Adjustment for over provision of taxation in respect of prior years	-	-	-	134

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	31,897	27,691	30,045	25,041
Trade receivables	8,072	7,641	1,404	1,315
Other receivables and prepayments	695	416	309	238
Inventories	56	52	-	-
Total current assets	40,720	35,800	31,758	26,594
Non-current assets				
Subsidiaries	-	-	26,196	26,196
Other receivables and prepayments	1,274	523	864	-
Club memberships	315	315	315	315
Vehicles, premises and equipment	41,628	42,464	26,097	26,658
Goodwill	11,325	11,325	-	-
Total non-current assets	54,542	54,627	53,472	53,169
Total assets	95,262	90,427	85,230	79,763

	Group		Company	
	30 Jun 2009 \$'000	31 Dec 2008 \$'000	30 Jun 2009 \$'000	31 Dec 2008 \$'000
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	2,481	2,979	852	583
Other payables	12,393	13,166	32,283	27,293
Income tax payable	3,934	3,965	1,478	1,561
Total current liabilities	18,808	20,110	34,613	29,437
Non-current liability				
Deferred tax liabilities	1,030	1,050	40	-
Capital, reserves and minority interests				
Share capital	30,135	30,056	30,135	30,056
Capital reserves	3,099	3,096	3,138	3,126
Accumulated profits	40,715	34,366	17,304	17,144
Equity attributable to shareholders of the Company	73,949	67,518	50,577	50,326
Minority interests	1,475	1,749	-	-
Total equity	75,424	69,267	50,577	50,326
Total liabilities & equity	95,262	90,427	85,230	79,763

1(b)(ii) Aggregate amount of group's borrowings and debt securities

NIL

Details of any collateral

NIL

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flow Statement for the 2nd quarter and half year ended 30 June 2009:

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	6,421	5,736	12,201	10,753
Adjustments for:				
Depreciation expense	1,284	1,267	2,575	2,486
Interest income	(30)	(42)	(75)	(92)
Gain on disposal of vehicles, premises and equipment	-	(6)	(13)	(4)
Share-based payment expense	8	8	16	15
Write-back for doubtful trade receivables	(76)	(57)	(65)	(139)
Operating cash flows before movements in working capital	7,607	6,906	14,639	13,019
Changes in working capital	647	(788)	(1,895)	(2,475)
Cash generated from operations	8,254	6,118	12,744	10,544
Income tax paid	(1,957)	(1,680)	(2,119)	(1,557)
Net cash from operating activities	6,297	4,438	10,625	8,987
Investing activities				
Purchase of vehicles, premises and equipment	(860)	(1,928)	(2,496)	(2,640)
Proceeds from disposal of vehicles, premises and equipment	-	6	16	6
Interest received	39	37	53	80
Net cash used in investing activities	(821)	(1,885)	(2,427)	(2,554)
Financing activities				
Proceeds from exercise of share options	7	82	75	82
Payment to minority interests	-	(220)	(421)	(220)
Dividend paid	(3,637)	(2,348)	(3,637)	(2,348)
Net cash used in financing activities	(3,630)	(2,486)	(3,983)	(2,486)
Net effect of exchange rate changes in consolidating subsidiaries				
	(9)	(11)	(9)	(16)
Net increase in cash and cash equivalents	1,837	56	4,206	3,931
Cash and cash equivalents at beginning of period	30,060	17,890	27,691	14,015
Cash and cash equivalents at end of period	31,897	17,946	31,897	17,946

1(d) **Consolidated statements of comprehensive income for the 2nd quarter and half year ended 30 June 2009:**

	Group			
	2nd Qtr 2009	2nd Qtr 2008	1st Half 2009	1st Half 2008
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	5,399	4,585	10,133	8,759
Exchange differences arising on translation of foreign operations	(9)	(11)	(9)	(16)
Other comprehensive income for the period	(9)	(11)	(9)	(16)
Total comprehensive income for the period	5,390	4,574	10,124	8,743
Total comprehensive income attributable to:				
Shareholders of the Company	5,303	4,466	9,977	8,561
Minority interests	87	108	147	182
	5,390	4,574	10,124	8,743

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Statement of Changes in Equity for the 2nd quarter and half year ended 30 June 2009:

Group	Attributable to shareholders of the Company					
	Share capital	Capital reserves	Accumulated profits	Total	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	30,056	3,096	34,366	67,518	1,749	69,267
Total comprehensive income for the period	-	-	4,674	4,674	60	4,734
Exercise of share options	72	(4)	-	68	-	68
Recognition of share-based payments	-	8	-	8	-	8
Dividend paid to minority interests	-	-	-	-	(421)	(421)
Balance at 31 March 2009	30,128	3,100	39,040	72,268	1,388	73,656
Total comprehensive income for the period	-	(9)	5,312	5,303	87	5,390
Exercise of share options	7	-	-	7	-	7
Recognition of share-based payments	-	8	-	8	-	8
Payment of dividend	-	-	(3,637)	(3,637)	-	(3,637)
Balance at 30 June 2009	30,135	3,099	40,715	73,949	1,475	75,424

Consolidated Statement of Changes in Equity for the 2nd quarter and half year ended 30 June 2008:

Group	Attributable to shareholders of the Company					
	Share capital	Capital reserves	Accumulated profits	Total	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	29,874	3,088	25,194	58,156	1,798	59,954
Total comprehensive income for the period	-	(5)	4,100	4,095	74	4,169
Recognition of share-based payments	-	7	-	7	-	7
Balance at 31 March 2008	29,874	3,090	29,294	62,258	1,872	64,130
Total comprehensive income for the period	-	(11)	4,477	4,466	108	4,574
Exercise of share options	82	(1)	-	81	-	81
Recognition of share-based payments	-	8	-	8	-	8
Payment of dividend	-	-	(2,348)	(2,348)	(220)	(2,568)
Balance at 30 June 2008	29,956	3,086	31,423	64,465	1,760	66,225

Statement of Changes in Equity of the Company for the 2nd quarter and half year ended 30 June 2009:

Company

	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	30,056	3,126	17,144	50,326
Total comprehensive income for the period	-	-	2,285	2,285
Exercise of share options	72	(4)	-	68
Recognition of share-based payments	-	8	-	8
Balance at 31 March 2009	30,128	3,130	19,429	52,687
Total comprehensive income for the period	-	-	1,512	1,512
Exercise of share options	7	-	-	7
Recognition of share-based payments	-	8	-	8
Payment of dividend	-	-	(3,637)	(3,637)
Balance at 30 June 2009	30,135	3,138	17,304	50,577

Statement of Changes in Equity of the Company for the 2nd quarter and half year ended 30 June 2008:

Company

	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	29,874	3,098	12,841	45,813
Total comprehensive income for the period	-	-	1,266	1,266
Recognition of share-based payments	-	7	-	7
Balance at 31 March 2008	29,874	3,105	14,107	47,086
Total comprehensive income for the period	-	-	3,770	3,770
Exercise of share options	82	(1)	-	81
Recognition of share-based payments	-	8	-	8
Payment of dividend	-	-	(2,348)	(2,348)
Balance at 30 June 2008	29,956	3,112	15,529	48,597

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Since 31 March 2009, the Company issued 6,500 new ordinary shares upon the exercise of options granted under the 2001 VICOM Share Option Scheme by option holders.

As at 30 June 2009, options to subscribe for 1,593,500 ordinary shares (30 June 2008: 1,105,000) remained outstanding under the 2001 VICOM Share Option Scheme.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

As at 30 June 2009, the total number of issued shares was 85,574,500 (31 December 2008: 85,498,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The financial statements have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

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 as at the year ended 31 December 2008.

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 2009. 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 except for FRS 1 - Presentation of Financial Statements (Revised) which changes the basis for presentation and structure of the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share and EBITDA of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share

	Group			
	2nd Qtr 2009	2nd Qtr 2008	1st Half 2009	1st Half 2008
(i) Based on the weighted average number of ordinary share in issue - cents	6.21	5.26	11.67	10.11
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	6.20	5.24	11.65	10.08

Earnings per share is calculated on the Group profit for the financial periods attributed to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the periods under review.

Diluted earnings per share is calculated on the same basis as earnings per share by applying the weighted average number of ordinary shares and adjusted to include the outstanding exercisable share options deemed exercised up to 30 June of the reporting periods.

Earnings before interest, taxation, depreciation and amortisation (EBITDA)

	Group			
	2nd Qtr 2009	2nd Qtr 2008	1st Half 2009	1st Half 2008
(i) EBITDA (\$'000)	7,675	6,961	14,701	13,147
(ii) EBITDA margin (%)	39.4	38.2	38.1	37.1

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year:**

	Group		Company	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
Net asset value per ordinary share based on issued share capital - cents	86.41	78.97	59.10	58.86

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Performance Review

Revenue

The Group's total revenue for 2Q09 was \$19.5 million. This was \$1.2 million or 6.7% more than the same quarter last year due mainly to higher revenue from the core businesses of vehicle inspection and test and inspection services.

Operating Expenses

Operating expenses were \$13.1 million in 2Q09. This was \$0.5 million or 4.2% more compared with the corresponding quarter last year. The increase was due mainly to the higher expenses in Setsco to support the increase in revenue, partially offset by the Jobs Credit grant, property tax and rental rebates from the Singapore Government Budget 2009.

Operating Profit

Operating profit for vehicle inspection business and test & inspection services in 2Q09 increased by \$0.3 million and \$0.5 million respectively against the corresponding quarter last year due to higher revenue.

Interest income decreased due to lower deposit interest rates.

Group profit before tax for 2Q09 increased by \$0.7 million or 11.9% to \$6.4 million.

Profit after tax attributable to Members of the Company for 2Q09 was \$5.3 million, which was \$0.8 million higher than the same quarter last year.

A segmented turnover and result for the Group are provided under item 13.

Balance Sheet

As at 30 June 2009, Total Equity increased by \$6.2 million to \$75.4 million as compared to 31 December 2008 due to profits earned for the first half 2009, partially offset by dividend payments.

Total Current Assets increased by \$4.9 million to \$40.7 million. This was due mainly to an increase in Cash and Bank Balances of \$4.2 million, increase in Trade Receivables of \$0.4 million and increase in Other Receivables and Prepayments of \$0.3 million. An increase in Non-Current Other Receivables and Prepayments of about \$0.8 million was related to the downpayment of equipment for the vehicle emission test laboratory. This was offset by a similar decrease in Vehicles, Premises and Equipment, resulting in almost no change to Total Non-Current Assets.

Total Liabilities decreased by \$1.3 million to \$19.8 million due to Other Payables and Trade Payables being lower by \$0.8 million and \$0.5 million respectively.

Cash Flow

The net cash inflow in 2Q09 was \$1.8 million after payment of dividends.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

One of our competitors has built a new inspection centre at Jalan Boon Lay. When operational from Aug 09, this is expected to have some impact on our vehicle inspection business in the western part of Singapore while the number of inspections at our other centres is expected to be maintained.

In spite of the competitive business environment, the demand for our test & inspection services in the next quarter remains strong.

11. Dividend

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per ordinary share	5.8 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per ordinary share	5.0 cents

(c) Date payable

3 September 2009

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 26 August 2009 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 25 August 2009 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 25 August 2009 will be entitled to the interim dividend.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Group segmental information for the 2nd quarter and half year ended 30 June 2009 and 30 June 2008:

Group	Vehicle	Vehicle	Test &	Rental	Other		
2nd quarter ended	Inspection	Vehicle	Inspection	Income	Related		
30 Jun 2009	Business	Assessment	Services	Income	Business	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
External sales	5,839	530	11,891	421	792	-	19,473
Inter-segment sales	1	-	27	1,603	178	(1,809)	-
Total	5,840	530	11,918	2,024	970	(1,809)	19,473

RESULT

Segment result	2,012	(42)	2,537	1,319	565	-	6,391
Interest income							30
Profit before taxation							6,421
Taxation							(1,022)
Profit after taxation							5,399
Minority interests							(87)
Profit attributable to shareholders of the Company							5,312

Group	Vehicle	Vehicle	Test &	Rental	Other		
2nd quarter ended	Inspection	Vehicle	Inspection	Income	Related		
30 Jun 2008	Business	Assessment	Services	Income	Business	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
External sales	5,602	691	10,710	383	862	-	18,248
Inter-segment sales	-	-	24	1,610	186	(1,820)	-
Total	5,602	691	10,734	1,993	1,048	(1,820)	18,248

RESULT

Segment result	1,718	47	2,035	1,269	625	-	5,694
Interest income							42
Profit before taxation							5,736
Taxation							(1,151)
Profit after taxation							4,585
Minority interests							(108)
Profit attributable to shareholders of the Company							4,477

<u>Group</u> <u>Half year ended</u> <u>30 Jun 2009</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> \$'000	<u>Vehicle</u> <u>Assessment</u> \$'000	<u>Test &</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
REVENUE							
External sales	11,844	1,073	23,352	822	1,476	-	38,567
Inter-segment sales	1	-	54	3,212	364	(3,631)	-
Total	11,845	1,073	23,406	4,034	1,840	(3,631)	38,567

RESULT

Segment result	4,146	(100)	4,443	2,628	1,009	-	12,126
Interest income							75
Profit before taxation							12,201
Taxation							(2,068)
Profit after taxation							10,133
Minority interests							(147)
Profit attributable to shareholders of the Company							9,986

<u>Group</u> <u>Half year ended</u> <u>30 Jun 2008</u>	<u>Vehicle</u> <u>Inspection</u> <u>Business</u> \$'000	<u>Vehicle</u> <u>Assessment</u> \$'000	<u>Test &</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
REVENUE							
External sales	11,173	1,299	20,634	764	1,607	-	35,477
Inter-segment sales	-	-	49	3,082	365	(3,496)	-
Total	11,173	1,299	20,683	3,846	1,972	(3,496)	35,477

RESULT

Segment result	3,541	12	3,609	2,384	1,115	-	10,661
Interest income							92
Profit before taxation							10,753
Taxation							(1,994)
Profit after taxation							8,759
Minority interests							(182)
Profit attributable to shareholders of the Company							8,577

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8 for commentaries relating to changes in performance of business segments.

The Group operates predominantly in Singapore.

15. A breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

17. Interested Person Transactions

There is no Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

18. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(4) 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 2009 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

Chan Wan Tak, Wendy / Chew Si Lyn, Cecilia
Joint Company Secretaries

11 August 2009