

VICOM LTD

Company Registration No. : 198100320K

First Quarter Financial Statement and Dividend Announcement

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 1st quarter ended 31 March 2005.

	Group		
	1st Qtr 2005	1st Qtr 2004	Incr/ (Decr)
	\$'000	\$'000	%
Turnover	11,092	10,980	1.0
Other operating income	216	428	(49.5)
Revenue	11,308	11,408	(0.9)
Staff costs	(5,592)	(5,018)	11.4
Depreciation & amortisation expense	(933)	(1,120)	(16.7)
Repair and maintenance	(169)	(163)	3.7
Raw materials and consumables	(827)	(686)	20.6
Premise costs	(476)	(581)	(18.1)
Insurance	(43)	(42)	2.4
Other operating expenses	(854)	(918)	(7.0)
Total operating expenses	(8,894)	(8,528)	4.3
Profit from operations	2,414	2,880	(16.2)
Interest income	24	8	n.m
Finance cost	(10)	(27)	(63.0)
Share of profit (loss) in associates	109	(4)	n.m
Profit before taxation	2,537	2,857	(11.2)
Taxation	(668)	(654)	2.1
Profit after taxation	1,869	2,203	(15.2)
Attributable to:			
Equity holders of the parent	1,818	1,982	(8.3)
Minority interests	51	221	(76.9)
	1,869	2,203	(15.2)

nm : not meaningful

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

	Group	
	1st Qtr 2005	1st Qtr 2004
	\$'000	\$'000
Adjustment for under provision of taxation in respect of prior years	65	0

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	
	31 Mar 2005	31 Dec 2004	31 Mar 2005	31 Dec 2004
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets:				
Cash and bank balances	7,273	8,068	5,721	6,062
Trade receivables	7,158	7,625	932	924
Other receivables and prepayments	596	434	306	278
Total current assets	15,027	16,127	6,959	7,264
Non-current assets:				
Subsidiaries	0	0	20,269	20,269
Associates	3,772	3,692	3,013	3,013
Staff loans	82	93	0	0
Club memberships	328	333	328	333
Vehicles, premises and equipment	40,372	41,079	31,502	31,918
Goodwill	9,068	9,068	0	0
Total non-current assets	53,622	54,265	55,112	55,533
Total assets	68,649	70,392	62,071	62,797
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,456	1,956	363	370
Other payables	6,073	8,049	17,230	17,631
Long-term loan – current portion	1,334	2,417	1,334	2,417
Income tax payable	3,137	3,361	1,679	1,748
Total current liabilities	12,000	15,783	20,606	22,166

	Group		Company	
	31 Mar 2005	31 Dec 2004	31 Mar 2005	31 Dec 2004
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities:				
Deferred tax liabilities	598	598	86	86
Total non-current liabilities	598	598	86	86
Equity attributable to equity holders of the parent:				
Issued capital	20,789	20,719	20,789	20,719
Capital reserves	10,253	10,152	10,258	10,155
Accumulated profits	23,810	21,992	10,332	9,671
	54,852	52,863	41,379	40,545
Minority interests	1,199	1,148	0	0
Total equity	56,051	54,011	41,379	40,545
Total liabilities & equity	68,649	70,392	62,071	62,797

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

	31 Mar 2005		31 Dec 2004	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	0	1,334	0	2,417
Amount repayable after one year	0	0	0	0
	0	1,334	0	2,417

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 1st quarter ended 31 March 2005:

	Group	
	1st Qtr 2005	1st Qtr 2004
	\$'000	\$'000
Cash flows from operating activities:		
Profit before taxation	2,537	2,857
Adjustments for:		
Depreciation & amortisation expense	933	1,120
Interest expense	10	27
Interest income	(24)	(8)
Loss on disposal of vehicles, premises and equipment	0	7
Share-based payment expenses	8	0
Share of (profit) loss in associates	(109)	4
Operating profit before working capital changes	<u>3,355</u>	<u>4,007</u>
Trade receivables	467	437
Other receivables and prepayments	(151)	(99)
Trade payables	(500)	(1,412)
Other payables	(1,976)	(444)
Cash generated from operations	<u>1,195</u>	<u>2,489</u>
Interest paid	(10)	(27)
Income tax paid	(863)	(624)
Net cash flow from operating activities	<u>322</u>	<u>1,838</u>
Cash flows from (used in) investing activities:		
Purchase of vehicles, premises and equipment	(223)	(245)
Investment in associates	0	(3,013)
Interest received	24	8
Net cash used in investing activities	<u>(199)</u>	<u>(3,250)</u>
Cash flows from (used in) financing activities:		
Proceeds from issuing shares	165	463
Bank loan paid	(1,083)	(4,083)
Net cash used in financing activities	<u>(918)</u>	<u>(3,620)</u>
Net decrease in cash and cash equivalents	(795)	(5,032)
Cash and cash equivalents at beginning of period	<u>8,068</u>	<u>11,649</u>
Cash and cash equivalents at end of period	<u>7,273</u>	<u>6,617</u>

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 1st quarter ended 31 March 2005:

Group	Attributable to equity holders of the parent				Minority Interests	Total equity
	Issued capital	Capital reserves	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000		
Balance at 1 January 2005						
-As previously stated	20,719	10,145	21,999	52,863	1,148	54,011
-Cost of share-based payment	0	7	(7)	0	0	0
-As restated	20,719	10,152	21,992	52,863	1,148	54,011
Profit after taxation	0	0	1,818	1,818	51	1,869
Exercise of share options	70	95	0	165	0	165
Currency translation differences	0	(2)	0	(2)	0	(2)
Cost of share-based payment	0	8	0	8	0	8
Balance at 31 March 2005	20,789	10,253	23,810	54,852	1,199	56,051

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2004:

Group	Attributable to equity holders of the parent				Minority Interests	Total equity
	Issued capital	Capital reserves	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000		
Balance at 1 January 2004	20,486	9,826	18,454	48,766	776	49,542
Profit after taxation	0	0	1,982	1,982	221	2,203
Exercise of share options	205	258	0	463	0	463
Balance at 31 March 2004	20,691	10,084	20,436	51,211	997	52,208

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2005:

Company

	Issued capital	Capital reserves	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2005				
-As previously stated	20,719	10,148	9,678	40,545
-Cost of share-based payment	0	7	(7)	0
-As restated	20,719	10,155	9,671	40,545
Profit after taxation	0	0	661	661
Exercise of share options	70	95	0	165
Cost of share-based payment	0	8	0	8
Balance at 31 March 2005	20,789	10,258	10,332	41,379

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2004:

Company

	Issued capital	Capital reserves	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2004	20,486	9,827	10,311	40,624
Profit after taxation	0	0	651	651
Exercise of share options	205	258	0	463
Balance at 31 March 2004	20,691	10,085	10,962	41,738

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 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 the last financial period ended 31 December 2004, the Company issued 280,000 fully paid ordinary shares of S\$0.25 each upon the exercise of options granted under the 2001 VICOM Share Option Scheme by option holders. The newly issued shares rank pari passu in all respects with the previously issued shares.

As at 31 March 2005, there were 1,758,000 (2004: 1,862,000) ordinary shares of S\$ 0.25 each under the following option schemes not exercised:-

Executive Share Option Scheme : Nil (2004: 322,000)
 2001 VICOM Share Option Scheme: 1,758,000 (2004: 1,540,000)

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard):

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 Company and the Group have 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 31 December 2004 except for the adoption of the following new Financial Reporting Standards (FRS) that became effective for financial year beginning on 1 January 2005.

FRS 102	Share-based Payment
FRS 103	Business Combinations

The impact of the changes in accounting policies are as follows :-

FRS 102

FRS 102 requires the Group and the Company to recognise an expense in the income statement for share options granted.

The total amount to be recognised as an expense in the income statement is determined by reference to the fair value of the option at the date of the grant and the number of options to be vested by the vesting date.

FRS 103

Until 31 December 2004, goodwill was amortised on a straight-line basis up to a maximum period of 20 years.

In accordance with the provisions of FRS 103,

- the Group ceased amortisation of goodwill from 1 January 2005;
- from the financial year beginning 1 January 2005 onwards, goodwill will be assessed annually for impairment before the end of each financial year, as well as when there are indications of impairment.

The adoption of the new/revised FRS does not have a material financial impact on the Group and the Company.

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**

Please refer to paragraph 4.

6. **Earnings per ordinary share 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**

	Group	
	1st Qtr 2005	1st Qtr 2004
(i) Based on the weighted average number of ordinary shares in issue - cents	2.19 cents	2.40 cents
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	2.18 cents	2.38 cents

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

	Group		Company	
	31 Mar 2005	31 Dec 2004	31 Mar 2005	31 Dec 2004
Net asset value per ordinary share based on issued share capital - cents	65.96	63.78	49.76	48.92

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

The Group's total revenue for the quarter decreased by about \$0.1 million or 1% to \$11.3 million against the corresponding period last year.

Operating expenses for the three months ended 31 March 2005 were \$8.9 million or \$0.4 million (4%) higher compared to the same period last year mainly due to higher staff costs.

Consequently, Group profit before tax in FY 2005 first quarter dipped by \$0.3 million or 11% to \$2.5 million.

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

Operating profit for vehicle inspection business in Q1 2005 was \$0.3 million lower compared to the same quarter in 2004 due to lower business volume as fewer vehicles were due for inspection in Q1 2005.

Revenue and operating profit in the vehicle assessment business fell by \$0.2 million and \$ 0.4 million respectively against the corresponding period last year mainly due to the liberalisation of the Independent Damage Assessment Centre (Idac) Scheme.

Operating profit from test and inspection services was \$0.2 million or 46% higher than the corresponding quarter last year. The increase in profit was mainly due to higher revenue from more projects being completed in Q1 2005.

BALANCE SHEET

The decrease in other payables was mainly due to the payment of bonuses to staff.

CASHFLOW

The decrease in cash and cash equivalents was due to the repayment of the quarterly bank loan instalment and payment of bonuses to staff.

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 has been previously disclosed.

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

The acquisition of 36.5% shareholding in JIC Inspection Services Pte Ltd (JIC) from DelGro Engineering Pte Ltd on 30 April 2005 will enable the Group to consolidate control of JIC, leverage on synergies and enlarge the Group's market share of vehicle inspection activities.

The vehicle assessment business set up an Independent Damage Assessment Centre (Idac) at JIC's premises in Jurong on 15 March 2005. This additional centre provides good coverage for motorists in the western part of Singapore and helps to consolidate further the Group's position as the leading Idac operator with 7 centres.

The vehicle inspection industry continues to experience high vehicle scrap rate. The vehicle assessment business has, in April 2005, introduced a new accident re-construction survey service to expand the scope of services. Additional services in biological and environmental testing are being developed to meet market demand.

11. Dividend

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on?
No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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 1st quarter ended 31 March 2005 and 31 March 2004.

Group	Vehicle Inspection business	Vehicle Assessment	Test & Inspection services	Other related business	Elimination	Total
First quarter ended 31 Mar 2005	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
TURNOVER						
External sales	3,013	1,304	6,199	792	0	11,308
Inter-segment sales	0	0	21	1,429	(1,450)	0
Revenue	<u>3,013</u>	<u>1,304</u>	<u>6,220</u>	<u>2,221</u>	<u>(1,450)</u>	<u>11,308</u>
RESULT						
Segment result	535	124	784	971	0	2,414
Interest income						24
Finance cost						(10)
Share of profit in associates						<u>109</u>
Profit before taxation						2,537
Taxation						<u>(668)</u>
Profit after taxation						1,869
Minority interests						<u>(51)</u>
Profit attributable to shareholders						<u>1,818</u>

Group First quarter ended 31 Mar 2004	Vehicle Inspection <u>business</u> \$'000	Vehicle <u>Assessment</u> \$'000	Test & Inspection <u>services</u> \$'000	Other related <u>business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
TURNOVER						
External sales	3,211	1,504	5,624	1,069	0	11,408
Inter-segment sales	0	0	0	1,281	(1,281)	0
Revenue	<u>3,211</u>	<u>1,504</u>	<u>5,624</u>	<u>2,350</u>	<u>(1,281)</u>	<u>11,408</u>
RESULT						
Segment result	827	565	538	950	0	2,880
Interest income						8
Finance cost						(27)
Share of profit in associate						(4)
Profit before taxation						<u>2,857</u>
Taxation						<u>(654)</u>
Profit after taxation						2,203
Minority interests						<u>(221)</u>
Profit attributable to shareholders						<u><u>1,982</u></u>

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

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.

BY ORDER OF THE BOARD

Bobby Tan Cher Chong
Company Secretary
11/05/2005