

VICOM LTD

Company Registration No. : 198100320K

Financial Statement and Dividend Announcement for the Third Quarter and Nine Months to 30 September 2005**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 3rd quarter and nine months to 30 September 2005.

	Group					
	3rd Qtr 2005	3rd Qtr 2004	Incr/ (Decr)	9 months to 30 Sep 2005	9 months to 30 Sep 2004	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
		(Restated)			(Restated)	
Turnover	13,040	11,293	15.5	36,233	33,407	8.5
Other operating income	258	451	(42.8)	675	1,390	(51.4)
Revenue	13,298	11,744	13.2	36,908	34,797	6.1
Staff costs	(5,720)	(5,439)	5.2	(17,173)	(15,618)	10.0
Depreciation & amortisation expense	(1,143)	(1,056)	8.2	(3,149)	(3,272)	(3.8)
Repair and maintenance	(198)	(167)	18.6	(564)	(548)	2.9
Raw materials and consumables	(1,288)	(760)	69.5	(3,225)	(2,139)	50.8
Premise costs	(580)	(574)	1.0	(1,592)	(1,560)	2.1
Insurance	(40)	(37)	8.1	(124)	(121)	2.5
Other operating expenses	(1,045)	(748)	39.7	(2,781)	(2,612)	6.5
Total operating expenses	(10,014)	(8,781)	14.0	(28,608)	(25,870)	10.6
Profit from operations	3,284	2,963	10.8	8,300	8,927	(7.0)
Interest income	12	7	71.4	46	22	109.1
Finance cost	(1)	(20)	(95.0)	(21)	(66)	(68.2)
Share of profit in associates	0	44	(100.0)	156	106	47.2
Profit before taxation	3,295	2,994	10.1	8,481	8,989	(5.7)
Taxation	(841)	(756)	11.2	(2,204)	(2,481)	(11.2)
Profit after taxation	2,454	2,238	9.7	6,277	6,508	(3.5)
Attributable to:						
Shareholders of the Company	2,408	2,077	15.9	6,157	5,867	4.9
Minority interests	46	161	(71.4)	120	641	(81.3)
	2,454	2,238	9.7	6,277	6,508	(3.5)

Figures for prior period have been restated to reflect the adoption of FRS 102. (See paragraph 4 for details).

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

	Group			
	3rd Qtr 2005	3rd Qtr 2004	9 months to 30 Sep 2005	9 months to 30 Sep 2004
	\$'000	\$'000	\$'000	\$'000
Adjustment for under provision of taxation in respect of prior years	16	0	81	295

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 Sep 2005	31 Dec 2004	30 Sep 2005	31 Dec 2004
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets:				
Cash and bank balances	5,346	8,068	3,687	6,062
Trade receivables	8,376	7,625	925	924
Other receivables and prepayments	457	434	328	278
Total current assets	14,179	16,127	4,940	7,264
Non-current assets:				
Subsidiaries	0	0	26,196	20,269
Associates	442	3,692	0	3,013
Staff loans	45	93	0	0
Club memberships	319	333	319	333
Vehicles, premises and equipment	44,136	41,079	30,678	31,918
Goodwill	11,389	9,068	0	0
Total non-current assets	56,331	54,265	57,193	55,533
Total assets	70,510	70,392	62,133	62,797

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2005</u>	<u>31 Dec 2004</u>	<u>30 Sep 2005</u>	<u>31 Dec 2004</u>
	\$'000	\$'000	\$'000	\$'000
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,765	1,956	500	370
Other payables	7,339	8,049	13,359	17,631
Long-term loan – current portion	0	2,417	0	2,417
Income tax payable	3,093	3,361	1,391	1,748
Total current liabilities	<u>12,197</u>	<u>15,783</u>	<u>15,250</u>	<u>22,166</u>
Non-current liabilities:				
Deferred tax liabilities	882	598	86	86
Total non-current liabilities	<u>882</u>	<u>598</u>	<u>86</u>	<u>86</u>
Capital and reserves:				
Issued capital	20,805	20,719	20,805	20,719
Capital reserves	10,307	10,152	10,305	10,155
Accumulated profits	24,321	21,992	15,687	9,671
Equity attributable to shareholders of the Company	<u>55,433</u>	<u>52,863</u>	<u>46,797</u>	<u>40,545</u>
Minority interests	1,998	1,148	0	0
Total equity	<u>57,431</u>	<u>54,011</u>	<u>46,797</u>	<u>40,545</u>
Total liabilities & equity	<u>70,510</u>	<u>70,392</u>	<u>62,133</u>	<u>62,797</u>

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

	<u>30 Sep 2005</u>		<u>31 Dec 2004</u>	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	0	0	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 3rd quarter and nine months to 30 September 2005:

Note	Group			
	3rd Qtr 2005	3rd Qtr 2004	9 months to 30 Sep 2005	9 months to 30 Sep 2004
	\$'000	\$'000 (Restated)	\$'000	\$'000 (Restated)
Cash flows from operating activities:				
Profit before taxation	3,295	2,994	8,481	8,989
Adjustments for:				
Depreciation & amortisation expense	1,143	1,056	3,149	3,272
Interest expense	1	20	21	66
Interest income	(12)	(7)	(46)	(22)
(Gain)/Loss on disposal of vehicles, premises and equipment	(3)	(42)	1	(34)
Share-based payment expenses	9	2	25	2
Share of profit in associates	0	(44)	(156)	(106)
Operating profit before working capital changes	4,433	3,979	11,475	12,167
Trade receivables	(672)	(652)	(303)	(303)
Other receivables and prepayments	5	34	400	(106)
Trade payables	120	70	(340)	(1,586)
Other payables	1,371	764	(765)	207
Cash generated from operations	5,257	4,195	10,467	10,379
Interest paid	(1)	(20)	(21)	(66)
Income tax paid	(931)	(1,886)	(2,718)	(3,683)
Net cash flow from operating activities	4,325	2,289	7,728	6,630
Cash flows from (used in) investing activities:				
Purchase of vehicles, premises and equipment	(493)	(176)	(1,174)	(636)
Proceeds from disposal of vehicles, premises and equipment	0	95	0	95
Investment in associates	0	0	0	(3,013)
Acquisition of subsidiary, net of cash acquired	0	0	(2,639)	0
Additional consideration paid for investment in a subsidiary	0	(111)	(264)	(111)
Interest received	12	7	46	22
Net cash used in investing activities	(481)	(185)	(4,031)	(3,643)

Note	Group			
	3rd Qtr 2005	3rd Qtr 2004	9 month to 30 Sep 2005	9 month to 30 Sep 2004
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
Cash flows from (used in) financing activities:				
Proceeds from issuing shares	10	34	211	497
Minority interests	0	0	(385)	(399)
Proceeds from bank loan	0	0	0	1,000
Bank loan paid	(250)	(1,583)	(2,417)	(6,750)
Dividends paid	(1,165)	(1,159)	(3,828)	(4,138)
Net cash used in financing activities	(1,405)	(2,708)	(6,419)	(9,790)
Net increase/(decrease) in cash and cash equivalents	2,439	(604)	(2,722)	(6,803)
Cash and cash equivalents at beginning of period	2,907	5,450	8,068	11,649
Cash and cash equivalents at end of period	5,346	4,846	5,346	4,846

Note A

Summary of the effects of the acquisition of subsidiary:

	Group			
	3rd Qtr 2005	3rd Qtr 2004	9 month to 30 Sep 2005	9 month to 30 Sep 2004
	\$'000	\$'000	\$'000	\$'000
Current assets	0	0	832	0
Non-current assets	0	0	5,021	0
Current liabilities	0	0	(498)	0
Non-current liabilities	0	0	(284)	0
Minority interest	0	0	(1,115)	0
Net assets previously recognized as an associate	0	0	(2,105)	0
Net assets acquired	0	0	1,851	0
Goodwill on acquisition	0	0	799	0
Total purchase consideration	0	0	2,650	0
Less: Cash on acquisition of subsidiary	0	0	(11)	0
Cash flow on acquisition, net of cash acquired	0	0	2,639	0

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 3rd quarter and 9 months to 30 September 2005:

Group	Attributable to shareholders of the Company				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
-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	3,749	3,749	74	3,823
Exercise of share options	83	118	0	201	0	201
Payment of dividend	0	0	(2,663)	(2,663)	(385)	(3,048)
Currency translation differences	0	(1)	0	(1)	0	(1)
Interim dividend	0	0	(1,165)	(1,165)	0	(1,165)
Share-based payment	0	16	0	16	0	16
Acquisition of subsidiary	0	0	0	0	1,115	1,115
Balance at 30 June 2005	20,802	10,285	21,913	53,000	1,952	54,952
Profit after taxation	0	0	2,408	2,408	46	2,454
Exercise of share options	3	7	0	10	0	10
Currency translation differences	0	6	0	6	0	6
Share-based payment	0	9	0	9	0	9
Balance at 30 September 2005	20,805	10,307	24,321	55,433	1,998	57,431

Consolidated Statement of Changes in Equity for the 3rd quarter and 9 months to 30 September 2004:

Group	Attributable to shareholders of the Company				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	3,790	3,790	480	4,270
Exercise of share options	205	258	0	463	0	463
Payment of dividend	0	0	(2,979)	(2,979)	(399)	(3,378)
Currency translation differences	0	(2)	0	(2)	0	(2)
Interim dividend	0	0	(1,159)	(1,159)	0	(1,159)
Balance at 30 June 2004	20,691	10,082	18,106	48,879	857	49,736
Profit after taxation	0	0	2,077	2,077	161	2,238
Exercise of share options	11	23	0	34	0	34
Currency translation differences	0	(3)	0	(3)	0	(3)
Share-based payment	0	2	0	2	0	2
Balance at 30 September 2004	20,702	10,104	20,183	50,989	1,018	52,007

Statement of Changes in Equity of the Company for the 3rd quarter and 9 months to 30 September 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
-Share-based payment	0	7	(7)	0
-As restated	20,719	10,155	9,671	40,545
Profit after taxation	0	0	8,761	8,761
Exercise of share options	83	118	0	201
Payment of dividend	0	0	(2,663)	(2,663)
Interim dividend	0	0	(1,165)	(1,165)
Share-based payment	0	16	0	16
Balance at 30 June 2005	20,802	10,289	14,604	45,695
Profit after taxation	0	0	1,083	1,083
Exercise of share options	3	7	0	10
Share-based payment	0	9	0	9
Balance at 30 September 2005	20,805	10,305	15,687	46,797

Statement of Changes in Equity of the Company for the 3rd quarter and 9 months to 30 September 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	1,705	1,705
Exercise of share options	205	258	0	463
Payment of dividend	0	0	(2,979)	(2,979)
Interim dividend	0	0	(1,159)	(1,159)
Balance at 30 June 2004	20,691	10,085	7,878	38,654
Profit after taxation	0	0	970	970
Exercise of share options	11	23	0	34
Share-based payment	0	2	0	2
Balance as at 30 September 2004	20,702	10,110	8,848	39,660

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 30 June 2005, the Company issued 12,000 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.

As at 30 September 2005, there were 1,887,000 (2004: 1,761,000) ordinary shares of S\$ 0.25 each under the 2001 VICOM Share Option Scheme not exercised.

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 is 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			
	3rd Qtr 2005	3rd Qtr 2004	9 months to 30 Sep 2005	9 months to 30 Sep 2004
(i) Based on the weighted average number of ordinary shares in issue - cents	2.89	2.51	7.40	7.09
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	2.88	2.50	7.38	7.06

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	
	30 Sep 2005	31 Dec 2004	30 Sep 2005	31 Dec 2004
Net asset value per ordinary share based on issued share capital - cents	66.61	63.78	56.23	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 increased by about \$1.6 million or 13% to \$13.3 million against the corresponding period last year.

Operating expenses rose by about \$1.2 million (14%) in FY 2005 third quarter to \$10 million, compared with the corresponding period last year. This increase was mainly due to the higher expenses in Setsco which were incurred to generate an increase in revenue and the full absorption of costs for the quarter from JIC which became a subsidiary with effect from 1 May 2005.

Consequently, Group profit before tax for the three months ended 30 September 2005 rose by \$0.3 million or 10% to \$3.3 million.

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

Revenue and operating profit for vehicle inspection business in Q3 2005 were higher by \$1.1 million and \$0.5 million respectively compared to the same quarter in 2004 due to the contribution from JIC as a subsidiary with effect from 1 May 2005.

Revenue and operating profit in the vehicle assessment business fell by \$0.6 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.

Revenue and operating profit from test and inspection services were higher than the corresponding quarter last year by \$1.2 million and \$0.4 million respectively. The increase in profit was mainly due to higher revenue from more projects which were completed in Q3 2005.

BALANCE SHEET

With the shareholding of VICOM Ltd in JIC Inspection Services Pte Ltd raised from 41.5% to 78%, there is an increase in investment in Subsidiaries and a decrease in investment in Associates.

The bank loan was fully repaid in September 2005.

CASHFLOW

Of the cash of \$4.4 million generated from operations, \$0.5 million was used to purchase fixed assets. Net cash inflow for Q3 2005 of \$2.4 million was after paying dividends and repayment of bank loan.

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 volume of vehicle inspections is expected to remain at the current level and the test and inspection business is expected to be maintained.

Although the Independent Damage Assessment Centre (Idac) Scheme has been liberalised by the General Insurance Association of Singapore, the vehicle assessment business has embarked on a new service to provide Third Party claims assistance to motorists.

With an improvement in the industrial property rental market, the Company expects to achieve better occupancy rate of its premises.

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 3rd quarter and 9 months to 30 September 2005 and 30 September 2004.

Group Third Quarter ended 30 September 2005	Vehicle Inspection <u>business</u> \$'000	Vehicle <u>Assessment</u> \$'000	Test & Inspection <u>services</u> \$'000	Rental <u>Income</u> \$'000	Other related <u>business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
TURNOVER							
External sales	4,099	1,059	7,238	228	674	0	13,298
Inter-segment sales	0	0	21	1,419	136	(1,576)	0
Revenue	4,099	1,059	7,259	1,647	810	(1,576)	13,298
RESULT							
Segment result	1,084	7	972	906	315	0	3,284
Interest income							12
Finance cost							(1)
Profit before taxation							3,295
Taxation							(841)
Profit after taxation							2,454
Minority interests							(46)
Profit attributable to shareholders							2,408

Group 9 months to 30 September 2005	Vehicle Inspection <u>business</u> \$'000	Vehicle <u>Assessment</u> \$'000	Test & Inspection <u>services</u> \$'000	Rental <u>Income</u> \$'000	Other related <u>business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
TURNOVER							
External sales	10,674	3,434	20,302	541	1,957	0	36,908
Inter-segment sales	0	0	64	4,092	350	(4,506)	0
Revenue	10,674	3,434	20,366	4,633	2,307	(4,506)	36,908
RESULT							
Segment result	2,310	115	2,581	2,404	890	0	8,300
Interest income							46
Finance cost							(21)
Share of profit in associate							156
Profit before taxation							8,481
Taxation							(2,204)
Profit after taxation							6,277
Minority interests							(120)
Profit attributable to shareholders							6,157

Group Third Quarter ended 30 September 2004	Vehicle Inspection <u>business</u> \$'000	Vehicle <u>Assessment</u> \$'000	Test & Inspection <u>services</u> \$'000	Rental <u>Income</u> \$'000	Other related <u>business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
TURNOVER							
External sales	3,009	1,674	5,989	301	771	0	11,744
Inter-segment sales			35	1,445	127	(1,607)	0
Revenue	3,009	1,674	6,024	1,746	898	(1,607)	11,744
RESULT							
Segment result	539	412	603	921	488	0	2,963
Interest income							7
Finance cost							(20)
Share of profit in associates							44
Profit before taxation							2,994
Taxation							(756)
Profit after taxation							2,238
Minority interests							(161)
Profit attributable to shareholders							2,077

Group 9 months to 30 September 2004	Vehicle Inspection <u>business</u> \$'000	Vehicle <u>Assessment</u> \$'000	Test & Inspection <u>services</u> \$'000	Rental <u>Income</u> \$'000	Other related <u>business</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
TURNOVER							
External sales	9,172	4,890	17,444	1,098	2,193	0	34,797
Inter-segment sales	0	0	84	3,903	282	(4,269)	0
Revenue	9,172	4,890	17,528	5,001	2,475	(4,269)	34,797
RESULT							
Segment result	1,925	1,635	1,711	2,672	984	0	8,927
Interest income							22
Finance cost							(66)
Share of profit in associate							106
Profit before taxation							8,989
Taxation							(2,481)
Profit after taxation							6,508
Minority interests							(641)
Profit attributable to shareholders							5,867

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.

BY ORDER OF THE BOARD

Bobby Tan Cher Chong
Company Secretary
10/11/2005