

VICOM LTD

Company Registration No. : 198100320K

Financial Statement and Dividend Announcement for the Second Quarter and Half Year ended 30 June 2007**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 2007.

	Group					
	2nd Qtr	2nd Qtr	Incr/	1st Half	1st Half	Incr/
	2007	2006	(Decr)	2007	2006	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Turnover	16,648	13,910	19.7	31,251	26,776	16.7
Other operating income	370	313	18.2	723	662	9.2
Revenue	17,018	14,223	19.7	31,974	27,438	16.5
Staff costs	(6,714)	(6,471)	3.8	(13,011)	(12,570)	3.5
Depreciation expense	(1,157)	(1,042)	11.0	(2,329)	(2,125)	9.6
Repair & maintenance	(350)	(212)	65.1	(599)	(385)	55.6
Materials and consumables	(639)	(518)	23.4	(1,114)	(924)	20.6
Payment for contract services	(988)	(905)	9.2	(1,642)	(1,640)	0.1
Premise costs	(602)	(517)	16.4	(1,137)	(1,051)	8.2
Insurance	(25)	(31)	(19.4)	(94)	(104)	(9.6)
Other operating expenses	(944)	(993)	(4.9)	(2,042)	(1,988)	2.7
Total operating expenses	(11,419)	(10,689)	6.8	(21,968)	(20,787)	5.7
Operating profit	5,599	3,534	58.4	10,006	6,651	50.4
Interest income	70	56	25.0	157	113	38.9
Profit before taxation	5,669	3,590	57.9	10,163	6,764	50.3
Taxation	(1,040)	(915)	13.7	(1,988)	(1,743)	14.1
Profit after taxation	4,629	2,675	73.0	8,175	5,021	62.8
Attributable to:						
Shareholders of the Company	4,557	2,652	71.8	8,055	5,010	60.8
Minority interests	72	23	nm	120	11	nm
	4,629	2,675	73.0	8,175	5,021	62.8

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

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Adjustment for under provision of taxation in respect of prior years	9	0	9	2
Effect of changes in tax rates	0	0	(99)	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	
	30 Jun	31 Dec	30 Jun	31 Dec
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	12,289	13,710	9,965	11,531
Trade receivables	9,200	7,264	825	1,063
Other receivables and prepayments	524	555	271	882
Inventories	16	2	0	0
Total current assets	<u>22,029</u>	<u>21,531</u>	<u>11,061</u>	<u>13,476</u>
Non-current assets				
Subsidiaries	0	0	26,196	26,196
Staff loans	58	17	0	0
Club memberships	315	315	315	315
Vehicles, premises and equipment	44,324	45,533	28,835	29,402
Goodwill	11,325	11,325	0	0
Total non-current assets	<u>56,022</u>	<u>57,190</u>	<u>55,346</u>	<u>55,913</u>
Total assets	<u><u>78,051</u></u>	<u><u>78,721</u></u>	<u><u>66,407</u></u>	<u><u>69,389</u></u>

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	1,860	2,600	445	358
Other payables	6,904	8,212	14,053	16,701
Income tax payable	3,869	3,428	1,500	1,639
Total current liabilities	<u>12,633</u>	<u>14,240</u>	<u>15,998</u>	<u>18,698</u>
Non-current liability				
Deferred tax liabilities	890	989	18	20
Capital reserves and minority interests				
Share capital	29,131	28,552	29,131	28,552
Capital reserves (Note a)	3,091	3,099	3,094	3,106
Accumulated profits	30,586	29,911	18,166	19,013
Equity attributable to shareholders of the Company	<u>62,808</u>	<u>61,562</u>	<u>50,391</u>	<u>50,671</u>
Minority interests	1,720	1,930	0	0
Total equity	<u>64,528</u>	<u>63,492</u>	<u>50,391</u>	<u>50,671</u>
Total liabilities & equity	<u>78,051</u>	<u>78,721</u>	<u>66,407</u>	<u>69,389</u>

Note a : Please refer to note 1 in the consolidated statement of changes in equity – Paragraph 1(d)(i) on the transfer of share premium account to share capital as a result of Companies (Amendment) Act 2005.

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 2007:

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	5,669	3,590	10,163	6,764
Adjustments for:				
Depreciation expense	1,157	1,042	2,329	2,125
Interest income	(70)	(56)	(157)	(113)
(Gain)/Loss on disposal of vehicles, premises and equipment	(23)	(1)	4	29
Share-based payment expense	2	3	3	9
Operating cash flows before movements in working capital	6,735	4,578	12,342	8,814
Trade receivables	245	(919)	(1,936)	(1,788)
Other receivables and prepayments	237	115	3	(130)
Inventories	(14)	1	(14)	0
Trade payables	(146)	(442)	(740)	(540)
Other payables	(1,975)	(202)	(1,308)	(337)
Cash generated from operations	5,082	3,131	8,347	6,019
Income tax paid	(1,150)	(1,457)	(1,646)	(1,474)
Net cash from operating activities	3,932	1,674	6,701	4,545
Investing activities				
Purchase of vehicles, premises and equipment	(531)	(659)	(1,293)	(1,113)
Proceeds from disposal of vehicles, premises and equipment	100	0	169	0
Interest received	63	56	144	113
Net cash used in investing activities	(368)	(603)	(980)	(1,000)
Financing activities				
Proceeds from share issue	321	243	564	436
Minority interests	(330)	(220)	(330)	(220)
Dividends paid	(7,380)	(4,522)	(7,380)	(4,522)
Net cash used in financing activities	(7,389)	(4,499)	(7,146)	(4,306)
Net effect of exchange rate changes in consolidating subsidiaries				
	4	(2)	4	(8)
Net decrease in cash and cash equivalents	(3,821)	(3,430)	(1,421)	(769)
Cash and cash equivalents at beginning of period	16,110	12,187	13,710	9,526
Cash and cash equivalents at end of period	12,289	8,757	12,289	8,757

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 2007:

Group	<u>Attributable to shareholders of the Company</u>					Total equity
	Share capital	Capital reserves	Accumulated profits	Total	Minority interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2007	28,552	3,099	29,911	61,562	1,930	63,492
Profit after taxation	0	0	3,498	3,498	48	3,546
Total recognised income and expense for the period	0	0	3,498	3,498	48	3,546
Exercise of share options	251	(8)	0	243	0	243
Recognition of share-based payments	0	1	0	1	0	1
Balance at 31 March 2007	28,803	3,092	33,409	65,304	1,978	67,282
Exchange differences arising on translation of foreign operations	0	4	0	4	0	4
Net expense recognised directly in equity	0	4	0	4	0	4
Profit after taxation	0	0	4,557	4,557	72	4,629
Total recognised income and expense for the period	0	4	4,557	4,561	72	4,633
Exercise of share options	328	(7)	0	321	0	321
Recognition of share-based payments	0	2	0	2	0	2
Payment of dividend	0	0	(7,380)	(7,380)	(330)	(7,710)
Balance at 30 June 2007	29,131	3,091	30,586	62,808	1,720	64,528

Consolidated Statement of Changes in Equity for the 2nd quarter and half year ended 30 June 2006:

Group	<u>Attributable to shareholders of the Company</u>				Minority interests	Total equity
	Share capital	Capital reserves	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000		
Balance at 1 January 2006	20,805	10,304	26,822	57,931	2,158	60,089
Exchange differences arising on translation of foreign operations	0	(6)	0	(6)	0	(6)
Net expense recognised directly in equity	0	(6)	0	(6)	0	(6)
Profit after taxation	0	0	2,358	2,358	(12)	2,346
Total recognised income and expense for the period	0	(6)	2,358	2,352	(12)	2,340
Exercise of share options	198	(5)	0	193	0	193
Recognition of share-based payments	0	6	0	6	0	6
Adjustment arising from abolition of par value of shares (Note 1)	7,200	(7,200)	0	0	0	0
Balance at 31 March 2006	28,203	3,099	29,180	60,482	2,146	62,628
Exchange differences arising on translation of foreign operations	0	(2)	0	(2)	0	(2)
Net expense recognised directly in equity	0	(2)	0	(2)	0	(2)
Profit after taxation	0	0	2,652	2,652	23	2,675
Total recognised income and expense for the period	0	(2)	2,652	2,650	23	2,673
Exercise of share options	252	(9)	0	243	0	243
Recognition of share-based payments	0	3	0	3	0	3
Payment of dividend	0	0	(4,522)	(4,522)	(220)	(4,742)
Balance at 30 June 2006	28,455	3,091	27,310	58,856	1,949	60,805

Statement of Changes in Equity of the Company for the 2nd quarter and half year ended 30 June 2007:

Company

	Share capital	Capital reserves	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2007	28,552	3,106	19,013	50,671
Profit after taxation	0	0	971	971
Total recognised income and expense for the period	0	0	971	971
Exercise of share options	251	(8)	0	243
Recognition of share-based payments	0	1	0	1
Balance at 31 March 2007	28,803	3,099	19,984	51,886
Profit after taxation	0	0	5,562	5,562
Total recognised income and expense for the period	0	0	5,562	5,562
Exercise of share options	328	(7)	0	321
Recognition of share-based payments	0	2	0	2
Payment of dividend	0	0	(7,380)	(7,380)
Balance at 30 June 2007	29,131	3,094	18,166	50,391

Statement of Changes in Equity of the Company for the 2nd quarter and half year ended 30 June 2006:

Company

	Share capital	Capital reserves	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2006	20,805	10,306	16,478	47,589
Profit after taxation	0	0	930	930
Total recognised income and expense for the period	0	0	930	930
Exercise of share options	198	(5)	0	193
Recognition of share-based payments	0	6	0	6
Adjustment arising from abolition of par value of shares (Note 1)	7,200	(7,200)	0	0
Balance at 31 March 2006	28,203	3,107	17,408	48,718
Profit after taxation	0	0	4,187	4,187
Total recognised income and expense for the period	0	0	4,187	4,187
Exercise of share options	252	(9)	0	243
Recognition of share-based payments	0	3	0	3
Payment of dividend	0	0	(4,522)	(4,522)
Balance at 30 June 2006	28,455	3,101	17,073	48,629

Note 1

As a result of the Companies (Amendment) Act 2005 which became effective on 30 January 2006, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of the share premium account has been transferred to the Company's share capital account on the effective date.

- 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 March 2007, the Company issued 370,000 new ordinary shares upon the exercise of options granted under the 2001 VICOM Share Option Scheme by option holders.

90,000 options of the 2001 VICOM Share Option Scheme had lapsed.

As at 30 June 2007, options to subscribe for 1,398,000 ordinary shares (2006: 1,694,000) remained outstanding under the 2001 VICOM Share Option Scheme.

- 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 Group and the Company 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 2006.

- 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 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			
	2nd Qtr 2007	2nd Qtr 2006	1st Half 2007	1st Half 2006
(i) Based on the weighted average number of ordinary shares in issue – cents	5.40	3.17	9.54	5.99
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	5.36	3.16	9.48	5.97

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 Jun 2007	31 Dec 2006	30 Jun 2007	31 Dec 2006
Net asset value per ordinary share based on issued share capital - cents	74.32	73.39	59.63	60.41

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 Q2 2007 was \$17 million. This is \$2.8 million or 20% more than the same quarter last year.

Operating expenses was \$11.4 million in Q2 2007. This is \$0.7 million or 7% 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.

Group profit before tax increased by \$2.1 million or 58% to \$5.7 million in Q2 2007.

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

Revenue of \$5 million and operating profit of \$1.8 million for the vehicle inspection business in Q2 2007 increased by \$0.7 million and \$0.4 million respectively against the same quarter last year. The increase was due mainly to the addition of the Chassis Dynamometer Smoke Test (CDST) business.

Revenue in the vehicle assessment business decreased by \$0.1 million against the corresponding quarter last year as it is no longer compulsory for claimants to report at Independent Damage Assessment Centres. Operating loss was reduced marginally during this quarter due to a reduction in costs.

Revenue of \$10.3 million for the test and inspection services was higher than the corresponding quarter last year by \$2.3 million due to higher business volume. Operating profit at \$2.6 million was \$1.7 million higher than that for the corresponding quarter in 2006.

The net cash outflow in Q2 2007 was \$3.8 million after payment of dividends and purchase of vehicles and equipment.

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

The decreased rate of vehicle deregistration is expected to translate to an increase in inspection volume for the rest of the year. The new CDST business will also add to revenue growth.

The testing and inspection business is expected to continue to grow in line with the buoyant economy. However, competition will remain keen.

11. Dividend

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on?

Yes.

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Rate	3 cents per ordinary share (less tax)	12.5 cents per ordinary share (less tax)
Tax rate	18%	18%

(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	Special
Dividend Type	Cash	Cash
Dividend Rate	2 cents per ordinary share (less tax)	2 cents per ordinary share (less tax)
Tax rate	20%	20%

(c) Date payable

12 September 2007

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 29 August 2007 to 30 August 2007 (both dates inclusive) for the purposes of determining shareholders' entitlements to the proposed interim and special dividends.

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 28 August 2007 will be registered before shareholders' entitlements to the interim and special dividends 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 28 August 2007 will be entitled to the proposed interim and special dividends.

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 2007 and 30 June 2006.

<u>Group</u> <u>Second quarter ended</u> <u>30 Jun 2007</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
TURNOVER							
External sales	5,000	632	10,317	364	705	0	17,018
Inter-segment sales	0	0	26	1,163	164	(1,353)	0
Revenue	5,000	632	10,343	1,527	869	(1,353)	17,018
RESULT							
Segment result	1,769	(27)	2,609	807	441	0	5,599
Interest income							70
Profit before taxation							5,669
Taxation							(1,040)
Profit after taxation							4,629
Minority interests							(72)
Profit attributable to shareholders of the Company							4,557

<u>Group</u> <u>Second quarter ended</u> <u>30 Jun 2006</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
TURNOVER							
External sales	4,258	779	8,015	328	843	0	14,223
Inter-segment sales	0	0	73	1,231	160	(1,464)	0
Revenue	4,258	779	8,088	1,559	1,003	(1,464)	14,223
RESULT							
Segment result	1,322	(58)	897	864	509	0	3,534
Interest income							56
Profit before taxation							3,590
Taxation							(915)
Profit after taxation							2,675
Minority interests							(23)
Profit attributable to shareholders of the Company							2,652

<u>Group</u> <u>Half year ended</u> <u>30 Jun 2007</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
TURNOVER							
External sales	10,113	1,291	18,389	709	1,472	0	31,974
Inter-segment sales	0	0	59	2,331	323	(2,713)	0
Revenue	10,113	1,291	18,448	3,040	1,795	(2,713)	31,974

RESULT

Segment result	3,676	(79)	3,868	1,598	943	0	10,006
Interest income							157
Profit before taxation							10,163
Taxation							(1,988)
Profit after taxation							8,175
Minority interests							(120)
Profit attributable to shareholders of the Company							8,055

<u>Group</u> <u>Half year ended</u> <u>30 Jun 2006</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
TURNOVER							
External sales	8,409	1,616	15,200	627	1,586	0	27,438
Inter-segment sales	0	0	73	2,516	310	(2,899)	0
Revenue	8,409	1,616	15,273	3,143	1,896	(2,899)	27,438

RESULT

Segment result	2,424	(168)	1,757	1,749	889	0	6,651
Interest income							113
Profit before taxation							6,764
Taxation							(1,743)
Profit after taxation							5,021
Minority interests							(11)
Profit attributable to shareholders of the Company							5,010

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. 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 2007 financial results to be false or misleading.

ON BEHALF OF THE DIRECTORS

LIM JIT POH
Chairman

HENG CHYE KIOU
Chief Executive Officer

BY ORDER OF THE BOARD

Cheng Pei Jiu, Rebecca
Company Secretary

8 August 2007