

VICOM LTD

Company Registration No. : 198100320K

Financial Statement and Dividend Announcement for the Third Quarter and Nine Months to 30 September 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 3rd quarter and 9 months to 30 September 2007.

	Group					
	3rd Qtr 2007	3rd Qtr 2006	Incr/ (Decr) %	9 months to 30 Sep 2007	9 months to 30 Sep 2006	Incr/ (Decr) %
	\$'000	\$'000	%	\$'000	\$'000	%
Turnover	15,839	13,394	18.3	47,090	40,170	17.2
Other operating income	451	369	22.2	1,174	1,031	13.9
Revenue	16,290	13,763	18.4	48,264	41,201	17.1
Staff costs	(6,928)	(6,366)	8.8	(19,939)	(18,936)	5.3
Depreciation expense	(1,164)	(1,031)	12.9	(3,493)	(3,156)	10.7
Repair & maintenance	(230)	(232)	(0.9)	(829)	(617)	34.4
Materials and consumables	(475)	(380)	25.0	(1,589)	(1,304)	21.9
Payment for contract services	(1,190)	(721)	65.0	(2,832)	(2,361)	19.9
Premise costs	(608)	(566)	7.4	(1,745)	(1,617)	7.9
Insurance	(27)	(27)	-	(121)	(131)	(7.6)
Other operating expenses	(1,513)	(939)	61.1	(3,555)	(2,927)	21.5
Total operating expenses	(12,135)	(10,262)	18.3	(34,103)	(31,049)	9.8
Operating profit	4,155	3,501	18.7	14,161	10,152	39.5
Interest income	58	54	7.4	215	167	28.7
Profit before taxation	4,213	3,555	18.5	14,376	10,319	39.3
Taxation	(884)	(971)	(9.0)	(2,872)	(2,714)	5.8
Profit after taxation	3,329	2,584	28.8	11,504	7,605	51.3
Attributable to:						
Shareholders of the Company	3,246	2,581	25.8	11,301	7,591	48.9
Minority interests	83	3	N.M.	203	14	N.M.
	3,329	2,584	28.8	11,504	7,605	51.3

N.M. Not meaningful

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

	Group			
	3rd Qtr	3rd Qtr	9 months to	9 months to
	2007	2006	30 Sep 2007	30 Sep 2006
	\$'000	\$'000	\$'000	\$'000
After charging:				
Provision for doubtful debts and bad debts written off	484	0	428	65

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

	Group			
	3rd Qtr	3rd Qtr	9 months to	9 months to
	2007	2006	30 Sep 2007	30 Sep 2006
	\$'000	\$'000	\$'000	\$'000
Adjustment for under provision for taxation in respect of prior years	0	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 Sep 2007	31 Dec 2006	30 Sep 2007	31 Dec 2006
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	7,640	13,710	5,540	11,531
Trade receivables	9,907	7,264	841	1,063
Other receivables and prepayments	576	555	267	882
Inventories	37	2	0	0
Total current assets	18,160	21,531	6,648	13,476
Non-current assets				
Subsidiaries	0	0	26,196	26,196
Staff loans	44	17	0	0
Club memberships	315	315	315	315
Vehicles, premises and equipment	43,490	45,533	28,452	29,402
Goodwill	11,325	11,325	0	0
Total non-current assets	55,174	57,190	54,963	55,913
Total assets	73,334	78,721	61,611	69,389

	Group		Company	
	30 Sep	31 Dec	30 Sep	31 Dec
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	1,968	2,600	384	358
Other payables	9,094	8,212	16,018	16,701
Income tax payable	3,738	3,428	1,377	1,639
Total current liabilities	14,800	14,240	17,779	18,698
Non-current liability				
Deferred tax liabilities	890	989	18	20
Capital reserves and minority interests				
Share capital	29,874	28,552	29,874	28,552
Capital reserves	3,082	3,099	3,090	3,106
Accumulated profits	22,995	29,911	10,850	19,013
Equity attributable to shareholders of the Company	55,951	61,562	43,814	50,671
Minority interests	1,693	1,930	0	0
Total equity	57,644	63,492	43,814	50,671
Total liabilities & equity	73,334	78,721	61,611	69,389

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 3rd quarter and 9 months to 30 September 2007:

	Group			
	3rd Qtr 2007 \$'000	3rd Qtr 2006 \$'000	9 months to 30 Sep 2007 \$'000	9 months to 30 Sep 2006 \$'000
Operating activities				
Profit before taxation	4,213	3,555	14,376	10,319
Adjustments for:				
Depreciation expense	1,164	1,031	3,493	3,156
Interest income	(58)	(54)	(215)	(167)
(Gain) Loss on disposal of vehicles, premises and equipment	(9)	4	(5)	33
Share-based payment expense	8	3	11	12
Operating cash flows before movements in working capital	5,318	4,539	17,660	13,353
Trade receivables	(707)	177	(2,643)	(1,611)
Other receivables and prepayments	(49)	(112)	(46)	(242)
Inventories	(21)	0	(35)	0
Trade payables	108	315	(632)	(225)
Other payables	2,190	2,150	882	1,813
Cash generated from operations	6,839	7,069	15,186	13,088
Income tax paid	(1,015)	(1,217)	(2,661)	(2,691)
Net cash from operating activities	5,824	5,852	12,525	10,397
Investing activities				
Purchase of vehicles, premises and equipment	(346)	(2,573)	(1,560)	(3,686)
Proceeds from disposal of vehicles, premises and equipment	25	0	115	0
Interest received	69	54	213	167
Net cash used in investing activities	(252)	(2,519)	(1,232)	(3,519)
Financing activities				
Proceeds from share issue	731	92	1,295	528
Minority interests	(110)	0	(440)	(220)
Payment of dividends	(10,837)	(2,684)	(18,217)	(7,206)
Net cash used in financing activities	(10,216)	(2,592)	(17,362)	(6,898)
Net effect of exchange rate changes in consolidating subsidiaries	(5)	2	(1)	(6)
Net (decrease) increase in cash and cash equivalents	(4,649)	743	(6,070)	(26)
Cash and cash equivalents at beginning of period	12,289	8,757	13,710	9,526
Cash and cash equivalents at end of period	7,640	9,500	7,640	9,500

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 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
Exchange differences arising on translation of foreign operations	0	4	0	4	0	4
Net income recognised directly in equity	0	4	0	4	0	4
Profit after taxation	0	0	8,055	8,055	120	8,175
Total recognised income for the period	0	4	8,055	8,059	120	8,179
Exercise of share options	579	(15)	0	564	0	564
Recognition of share-based payments	0	3	0	3	0	3
Payment of dividends	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
Exchange differences arising on translation of foreign operations	0	(5)	0	(5)	0	(5)
Net expense recognised directly in equity	0	(5)	0	(5)	0	(5)
Profit after taxation	0	0	3,246	3,246	83	3,329
Total recognised income and expense for the period	0	(5)	3,246	3,241	83	3,324
Exercise of share options	743	(12)	0	731	0	731
Recognition of share-based payments	0	8	0	8	0	8
Payment of dividends	0	0	(10,837)	(10,837)	(110)	(10,947)
Balance at 30 September 2007	29,874	3,082	22,995	55,951	1,693	57,644

Consolidated Statement of Changes in Equity for the 3rd quarter and 9 months to 30 September 2006:

Group	Attributable to shareholders of the Company				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	(8)	0	(8)	0	(8)
Net expense recognised directly in equity	0	(8)	0	(8)	0	(8)
Profit after taxation	0	0	5,010	5,010	11	5,021
Total recognised income and expense for the period	0	(8)	5,010	5,002	11	5,013
Exercise of share options	450	(14)	0	436	0	436
Recognition of share-based payments	0	9	0	9	0	9
Payment of dividends	0	0	(4,522)	(4,522)	(220)	(4,742)
Adjustment arising from abolition of par value of shares (Note 1)	7,200	(7,200)	0	0	0	0
Balance at 30 June 2006	28,455	3,091	27,310	58,856	1,949	60,805
Exchange differences arising on translation of foreign operations	0	2	0	2	0	2
Net income recognised directly in equity	0	2	0	2	0	2
Profit after taxation	0	0	2,581	2,581	3	2,584
Total recognised income for the period	0	2	2,581	2,583	3	2,586
Exercise of share options	92	0	0	92	0	92
Recognition of share-based payments	0	3	0	3	0	3
Payment of dividends	0	0	(2,684)	(2,684)	0	(2,684)
Balance at 30 September 2006	28,547	3,096	27,207	58,850	1,952	60,802

Statement of Changes in Equity of the Company for the 3rd quarter and 9 months to 30 September 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	6,533	6,533
Total recognised income for the period	0	0	6,533	6,533
Exercise of share options	579	(15)	0	564
Recognition of share-based payments	0	3	0	3
Payment of dividends	0	0	(7,380)	(7,380)
Balance at 30 June 2007	29,131	3,094	18,166	50,391
Profit after taxation	0	0	3,521	3,521
Total recognised income for the period	0	0	3,521	3,521
Exercise of share options	743	(12)	0	731
Recognition of share-based payments	0	8	0	8
Payment of dividends	0	0	(10,837)	(10,837)
Balance at 30 September 2007	29,874	3,090	10,850	43,814

Statement of Changes in Equity of the Company for the 3rd quarter and 9 months to 30 September 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	5,117	5,117
Total recognised income for the period	0	0	5,117	5,117
Exercise of share options	450	(14)	0	436
Recognition of share-based payments	0	9	0	9
Payment of dividends	0	0	(4,522)	(4,522)
Adjustment arising from abolition of par value of shares (Note 1)	7,200	(7,200)	0	0
Balance at 30 June 2006	28,455	3,101	17,073	48,629
Profit after taxation	0	0	3,388	3,388
Total recognised income for the period	0	0	3,388	3,388
Exercise of share options	92	0	0	92
Recognition of share-based payments	0	3	0	3
Payment of dividends	0	0	(2,684)	(2,684)
Balance at 30 September 2006	28,547	3,104	17,777	49,428

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 30 June 2007, the Company issued 796,000 new ordinary shares upon the exercise of options granted under the 2001 VICOM Share Option Scheme by option holders.

As at 30 September 2007, options to subscribe for 1,202,000 ordinary shares (2006: 2,124,000) 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			
	3rd Qtr 2007	3rd Qtr 2006	9 months to 30 Sep 2007	9 months to 30 Sep 2006
(i) Based on the weighted average number of ordinary shares in issue – cents	3.81	3.08	13.33	9.07
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	3.80	3.07	13.29	9.04

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 2007	31 Dec 2006	30 Sep 2007	31 Dec 2006
Net asset value per ordinary share based on issued share capital - cents	65.59	73.39	51.36	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 Q3 2007 was \$16.3 million. This is \$2.5 million or 18% more than the corresponding quarter last year, mainly contributed by increased sales at Setsco.

Operating expenses rose by \$1.9 million in Q3 2007. This is \$12.1 million or 18% higher than the same quarter last year, mainly due to higher costs to generate the increased revenue in Setsco.

Group profit before tax for the quarter increased by \$0.7 million or 19% from Q3 2006.

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

Revenue of \$5.1 million for the vehicle inspection business in Q3 2007 increased by \$0.8 million against the corresponding quarter last year. The increase came mainly from the new Chassis Dynamometer Smoke Test business. However, operating profit dipped by \$0.4 million to \$1 million in Q3 2007 as a result of a rationalization of charge out for space usage at the various operating locations.

Revenue in the vehicle assessment business decreased marginally against the same quarter last year as the voluntary use of Independent Damage Assessment Centre's services continued to decline. However, operating profit in Q3 2007 improved by \$0.1 million against the same quarter last year due to further reduction in costs.

The test and inspection business continued its upward trend in line with economic growth. Revenue of \$9.4 million was \$2 million higher than the corresponding quarter last year. The increase in operating profit was \$0.3 million as expenses also rose to generate more revenue.

BALANCE SHEET

As at 30 September 2007, total shareholders' funds for the Group decreased by 9.1% or \$5.6 million to \$56 million compared to 31 December 2006 due to the payment of dividends, partially offset by profits generated from operations.

CASHFLOW

Following dividend payments during the quarter, net cash outflow in Q3 2007 was \$4.6 million.

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 increased vehicle inspection volume seen in the first three quarters is expected to continue for the rest of the year as a result of the lower overall rate of vehicle deregistration.

The testing and inspection business is expected to continue to improve in line with the strong economic growth. However, margins are likely to be constrained in the face of increased competition.

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/recommendeded, a statement to that effect

No dividend has been recommended.

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 2007 and 30 September 2006.

Group	Vehicle	Vehicle	Test &	Rental	Other		
Third quarter ended	Inspection	Vehicle	Inspection	Income	Related	Elimination	Total
30 Sep 2007	Business	Assessment	Services	Income	Business	Income	Income
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
TURNOVER							
External sales	5,135	631	9,404	381	739	0	16,290
Inter-segment sales	0	0	21	2,049	164	(2,234)	0
Revenue	5,135	631	9,425	2,430	903	(2,234)	16,290

RESULT

Segment result	990	5	1,027	1,688	445	0	4,155
Interest income							58
Profit before taxation							4,213
Taxation							(884)
Profit after taxation							3,329
Minority interests							(83)
Profit attributable to shareholders of the Company							3,246

Group	Vehicle	Vehicle	Test &	Rental	Other		
Third quarter ended	Inspection	Vehicle	Inspection	Income	Related	Elimination	Total
30 Sep 2006	Business	Assessment	Services	Income	Business	Income	Income
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
TURNOVER							
External sales	4,354	673	7,445	335	956	0	13,763
Inter-segment sales	0	0	25	1,228	152	(1,405)	0
Revenue	4,354	673	7,470	1,563	1,108	(1,405)	13,763

RESULT

Segment result	1,384	(124)	754	844	643	0	3,501
Interest income							54
Profit before taxation							3,555
Taxation							(971)
Profit after taxation							2,584
Minority interests							(3)
Profit attributable to shareholders of the Company							2,581

<u>Group</u> <u>9 months to</u> <u>30 Sep 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	15,248	1,922	27,793	1,090	2,211	0	48,264
Inter-segment sales	0	0	80	4,380	487	(4,947)	0
Revenue	<u>15,248</u>	<u>1,922</u>	<u>27,873</u>	<u>5,470</u>	<u>2,698</u>	<u>(4,947)</u>	<u>48,264</u>

RESULT

Segment result	4,666	(74)	4,895	3,286	1,388	0	14,161
Interest income							215
Profit before taxation							14,376
Taxation							(2,872)
Profit after taxation							11,504
Minority interests							(203)
Profit attributable to shareholders of the Company							<u>11,301</u>

<u>Group</u> <u>9 months to</u> <u>30 Sep 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	12,763	2,289	22,645	962	2,542	0	41,201
Inter-segment sales	0	0	98	3,744	462	(4,304)	0
Revenue	<u>12,763</u>	<u>2,289</u>	<u>22,743</u>	<u>4,706</u>	<u>3,004</u>	<u>(4,304)</u>	<u>41,201</u>

RESULT

Segment result	3,808	(292)	2,511	2,597	1,528	0	10,152
Interest income							167
Profit before taxation							10,319
Taxation							(2,714)
Profit after taxation							7,605
Minority interests							(14)
Profit attributable to shareholders of the Company							<u>7,591</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

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 third 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 Jiuan, Rebecca
Company Secretary

12 November 2007