

VICOM LTD

Company Registration No. : 198100320K

Financial Statement and Dividend Announcement for the 1st Quarter 2008

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 2008.

	Group		
	1st Qtr 2008 \$'000	1st Qtr 2007 \$'000	Incr/ (Decr) %
Turnover	16,839	14,603	15.3
Other operating income	392	353	11.0
Revenue	17,231	14,956	15.2
Staff costs	(7,645)	(6,297)	21.4
Depreciation expense	(1,219)	(1,172)	4.0
Repair and maintenance	(229)	(249)	(8.0)
Materials and consumables	(538)	(475)	13.3
Payments for contract services	(974)	(654)	48.9
Premise costs	(586)	(535)	9.5
Insurance	(39)	(69)	(43.5)
Other operating expenses	(1,034)	(1,098)	(5.8)
Total operating expenses	(12,264)	(10,549)	16.3
Operating profit	4,967	4,407	12.7
Interest income	50	87	(42.5)
Profit before taxation	5,017	4,494	11.6
Taxation	(843)	(948)	(11.1)
Profit after taxation	4,174	3,546	17.7
Attributable to:			
Shareholders of the Company	4,100	3,498	17.2
Minority interests	74	48	54.2
	4,174	3,546	17.7

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

	Group	
	1st Qtr 2008	1st Qtr 2007
	\$'000	\$'000
After crediting (charging):		
Write-back (Allowance) for doubtful trade receivables	82	(42)

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

	Group	
	1st Qtr 2008	1st Qtr 2007
	\$'000	\$'000
Adjustment for over provision for 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	
	31 Mar 2008	31 Dec 2007	31 Mar 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	17,890	14,015	16,040	11,567
Trade receivables	11,158	8,763	1,058	934
Other receivables and prepayments	691	597	278	269
Inventories	58	41	0	0
Total current assets	<u>29,797</u>	<u>23,416</u>	<u>17,376</u>	<u>12,770</u>
Non-current assets				
Subsidiaries	0	0	26,196	26,196
Deferred tax asset	14	0	14	0
Staff loans	39	42	0	0
Club memberships	315	315	315	315
Vehicles, premises and equipment	42,589	43,098	27,714	28,102
Goodwill	11,325	11,325	0	0
Total non-current assets	<u>54,282</u>	<u>54,780</u>	<u>54,239</u>	<u>54,613</u>
Total assets	<u><u>84,079</u></u>	<u><u>78,196</u></u>	<u><u>71,615</u></u>	<u><u>67,383</u></u>

	Group		Company	
	31 Mar	31 Dec	31 Mar	31 Dec
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	2,592	3,093	501	390
Other payables	11,970	10,742	22,212	19,743
Income tax payable	4,459	3,479	1,816	1,437
Total current liabilities	19,021	17,314	24,529	21,570
Non-current liability				
Deferred tax liabilities	928	928	0	0
Capital, reserves and minority interests				
Share capital	29,874	29,874	29,874	29,874
Capital reserves	3,090	3,088	3,105	3,098
Accumulated profits	29,294	25,194	14,107	12,841
Equity attributable to shareholders of the Company	62,258	58,156	47,086	45,813
Minority interests	1,872	1,798	0	0
Total equity	64,130	59,954	47,086	45,813
Total liabilities & equity	84,079	78,196	71,615	67,383

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 1st quarter ended 31 March 2008:

	Group	
	1st Qtr 2008	1st Qtr 2007
	\$'000	\$'000
Operating activities		
Profit before taxation	5,017	4,494
Adjustments for:		
Depreciation expense	1,219	1,172
Interest income	(50)	(87)
Loss on disposal of vehicles, premises and equipment	2	27
Share-based payment expense	7	1
(Write-back) Allowance for doubtful trade receivables	(82)	42
Operating cash flows before movements in working capital	<u>6,113</u>	<u>5,649</u>
Trade receivables	(2,313)	(2,223)
Other receivables and prepayments	(84)	(234)
Inventories	(17)	0
Trade payables	(501)	(594)
Other payables	<u>1,228</u>	<u>667</u>
Cash generated from operations	4,426	3,265
Income tax refund (paid)	123	(496)
Net cash from operating activities	<u>4,549</u>	<u>2,769</u>
Investing activities		
Purchase of vehicles, premises and equipment	(712)	(762)
Proceeds from disposal of vehicles, premises and equipment	0	69
Interest received	43	81
Net cash used in investing activities	<u>(669)</u>	<u>(612)</u>
Financing activities		
Proceeds from exercise of share options	0	243
Net cash from financing activities	<u>0</u>	<u>243</u>
Net effect of exchange rate changes in consolidating subsidiaries	(5)	0
Net increase in cash and cash equivalents	3,875	2,400
Cash and cash equivalents at beginning of period	<u>14,015</u>	<u>13,710</u>
Cash and cash equivalents at end of period	<u><u>17,890</u></u>	<u><u>16,110</u></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 2008:

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 2008	29,874	3,088	25,194	58,156	1,798	59,954
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	4,100	4,100	74	4,174
Total recognised income and expense for the period	0	(5)	4,100	4,095	74	4,169
Recognition of share-based payments	0	7	0	7	0	7
Balance at 31 March 2008	<u>29,874</u>	<u>3,090</u>	<u>29,294</u>	<u>62,258</u>	<u>1,872</u>	<u>64,130</u>

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 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 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	<u>28,803</u>	<u>3,092</u>	<u>33,409</u>	<u>65,304</u>	<u>1,978</u>	<u>67,282</u>

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2008:

Company

	Share capital	Capital reserves	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	29,874	3,098	12,841	45,813
Profit after taxation	0	0	1,266	1,266
Total recognised income for the period	0	0	1,266	1,266
Recognition of share-based payments	0	7	0	7
Balance at 31 March 2008	<u>29,874</u>	<u>3,105</u>	<u>14,107</u>	<u>47,086</u>

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 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 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	<u>28,803</u>	<u>3,099</u>	<u>19,984</u>	<u>51,886</u>

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 2007, there were no options exercised.

As at 31 March 2008, options to subscribe for 1,202,000 ordinary shares (2007: 1,858,000) 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 2007.

In the current financial year, the Group and the Company have 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 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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	
	1st Qtr 2008	1st Qtr 2007
(i) Based on the weighted average number of ordinary shares in issue – cents	4.81	4.16
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	4.79	4.13

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:**

	<u>Group</u>		<u>Company</u>	
	<u>31 Mar 2008</u>	<u>31 Dec 2007</u>	<u>31 Mar 2008</u>	<u>31 Dec 2007</u>
Net asset value per ordinary share based on issued share capital - cents	72.98	68.17	55.20	53.70

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 first quarter of 2008 increased by \$2.3 million or 15.2% to \$17.2 million against the corresponding period last year.

Operating expenses for the quarter of \$12.3 million was \$1.7 million or 16.3% higher compared with the same period last year. This increase was due mainly to the higher expenses in Setsco to support the increase in revenue.

Group profit before tax for the quarter increased by \$0.5 million or 11.6% to \$5.0 million.

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

Revenue from vehicle inspection during the quarter increased by \$0.5 million against the corresponding period last year due mainly to the higher number of vehicles inspected. However, operating profit for the vehicle inspection business in this quarter decreased by \$0.1 million against the same period last year due mainly to higher rental expenses arising from the rationalisation of charge out for space usage at the various operating locations from Q3 2007. Correspondingly, operating profit for the rental business increased by \$0.3 million against the same period last year.

Revenue from vehicle assessment decreased by \$51K against the same period last year. This was due to fewer motor insurers remaining in the Independent Damage Assessment Centre Scheme. However, operating loss narrowed slightly during this quarter due to tight cost control.

Revenue and operating profit for this quarter from the test and inspection services were higher by \$1.8 million and \$0.3 million respectively due mainly to the completion of more projects.

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 high number of vehicles registered in 2005 is expected to translate to an increase in inspection volume for the rest of the year.

The test and inspection business is also expected to continue to improve with increased activities in the construction sector.

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

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 2008 and 31 March 2007:

Group	Vehicle		Test &		Other		
First quarter ended	Inspection	Vehicle	Inspection	Rental	Related		
31 Mar 2008	Business	Assessment	Services	Income	Business	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
External sales	5,571	608	9,926	381	745	0	17,231
Inter-segment sales	0	0	25	1,472	179	(1,676)	0
Total	5,571	608	9,951	1,853	924	(1,676)	17,231

RESULT

Segment result	1,823	(35)	1,574	1,115	490	0	4,967
Interest income							50
Profit before taxation							5,017
Taxation							(843)
Profit after taxation							4,174
Minority interests							(74)
Profit attributable to shareholders of the Company							4,100

Group	Vehicle		Test &		Other		
First quarter ended	Inspection	Vehicle	Inspection	Rental	Related		
31 Mar 2007	Business	Assessment	Services	Income	Business	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
External sales	5,113	659	8,072	345	767	0	14,956
Inter-segment sales	0	0	33	1,168	159	(1,360)	0
Total	5,113	659	8,105	1,513	926	(1,360)	14,956

RESULT

Segment result	1,907	(52)	1,259	791	502	0	4,407
Interest income							87
Profit before taxation							4,494
Taxation							(948)
Profit after taxation							3,546
Minority interests							(48)
Profit attributable to shareholders of the Company							3,498

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 first quarter 2008 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

Chan Wan Tak, Wendy
Company Secretary

12 May 2008