

VICOM LTD

Company Registration No. : 198100320K

Financial Statement Announcement for the 1st Quarter ended 31 March 2009

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 2009.

	Group		
	1st Qtr 2009 \$'000	1st Qtr 2008 \$'000	Incr/ (Decr) %
Revenue	19,094	17,229	10.8
Staff costs	(8,365)	(7,645)	9.4
Depreciation expense	(1,291)	(1,219)	5.9
Repair and maintenance	(303)	(229)	32.3
Materials and consumables	(603)	(538)	12.1
Payments for contract services	(960)	(974)	(1.4)
Premise costs	(546)	(586)	(6.8)
Insurance	(34)	(39)	(12.8)
Other operating expenses	(1,257)	(1,032)	21.8
Total operating expenses	(13,359)	(12,262)	8.9
Operating profit	5,735	4,967	15.5
Interest income	45	50	(10.0)
Profit before taxation	5,780	5,017	15.2
Taxation	(1,046)	(843)	24.1
Profit after taxation	4,734	4,174	13.4
Attributable to:			
Shareholders of the Company	4,674	4,100	14.0
Minority interests	60	74	(18.9)
	4,734	4,174	13.4

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

	Group	
	1st Qtr 2009	1st Qtr 2008
	\$'000	\$'000
After (charging) crediting:		
(Allowance) Write-back for doubtful trade receivables	(11)	82

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

	Group	
	1st Qtr 2009	1st Qtr 2008
	\$'000	\$'000
Adjustment for over provision of taxation in respect of prior years	0	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 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	30,060	27,691	28,248	25,041
Trade receivables	10,446	7,641	1,647	1,315
Other receivables and prepayments	457	416	280	238
Inventories	53	52	0	0
Total current assets	<u>41,016</u>	<u>35,800</u>	<u>30,175</u>	<u>26,594</u>
Non-current assets				
Subsidiaries	0	0	26,196	26,196
Other receivables and prepayments	1,224	523	757	0
Club memberships	315	315	315	315
Vehicles, premises and equipment	42,104	42,464	26,388	26,658
Goodwill	11,325	11,325	0	0
Total non-current assets	<u>54,968</u>	<u>54,627</u>	<u>53,656</u>	<u>53,169</u>
Total assets	<u><u>95,984</u></u>	<u><u>90,427</u></u>	<u><u>83,831</u></u>	<u><u>79,763</u></u>

	Group		Company	
	31 Mar	31 Dec	31 Mar	31 Dec
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	2,873	2,979	949	583
Other payables	13,556	13,166	28,274	27,293
Income tax payable	4,869	3,965	1,881	1,561
Total current liabilities	<u>21,298</u>	<u>20,110</u>	<u>31,104</u>	<u>29,437</u>
Non-current liability				
Deferred tax liabilities	<u>1,030</u>	<u>1,050</u>	<u>40</u>	<u>0</u>
Capital, reserves and minority interests				
Share capital	30,128	30,056	30,128	30,056
Capital reserves	3,100	3,096	3,130	3,126
Accumulated profits	39,040	34,366	19,429	17,144
Equity attributable to shareholders of the Company	<u>72,268</u>	<u>67,518</u>	<u>52,687</u>	<u>50,326</u>
Minority interests	1,388	1,749	0	0
Total equity	<u>73,656</u>	<u>69,267</u>	<u>52,687</u>	<u>50,326</u>
Total liabilities & equity	<u>95,984</u>	<u>90,427</u>	<u>83,831</u>	<u>79,763</u>

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 2009:

	Group	
	1st Qtr 2009	1st Qtr 2008
	\$'000	\$'000
Operating activities		
Profit before taxation	5,780	5,017
Adjustments for:		
Depreciation expense	1,291	1,219
Interest income	(45)	(50)
(Gain) Loss on disposal of vehicles, premises and equipment	(13)	2
Share-based payment expense	8	7
Allowance (Write-back) for doubtful trade receivables	11	(82)
Operating cash flows before movements in working capital	<u>7,032</u>	<u>6,113</u>
Trade receivables	(2,816)	(2,313)
Other receivables and prepayments	(9)	(84)
Inventories	(1)	(17)
Trade payables	(106)	(501)
Other payables	390	1,228
Cash generated from operations	<u>4,490</u>	<u>4,426</u>
Income tax (paid) refund	(162)	123
Net cash from operating activities	<u>4,328</u>	<u>4,549</u>
Investing activities		
Purchase of vehicles, premises and equipment	(1,636)	(712)
Proceeds from disposal of vehicles, premises and equipment	16	0
Interest received	14	43
Net cash used in investing activities	<u>(1,606)</u>	<u>(669)</u>
Financing activities		
Proceeds from exercise of share options	68	0
Payment to minority interests	(421)	0
Net cash used in financing activities	<u>(353)</u>	<u>0</u>
Net effect of exchange rate changes in consolidating subsidiaries	0	(5)
Net increase in cash and cash equivalents	2,369	3,875
Cash and cash equivalents at beginning of period	27,691	14,015
Cash and cash equivalents at end of period	<u>30,060</u>	<u>17,890</u>

1(d) Consolidated statements of comprehensive income for the 1st quarter ended 31 March 2009:

	Group	
	1st Qtr	1st Qtr
	2009	2008
	\$'000	\$'000
Profit after taxation	4,734	4,174
Exchange differences arising on translation of foreign operations	0	(5)
Other comprehensive income for the period	0	(5)
Total comprehensive income for the period	4,734	4,169
Total comprehensive income attributable to:		
Shareholders of the Company	4,674	4,095
Minority interests	60	74
	4,734	4,169

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 2009:

Group	Attributable to shareholders of the Company					
	Share capital	Capital reserves	Accumulated profits	Total	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	30,056	3,096	34,366	67,518	1,749	69,267
Total comprehensive income for the period	0	0	4,674	4,674	60	4,734
Exercise of share options	72	(4)	0	68	0	68
Recognition of share-based payments	0	8	0	8	0	8
Dividend paid to minority interests	0	0	0	0	(421)	(421)
Balance at 31 March 2009	30,128	3,100	39,040	72,268	1,388	73,656

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

Group	<u>Attributable to shareholders of the Company</u>					
	Share capital	Capital reserves	Accumulated profits	Total	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	29,874	3,088	25,194	58,156	1,798	59,954
Total comprehensive income 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	29,874	3,090	29,294	62,258	1,872	64,130

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2009:

Company	Share capital	Capital reserves	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
	Balance at 1 January 2009	30,056	3,126	17,144
Total comprehensive income for the period	0	0	2,285	2,285
Exercise of share options	72	(4)	0	68
Recognition of share-based payments	0	8	0	8
Balance at 31 March 2009	30,128	3,130	19,429	52,687

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
Total comprehensive income for the period	0	0	1,266	1,266
Recognition of share-based payments	0	7	0	7
Balance at 31 March 2008	29,874	3,105	14,107	47,086

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 31 December 2008, the Company issued 70,000 new ordinary shares amounting to \$72,000 upon the exercise of options granted under the 2001 VICOM Share Option Scheme by option holders.

As at 31 March 2009, options to subscribe for 1,600,000 ordinary shares (31 March 2008: 1,202,000) remained outstanding under the 2001 VICOM Share Option Scheme.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

As at 31 March 2009, the total number of issued shares was 85,568,000 (31 December 2008: 85,498,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

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 has 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 the year ended 31 December 2008.

In the current financial period, the Group has 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 2009. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years except for FRS 1 - Presentation of Financial Statements (Revised) which will change the basis for presentation and structure of the financial statements.

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 and EBITDA 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**

Earnings per ordinary share

	Group	
	1st Qtr 2009	1st Qtr 2008
(i) Based on the weighted average number of ordinary shares in issue – cents	5.47	4.81
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	5.45	4.79

Earnings per share is calculated on the Group profit for the financial periods attributed to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the periods under review.

Diluted earnings per share is calculated on the same basis as earnings per share by applying the weighted average number of ordinary shares and adjusted to include the outstanding exercisable share options deemed exercised up to 31 March of the reporting periods.

Earnings before interest, taxation, depreciation and amortisation (EBITDA)

	Group	
	1st Qtr 2009	1st Qtr 2008
(i) EBITDA (\$'000)	7,026	6,186
(ii) EBITDA margin (%)	36.8	35.9

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

	Group		Company	
	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008
Net asset value per ordinary share based on issued share capital - cents	84.46	78.97	61.57	58.86

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

Revenue

The Group's total revenue for the first quarter of 2009 increased by \$1.9 million or 10.8% to \$19.1 million against the corresponding period last year. Growth was recorded in our vehicle inspection services and test and inspection services.

Operating Expenses

Operating expenses for the quarter of \$13.4 million was \$1.1 million or 8.9% higher compared with the same period last year. This increase was due mainly to the higher expenses to support the increase in revenue, partially offset by the jobs credit grant, property tax and rental rebates from the Singapore Government Budget 2009.

Operating Profit

During the quarter, operating profits for vehicle inspection business and test and inspection services each increased by \$0.3 million against the corresponding period last year, the result of improved business volumes.

Group profit before tax for the quarter increased by \$0.8 million or 15.2% to \$5.8 million.

Profit after tax attributable to members of the Company for this quarter was \$4.7 million, which was 14.0% higher.

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

Balance Sheet

Total equity increased by \$4.4 million from \$69.3 million as at 31 December 2008 to \$73.7 million as at 31 March 2009 due mainly to profits generated from operations, partially offset by dividend payments to minority interests.

Total current assets increased by \$5.2 million to \$41.0 million due mainly to an increase in trade receivables by \$2.8 million and an increase in cash by \$2.4 million. Total non-current assets increased by \$0.3 million to \$55.0 million due mainly to an increase in other receivables and prepayments by \$0.7 million. This arose from the downpayment for equipment for the vehicle emission test laboratory partially offset by a decrease in vehicles, premises and equipment by \$0.4 million.

Total liabilities increased by \$1.2 million to \$22.3 million due mainly to an increase in income tax payable by \$0.9 million and an increase in other payables by \$0.4 million.

Cash Flow

The net cash inflow in the quarter was \$2.4 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 number of vehicles for inspection in 2009 is expected to be higher than 2008 due to the high number of vehicles registered in 2006 and lower number of vehicles scrapped.

With the economic uncertainties still remaining, demand for the services provided by our test and inspection business may be affected if some projects are scaled down or deferred.

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 1st quarter ended 31 March 2009 and 31 March 2008:

Group	Vehicle		Test &		Other		
First quarter ended	Inspection	Vehicle	Inspection	Rental	Related		
31 Mar 2009	Business	Assessment	Services	Income	Business	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
External sales	6,005	543	11,461	401	684	0	19,094
Inter-segment sales	0	0	27	1,609	186	(1,822)	0
Total	6,005	543	11,488	2,010	870	(1,822)	19,094

RESULT

Segment result	2,134	(58)	1,906	1,309	444	0	5,735
Interest income							45
Profit before taxation							5,780
Taxation							(1,046)
Profit after taxation							4,734
Minority interests							(60)
Profit attributable to shareholders of the Company							4,674

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	9,924	381	745	0	17,229
Inter-segment sales	0	0	25	1,472	179	(1,676)	0
Total	5,571	608	9,949	1,853	924	(1,676)	17,229

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

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. Interested Person Transactions

There is no Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

18. 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 2009 financial results to be false or misleading in any material aspects.

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

13 May 2009