
Issuer & Securities

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer Name

VICOM LTD

Securities

VICOM LTD. - SGXE86215543 - WJP

Stapled Security

No

Announcement Details

Announcement Title

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Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

1. Condensed Interim Financial Statements for the Half Year ended 30 June 2021 and Dividend Announcement; and
2. Media Release - VICOM's Results for the Half Year ended 30 June 2021.

Additional Details

For Financial Period Ended

30/06/2021

Attachments

[VICOM Media Release Results for the Half Year Ended 30 Jun 2021.pdf](#)

[VICOM 1H2021.pdf](#)

Total size =813K MB



VICOM LTD

Company Registration No. : 198100320K

Condensed Interim Financial Statements for the Half Year ended 30 June 2021 and Dividend Announcement

The Board of Directors announces the unaudited results of the Group for the Half Year ended 30 June 2021.

A CONDENSED INTERIM GROUP INCOME STATEMENT

	Note	1st Half 2021 \$'000	1st Half 2020 \$'000	Incr/ (Decr) %
Revenue	5	49,160	39,840	23.4
Staff costs		22,559	17,719	27.3
Depreciation and amortisation		3,435	3,642	(5.7)
Contract services		1,327	1,139	16.5
Materials and consumables		1,301	983	32.3
Premises costs		871	799	9.0
Repairs and maintenance costs		879	762	15.4
Utilities and communication costs		749	750	(0.1)
Other operating costs		3,099	2,602	19.1
Total operating costs		34,220	28,396	20.5
Operating Profit		14,940	11,444	30.5
Finance costs		(439)	(453)	(3.1)
Interest income		146	659	(77.8)
Profit before Taxation	7	14,647	11,650	25.7
Taxation	8	(2,406)	(1,749)	37.6
Profit after Taxation		12,241	9,901	23.6
Attributable to:				
Shareholders of the Company		12,001	9,699	23.7
Non-Controlling Interests		240	202	18.8
		12,241	9,901	23.6
Operating Profit before COVID-19 Government reliefs		13,719	7,633	79.7
COVID-19 Government reliefs		1,221	3,811	(68.0)
Operating Profit after COVID-19 Government reliefs		14,940	11,444	30.5

B CONDENSED INTERIM GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Half 2021 \$'000	1st Half 2020 \$'000
Profit after taxation	12,241	9,901
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	<u>(16)</u>	<u>32</u>
Items that will not be reclassified subsequently to profit or loss		
Fair value adjustment on equity investments	<u>19</u>	<u>45</u>
Other comprehensive income for the period	<u>3</u>	<u>77</u>
Total comprehensive income for the period	<u>12,244</u>	<u>9,978</u>
Total comprehensive income attributable to:		
Shareholders of the Company	12,004	9,776
Non-controlling interests	<u>240</u>	<u>202</u>
	<u>12,244</u>	<u>9,978</u>
Earnings per share for profit for the period attributable to the owners of the Company during the year :		
Basic and diluted (in cents)	<u>3.38</u>	<u>2.74</u>

C CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 Jun 2021 \$'000	31 Dec 2020 \$'000	30 Jun 2021 \$'000	31 Dec 2020 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		74,422	93,196	69,755	89,384
Trade receivables		12,335	10,505	2,029	2,083
Other receivables and prepayments		1,369	1,764	273	431
Inventories		2	2	-	-
Total current assets		88,128	105,467	72,057	91,898
Non-current assets					
Subsidiaries		-	-	25,941	25,941
Associate		25	25	-	-
Financial assets at fair value through other comprehensive income	11	1,346	1,327	1,346	1,327
Vehicles, premises and equipment	13	94,686	89,754	35,361	36,589
Goodwill	12	11,325	11,325	-	-
Total non-current assets		107,382	102,431	62,648	63,857
Total assets		195,510	207,898	134,705	155,755
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		25,312	24,375	7,612	7,500
Due to subsidiaries		-	-	44,108	49,988
Provision for relocation costs		6,362	6,973	-	-
Lease liabilities	14	1,053	1,092	592	587
Income tax payable		5,134	6,773	3,162	4,415
Total current liabilities		37,861	39,213	55,474	62,490
Non-current liabilities					
Deferred tax liabilities		1,317	1,542	55	63
Lease liabilities	14	31,170	31,691	24,599	24,896
Total non-current liabilities		32,487	33,233	24,654	24,959
Total liabilities		70,348	72,446	80,128	87,449
Capital, reserves and non-controlling interests					
Share capital	15	36,284	36,284	36,284	36,284
Other reserves		3,062	3,043	3,062	3,043
Foreign currency translation reserve		(32)	(16)	-	-
Accumulated profits		84,887	94,940	15,231	28,979
Equity attributable to shareholders of the Company		124,201	134,251	54,577	68,306
Non-controlling interests		961	1,201	-	-
Total equity		125,162	135,452	54,577	68,306
Total liabilities and equity		195,510	207,898	134,705	155,755

D CONDENSED INTERIM GROUP CASH FLOW STATEMENT

	Note	Group	
		1st Half	1st Half
		2021	2020
		\$'000	\$'000
Operating activities			
Profit before taxation		14,647	11,650
Adjustments for:			
Depreciation of property, plant and equipment		3,435	3,642
Interest expense		439	453
Interest income		(146)	(659)
Gain on disposal of vehicles, premises and equipment		(15)	(9)
Allowance for expected credit losses		(63)	733
Operating cash flows before movements in working capital		<u>18,297</u>	<u>15,810</u>
Trade receivables		(1,767)	3,318
Other receivables and prepayments		366	211
Inventories		-	3
Trade and other payables		326	(2,551)
Cash generated from operations		<u>17,222</u>	<u>16,791</u>
Interest paid		(439)	(453)
Income tax paid		(4,270)	(20)
Net cash from operating activities		<u>12,513</u>	<u>16,318</u>
Investing activities			
Purchase of vehicles, premises and equipment	13	(8,383)	(7,237)
Proceeds from disposal of vehicles, premises and equipment	13	17	10
Interest received		175	1,303
Net cash used in investing activities		<u>(8,191)</u>	<u>(5,924)</u>
Financing activities			
Payments to non-controlling interests		(480)	(246)
Repayment of lease liabilities		(557)	(671)
Dividends paid	9	(22,054)	(21,531)
Net cash used in financing activities		<u>(23,091)</u>	<u>(22,448)</u>
Net effect of exchange rate changes in consolidating subsidiaries			
		<u>(5)</u>	<u>36</u>
Net decrease in cash and cash equivalents		(18,774)	(12,018)
Cash and cash equivalents at beginning of period		93,196	92,851
Cash and cash equivalents at end of period		<u><u>74,422</u></u>	<u><u>80,833</u></u>

E CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

		Group						
		Attributable to shareholders of the Company						
		Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non- controlling interests	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020		36,284	3,065	(1)	91,977	131,325	965	132,290
Total comprehensive income for the period								
Profit for the period		-	-	-	9,699	9,699	202	9,901
Other comprehensive income for the period		-	45	32	-	77	-	77
Total		-	45	32	9,699	9,776	202	9,978
Transactions recognised directly in equity								
Payment of dividends	9	-	-	-	(21,531)	(21,531)	-	(21,531)
Total		-	-	-	(21,531)	(21,531)	-	(21,531)
Payments to non-controlling interests		-	-	-	-	-	(246)	(246)
Balance at 30 June 2020		36,284	3,110	31	80,145	119,570	921	120,491
Balance at 1 January 2021		36,284	3,043	(16)	94,940	134,251	1,201	135,452
Total comprehensive income for the period								
Profit for the period		-	-	-	12,001	12,001	240	12,241
Other comprehensive income for the period		-	19	(16)	-	3	-	3
Total		-	19	(16)	12,001	12,004	240	12,244
Transactions recognised directly in equity								
Payment of dividends	9	-	-	-	(22,054)	(22,054)	-	(22,054)
Total		-	-	-	(22,054)	(22,054)	-	(22,054)
Payments to non-controlling interests		-	-	-	-	-	(480)	(480)
Balance at 30 June 2021		36,284	3,062	(32)	84,887	124,201	961	125,162

E CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Company			
		Share capital	Other reserves	Accumulated profits	Total equity
Note		\$'000	\$'000	\$'000	\$'000
	Balance at 1 January 2020	36,284	3,065	35,260	74,609
	Profit for the period, representing total comprehensive income for the period	-	45	8,242	8,287
	Transactions recognised directly in equity				
	Payment of dividends	-	-	(21,531)	(21,531)
9	Total	-	-	(21,531)	(21,531)
	Balance at 30 June 2020	36,284	3,110	21,971	61,365
	Balance at 1 January 2021	36,284	3,043	28,979	68,306
	Profit for the period, representing total comprehensive income for the period	-	19	8,306	8,325
	Transactions recognised directly in equity				
	Payment of dividends	-	-	(22,054)	(22,054)
9	Total	-	-	(22,054)	(22,054)
	Balance at 30 June 2021	36,284	3,062	15,231	54,577

F NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

VICOM Ltd (the Company) (Registration No. 198100320K) is incorporated in the Republic of Singapore with its registered office at 205 Braddell Road, Singapore 579701. Its principal place of business is at 385 Sin Ming Drive, Singapore 575718. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of an investment holding company and the provision of motor vehicle evaluation and other related services. The principal activities of the companies in the Group are in the business of testing services which include the provision of motor vehicle inspection services and provision of non-vehicle testing, inspection and consultancy services.

These condensed interim consolidated Financial Statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). They are expressed in Singapore dollars and all values are expressed in thousand (\$'000) except when otherwise indicated.

2 Basis of Preparation

The condensed interim Financial Statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim Financial Statements do not include all the information required for a complete set of Financial Statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual Financial Statements for the year ended 31 December 2020.

The Group has applied accounting policies and methods of computation in the condensed interim Financial Statements for the current reporting period consistent with those of the audited Financial Statements for the year ended 31 December 2020.

In the current financial period, the Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are relevant to its operations and effective for annual periods beginning on 1 January 2021.

The adoption of these new and revised SFRS(I)s has no material effect on the amounts reported for the current or prior years.

The condensed interim Financial Statements are presented in Singapore dollar which is the Company's functional currency.

2.1 Use of judgements and estimates

Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the condensed interim Financial Statements (apart from those involving estimations, which are dealt with below).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Goodwill impairment review

The Group tests goodwill annually for impairment at year end, or more frequently if there are indicators that goodwill might be impaired.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. No provision for impairment has been recognised. The carrying amount of goodwill at the end of the reporting period is disclosed in Note 12.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates.

The Group prepared cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows for the following 4 years based on an estimated growth rates of approximately 1.5% for 30 June 2021.

The discount rate applied to the forecast is 4.62% for 30 June 2021.

As at 30 June 2021, any reasonably possible changes to the key assumptions applied are not likely to cause the recoverable amount to be below the carrying amount of the CGU.

Allowance for expected credit losses

The Group makes allowances for expected credit losses based on an assessment of the recoverability of trade receivables. The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The identification of loss allowance requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying amount of the trade receivables and loss allowance in the period in which such estimate has been changed.

3 Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment information

The Group operates predominantly in Singapore. All vehicle inspection and non-vehicle testing services are managed and reported together as one segment in order to improve productivity and efficiency as these services have similar economic characteristics and processes. Hence there are no other reportable segments to be presented.

5 Revenue information

Revenue

	The Group	
	1H2021	1H2020
	\$'000	\$'000
Inspection and testing services	46,976	37,490
Rental income	1,131	1,345
Others	1,053	1,005
	<u>49,160</u>	<u>39,840</u>

Majority of the revenue is derived from Singapore.

6 Financial assets and financial liabilities

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised cost		87,788	105,202	71,895	91,739
Financial assets at FVTOCI	11	1,346	1,327	1,346	1,327
Financial Liabilities					
Amortised cost		21,123	20,478	51,050	56,753
Lease liabilities		32,223	32,783	25,191	25,483

7 Profit after taxation

7.1 Significant Items

	The Group	
	1H2021	1H2020
	\$'000	\$'000
Foreign currency exchange adjustment loss	25	(10)
Allowance for expected credit losses	(63)	733
Cost of inventories recognised as expense	-	4
Government grant (COVID-19 related)	1,221	3,811

7.2 Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

8 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	1H2021	1H2020
	\$'000	\$'000
Current income tax expense	2,624	1,894
Deferred income tax expense relating to origination and reversal of temporary differences	(218)	(145)
	<u>2,406</u>	<u>1,749</u>

9 Dividends

During the period, the Company paid dividends as follows:

	The Group	
	1H2021	1H2020
	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous Financial year:		
- 6.22 cents (2020: 6.07 cents) per ordinary share	22,054	21,531
Dividend per share (net of tax)	<u>22,054</u>	<u>21,531</u>

The dividends per ordinary share for half year ended 30 June 2020 have been adjusted for the increase in number of ordinary shares resulting from Share Split on 12 June 2020.

10 Net Asset Value Per Ordinary Share

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	\$	\$	\$	\$
Net asset value per ordinary share	<u>35.03</u>	<u>37.86</u>	<u>15.39</u>	<u>19.26</u>

11 Financial assets at fair value through other comprehensive income ("FVTOCI")

	The Group and The Company	
	30 June 2021	31 December 2020
	\$'000	\$'000
Investment in equity instrument designated as at FVTOCI		
Unquoted equity shares	<u>1,346</u>	<u>1,327</u>

The investment in unquoted equity instrument represents an investment in research and development activities and/or the commercial application of this knowledge. The fair value of the investment is based on the net value of the investment provided by an independent third party.

This investment in equity instrument is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, Management has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in the investment's fair value in Profit or Loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

No investment in equity investments measured at FVTOCI has been disposed of during the current reporting period.

11.1 Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables provisions and other liabilities approximate the respective fair values due to the relatively short-term maturity of these financial instruments, except for lease liabilities as disclosed in Note 14.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a. quoted prices in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (Level 3).

Fair value hierarchy

The table below analyses financial instruments by the levels in the fair value hierarchy based on inputs to valuation techniques.

	<u>Level 3</u>	
	<u>The Group and The Company</u>	
	30 June 2021	31 December 2020
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	1,346	1,327

The fair value of the investment is based on the net value of the investment provided by an independent third party. Any significant isolated increase or decrease in the unobservable input relating to the projected share price based on latest round of financing can result in a higher or lower fair value measurement respectively.

12 Goodwill

	The Group	
	30 June	31 December
	2021	2020
	\$'000	\$'000
Carrying amount:		
At beginning and end of period	11,325	11,325

Goodwill acquired in business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	The Group	
	30 June	31 December
	2021	2020
	\$'000	\$'000
Testing and inspection services	9,268	9,268
Vehicle inspection services	2,057	2,057
	11,325	11,325

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

13 Vehicles, premises and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$8.4 million (30 June 2020: \$7.2 million) and disposed of assets amounting to \$2k (30 June 2020: \$1k).

14 Aggregate amount of Group's borrowings

	The Group	
	30 June	31 December
	2020	2021
	\$'000	\$'000
<u>Lease liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	1,053	1,092
Amount repayable after one year	31,170	31,691
	32,223	32,783

The lease liabilities of \$32.2 million relates to the leases recognised in accordance with *SFRS(I) 16 Leases*.

15 Share capital

	The Group and the Company			
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	Number of ordinary shares		\$'000	\$'000
Issued and paid up:				
Beginning of interim period	354,568,000	88,642,000	36,284	36,284
Issuance of new shares arising from share split	-	265,926,000	-	-
End of interim period	<u>354,568,000</u>	<u>354,568,000</u>	<u>36,284</u>	<u>36,284</u>

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

On 12 June 2020, the Company completed and effected the share split of every one (1) existing ordinary share in the capital of the Company held by shareholders of the Company into four (4) ordinary shares ("Share Split").

16 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1 Audit

The financial statements have not been audited or reviewed.

2 Auditors' Report

Not applicable.

3 Review of performance of the Group

Performance Review

Revenue

The Group's total revenue of \$49.2 million for 1H21 was \$9.3 million or 23.4% higher than 1H20. This was largely due to a stronger 2Q21 which benefitted from the absence of a complete lockdown which was in effect in the corresponding period in 2020.

Operating Costs

The Group's operating costs of \$34.2 million for 1H21 were \$5.8 million or 20.5% higher than 1H20, contributed by higher staff costs and contract services. The increase in operating costs is in line with higher business volumes.

Operating Profit

Consequently, the Group's operating profit of \$14.9 million for 1H21 was \$3.5 million or 30.5% higher than 1H20.

The Group's profit before tax of \$14.6 million for 1H21 was \$3.0 million or 25.7% higher than 1H20.

Taxation for the Group of \$2.4 million for 1H21 was \$0.7 million or 37.6% higher than 1H20 due to higher profit in 1H21.

The Group's Profit attributable to Shareholders of the Company of \$12.0 million for 1H21 was \$2.3 million or 23.7% higher than 1H20.

Excluding COVID-19 Government reliefs of \$1.2 million for 1H21 and \$3.8 million for 1H20, the Group's operating profit of \$13.7 million for 1H21 was \$6.1 million or 79.7% higher than 1H20.

Statements of Financial Position

Total Equity decreased by \$10.1 million to \$125.2 million as at 30 June 2021 due mainly to payment of dividends of \$22.1 million offset by profits generated from operations of \$12.0 million.

Total Assets decreased by \$12.4 million to \$195.5 million as at 30 June 2021 due to the decrease in Current Assets by \$17.3 million offset by the increase in Non-Current Assets by \$5.0 million. The decrease in Current Assets was due mainly to the decrease in Cash and Cash Equivalents of \$18.8 million together with the decrease of \$0.4 million in Other Receivables & Prepayments, offset by increase in Trade Receivables of \$1.8 million. The increase in Non-Current Assets was due mainly to the increase in Vehicles, Premises and Equipment of \$5.0 million.

Total Liabilities decreased by \$2.1 million to \$70.3 million as at 30 June 2021 due mainly to the decrease in Tax Provision of \$1.9 million, Provision for Relocation Costs of \$0.6 million and Lease liabilities of \$0.6 million, offset by the increase in Trade and Other Payable of \$0.9 million.

Cash Flow

The net cash outflow in the period was \$18.8 million after payment of dividends.

4 Any variance between forecast or prospect statement previously disclosed and the actual results

No forecast or prospect statement has been previously disclosed.

5 Group outlook

The demand for the vehicle testing business is expected to remain strong with the implementation of annual periodic inspection for all licensed ride-hail and street-hail service provider vehicles in April 2021.

Demand for the non-vehicle testing business is expected to remain relatively weak with manpower related challenges and high Safe Management Measures compliance costs as Singapore continues to battle the pandemic.

Overall, the Group performance remains challenging as a result of unpredictable COVID-19 developments.

6 Dividend information

a) Current Financial Period Reported on

The Directors are pleased to propose a tax-exempt one-tier interim dividend of 3.04 cents (2020: NIL cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.04 cents
Tax Rate	Exempt one-tier

b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	NIL cents
Tax Rate	Exempt one-tier

c) Date Payable

The interim dividend will be payable on 31 August 2021.

d) Record Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 19 August 2021 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 19 August 2021 will be registered to determine Shareholders' entitlements to the interim dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 19 August 2021 will be entitled to the interim dividend.

7 Interested person transactions

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

8 Confirmation pursuant to Rule 720(1) of the listing manual

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

9 Negative Assurance Confirmation On Interim Financial Results Under SGX Listing Rule 705(5) 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 half year 2021 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Sim Wing Yew
Chief Executive Officer

BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr
Company Secretary

Singapore
11 August 2021

VICOM'S RESULTS
FOR THE HALF YEAR ENDED 30 JUNE 2021

- **Revenue for the first six months increased 23.4% to \$49.2 million.**
- **Group operating profit increased by 30.5% to \$14.9 million.**
- **Net profit attributable to Shareholders increased by 23.7% to \$12.0 million.**

Singapore, 11 August 2021 – VICOM Ltd today announced its unaudited results for the half year ended 30 June 2021.

Highlights

	1H2021 (\$m)	1H2020 (\$m)	% change
Revenue	49.2	39.8	23.4
Operating Profit	14.9	11.4	30.5
Net Profit Attributable to Shareholders	12.0	9.7	23.7
EBITDA	18.4	15.1	21.8
EPS - cents	3.38	2.74	23.4

Introduction

With the Singapore economy now expected to grow between 6 and 7 per cent this year, demand for the Group's services improved in the first half of 2021. This was especially important for the non-vehicle testing business which is highly dependent on the recovery of the construction, marine & offshore, oil & gas and manufacturing sectors.

Financial Performance

Group revenue increased by 23.4% to \$49.2 million largely due to a stronger second quarter which benefitted from the absence of a complete lockdown which was in effect in the corresponding period in 2020.

Consequently, the Group's operating profit grew by 30.5% to \$14.9 million for the period under review.

Net profit attributable to shareholders increased by 23.7% to \$12.0 million.

VICOM Chief Executive Officer Sim Wing Yew said: "There has been an improvement in the level of economic activity in the last few months but the COVID-19 situation remains fluid and challenging. We continue to manage costs amidst the pandemic, all the while ensuring that the safety of our customers and staff is not compromised."

Dividend

A tax-exempt one-tier interim dividend of 3.04 cents per share has been declared representing a payout ratio of 90%.

Commentary

The demand for the vehicle testing business is expected to remain strong with the implementation of annual periodic inspection for all licensed ride-hail and street-hail service provider vehicles in April 2021.

Demand for the non-vehicle testing business is expected to remain relatively weak with manpower related challenges and high Safe Management Measures compliance costs as Singapore continues to battle the pandemic.

Overall, the Group performance remains challenging as a result of unpredictable COVID-19 developments.

Background

VICOM Ltd is Singapore's leading provider in inspection and technical testing services, offering a comprehensive range of inspection and testing services in vehicle and non-vehicle testing fields including mechanical, biochemical, civil engineering and non-destructive testing.

For further clarification, please call:

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