



VICOM LTD

Company Registration No. : 198100320K

Financial Statements and Dividend Announcement for the year ended 31 December 2019

The Board of Directors announces the audited results of the Group for the year ended 31 December 2019.

1 GROUP INCOME STATEMENT

	FY 2019	FY 2018	Incr/ (Decr)
	\$'000	\$'000	%
Revenue	103,703	100,063	3.6
Other income	-	7,743	n.m.
Staff costs	46,667	44,857	4.0
Depreciation and amortisation*	7,412	6,424	15.4
Contract services	3,448	3,395	1.6
Materials and consumables	2,506	2,461	1.8
Premises costs*	1,805	3,700	(51.2)
Repairs and maintenance costs	1,694	1,669	1.5
Utilities and communication costs	1,642	1,507	9.0
Other operating costs	4,337	4,083	6.2
Total operating costs	69,511	68,096	2.1
Operating Profit	34,192	39,710	(13.9)
Finance costs*	(918)	-	n.m.
Interest income	1,657	1,427	16.1
Profit before Taxation	34,931	41,137	(15.1)
Taxation	(6,052)	(5,978)	1.2
Profit after Taxation	28,879	35,159	(17.9)
Attributable to:			
Shareholders of the Company	28,412	34,700	(18.1)
Non-Controlling Interests	467	459	1.7
	28,879	35,159	(17.9)

* Incorporates the effect of adoption of SFRS(I) 16 *Leases* from 1 January 2019.

n.m. – not meaningful

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	92,851	104,097	88,973	74,627
Trade receivables	16,181	16,857	2,244	2,334
Other receivables and prepayments	1,827	1,638	1,168	1,012
Inventories	21	28	-	-
Total current assets	110,880	122,620	92,385	77,973
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Club memberships	-	155	-	155
Financial assets at fair value through other comprehensive income	1,349	-	1,349	-
Vehicles, premises and equipment	55,458	56,089	20,089	21,885
Right-of-use assets*	26,007	-	18,931	-
Goodwill	11,325	11,325	-	-
Total non-current assets	94,164	67,594	66,310	47,981
Total assets	205,044	190,214	158,695	125,954
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	24,180	22,804	7,465	6,757
Due to subsidiaries	-	-	46,624	15,704
Provision for relocation costs	6,589	-	-	-
Lease liabilities*	1,210	-	566	-
Income tax payable	6,923	6,890	3,762	3,676
Total current liabilities	38,902	29,694	58,417	26,137
Non-current liabilities				
Deferred tax liabilities	1,548	1,661	193	244
Lease liabilities*	32,304	-	25,476	-
Provision for relocation costs	-	7,053	-	-
Total non-current liabilities	33,852	8,714	25,669	244
Total liabilities	72,754	38,408	84,086	26,381
Capital, reserves and non-controlling interests				
Share capital	36,284	36,284	36,284	36,284
Other reserves	3,065	3,073	3,065	3,073
Foreign currency translation reserve	(1)	21	-	-
Accumulated profits*	91,977	111,456	35,260	60,216
Equity attributable to shareholders of the Company*	131,325	150,834	74,609	99,573
Non-controlling interests*	965	972	-	-
Total equity	132,290	151,806	74,609	99,573
Total liabilities and equity	205,044	190,214	158,695	125,954

* The Group has adopted SFRS(I) 16 Leases on 1 Jan 2019. Please refer to paragraph 10 for further details.

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

Secured / Unsecured Lease liabilities as at 31 December 2019

<u>Lease liabilities</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>
Secured	\$'000	\$'000
Amount repayable in one year or less, or on demand	1,210	-
Amount repayable after one year	32,304	-
	<u>33,514</u>	<u>-</u>

Details of any collateral

The lease liabilities of \$33.5 million relates to the adoption of SFRS(I) 16 Leases.

4 GROUP CASH FLOW STATEMENT

	<u>Group</u>	
	<u>FY 2019</u>	<u>FY 2018</u>
	<u>\$'000</u>	<u>\$'000</u>
Operating activities		
Profit before taxation	34,931	41,137
Adjustments for:		
Depreciation of property, plant and equipments and amortisation of club memberships	6,071	6,424
Depreciation of right-of-use assets*	1,341	-
Interest expense*	918	-
Interest income	(1,657)	(1,427)
Loss (Gain) on disposal of vehicles, premises and equipment and surrender of lease	2	(14,813)
Provision for relocation costs	-	7,053
Allowance for expected credit losses	435	305
Operating cash flows before movements in working capital	<u>42,041</u>	<u>38,679</u>
Trade receivables	241	(3,745)
Other receivables and prepayments	(190)	(3)
Inventories	7	(8)
Trade and other payables	912	(68)
Cash generated from operations	<u>43,011</u>	<u>34,855</u>
Interest paid*	(918)	-
Income tax paid	(6,132)	(4,793)
Net cash from operating activities	<u>35,961</u>	<u>30,062</u>
Investing activities		
Purchase of vehicles, premises and equipment	(5,372)	(26,197)
Proceeds from disposal of vehicles, premises and equipment and surrender of lease	82	23,901
Interest received	1,658	1,478
Purchases of unquoted equity instruments held at fair value through other comprehensive income	(1,357)	-
Net cash used in investing activities	<u>(4,989)</u>	<u>(818)</u>

* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019

	Group	
	FY 2019	FY 2018
	\$'000	\$'000
Financing activities		
Payments to non-controlling interests	(431)	(464)
Repayment of lease liabilities*	(1,081)	-
Dividends paid	(40,687)	(32,213)
Net cash used in financing activities	<u>(42,199)</u>	<u>(32,677)</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>(19)</u>	<u>16</u>
Net decrease in cash and cash equivalents	(11,246)	(3,417)
Cash and cash equivalents at beginning of year	<u>104,097</u>	<u>107,514</u>
Cash and cash equivalents at end of year	<u><u>92,851</u></u>	<u><u>104,097</u></u>

* Incorporates the effect of adoption of SFRS(I) 16 *Leases* from 1 January 2019

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	FY 2019	FY 2018
	\$'000	\$'000
Profit after taxation	28,879	35,159
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	<u>(22)</u>	<u>15</u>
Items that will not be reclassified subsequently to profit or loss		
Fair value adjustment on equity investments	<u>(8)</u>	<u>-</u>
Other comprehensive income for the year	(30)	15
Total comprehensive income for the year	<u><u>28,849</u></u>	<u><u>35,174</u></u>
Total comprehensive income attributable to:		
Shareholders of the Company	28,382	34,715
Non-controlling interests	<u>467</u>	<u>459</u>
	<u><u>28,849</u></u>	<u><u>35,174</u></u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2019:

	Group						
	Attributable to shareholders of the Company						
	Share capital \$'000	Other reserves \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2018	36,284	3,073	6	108,969	148,332	977	149,309
Total comprehensive income for the year							
Profit for the year	-	-	-	34,700	34,700	459	35,159
Other comprehensive income for the year	-	-	15	-	15	-	15
Total	-	-	15	34,700	34,715	459	35,174
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(32,213)	(32,213)	-	(32,213)
Total	-	-	-	(32,213)	(32,213)	-	(32,213)
Payments to non-controlling interests	-	-	-	-	-	(464)	(464)
Balance at 31 December 2018	36,284	3,073	21	111,456	150,834	972	151,806
Adoption of SFRS(I) 16*	-	-	-	(7,204)	(7,204)	(43)	(7,247)
Balance at 1 January 2019 (Restated)	36,284	3,073	21	104,252	143,630	929	144,559
Total comprehensive income for the year							
Profit for the year	-	-	-	28,412	28,412	467	28,879
Other comprehensive income for the year	-	(8)	(22)	-	(30)	-	(30)
Total	-	(8)	(22)	28,412	28,382	467	28,849
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(40,687)	(40,687)	-	(40,687)
Total	-	-	-	(40,687)	(40,687)	-	(40,687)
Payments to non-controlling interests	-	-	-	-	-	(431)	(431)
Balance at 31 December 2019	36,284	3,065	(1)	91,977	131,325	965	132,290

* The Group has adopted SFRS(I) 16 on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 10 for further details.

Statement of Changes in Equity of the Company for the year ended 31 December 2019:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	36,284	3,073	69,040	108,397
Profit for the year, representing total comprehensive income for the year	-	-	23,389	23,389
Transactions recognised directly in equity				
Payment of dividends	-	-	(32,213)	(32,213)
Total	-	-	(32,213)	(32,213)
Balance at 31 December 2018	36,284	3,073	60,216	99,573
Adoption of SFRS(l) 16*	-	-	(7,020)	(7,020)
Balance at 1 January 2019 (Restated)	36,284	3,073	53,196	92,553
Total comprehensive income for the year				
Profit for the year	-	-	22,751	22,751
Other comprehensive income for the year	-	(8)	-	(8)
Total	-	(8)	22,751	22,743
Transactions recognised directly in equity				
Payment of dividends	-	-	(40,687)	(40,687)
Total	-	-	(40,687)	(40,687)
Balance at 31 December 2019	36,284	3,065	35,260	74,609

* The Group has adopted SFRS(l) 16 on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 10 for further details.

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the year ended 31 December 2019, no new ordinary shares were issued by the Company.

As at 31 December 2019, the total number of issued shares was 88,642,000 (31 December 2018: 88,642,000).

The Company does not hold any treasury shares as at 31 December 2019.

8 AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICOM LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of VICOM Ltd (the "Company") and its subsidiaries (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2019, and the Income Statement, Comprehensive Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Group and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Financial Statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for expected credit losses for trade receivables

The Group makes allowances for expected credit losses based on an assessment of the recoverability of trade receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

Our audit procedures included critically challenging Management's assessment review for the allowance for expected credit losses. We have evaluated the design and implementation of key controls over the allowance for expected credit losses; assessed Management's assumptions about risk of default and expected credit loss rate; and assessed movement in the allowance for expected credit losses, write-off and recoveries of receivables. We found Management's key assumptions to be within the reasonable range of our expectations.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Statements and our auditor's report thereon. The Directors' Statement was obtained prior to the date of this auditor's report and the remaining other information included in the annual report is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair Financial Statements and to maintain accountability of assets.

In preparing the Financial Statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tsia Chee Wah.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

12 February 2020

9 ACCOUNTING POLICIES

Except as disclosed in paragraph 10 below, 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 for the year ended 31 December 2018.

10 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

SFRS(I) 16 *Leases* is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

SFRS(I) 16 resulted in most of the leases being recognized on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, it requires a lessee to recognise a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments resulting mainly in higher depreciation, lower lease payments (premises costs) and higher finance costs. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The ROU assets as at 31 December 2019 were largely related to leases of the inspection and testing centres occupied by the Group in the various locations. Accordingly, there was a corresponding increase in lease liabilities as at 31 December 2019.

The adoption of SFRS(I) 16 resulted in adjustments to the Statement of Financial Position of the Group and Company as at 1 January 2019. The differences from the Statement of Financial Position as previously reported at 31 December 2018 are as follows:

Statement of Financial Position	Group	Company
	1 Jan 2019 \$'000	1 Jan 2019 \$'000
Increase in right-of-use assets	27,358	19,589
Increase in lease liabilities	(34,605)	(26,609)
Decrease in net assets	<u>(7,247)</u>	<u>(7,020)</u>
Decrease in accumulated profits	7,204	7,020
Decrease in non-controlling interests	43	-
Decrease in total equity	<u>7,247</u>	<u>7,020</u>

11 GROUP EARNINGS PER ORDINARY SHARE AND GROUP EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

Earnings per ordinary share – Basic and Diluted

	Group	
	<u>FY 2019</u>	<u>FY 2018</u>
Based on weighted average number of ordinary shares in issue – cents	32.05	39.15

EBITDA

	Group	
	<u>FY 2019</u>	<u>FY 2018</u>
(i) EBITDA (\$'000)	41,604	46,134
(ii) EBITDA margin (%)	40.1	46.1

12 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>
Net asset value per ordinary share based on issued share capital - cents	148.15	170.16	84.17	112.33

13 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$103.7 million for 2019 was \$3.6 million or 3.6% higher than 2018 due to higher business volumes.

Other Income

The Group's other income of \$7.7 million for 2018 was derived from gain on the Surrender of Lease of the Property at 18 Teban Gardens Crescent to Jurong Town Corporation less provision for relocation costs to the new building. However, there was no other income recorded for 2019.

Operating Costs

The Group's operating costs of \$69.5 million for 2019 was \$1.4 million or 2.1% higher than 2018. This was mainly from higher staff costs, higher allowance for expected credit losses included in the other operating costs and offset by the impact of the adoption of SFRS(I) 16 with increase in depreciation of right-of-use assets and lower premises cost.

Operating Profit

Consequently, the Group's operating profit of \$34.2 million for 2019 was \$5.5 million or 13.9% lower than 2018 due mainly to the one-off other income of \$7.7 million in 2018.

Excluding the one-off other income of \$7.7 million in 2018, the Group's operating profit for 2019 was \$2.2 million or 7.0% higher than 2018.

Finance Costs

Finance cost of \$0.9m was recorded for 2019 arising from the adoption of SFRS(I) 16. However, there was no finance cost recorded for 2018.

Interest Income

The Group's interest income \$1.7 million for 2019 was \$0.2 million or 16.1% higher than 2018.

Profit before Taxation

The Group's profit before tax of \$34.9 million for 2019 was \$6.2 million or 15.1% lower than 2018 due mainly to the one-off other income of \$7.7 million in 2018.

Excluding the one-off other income of \$7.7 million in 2018, the Group's profit before tax for 2019 was \$1.5 million or 4.6% higher than 2018.

Taxation

Taxation for the Group of \$6.1 million for 2019 was \$0.1 million or 1.2% higher than 2018.

Excluding the taxation on the one-off other income of \$0.1 million in 2018, the Group's taxation for 2019 was \$0.2 million or 3.0% higher than 2018.

Profit attributable to Shareholders of the Company

The Group's profit attributable to shareholders of the Company of \$28.4 million for 2019 was \$6.3 million or 18.1% lower than 2018 due mainly to the net one-off other income of \$7.6 million in 2018.

Excluding the net one-off other income of \$7.6 million in 2018, the Group's profit attributable to shareholders of the Company for 2019 was \$1.3 million or 5.0% higher than 2018.

Statements of Financial Position

Total Equity decreased by \$19.5 million to \$131.3 million as at 31 December 2019 due mainly to the payment of dividends of \$41.1 million, adjustments to the opening balance of the accumulated profits and non-controlling interest by \$7.2 million from the adoption of SFRS(I) 16 on 1 January 2019 offset by profits generated from operations of \$28.9 million.

Total Assets increased by \$14.8 million to \$205.0 million as at 31 December 2019 due to the increase in Non-Current Assets by \$26.5 million offset by the decrease in Current Assets by \$11.7 million. The increase in Non-Current Assets was due mainly to the increase in Right-of-use Assets of \$26.0 million and Financial Assets at fair value through other comprehensive income of \$1.3 million, offset by decrease in Vehicles, Premises and Equipment of \$0.6 million and Club Memberships of \$0.2 million. The decrease in Current Assets was due mainly to the decrease of \$11.2 million in Cash and Cash Equivalents and \$0.7 million in Trade Receivables, offset by the increase of \$0.2 million in Other Receivables & Prepayments.

Total Liabilities increased by \$34.3 million to \$72.8 million as at 31 December 2019 due mainly to the increase in Lease Liabilities of \$33.5 million and Trade and Other Payables of \$1.4 million, offset by the decrease in Provision for Relocation Cost of \$0.5 million and Tax Provision of \$0.1 million.

Cash Flow

The net cash outflow in 2019 was \$11.2 million after dividend payments.

14 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

No forecast or prospect statement has been previously disclosed.

15 GROUP OUTLOOK

The Singapore economy is likely to be negatively impacted by the novel coronavirus (COVID-2019) that emerged in Wuhan, China in December 2019. The vehicle testing business is expected to remain stable, as more than 39,000 private cars renewed their Certificates of Entitlement in 2019, and these cars will henceforth be subjected to mandatory annual instead of biennial inspections. However, the non-vehicle testing business is expected to remain challenging given the economic uncertainties.

16 DIVIDEND

(a) Current Financial Period Reported On

The Directors are pleased to propose a tax-exempt one-tier final dividend of 24.29 cents (2018: 23.17 cents) per ordinary share.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	24.29 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Final	Special
Dividend Type	Cash; Tax-exempt one-tier	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	23.17 cents	8.62 cents
Tax Rate	Exempt one-tier	Exempt one-tier

(c) Date payable

The proposed final dividend, if approved by the Shareholders at the Thirty-Ninth Annual General Meeting of the Company to be held on 22 April 2020, will be payable on 11 May 2020.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 30 April 2020 for the purposes of determining Shareholders' entitlements to the proposed final 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 30 April 2020 will be registered to determine Shareholders' entitlements to the final 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 30 April 2020 will be entitled to the proposed final dividend.

17 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.

18 BREAKDOWN OF REVENUE

	Group 2019 \$'000	Group 2018 \$'000	Increase/ (decrease) %
Revenue reported for first half year	51,103	49,177	3.9
Profit after taxation before deducting non-controlling interests reported for first half year	14,133	13,479	4.9
Revenue reported for second half year	52,600	50,886	3.4
Profit after taxation before deducting non-controlling interests reported for second half year	14,746	21,680	(32.0)

19 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	FY 2019	FY 2018
	\$'000	\$'000
Ordinary shares (tax-exempt one-tier)		
- Interim	12,508	11,932
- Final (proposed)	21,531	20,538
- Special (proposed)	-	7,641
Total	34,039	40,111

20 INTERESTED PERSON TRANSACTIONS

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

21 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2019, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

22 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.

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy / Yeo Tee Yeok, Edwin
Joint Company Secretaries

12 February 2020