



VICOM LTD
Company Registration Number : 198100320K

**Condensed Financial Statements for the second half and
full year ended 31 December 2021 and Dividend Announcement**

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A GROUP INCOME STATEMENT

		2nd Half 2021 ¹	2nd Half 2020 ¹	Incr/ (Decr)	FY 2021	FY 2020	Incr/ (Decr)
	Note	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	5	51,732	46,612	11.0	100,892	86,452	16.7
Staff costs		(22,803)	(18,065)	26.2	(45,362)	(35,784)	26.8
Depreciation and amortisation		(3,814)	(3,692)	3.3	(7,249)	(7,334)	(1.2)
Contract services		(1,601)	(1,266)	26.5	(2,928)	(2,405)	21.7
Materials and consumables		(1,530)	(1,091)	40.2	(2,831)	(2,074)	36.5
Premises costs		(1,052)	(885)	18.9	(1,923)	(1,684)	14.2
Repairs and maintenance costs		(893)	(863)	3.5	(1,772)	(1,625)	9.0
Utilities and communication costs		(1,046)	(492)	112.6	(1,795)	(1,242)	44.5
Other operating costs		(2,957)	(2,375)	24.5	(6,056)	(4,977)	21.7
Total operating costs		<u>(35,696)</u>	<u>(28,729)</u>	24.3	<u>(69,916)</u>	<u>(57,125)</u>	22.4
Operating Profit		16,036	17,883	(10.3)	30,976	29,327	5.6
Finance costs		(432)	(446)	(3.1)	(871)	(899)	(3.1)
Interest income		123	289	(57.4)	269	948	(71.6)
Profit before Taxation	7	15,727	17,726	(11.3)	30,374	29,376	3.4
Taxation	8	(2,732)	(2,651)	3.1	(5,138)	(4,400)	16.8
Profit after Taxation		<u>12,995</u>	<u>15,075</u>	(13.8)	<u>25,236</u>	<u>24,976</u>	1.0
Attributable to:							
Shareholders of the Company		12,775	14,795	(13.7)	24,776	24,494	1.2
Non-Controlling Interests		220	280	(21.4)	460	482	(4.6)
		<u>12,995</u>	<u>15,075</u>	(13.8)	<u>25,236</u>	<u>24,976</u>	1.0
Operating Profit before COVID-19							
Government reliefs		15,455	13,977	10.6	29,174	21,610	35.0
COVID-19 Government reliefs		581	3,906	(85.1)	1,802	7,717	(76.6)
Operating Profit after COVID-19		<u>16,036</u>	<u>17,883</u>	(10.3)	<u>30,976</u>	<u>29,327</u>	5.6

B GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	2nd Half 2021 ¹	2nd Half 2020 ¹	FY 2021	FY 2020
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	12,995	15,075	25,236	24,976
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	32	(47)	16	(15)
Items that will not be reclassified subsequently to profit or loss				
Fair value adjustment on equity investments	1,024	(67)	1,043	(22)
Other comprehensive income for the year	1,056	(114)	1,059	(37)
Total comprehensive income for the year	<u>14,051</u>	<u>14,961</u>	<u>26,295</u>	<u>24,939</u>
Total comprehensive income attributable to:				
Shareholders of the Company	13,831	14,681	25,835	24,457
Non-controlling interests	220	280	460	482
	<u>14,051</u>	<u>14,961</u>	<u>26,295</u>	<u>24,939</u>
Earnings per share for profit for the period attributable to the owners of the Company during the period :				
Basic and diluted (in cents)	<u>3.60</u>	<u>4.17</u>	<u>6.99</u>	<u>6.91</u>

C STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000	31 Dec 2021 \$'000	31 Dec 2020 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		75,360	93,196	71,057	89,384
Trade receivables		11,268	10,505	1,946	2,083
Other receivables and prepayments		1,037	1,764	285	431
Inventories		21	2	-	-
Total current assets		87,686	105,467	73,288	91,898
Non-current assets					
Subsidiaries		-	-	25,941	25,941
Associate		25	25	-	-
Financial assets at fair value through other comprehensive income	11	3,295	1,327	3,295	1,327
Vehicles, premises and equipment	13	97,434	89,754	34,260	36,589
Goodwill	12	11,325	11,325	-	-
Total non-current assets		112,079	102,431	63,496	63,857
Total assets		199,765	207,898	136,784	155,755
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		29,755	24,375	7,826	7,500
Due to subsidiaries		-	-	38,786	49,988
Provision for relocation costs		2,462	6,973	-	-
Lease liabilities	14	1,062	1,092	597	587
Income tax payable		5,851	6,773	3,074	4,415
Total current liabilities		39,130	39,213	50,283	62,490
Non-current liabilities					
Other payables		720	-	-	-
Deferred tax liabilities		999	1,542	28	63
Lease liabilities	14	30,702	31,691	24,299	24,896
Total non-current liabilities		32,421	33,233	24,327	24,959
Total liabilities		71,551	72,446	74,610	87,449
Capital, reserves and non-controlling interests					
Share capital	15	36,284	36,284	36,284	36,284
Other reserves		4,086	3,043	4,086	3,043
Foreign currency translation reserve		-	(16)	-	-
Accumulated profits		86,883	94,940	21,804	28,979
Equity attributable to shareholders of the Company		127,253	134,251	62,174	68,306
Non-controlling interests		961	1,201	-	-
Total equity		128,214	135,452	62,174	68,306
Total liabilities and equity		199,765	207,898	136,784	155,755

D GROUP CASH FLOW STATEMENT

		Group	
		FY 2021	FY 2020
Note		\$'000	\$'000
Operating activities			
	Profit before taxation	30,374	29,376
	Adjustments for:		
	Depreciation of vehicles, premises and equipment owned and right-of-use assets	7,249	7,334
	Interest expense	871	899
	Interest income	(269)	(948)
	Gain on disposal of vehicles, premises and equipment	(4)	(30)
	Allowance for expected credit losses	552	856
	Operating cash flows before movements in working capital	<u>38,773</u>	<u>37,487</u>
	Trade receivables	(1,315)	4,820
	Other receivables and prepayments	723	(733)
	Inventories	(19)	19
	Trade and other payables	<u>(1,025)</u>	<u>579</u>
	Cash generated from operations	37,137	42,172
	Interest paid	(871)	(899)
	Income tax paid	<u>(6,603)</u>	<u>(4,556)</u>
	Net cash from operating activities	<u>29,663</u>	<u>36,717</u>
Investing activities			
	Purchase of vehicles, premises and equipment	13 (12,282)	(15,001)
	Proceeds from disposal of vehicles, premises and equipment	35	37
	Purchases of unquoted equity instruments held at FVTOCI	(925)	-
	Interest received	273	1,744
	Net cash used in investing activities	<u>(12,899)</u>	<u>(13,220)</u>
Financing activities			
	Payments to non-controlling interests	(700)	(246)
	Repayment of lease liabilities	(1,093)	(1,358)
	Dividends paid	9 (32,833)	(21,531)
	Net cash used in financing activities	<u>(34,626)</u>	<u>(23,135)</u>
Net effect of exchange rate changes in consolidating subsidiaries			
		<u>26</u>	<u>(17)</u>
	Net decrease in cash and cash equivalents	(17,836)	345
	Cash and cash equivalents at beginning of year	<u>93,196</u>	<u>92,851</u>
	Cash and cash equivalents at end of year	<u><u>75,360</u></u>	<u><u>93,196</u></u>

E 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 year							
	Profit for the year	-	-	-	24,494	24,494	482	24,976
	Other comprehensive income for the year	-	(22)	(15)	-	(37)	-	(37)
	Total	-	(22)	(15)	24,494	24,457	482	24,939
	Transactions recognised directly in equity							
	Payment of dividends	-	-	-	(21,531)	(21,531)	-	(21,531)
	Total	-	-	-	(21,531)	(21,531)	-	(21,531)
	Payments to non-controlling interests	-	-	-	-	-	(246)	(246)
	Balance at 31 December 2020	36,284	3,043	(16)	94,940	134,251	1,201	135,452
	Total comprehensive income for the year							
	Profit for the year	-	-	-	24,776	24,776	460	25,236
	Other comprehensive income for the year	-	1,043	16	-	1,059	-	1,059
	Total	-	1,043	16	24,776	25,835	460	26,295
	Transactions recognised directly in equity							
	Payment of dividends	-	-	-	(32,833)	(32,833)	-	(32,833)
	Total	-	-	-	(32,833)	(32,833)	-	(32,833)
	Payments to non-controlling interests	-	-	-	-	-	(700)	(700)
	Balance at 31 December 2021	36,284	4,086	-	86,883	127,253	961	128,214

E 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 year	-	-	15,250	15,250
	Other comprehensive income for the year	-	(22)	-	(22)
	Total	-	(22)	15,250	15,228
	Transactions recognised directly in equity				
	Payment of dividends	9	-	(21,531)	(21,531)
	Total	-	-	(21,531)	(21,531)
	Balance at 31 December 2020	36,284	3,043	28,979	68,306
	Total comprehensive income for the year				
	Profit for the year	-	-	25,658	25,658
	Other comprehensive income for the year	-	1,043	-	1,043
	Total	-	1,043	25,658	26,701
	Transactions recognised directly in equity				
	Payment of dividends	9	-	(32,833)	(32,833)
	Total	-	-	(32,833)	(32,833)
	Balance at 31 December 2021	36,284	4,086	21,804	62,174

F NOTES TO THE CONDENSED 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. These condensed consolidated Financial Statements as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group).

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.

2 Basis of Preparation

The condensed Financial Statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 interim Financial Statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1

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 Financial Statements are presented in Singapore dollar which is the Company's functional currency and all values are expressed in thousand (\$'000) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 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 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 3.2% (2020: 1.5%).

The discount rate applied to the forecast is 6.36% (2020: 4.62%).

As at 31 December 2021 and 31 December 2020, 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			
	2H 2021	2H 2020	FY 2021	FY 2020
	\$'000	\$'000	\$'000	\$'000
Inspection and testing services	49,826	44,307	96,802	81,797
Rental income	1,083	1,204	2,214	2,549
Others	823	1,101	1,876	2,106
	<u>51,732</u>	<u>46,612</u>	<u>100,892</u>	<u>86,452</u>

Majority of the revenue is derived from Singapore.

6 Financial assets and financial liabilities

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised cost		87,375	105,202	73,199	91,739
Financial assets at FVTOCI	11	<u>3,295</u>	<u>1,327</u>	<u>3,295</u>	<u>1,327</u>
Financial Liabilities					
Amortised cost		27,392	20,478	46,010	56,753
Lease liabilities		<u>31,764</u>	<u>32,783</u>	<u>24,896</u>	<u>25,483</u>

7 Profit after taxation

7.1 Significant Items

	The Group			
	2H 2021	2H 2020	FY 2021	FY 2020
	\$'000	\$'000	\$'000	\$'000
Foreign currency exchange adjustment loss	44	(50)	69	(60)
Allowance for expected credit losses	615	83	552	856
Government grant (COVID-19 related)	<u>581</u>	<u>3,906</u>	<u>1,802</u>	<u>7,717</u>

7.2 Related Party Transactions

The Company is a subsidiary of ComfortDelGro Corporation Limited, incorporated in the Republic of Singapore, which is also the Company's ultimate holding company. Related companies in these condensed Financial Statements refer to members of the holding company's group of companies.

Some of the Group's transactions and arrangements and terms thereof are arranged by or between members of the holding company's group of companies. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note.

Significant related company transactions are as follows:

	The Group			
	2H 2021	2H 2020	FY 2021	FY 2020
	\$'000	\$'000	\$'000	\$'000
Inspection and testing services charged to related companies	(934)	(996)	(1,848)	(1,980)
Refuelling outlet (variable rental) income charged to related company	(129)	(120)	(255)	(228)
Rental income charged to related companies	(111)	(124)	(223)	(260)
Assessment fee charged to related companies	(39)	(55)	(73)	(172)
Other fees charged to related companies	(36)	(25)	(81)	(55)
Shared and corporate services charged by holding company	651	269	1,303	539
Others charged by holding company	46	46	92	91
Others charged by related companies	155	151	304	269
Lease expense charged by related companies	99	89	193	178

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad debts allowance in respect of the amounts owed by related companies.

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 Group Income Statement are:

	The Group			
	2H 2021	2H 2020	FY 2021	FY 2020
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	3,058	2,512	5,682	4,406
Deferred income tax expense relating to origination and reversal of temporary differences	(326)	139	(544)	(6)
	<u>2,732</u>	<u>2,651</u>	<u>5,138</u>	<u>4,400</u>

9 Dividends

During the period, the Company paid dividends as follows:

	The Group			
	2H 2021	2H 2020	FY 2021	FY 2020
	\$'000	\$'000	\$'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
Tax-exempt one-tier interim dividend in respect of current Financial year:				
- 3.04 cents (2020: NIL cents) per ordinary share	10,779	-	10,779	-
	<u>10,779</u>	<u>-</u>	<u>32,833</u>	<u>21,531</u>

10 Net Asset Value Per Ordinary Share

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net asset value per ordinary share based on issued share capital – cents	<u>35.89</u>	<u>37.86</u>	<u>17.54</u>	<u>19.26</u>

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

	The Group and The Company	
	2021	2020
	\$'000	\$'000
Investment in unquoted equity shares designated as at FVTOCI		
Balance as at beginning of the year	1,327	1,349
Additions	925	-
Fair value adjustment	<u>1,043</u>	<u>(22)</u>
Balance as at end of the year	<u>3,295</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 recoverability of these investments is uncertain and dependent on the outcome of these activities, which cannot presently be determined.

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>	
	31 December 2021	31 December 2020
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	3,295	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 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

	<u>The Group</u>	
	31 December 2021	31 December 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:

	<u>The Group</u>	
	31 December 2021	31 December 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 year ended 31 December 2021, the Group acquired assets amounting to \$15.7 million (2020: \$15.1 million) and disposed of assets with a net book value of \$31k (2020: \$7k).

The Group has also written off assets with net book value of \$1.5 million resulting from the completion of relocation to its new premises in Bukit Batok during the year. The net impact of the write-offs were offset against provision for relocation cost previously recognised.

As at 31 December 2021, \$3.4 million of the acquired assets remain unpaid under Trade and Other payables as the invoices are not due.

14 Aggregate amount of Group's borrowings

	The Group	
	31 December 2021	31 December 2020
	\$'000	\$'000
<u>Lease liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	1,062	1,092
Amount repayable after one year	30,702	31,691
	31,764	32,783

The lease liabilities of \$31.8 million relates to the leases recognised in accordance with *SFRS(I) 16 Leases*.

15 Share capital

	The Group and the Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
			\$'000	\$'000
Issued and paid up:				
Beginning of year	354,568,000	88,642,000	36,284	36,284
Issuance of new shares arising from share split	-	265,926,000	-	-
End of year	354,568,000	354,568,000	36,284	36,284

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 condensed Financial Statements.

G OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**1 Review**

The condensed Financial Statements of the Group and Company for the financial year ended 31 December 2021 have been audited. Please refer to auditor's report in item 9. Results of the Group for 2H 2021 and 2H 2020 have not been audited nor reviewed.

2 Review of performance of the GroupPerformance Review for 2H 2021 vs 2H 2020

Revenue

The Group's total revenue of \$51.7 million for 2H 2021 was \$5.1 million or 11.0% higher than 2H 2020. This was largely due the recovery of the Singapore economy and the lower base after the Circuit Breaker in 2Q 2020.

Operating Costs

The Group's operating costs of \$35.7 million for 2H 2021 were \$6.9 million or 24.3% higher than 2H 2020. The higher operating cost is in tandem with higher business volume coupled with the impact from the lower COVID-19 Government reliefs of \$3.3 million against 2H 2020.

Operating Profit

Consequently, the Group's operating profit of \$16.0 million for 2H 2021 was \$1.8 million or 10.3% lower than 2H 2020.

The Group's profit before tax of \$15.7 million for 2H 2021 was \$2.0 million or 11.3% lower than 2H 2020.

Taxation for the Group of \$2.7 million for 2H 2021 was \$0.1 million or 3.1% higher than 2H 2020. The higher tax expense in 2H 2021 was due to the lower effective tax rate in 2H 2020 from higher Government reliefs that were not taxable.

The Group's Profit attributable to Shareholders of the Company of \$12.8 million for 2H 2021 was \$2.0 million or 13.7% lower than 2H 2020.

Excluding COVID-19 Government reliefs of \$0.6 million for 2H 2021 and \$3.9 million for 2H 2020, the Group's operating profit of \$15.5 million for 2H 2021 was \$1.5 million or 10.6% higher than 2H 2020.

Performance Review for FY 2021 vs FY 2020

Revenue

The Group's total revenue of \$100.9 million for FY 2021 was \$14.4 million or 16.7% higher than FY 2020. This was largely due to a stronger 2Q 2021 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 \$69.9 million for FY 2021 were \$12.8 million or 22.4% higher than FY 2020. The higher operating cost is in tandem with higher business volume coupled with the impact from the lower COVID-19 Government reliefs of \$5.9 million against FY 2020.

Operating Profit

Consequently, the Group's operating profit of \$31.0 million for FY 2021 was \$1.6 million or 5.6% higher than FY 2020.

The Group's profit before tax of \$30.4 million for FY 2021 was \$1.0 million or 3.4% higher than FY 2020.

Taxation for the Group of \$5.1 million for FY 2021 was \$0.7 million or 16.8% higher than FY 2020 due to higher taxable profit and lower non-taxable Government reliefs in FY 2021.

The Group's Profit attributable to Shareholders of the Company of \$24.8 million for FY 2021 was \$0.3 million or 1.2% higher than FY 2020.

Excluding COVID-19 Government reliefs of \$1.8 million for FY 2021 and \$7.7 million for FY 2020, the Group's operating profit of \$29.2 million for FY 2021 was \$7.6 million or 35.0% higher than FY 2020.

Statements of Financial Position

Total Equity decreased by \$7.2 million to \$128.2 million as at 31 December 2021 was mainly due to payment of dividends of \$32.8 million offset by profits generated from operations of \$25.2 million.

Total Assets decreased by \$8.1 million to \$199.8 million as at 31 December 2021 due to the decrease in Current Assets by \$17.8 million offset by the increase in Non-Current Assets by \$9.7 million. The decrease in Current Assets was due mainly to the decrease in Cash and Cash Equivalents of \$17.8 million and Other Receivables & Prepayments of \$0.7 million, offset by increase in Trade Receivables of \$0.7 million. The increase in Non-Current Assets was due mainly to the increase in Vehicles, Premises and Equipment of \$7.7 million and Financial assets at fair value through other comprehensive income of \$2.0 million.

Total Liabilities decreased by \$0.9 million to \$71.6 million as at 31 December 2021 due mainly to the decrease in Tax Provision of \$1.5 million, Provision for Relocation Costs of \$4.5 million and Lease Liabilities of \$1.0 million, offset by the increase in Trade and Other Payable and Other Liabilities of \$6.1 million.

Cash Flow

The net cash outflow in the year was \$17.8 million after payment of dividends.

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

No forecast or prospect statement has been previously disclosed.

4 Group outlook

Demand for the vehicle testing business is expected to remain strong, with the new regulations mandating annual inspection for licensed ride-hail and street-hail service vehicles.

Demand for the non-vehicle testing business is also expected to improve with the gradual resumption of economic activities. However, profit margins will continue to be under pressure due to greater competition and also higher manpower and compliance costs as a result of the pandemic.

Barring unforeseen circumstances and a deterioration of the COVID-19 situation, the Group expects satisfactory performance in the year ahead.

5 Dividend information

a) Current Financial Period Reported on

The Directors are pleased to propose a tax-exempt one-tier final dividend of 3.24 cents (2020: 6.22 cents) per ordinary share and a tax-exempt one-tier special dividend of 2.00 cents (2020: Nil cents) per ordinary share. Including interim dividend of 3.04 cents (2020: NIL cents), total dividend per ordinary share for 2021 is 8.28 cents (2020: 6.22 cents).

Name of Dividend	Final	Special
Dividend Type	Cash; Tax-exempt one-tier	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.24 cents	2.00 cents
Tax Rate	Exempt one-tier	Exempt one-tier

b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	6.22 cents
Tax Rate	Exempt one-tier

c) Date Payable

The Proposed Final and Special Dividends, if approved by the Shareholders at the Forty-First Annual General Meeting of the Company, will be paid on 25 May 2022.

d) Record Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of VICOM Ltd (the "Company") will be closed at 5.00 p.m. on 6 May 2022 for the purpose of determining Shareholders' entitlements to the proposed tax exempt one-tier final dividend of 3.24 Singapore cents (S\$0.0324) per ordinary share and a tax-exempt one-tier special dividend of 2.0 Singapore cents (S\$0.020) per ordinary share for the financial year ended 31 December 2021.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on 6 May 2022 will be registered to determine Shareholders' entitlements to the Proposed Final and Special Dividends. 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 6 May 2022 will be entitled to such Proposed Final and Special Dividends.

6 Interested person transactions

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

7 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 2021, 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.

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.

BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr
Company Secretary

Singapore
21 February 2022

9 Auditors' Report

The auditor's report on the full financial statements of VICOM Ltd for the financial year ended 31 December 2021 is as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICOM LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the 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 2021, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement 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 accompanying Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated 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 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 of 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 reasonable.

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 other information is expected to be made available to us after the date of this auditor's report.

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

21 February 2022