



VICOM LTD
Company Registration Number : 198100320K

**Condensed Financial Statements for the second half and
full year ended 31 December 2022 and Dividend Announcement**

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A GROUP INCOME STATEMENT

		2nd Half 2022 ¹	2nd Half 2021 ¹	Incr/ (Decr)	FY 2022	FY 2021	Incr/ (Decr)
	Note	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	5	54,973	51,732	6.3	108,304	100,892	7.3
Staff costs		(25,175)	(22,803)	10.4	(49,895)	(45,362)	10.0
Depreciation and amortisation		(3,696)	(3,814)	(3.1)	(7,268)	(7,249)	0.3
Utilities and communication costs		(1,697)	(1,046)	62.2	(3,227)	(1,795)	79.8
Materials and consumables		(1,595)	(1,530)	4.2	(3,168)	(2,831)	11.9
Contract services		(1,391)	(1,601)	(13.1)	(2,851)	(2,928)	(2.6)
Premises costs		(930)	(1,052)	(11.6)	(1,894)	(1,923)	(1.5)
Repairs and maintenance costs		(934)	(893)	4.6	(1,787)	(1,772)	0.8
Other operating costs		(3,429)	(2,957)	16.0	(5,564)	(6,056)	(8.1)
Total operating costs		<u>(38,847)</u>	<u>(35,696)</u>	8.8	<u>(75,654)</u>	<u>(69,916)</u>	8.2
Operating Profit		16,126	16,036	0.6	32,650	30,976	5.4
Finance costs		(422)	(432)	(2.3)	(848)	(871)	(2.6)
Interest income		586	123	376.4	749	269	178.4
Profit before Taxation	7	16,290	15,727	3.6	32,551	30,374	7.2
Taxation	8	(3,027)	(2,732)	10.8	(5,990)	(5,138)	16.6
Profit after Taxation		<u>13,263</u>	<u>12,995</u>	2.1	<u>26,561</u>	<u>25,236</u>	5.3
Attributable to:							
Shareholders of the Company		13,078	12,775	2.4	26,184	24,776	5.7
Non-Controlling Interests		185	220	(15.9)	377	460	(18.0)
		<u>13,263</u>	<u>12,995</u>	2.1	<u>26,561</u>	<u>25,236</u>	5.3
Operating Profit before COVID-19							
Government reliefs		16,091	15,455	4.1	32,411	29,174	11.1
COVID-19 Government reliefs		35	581	(94.0)	239	1,802	(86.7)
Operating Profit after COVID-19		<u>16,126</u>	<u>16,036</u>	0.6	<u>32,650</u>	<u>30,976</u>	5.4

B GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	2nd Half 2022 ¹	2nd Half 2021 ¹	FY 2022	FY 2021
	\$'000	\$'000	\$'000	\$'000
Profit after taxation	13,263	12,995	26,561	25,236
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	(57)	32	(91)	16
Items that will not be reclassified subsequently to profit or loss				
Fair value adjustment on equity investments	(144)	1,024	(78)	1,043
Other comprehensive income for the year	(201)	1,056	(169)	1,059
Total comprehensive income for the year	<u>13,062</u>	<u>14,051</u>	<u>26,392</u>	<u>26,295</u>
Total comprehensive income attributable to:				
Shareholders of the Company	12,877	13,831	26,015	25,835
Non-controlling interests	185	220	377	460
	<u>13,062</u>	<u>14,051</u>	<u>26,392</u>	<u>26,295</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>3.69</u>	<u>3.60</u>	<u>7.38</u>	<u>6.99</u>

C STATEMENTS OF FINANCIAL POSITION

	Note	<u>Group</u>		<u>Company</u>	
		<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents		60,491	75,360	56,374	71,057
Trade receivables		12,161	11,268	2,264	1,946
Other receivables and prepayments		1,522	1,037	542	285
Inventories		10	21	-	-
Total current assets		<u>74,184</u>	<u>87,686</u>	<u>59,180</u>	<u>73,288</u>
Non-current assets					
Prepayments		1,955	-	-	-
Subsidiaries		-	-	25,941	25,941
Associate		25	25	-	-
Financial assets at fair value through other comprehensive income	11	3,217	3,295	3,217	3,295
Vehicles, premises and equipment	13	96,259	97,434	32,722	34,260
Goodwill	12	11,325	11,325	-	-
Deferred tax assets		-	-	20	-
Total non-current assets		<u>112,781</u>	<u>112,079</u>	<u>61,900</u>	<u>63,496</u>
Total assets		<u>186,965</u>	<u>199,765</u>	<u>121,080</u>	<u>136,784</u>
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade and other payables		24,130	29,755	6,951	7,826
Due to subsidiaries		-	-	30,595	38,786
Provision for relocation costs		306	2,462	-	-
Lease liabilities	14	944	1,062	624	597
Income tax payable		5,425	5,851	3,113	3,074
Total current liabilities		<u>30,805</u>	<u>39,130</u>	<u>41,283</u>	<u>50,283</u>
Non-current liabilities					
Other payables		720	720	-	-
Deferred tax liabilities		1,396	999	-	28
Lease liabilities	14	30,216	30,702	23,929	24,299
Total non-current liabilities		<u>32,332</u>	<u>32,421</u>	<u>23,929</u>	<u>24,327</u>
Total liabilities		<u>63,137</u>	<u>71,551</u>	<u>65,212</u>	<u>74,610</u>
Capital, reserves and non-controlling interests					
Share capital	15	36,284	36,284	36,284	36,284
Other reserves		4,008	4,086	4,008	4,086
Foreign currency translation reserve		(91)	-	-	-
Accumulated profits		82,716	86,883	15,576	21,804
Equity attributable to shareholders of the Company		122,917	127,253	55,868	62,174
Non-controlling interests		911	961	-	-
Total equity		<u>123,828</u>	<u>128,214</u>	<u>55,868</u>	<u>62,174</u>
Total liabilities and equity		<u>186,965</u>	<u>199,765</u>	<u>121,080</u>	<u>136,784</u>

D GROUP CASH FLOW STATEMENT

	Note	Group	
		FY 2022	FY 2021
		\$'000	\$'000
Operating activities			
Profit before taxation		32,551	30,374
Adjustments for:			
Depreciation of vehicles, premises and equipment owned and right-of-use assets		7,268	7,249
Interest expense		848	871
Interest income		(749)	(269)
Loss (Gain) on disposal of vehicles, premises and equipment		846	(4)
(Write-back of) Allowance for expected credit losses		(664)	552
Operating cash flows before movements in working capital		40,100	38,773
Trade receivables		(229)	(1,315)
Other receivables and prepayments		(2,210)	723
Inventories		11	(19)
Trade and other payables and provision for relocation costs		(5,414)	(1,025)
Cash generated from operations		32,258	37,137
Interest paid		(848)	(871)
Income tax paid		(6,019)	(6,603)
Net cash from operating activities		25,391	29,663
Investing activities			
Purchase of vehicles, premises and equipment	13	(8,909)	(12,282)
Proceeds from disposal of vehicles, premises and equipment		46	35
Purchases of unquoted equity instruments held at fair value through other comprehensive income		-	(925)
Interest received		519	273
Net cash used in investing activities		(8,344)	(12,899)
Financing activities			
Payments to non-controlling interests		(427)	(700)
Repayment of lease liabilities		(1,087)	(1,093)
Dividends paid	9	(30,351)	(32,833)
Net cash used in financing activities		(31,865)	(34,626)
Net effect of foreign exchange rate in consolidating subsidiaries			
		(51)	26
Net decrease in cash and cash equivalents		(14,869)	(17,836)
Cash and cash equivalents at beginning of year		75,360	93,196
Cash and cash equivalents at end of year		60,491	75,360

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 2021	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)
9	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
	Total comprehensive income for the year							
	Profit for the year	-	-	-	26,184	26,184	377	26,561
	Other comprehensive income for the year	-	(78)	(91)	-	(169)	-	(169)
	Total	-	(78)	(91)	26,184	26,015	377	26,392
	Transactions recognised directly in equity							
	Payment of dividends	-	-	-	(30,351)	(30,351)	-	(30,351)
9	Total	-	-	-	(30,351)	(30,351)	-	(30,351)
	Payments to non-controlling interests	-	-	-	-	-	(427)	(427)
	Balance at 31 December 2022	36,284	4,008	(91)	82,716	122,917	911	123,828

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 2021	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)
	Total	-	-	(32,833)	(32,833)
	Balance at 31 December 2021	36,284	4,086	21,804	62,174
	Total comprehensive income for the year				
	Profit for the year	-	-	24,123	24,123
	Other comprehensive income for the year	-	(78)	-	(78)
	Total	-	(78)	24,123	24,045
	Transactions recognised directly in equity				
	Payment of dividends	9	-	-	(30,351)
	Total	-	-	(30,351)	(30,351)
	Balance at 31 December 2022	36,284	4,008	15,576	55,868

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 2022 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 2022 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 2022.

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 years based on a range of estimated growth rates of approximately 2.3% to 4.0% (2021: 3.2%). Cash flows beyond the five-year period have been extrapolated using 2.3% (2021: 3.2%) per annum growth rate.

The discount rate applied to the forecast is 7.36% (2021: 6.36%).

As at 31 December 2022 and 31 December 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 by reference to past default experience and different loss patterns for different customer segments, and incorporate forward looking estimates.

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 2022	2H 2021	FY 2022	FY 2021
	\$'000	\$'000	\$'000	\$'000
Inspection and testing services	53,088	49,826	104,226	96,802
Rental income	1,141	1,083	2,260	2,214
Others	744	823	1,818	1,876
	<u>54,973</u>	<u>51,732</u>	<u>108,304</u>	<u>100,892</u>

Majority of the revenue is derived from Singapore.

6 Financial assets and financial liabilities

	Note	The Group		The Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised cost		73,803	87,375	59,144	73,199
Financial assets at FVTOCI	11	3,217	3,295	3,217	3,295
Financial Liabilities					
Amortised cost		22,436	26,672	36,911	46,010
Lease liabilities		31,160	31,764	24,553	24,896

7 Profit before taxation

7.1 Significant Items

	The Group			
	2H 2022	2H 2021	FY 2022	FY 2021
	\$'000	\$'000	\$'000	\$'000
Foreign currency exchange adjustment loss (Write-back of) Allowance for expected credit losses	28	44	47	69
	<u>(57)</u>	<u>615</u>	<u>(664)</u>	<u>552</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 2022	2H 2021	FY 2022	FY 2021
	\$'000	\$'000	\$'000	\$'000
Inspection and testing services charged to related companies	(911)	(934)	(1,745)	(1,848)
Refuelling outlet (variable rental) income charged to related company	(116)	(129)	(242)	(255)
Rental income charged to related companies	(103)	(111)	(215)	(223)
Assessment fee charged to related companies	(59)	(39)	(101)	(73)
Other fees charged to related companies	(27)	(36)	(67)	(81)
Shared services charged by holding company	616	535	1,267	1,035
Corporate services charged by holding company	164	116	333	268
Others charged by holding company	-	46	-	92
Others charged by related companies	154	155	348	304
Lease expense charged by related companies	106	99	192	193

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 2022	2H 2021	FY 2022	FY 2021
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	2,572	3,058	5,593	5,681
Deferred income tax expense relating to origination and reversal of temporary differences	455	(326)	397	(543)
	<u>3,027</u>	<u>2,732</u>	<u>5,990</u>	<u>5,138</u>

9 Dividends

During the period, the Company paid dividends as follows:

	The Group			
	2H 2022	2H 2021	FY 2022	FY 2021
	\$'000	\$'000	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous Financial year: - 3.24 cents (2021: 6.22 cents) per ordinary share	-	-	11,488	22,054
Tax-exempt one-tier special dividend in respect of previous Financial year: - 2.0 cents (2021: NIL cents) per ordinary share	-	-	7,091	-
Tax-exempt one-tier interim dividend in respect of current Financial year: - 3.32 cents (2021: 3.04 cents) per ordinary share	11,772	10,779	11,772	10,779
Total dividends paid during the period	<u>11,772</u>	<u>10,779</u>	<u>30,351</u>	<u>32,833</u>

10 Net Asset Value Per Ordinary Share

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Net asset value per ordinary share based on issued share capital – cents	<u>34.67</u>	<u>35.89</u>	<u>15.76</u>	<u>17.54</u>

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

	The Group and The Company	
	2022	2021
	\$'000	\$'000
Investment in unquoted equity shares designated as at FVTOCI		
Balance as at beginning of the year	3,295	1,327
Additions	-	925
Fair value adjustment	(78)	1,043
Balance as at end of the year	<u>3,217</u>	<u>3,295</u>

The investment in unquoted equity instrument represents an investment in research and development activities and/or the commercial application of this knowledge.

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:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- 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 2022	31 December 2021
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	3,217	3,295

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 2022	31 December 2021
	\$'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 2022	31 December 2021
	\$'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 2022, the Group acquired assets amounting to \$6.5 million (2021: \$15.7 million) and disposed of assets with a net book value of \$0.9 million (2021: \$31k).

As at 31 December 2022, \$1.0 million (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 2022	31 December 2021
	\$'000	\$'000
<u>Lease liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	944	1,062
Amount repayable after one year	30,216	30,702
	31,160	31,764

The lease liabilities of \$31.2 million relates to the leases recognised in accordance with *SFRS(I) 16 Leases*. The carrying amounts of the lease liabilities approximate fair value as at 31 December 2021 and 2022.

15 Share capital

	The Group and the Company			
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
			\$'000	\$'000
Issued and paid up:				
Beginning and 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.

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 2022 have been audited. Please refer to auditor's report in item 9. Results of the Group for 2H 2022 and 2H 2021 have not been audited nor reviewed.

2 Review of performance of the GroupPerformance Review for 2H 2022 vs 2H 2021

Revenue

The Group's total revenue of \$55.0 million for 2H 2022 was \$3.2 million or 6.3% higher than 2H 2021.

Operating Costs

The Group's operating costs of \$38.8 million for 2H 2022 were \$3.2 million or 8.8% higher than 2H 2021. The higher operating cost is in tandem with higher business volume coupled with the impact from the lower COVID-19 Government reliefs of \$0.6 million against 2H 2021.

Operating Profit

Consequently, the Group's operating profit of \$16.1 million for 2H 2022 was \$0.1 million or 0.6% higher than 2H 2021.

Excluding COVID-19 Government reliefs of \$0.6 million for 2H 2021, the Group's operating profit of \$16.1 million for 2H 2022 was \$0.6 million or 4.1% higher than 2H 2021.

The Group's profit before tax of \$16.3 million for 2H 2022 was \$0.6 million or 3.6% higher than 2H 2021.

Taxation for the Group of \$3.0 million for 2H 2022 was \$0.3 million or 10.8% higher than 2H 2021. The higher tax expense in 2H 2022 was due to the lower effective tax rate in 2H 2021 from higher Government reliefs that were not taxable.

The Group's Profit attributable to Shareholders of the Company of \$13.1 million for 2H 2022 was \$0.3 million or 2.4% higher than 2H 2021.

Performance Review for FY 2022 vs FY 2021

Revenue

The Group's total revenue of \$108.3 million for FY 2022 was \$7.4 million or 7.3% higher than FY 2021.

Operating Costs

The Group's operating costs of \$75.7 million for FY 2022 were \$5.7 million or 8.2% higher than FY 2021. The higher operating cost is in tandem with higher business volume coupled with the impact from the lower COVID-19 Government reliefs of \$1.6 million against FY 2021.

Operating Profit

Consequently, the Group's operating profit of \$32.7 million for FY 2022 was \$1.7 million or 5.4% higher than FY 2021.

Excluding COVID-19 Government reliefs of \$0.2 million for FY 2022 and \$1.8 million for FY 2021, the Group's operating profit of \$32.4 million for FY 2022 was \$3.2 million or 11.1% higher than FY 2021.

The Group's profit before tax of \$32.6 million for FY 2022 was \$2.2 million or 7.2% higher than FY 2021.

Taxation for the Group of \$6.0 million for FY 2022 was \$0.9 million or 16.6% higher than FY 2021 due to higher taxable profit and lower non-taxable Government reliefs in FY 2022.

The Group's Profit attributable to Shareholders of the Company of \$26.2 million for FY 2022 was \$1.4 million or 5.7% higher than FY 2021.

Statements of Financial Position

Total Equity decreased by \$4.4 million to \$123.8 million as at 31 December 2022 mainly due to payment of dividends of \$30.4 million offset by profits generated from operations of \$26.6 million.

Total Assets decreased by \$12.8 million to \$187.0 million as at 31 December 2022 due to the decrease in Current Assets of \$13.5 million offset by the increase in Non-Current Assets by \$0.7 million. The decrease in Current Assets was due mainly to the decrease in Cash and Cash Equivalents of \$14.9 million offset by the increase in Trade Receivables of \$0.9m and Other Receivables and Prepayments of \$0.5 million. The increase in Non-Current Assets was due mainly to the increase in Prepayment of \$2.0 million offset by the decrease in Vehicles, Premises and Equipment of \$1.2 million and Financial assets at fair value through other comprehensive income of \$0.1 million.

Total Liabilities decreased by \$8.4 million to \$63.1 million as at 31 December 2022 due mainly to the decrease in Trade and Other Payable of \$5.6 million, Provision for Relocation Costs of \$2.2 million and Lease Liabilities of \$0.6 million.

Cash Flow

The net cash outflow in the year was \$14.9 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 vehicle testing is expected to remain stable in 2023. Higher demand is expected for new car registration and emissions testing services as a result of the increase in the Certificate of Entitlement quota, but this will be offset by a lower inspection volume expected from the cyclical nature of periodic inspection.

Demand for non-vehicle testing is expected to increase with the full resumption of economic activities.

While revenue growth is expected, the Group's profit margins will continue to be under pressure due to inflationary pressures and greater competition, especially in the non-vehicle testing business.

The Group maintains a cautious outlook for 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 3.32 cents (2021: 3.24 cents) per ordinary share and a tax-exempt one-tier special dividend of NIL cents (2021: 2.00 cents) per ordinary share. Including interim dividend of 3.32 cents (2021: 3.04 cents), total dividend per ordinary share for 2022 is 6.64 cents (2021: 8.28 cents).

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.32 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	3.24 cents	2.00 cents
Tax Rate	Exempt one-tier	Exempt one-tier

c) Date Payable

The proposed tax-exempt one-tier final dividend for the financial year ended 31 December 2022, if approved by the Shareholders at the Forty-Second Annual General Meeting of VICOM Ltd (“the Company”), will be paid on 15 May 2023.

d) Record Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 5 May 2023 for the purpose 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, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on 5 May 2023 will be registered to determine Shareholders’ entitlements to the proposed 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 5 May 2023 will be entitled to such proposed final dividend.

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 2022, 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
Joint Company Secretary

Singapore
21 February 2023

9 Auditors' Report

The auditor's report on the full financial statements of VICOM Ltd for the financial year ended 31 December 2022 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 2022, 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 2022 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 obtained an understanding of Management's process and relevant controls over the allowance for expected credit losses. We have also assessed Management's key assumptions including risk of default; assessed movement in the allowance for expected credit losses, write-off and recoveries of receivables; and evaluated the reasonableness of Management's estimate.

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 Ang Poh Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

21 February 2023