



VICOM LTD
Company Registration Number : 198100320K

**Unaudited Condensed Interim Consolidated Financial Statements for the
Half year ended 30 June 2023 and Dividend Announcement**

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A CONDENSED INTERIM GROUP INCOME STATEMENT

		1st Half 2023	1st Half 2022	Incr/ (Decr)
	Note	\$'000	\$'000	%
Revenue	5	55,880	53,331	4.8
Staff costs		(26,602)	(24,720)	7.6
Depreciation and amortisation		(3,724)	(3,572)	4.3
Contract services		(1,156)	(1,460)	(20.8)
Materials and consumables		(1,766)	(1,573)	12.3
Premises costs		(985)	(964)	2.2
Repairs and maintenance costs		(977)	(853)	14.5
Utilities and communication costs		(1,432)	(1,530)	(6.4)
Other operating costs		(2,661)	(2,135)	24.6
Total operating costs		(39,303)	(36,807)	6.8
Operating Profit		16,577	16,524	0.3
Finance costs		(428)	(426)	0.5
Interest income		978	163	500.0
Profit before Taxation		17,127	16,261	5.3
Taxation	7	(2,981)	(2,963)	0.6
Profit after Taxation	8	14,146	13,298	6.4
Attributable to:				
Shareholders of the Company		13,932	13,106	6.3
Non-Controlling Interests		214	192	11.5
		14,146	13,298	6.4

B CONDENSED INTERIM GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Half 2023 \$'000	1st Half 2022 \$'000
Profit after taxation	14,146	13,298
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	<u>(68)</u>	<u>(34)</u>
Items that will not be reclassified subsequently to profit or loss		
Fair value adjustment on equity investments	<u>862</u>	<u>66</u>
Other comprehensive income for the period	794	32
Total comprehensive income for the period	<u>14,940</u>	<u>13,330</u>
Total comprehensive income attributable to:		
Shareholders of the Company	14,726	13,138
Non-controlling interests	<u>214</u>	<u>192</u>
	<u>14,940</u>	<u>13,330</u>
Earnings per share for profit for the period attributable to the owners of the Company during the year :		
Basic and diluted (in cents)	<u>3.93</u>	<u>3.70</u>

C CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
		\$'000	\$'000 (Restated)	\$'000	\$'000 (Restated)
ASSETS					
Current assets					
Cash and cash equivalents		50,042	60,491	46,793	56,374
Trade receivables		13,929	12,161	2,354	2,264
Other receivables and prepayments		2,807	1,522	5,225	542
Inventories		46	10	-	-
Total current assets		<u>66,824</u>	<u>74,184</u>	<u>54,372</u>	<u>59,180</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	6,434	3,217	6,434	3,217
Vehicles, premises and equipment	13	103,317	96,259	32,631	32,722
Goodwill	12	11,325	11,325	-	-
Deferred tax assets*		-	-	1,269	1,260
Total non-current assets		<u>121,101</u>	<u>112,781</u>	<u>66,275</u>	<u>63,140</u>
Total assets		<u>187,925</u>	<u>186,965</u>	<u>120,647</u>	<u>122,320</u>
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		21,342	24,130	6,078	6,951
Due to subsidiaries		-	-	19,098	30,595
Provision for relocation costs		306	306	-	-
Lease liabilities	14	1,098	944	641	624
Income tax payable		5,780	5,425	3,263	3,113
Total current liabilities		<u>28,526</u>	<u>30,805</u>	<u>29,080</u>	<u>41,283</u>
Non-current liabilities					
Other payables		720	720	-	-
Deferred tax liabilities*		151	93	-	-
Lease liabilities	14	30,229	30,216	24,006	23,929
Total non-current liabilities		<u>31,100</u>	<u>31,029</u>	<u>24,006</u>	<u>23,929</u>
Total liabilities		<u>59,626</u>	<u>61,834</u>	<u>53,086</u>	<u>65,212</u>
Capital, reserves and non-controlling interests					
Share capital	15	36,284	36,284	36,284	36,284
Other reserves		4,870	4,008	4,870	4,008
Foreign currency translation reserve		(159)	(91)	-	-
Accumulated profits*		86,176	84,016	26,407	16,816
Equity attributable to shareholders of the Company		127,171	124,217	67,561	57,108
Non-controlling interests*		1,128	914	-	-
Total equity		<u>128,299</u>	<u>125,131</u>	<u>67,561</u>	<u>57,108</u>
Total liabilities and equity		<u>187,925</u>	<u>186,965</u>	<u>120,647</u>	<u>122,320</u>

*Following the amendment of SFRS(I) 1-12 effective from 1 Jan 2023, deferred tax assets, deferred tax liabilities, accumulated profits and non-controlling interests have been restated retrospectively. Please refer to paragraph 2 for further details.

D CONDENSED INTERIM GROUP CASH FLOW STATEMENT

	Note	Group	
		1st Half	1st Half
		2023	2022
		\$'000	\$'000
Operating activities			
Profit before taxation		17,127	16,261
Adjustments for:			
Depreciation of property, plant and equipment		3,724	3,572
Interest expense		428	426
Interest income		(978)	(163)
(Gain) Loss on disposal of vehicles, premises and equipment		(26)	11
Write-back of allowance for expected credit losses		(175)	(607)
Operating cash flows before movements in working capital		<u>20,100</u>	<u>19,500</u>
Trade receivables		(1,593)	(1,011)
Other receivables and prepayments		(1,320)	(818)
Inventories		(36)	2
Trade and other payables		<u>(2,955)</u>	<u>(2,134)</u>
Cash generated from operations		14,196	15,539
Interest paid		(428)	(426)
Income tax paid		<u>(2,568)</u>	<u>(2,886)</u>
Net cash from operating activities		<u>11,200</u>	<u>12,227</u>
Investing activities			
Purchase of vehicles, premises and equipment	13	(2,686)	(2,669)
Purchases of unquoted equity instruments held at FVTOCI		(2,355)	-
Proceeds from disposal of vehicles, premises and equipment		26	37
Interest received		1,013	137
Net cash used in investing activities		<u>(4,002)</u>	<u>(2,495)</u>
Financing activities			
Payments to non-controlling interests		-	(240)
Payment of lease liabilities		(5,835)	(536)
Dividends paid	9	<u>(11,772)</u>	<u>(18,579)</u>
Net cash used in financing activities		<u>(17,607)</u>	<u>(19,355)</u>
Net effect of exchange rate changes in consolidating subsidiaries			
		<u>(40)</u>	<u>(18)</u>
Net decrease in cash and cash equivalents		(10,449)	(9,641)
Cash and cash equivalents at beginning of period		60,491	75,360
Cash and cash equivalents at end of period		<u><u>50,042</u></u>	<u><u>65,719</u></u>

E CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

		Group						
		Attributable to shareholders of the Company						
		Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non- controlling interests	Total equity
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Balance at 1 January 2023 (as previously reported)	36,284	4,008	(91)	82,716	122,917	911	123,828
	Restatement on amendment to SFRS(I) 1-12*	-	-	-	1,300	1,300	3	1,303
	Balance at 1 January 2023	36,284	4,008	(91)	84,016	124,217	914	125,131
	Total comprehensive income for the period							
	Profit for the period	-	-	-	13,932	13,932	214	14,146
	Other comprehensive income for the period	-	862	(68)	-	794	-	794
	Total	-	862	(68)	13,932	14,726	214	14,940
	Transactions recognised directly in equity							
	Payment of dividends	-	-	-	(11,772)	(11,772)	-	(11,772)
9	Total	-	-	-	(11,772)	(11,772)	-	(11,772)
	Balance at 30 June 2023	36,284	4,870	(159)	86,176	127,171	1,128	128,299
	Balance at 1 January 2022 (as previously reported)	36,284	4,086	-	86,883	127,253	961	128,214
	Restatement on amendment to SFRS(I) 1-12*	-	-	-	1,300	1,300	3	1,303
	Balance at 1 January 2022	36,284	4,086	-	88,183	128,553	964	129,517
	Total comprehensive income for the period							
	Profit for the period	-	-	-	13,106	13,106	192	13,298
	Other comprehensive income for the period	-	66	(34)	-	32	-	32
	Total	-	66	(34)	13,106	13,138	192	13,330
	Transactions recognised directly in equity							
	Payment of dividends	-	-	-	(18,579)	(18,579)	-	(18,579)
9	Total	-	-	-	(18,579)	(18,579)	-	(18,579)
	Payments to non-controlling interests	-	-	-	-	-	(240)	(240)
	Balance at 30 June 2022	36,284	4,152	(34)	82,710	123,112	916	124,028

*Following the amendment of SFRS(I) 1-12 effective from 1 Jan 2023, accumulated profits and non-controlling interests have been restated retrospectively. Please refer to paragraph 2 for further details.

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

		Company			
		Share capital	Other reserves	Accumulated profits	Total equity
Note		\$'000	\$'000	\$'000	\$'000
	Balance at 1 January 2023 (as previously reported)	36,284	4,008	15,576	55,868
	Restatement on amendment to SFRS(I) 1-12*	-	-	1,240	1,240
	Balance at 1 January 2023	36,284	4,008	16,816	57,108
	Total comprehensive income for the period				
	Profit for the period	-	-	21,363	21,363
	Other comprehensive income for the period	-	862	-	862
	Total	-	862	21,363	22,225
	Transactions recognised directly in equity				
	Payment of dividends	-	-	(11,772)	(11,772)
9	Total	-	-	(11,772)	(11,772)
	Balance at 30 June 2023	36,284	4,870	26,407	67,561
	Balance at 1 January 2022 (as previously reported)	36,284	4,086	21,804	62,174
	Restatement on amendment to SFRS(I) 1-12*	-	-	1,240	1,240
	Balance at 1 January 2022	36,284	4,086	23,044	63,414
	Total comprehensive income for the period				
	Profit for the period	-	-	7,108	7,108
	Other comprehensive income for the period	-	66	-	66
	Total	-	66	7,108	7,174
	Transactions recognised directly in equity				
	Payment of dividends	-	-	(18,579)	(18,579)
9	Total	-	-	(18,579)	(18,579)
	Balance at 30 June 2022	36,284	4,152	11,573	52,009

*Following the amendment of SFRS(I) 1-12 effective from 1 Jan 2023, accumulated profits have been restated retrospectively. Please refer to paragraph 2 for further details.

F NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

VICOM Ltd (the Company) (Registration No. 198100320K) is incorporated in the Republic of Singapore with its registered office at 205 Braddell Road, Singapore 579701. Its principal place of business is at 385 Sin Ming Drive, Singapore 575718. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated Financial Statements as at and for the six months ended 30 June 2023 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 interim consolidated Financial Statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated Financial Statements do not include all the information required for a complete set of Financial Statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual Financial Statements for the year ended 31 December 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 condensed interim consolidated 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

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 1-12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The above amendments apply for annual reporting periods beginning on or after 1 January 2023, which narrowed the scope of the recognition exemption of SFRS(I) 1-12 Income Taxes so that it no longer applies to transactions such as leases and decommissioning obligations that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred tax for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings at that date.

This resulted in adjustments to the Statement of Financial Position of the Group and Company as at 1 January 2022. The differences from the Statement of Financial Position as previously reported at 31 December 2021 are as follows.

Statement of Financial Position	Group	Company
	1 Jan 2022 \$'000	1 Jan 2022 \$'000
Increase in deferred tax assets	304	1,212
Decrease in deferred tax liabilities	999	28
Increase in net assets	<u>1,303</u>	<u>1,240</u>
Increase in accumulated profits	1,300	1,240
Increase in non-controlling interests	3	-
Increase in total equity	<u>1,303</u>	<u>1,240</u>

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 interim consolidated 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.

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	
	1H2023	1H2022
	\$'000	\$'000
Inspection and testing services	53,747	51,138
Rental income	1,256	1,119
Others	877	1,074
	55,880	53,331

Majority of the revenue is derived from Singapore.

6 Financial assets and financial liabilities

	Note	The Group		The Company	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised cost		65,645	73,803	53,842	59,144
Financial assets at FVTOCI	11	6,434	3,217	6,434	3,217
Financial Liabilities					
Amortised cost		19,394	22,436	24,630	36,911
Lease liabilities		31,327	31,160	24,647	24,553

7 Taxation

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

	The Group	
	1H2023	1H2022
	\$'000	\$'000
Current income tax expense	2,923	3,021
Deferred income tax expense relating to origination and reversal of temporary differences	58	(58)
	<u>2,981</u>	<u>2,963</u>

8 Profit after taxation

8.1 Significant Items – charges (credits)

	The Group	
	1H2023	1H2022
	\$'000	\$'000
Foreign currency exchange adjustment loss	53	19
Write-back of allowance for expected credit losses	(175)	(607)

8.2 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 interim consolidated 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	
	1H2023	1H2022
	\$'000	\$'000
Inspection and testing services charged to related companies	927	834
Refuelling outlet (variable rental) income charged to related company	131	126
Rental income charged to related companies	143	112
Assessment fee charged to related companies	16	42
Other fees charged to related companies	21	40
Shared services charged by holding company	(626)	(651)
Corporate services charged by holding company	(174)	(169)
Other charged by related companies	(195)	(193)
Lease expense charged by related companies	(90)	(86)

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.

9 Dividends

During the period, the Company paid dividends as follows:

	The Group	
	1H2023	1H2022
	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous Financial year:		
- 3.32 cents (2022: 3.24 cents) per ordinary share	11,772	11,488
Tax-exempt one-tier special dividend in respect of previous Financial year:		
- NIL cents (2022: 2.00 cents) per ordinary share	-	7,091
Dividend per share (net of tax)	11,772	18,579

10 Net Asset Value Per Ordinary Share

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value per ordinary share based on issued share capital - cents	35.87	35.03	19.05	16.11

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

	The Group and The Company	
	30 June 2023	31 December 2022
	\$'000	\$'000
Investment in unquoted equity shares designated as at FVTOCI		
Balance as at beginning of the year	3,217	3,295
Additions	2,355	-
Fair value adjustment	862	(78)
Balance as at end of the period	6,434	3,217

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>	
	30 June 2023	31 December 2022
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	6,434	3,217

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>	
	30 June 2023	31 December 2022
	\$'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>	
	30 June 2023	31 December 2022
	\$'000	\$'000
Testing and inspection services	9,268	9,268
Vehicle inspection services	2,057	2,057
	11,325	11,325

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

13 Vehicles, premises and equipment

During the six months ended 30 June 2023, the Group has completed its acquisition of a lease of a land parcel from a third party for \$7.3 million.

The Group has also acquired owned assets amounting to \$2.9 million (30 June 2022: \$1.7 million).

As at 30 June 2023, \$1.2 million (30 June 2022: \$2.4 million) of the owned assets remain unpaid under Trade and other payables.

14 Lease Liabilities

	The Group	
	30 June 2023	31 December 2022
	\$'000	\$'000
<u>Lease liabilities</u>		
Secured		
Amount repayable in one year or less	1,098	944
Amount repayable after one year	30,229	30,216
	31,327	31,160

The lease liabilities of \$31.3 million relates to the leases recognised in accordance with SFRS(I) 16 Leases.

15 Share capital

	The Group and the Company			
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
			\$'000	\$'000
Issued and paid up:				
Beginning and end of interim period	354,568	354,568	36,284	36,284

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

16 Subsequent events

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

G OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1 Review

The condensed interim consolidated financial statements and certain explanatory notes have not been audited or reviewed.

2 Auditors' Report

Not applicable.

3 Review of performance of the Group

Performance Review

Revenue

The Group's total revenue of \$55.9 million for 1H 2023 was \$2.6 million or 4.8% higher than 1H 2022, contributed by higher business volumes.

Operating Costs

The Group's operating costs of \$39.3 million for 1H 2023 were \$2.5 million or 6.8% higher than 1H 2022. This is mainly due to higher staff costs and lower write-back of allowance for expected credit losses under "Other operating costs".

Operating Profit

Consequently, the Group's operating profit of \$16.6 million for 1H 2023 was \$0.1 million or 0.3% higher than 1H 2022.

The Group's profit before tax of \$17.1 million for 1H 2023 was \$0.9 million or 5.3% higher than 1H 2022 which was mainly contributed by higher interest income.

Taxation for the Group is \$3.0 million for both 1H 2023 and 1H 2022.

The Group's Profit attributable to Shareholders of the Company of \$13.9 million for 1H 2023 was \$0.8 million or 6.3% higher than 1H 2022.

Statements of Financial Position

Total Equity increased by \$3.2 million to \$128.3 million as at 30 June 2023 due mainly to profits generated from operations of \$14.1 million and upward fair value adjustment on equity investments of \$0.9 million offset by payment of dividends of \$11.8 million.

Total Assets increased by \$1.0 million to \$187.9 million as at 30 June 2023 due to the increase in Non-Current Assets of \$8.3 million offset by the decrease in Current Assets of \$7.3 million. The increase in Non-Current Assets was due mainly to the net increase in Vehicles, Premises and Equipment of \$5.1 million from the completion on the acquisition of new lease at Jalan Papan coupled with the investment and fair value adjustment on Foretellix of \$3.2 million. The decrease in Current Assets was due mainly to the decrease in Cash and Cash Equivalents of \$10.4 million.

Total Liabilities decreased by \$2.2 million to \$59.6 million as at 30 June 2023 due mainly to the decrease in Trade and Other Payable of \$2.8 million, offset by the increase in Tax provision and Lease Liabilities of \$0.4 million and \$0.2 million respectively.

Cash Flow

The net cash outflow in the period was \$10.4 million after payment of dividends.

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

No forecast or prospect statement has been previously disclosed.

5 Group outlook

Demand for vehicle testing is expected to remain stable. While the inspection volume is expected to be lower due to the cyclical nature of periodic inspection, the demand for new car registration and emissions testing services is expected to be higher as a result of the increase in the Certificate of Entitlement quota.

Demand for non-vehicle testing is expected to slow down in tandem with the Singapore economy.

As such, the Group maintains a cautious outlook for the year.

6 Dividend information

a) Current Financial Period Reported on

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 2.75 cents (2022: 3.32 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	2.75 cents
Tax Rate	Exempt one-tier

The Group raised its dividend payout ratio ("DPR") from 50% to 90% in 2017. This was done with the objective of returning surplus cash to the Shareholders. As a result, the Group's cash and cash equivalents decreased from \$108.5 million in 2017 to \$50.0 million in 1H 2023.

In view of the capital expenditure required for the Group's expansion plans, which includes a major investment in a new testing and inspection centre at Jalan Papan, the Directors have approved a revision of the DPR from 90% to 70% of Net Profit attributable to Shareholders.

b) Corresponding Period of the Immediate Preceding Financial Year

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

c) Date Payable

The interim dividend will be payable on 29 August 2023.

d) Record Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 21 August 2023 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 21 August 2023 will be registered to determine Shareholders' entitlements to the interim dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 21 August 2023 will be entitled to the interim dividend.

7 Interested person transactions

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

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

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

9 Negative Assurance Confirmation On Interim Financial Results Under SGX Listing Rule 705(5) Of The Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the half year 2023 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Tan Kim Siew
Chairman

Sim Wing Yew
Chief Executive Officer

BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr
Company Secretary

Singapore
11 August 2023