



VICOM LTD  
Company Registration Number : 198100320K

**Unaudited Condensed Interim Consolidated Financial Statements for the  
Half year ended 30 June 2022 and Dividend Announcement**

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**A CONDENSED INTERIM GROUP INCOME STATEMENT**

		<b>1st Half 2022</b>	<b>1st Half 2021</b>	<b>Incr/ (Decr)</b>
	Note	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	5	53,331	49,160	8.5
Staff costs		(24,720)	(22,559)	9.6
Depreciation and amortisation		(3,572)	(3,435)	4.0
Contract services		(1,460)	(1,327)	10.0
Materials and consumables		(1,573)	(1,301)	20.9
Premises costs		(964)	(871)	10.7
Repairs and maintenance costs		(853)	(879)	(3.0)
Utilities and communication costs		(1,530)	(749)	104.3
Other operating costs		<u>(2,135)</u>	<u>(3,099)</u>	(31.1)
Total operating costs		<u>(36,807)</u>	<u>(34,220)</u>	7.6
<b>Operating Profit</b>		16,524	14,940	10.6
Finance costs		(426)	(439)	(3.0)
Interest income		<u>163</u>	<u>146</u>	11.6
<b>Profit before Taxation</b>	7	16,261	14,647	11.0
Taxation	8	<u>(2,963)</u>	<u>(2,406)</u>	23.2
<b>Profit after Taxation</b>		<u>13,298</u>	<u>12,241</u>	8.6
Attributable to:				
<b>Shareholders of the Company</b>		13,106	12,001	9.2
Non-Controlling Interests		<u>192</u>	<u>240</u>	(20.0)
		<u>13,298</u>	<u>12,241</u>	8.6
<b>Operating Profit before COVID-19</b>				
<b>Government reliefs</b>		16,320	13,719	19.0
COVID-19 Government reliefs		<u>204</u>	<u>1,221</u>	(83.3)
<b>Operating Profit after COVID-19</b>		<u>16,524</u>	<u>14,940</u>	10.6
<b>Government reliefs</b>		<u>16,524</u>	<u>14,940</u>	10.6

**B CONDENSED INTERIM GROUP COMPREHENSIVE INCOME STATEMENT**

	<b>Group</b>	
	<b>1st Half 2022</b>	<b>1st Half 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit after taxation</b>	13,298	12,241
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences arising on translation of foreign operations	<u>(34)</u>	<u>(16)</u>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Fair value adjustment on equity investments	<u>66</u>	<u>19</u>
<b>Other comprehensive income for the period</b>	32	3
<b>Total comprehensive income for the period</b>	<u><u>13,330</u></u>	<u><u>12,244</u></u>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	13,138	12,004
Non-controlling interests	<u>192</u>	<u>240</u>
	<u><u>13,330</u></u>	<u><u>12,244</u></u>
<b>Earnings per share for profit for the period attributable to the owners of the Company during the year :</b>		
Basic and diluted (in cents)	<u><u>3.70</u></u>	<u><u>3.38</u></u>

## C CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 Jun 2022 \$'000	31 Dec 2021 \$'000	30 Jun 2022 \$'000	31 Dec 2021 \$'000
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and cash equivalents		65,719	75,360	61,673	71,057
Trade receivables		12,886	11,268	2,475	1,946
Other receivables and prepayments		1,881	1,037	270	285
Inventories		19	21	-	-
Total current assets		<u>80,505</u>	<u>87,686</u>	<u>64,418</u>	<u>73,288</u>
<b>Non-current assets</b>					
Subsidiaries		-	-	25,941	25,941
Associate		25	25	-	-
Financial assets at fair value through other comprehensive income	11	3,361	3,295	3,361	3,295
Vehicles, premises and equipment	13	95,492	97,434	33,055	34,260
Goodwill	12	11,325	11,325	-	-
Total non-current assets		<u>110,203</u>	<u>112,079</u>	<u>62,357</u>	<u>63,496</u>
<b>Total assets</b>		<u>190,708</u>	<u>199,765</u>	<u>126,775</u>	<u>136,784</u>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Trade and other payables		27,437	29,755	7,743	7,826
Due to subsidiaries		-	-	40,606	38,786
Provision for relocation costs		1,658	2,462	-	-
Lease liabilities	14	999	1,062	611	597
Income tax payable		5,986	5,851	2,990	3,074
Total current liabilities		<u>36,080</u>	<u>39,130</u>	<u>51,950</u>	<u>50,283</u>
<b>Non-current liabilities</b>					
Other payables		720	720	-	-
Deferred tax liabilities		941	999	57	28
Lease liabilities	14	30,242	30,702	23,999	24,299
Total non-current liabilities		<u>31,903</u>	<u>32,421</u>	<u>24,056</u>	<u>24,327</u>
<b>Total liabilities</b>		<u>67,983</u>	<u>71,551</u>	<u>76,006</u>	<u>74,610</u>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	15	36,284	36,284	36,284	36,284
Other reserves		4,152	4,086	4,152	4,086
Foreign currency translation reserve		(34)	-	-	-
Accumulated profits		81,410	86,883	10,333	21,804
Equity attributable to shareholders of the Company		121,812	127,253	50,769	62,174
Non-controlling interests		913	961	-	-
<b>Total equity</b>		<u>122,725</u>	<u>128,214</u>	<u>50,769</u>	<u>62,174</u>
<b>Total liabilities and equity</b>		<u>190,708</u>	<u>199,765</u>	<u>126,775</u>	<u>136,784</u>

**D CONDENSED INTERIM GROUP CASH FLOW STATEMENT**

	Note	<b>Group</b>	
		<b>1st Half</b>	<b>1st Half</b>
		<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>			
Profit before taxation		16,261	14,647
Adjustments for:			
Depreciation of property, plant and equipment		3,572	3,435
Interest expense		426	439
Interest income		(163)	(146)
Loss (Gain) on disposal of vehicles, premises and equipment		11	(15)
Write-back of allowance for expected credit losses		(607)	(63)
Operating cash flows before movements in working capital		<u>19,500</u>	<u>18,297</u>
Trade receivables		(1,011)	(1,767)
Other receivables and prepayments		(818)	366
Inventories		2	-
Trade and other payables		<u>(2,134)</u>	<u>326</u>
Cash generated from operations		15,539	17,222
Interest paid		(426)	(439)
Income tax paid		<u>(2,886)</u>	<u>(4,270)</u>
Net cash from operating activities		<u>12,227</u>	<u>12,513</u>
<b>Investing activities</b>			
Purchase of vehicles, premises and equipment	13	(2,669)	(8,383)
Proceeds from disposal of vehicles, premises and equipment		37	17
Interest received		<u>137</u>	<u>175</u>
Net cash used in investing activities		<u>(2,495)</u>	<u>(8,191)</u>
<b>Financing activities</b>			
Payments to non-controlling interests		(240)	(480)
Repayment of lease liabilities		(536)	(557)
Dividends paid	9	<u>(18,579)</u>	<u>(22,054)</u>
Net cash used in financing activities		<u>(19,355)</u>	<u>(23,091)</u>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>			
		<u>(18)</u>	<u>(5)</u>
Net decrease in cash and cash equivalents		(9,641)	(18,774)
Cash and cash equivalents at beginning of period		<u>75,360</u>	<u>93,196</u>
<b>Cash and cash equivalents at end of period</b>		<u><u>65,719</u></u>	<u><u>74,422</u></u>

**E CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

		<b>Group</b>						
		<b>Attributable to shareholders of the Company</b>						
		<b>Share capital</b>	<b>Other reserves</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated profits</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
Note		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Balance at 1 January 2021</b>	36,284	3,043	(16)	94,940	134,251	1,201	135,452
	Total comprehensive income for the period							
	Profit for the period	-	-	-	12,001	12,001	240	12,241
	Other comprehensive income for the period	-	19	(16)	-	3	-	3
	<b>Total</b>	<b>-</b>	<b>19</b>	<b>(16)</b>	<b>12,001</b>	<b>12,004</b>	<b>240</b>	<b>12,244</b>
	Transactions recognised directly in equity							
	Payment of dividends	-	-	-	(22,054)	(22,054)	-	(22,054)
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,054)</b>	<b>(22,054)</b>	<b>-</b>	<b>(22,054)</b>
	Payments to non-controlling interests	-	-	-	-	-	(480)	(480)
	<b>Balance at 30 June 2021</b>	<b>36,284</b>	<b>3,062</b>	<b>(32)</b>	<b>84,887</b>	<b>124,201</b>	<b>961</b>	<b>125,162</b>
	<b>Balance at 1 January 2022</b>	<b>36,284</b>	<b>4,086</b>	<b>-</b>	<b>86,883</b>	<b>127,253</b>	<b>961</b>	<b>128,214</b>
	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
	<b>Total</b>	<b>-</b>	<b>66</b>	<b>(34)</b>	<b>13,106</b>	<b>13,138</b>	<b>192</b>	<b>13,330</b>
	Transactions recognised directly in equity							
	Payment of dividends	-	-	-	(18,579)	(18,579)	-	(18,579)
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,579)</b>	<b>(18,579)</b>	<b>-</b>	<b>(18,579)</b>
	Payments to non-controlling interests	-	-	-	-	-	(240)	(240)
	<b>Balance at 30 June 2022</b>	<b>36,284</b>	<b>4,152</b>	<b>(34)</b>	<b>81,410</b>	<b>121,812</b>	<b>913</b>	<b>122,725</b>

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

		<b>Company</b>			
		<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
Note		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Balance at 1 January 2021</b>	36,284	3,043	28,979	68,306
	Profit for the period, representing total comprehensive income for the period	-	19	8,306	8,325
	Transactions recognised directly in equity				
	Payment of dividends	-	-	(22,054)	(22,054)
9	Total	-	-	(22,054)	(22,054)
	<b>Balance at 30 June 2021</b>	<b>36,284</b>	<b>3,062</b>	<b>15,231</b>	<b>54,577</b>
	<b>Balance at 1 January 2022</b>	36,284	4,086	21,804	62,174
	Profit for the period, representing total comprehensive income for the period	-	66	7,108	7,174
	Transactions recognised directly in equity				
	Payment of dividends	-	-	(18,579)	(18,579)
9	Total	-	-	(18,579)	(18,579)
	<b>Balance at 30 June 2022</b>	<b>36,284</b>	<b>4,152</b>	<b>10,333</b>	<b>50,769</b>

## **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 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 interim consolidated Financial Statements for the six months ended 30 June 2022 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 2021.

The Group has applied accounting policies and methods of computation in the condensed interim consolidated Financial Statements for the current reporting period consistent with those of the audited Financial Statements for the year ended 31 December 2021.

In the current financial period, the Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are relevant to its operations and effective for annual periods beginning on 1 January 2022.

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

The condensed interim 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**

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 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	
	1H2022	1H2021
	\$'000	\$'000
Inspection and testing services	51,138	46,976
Rental income	1,119	1,131
Others	1,074	1,053
	<u>53,331</u>	<u>49,160</u>

Majority of the revenue is derived from Singapore.

## 6 Financial assets and financial liabilities

	Note	The Group		The Company	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Amortised cost		79,605	87,375	64,354	73,199
Financial assets at FVTOCI	11	<u>3,361</u>	<u>3,295</u>	<u>3,361</u>	<u>3,295</u>
<b>Financial Liabilities</b>					
Amortised cost		24,050	27,392	47,803	46,010
Lease liabilities		<u>31,241</u>	<u>31,764</u>	<u>24,610</u>	<u>24,896</u>

## 7 Profit after taxation

### 7.1 Significant Items

	The Group	
	1H2022	1H2021
	\$'000	\$'000
Foreign currency exchange adjustment loss	19	25
Write-back of allowance for expected credit losses	(607)	(63)
Government grant income (COVID-19 related)	<u>(204)</u>	<u>(1,221)</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 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	
	1H2022	1H2021
	\$'000	\$'000
Inspection and testing services charged to related companies	(834)	(914)
Refuelling outlet (variable rental) income charged to related company	(126)	(126)
Rental income charged to related companies	(112)	(112)
Assessment fee charged to related companies	(42)	(34)
Other fees charged to related companies	(40)	(45)
Shared services charged by holding company	651	500
Corporate services charged by holding company	169	152
Other charged by holding company	-	46
Other charged by related companies	193	149
Lease expense charged by related companies	86	94

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 interim Group Income Statement are:

	The Group	
	1H2022	1H2021
	\$'000	\$'000
Current income tax expense	3,021	2,624
Deferred income tax expense relating to origination and reversal of temporary differences	(58)	(218)
	<u>2,963</u>	<u>2,406</u>

## 9 Dividends

During the period, the Company paid dividends as follows:

	The Group	
	1H2022	1H2021
	\$'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:		
- 2.00 cents (2021: NIL cents) per ordinary share	7,091	-
Dividend per share (net of tax)	18,579	22,054

## 10 Net Asset Value Per Ordinary Share

	The Group		The Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per ordinary share based on issued share capital - cents	34.36	35.89	14.32	17.54

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

	The Group and The Company	
	30 June 2022	31 December 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	66	1,043
Balance as at end of the period	3,361	3,295

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 2022	31 December 2021
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	3,361	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>	
	30 June 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>	
	30 June 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 six months ended 30 June 2022, the Group acquired assets amounting to \$1.7 million (30 June 2021: \$8.4 million) and disposed of assets amounting to \$48,034 (30 June 2021: \$2,179).

As at 30 June 2022, \$2.4 million (2021: \$3.4 million) of the assets remain unpaid under Trade and other payables.

**14 Aggregate amount of Group's borrowings**

	The Group	
	30 June 2022	31 December 2021
	\$'000	\$'000
<b><u>Lease liabilities</u></b>		
<b>Secured</b>		
Amount repayable in one year or less, or on demand	999	1,062
Amount repayable after one year	30,242	30,702
	<u>31,241</u>	<u>31,764</u>

The lease liabilities of \$31.2 million relates to the leases recognised in accordance with SFRS(I) 16 Leases.

**15 Share capital**

	The Group and the Company			
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Number of ordinary shares ('000)		\$'000	\$'000
Issued and paid up:				
Beginning and end of interim period	<u>354,568</u>	<u>354,568</u>	<u>36,284</u>	<u>36,284</u>

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 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 \$53.3 million for 1H 2022 was \$4.2 million or 8.5% higher than 1H 2021, contributed by higher business volumes.

Operating Costs

The Group's operating costs of \$36.8 million for 1H 2022 were \$2.6 million or 7.6% higher than 1H 2021. This is mainly due to higher staff costs, utilities and communication costs offset by the write-back of allowance for expected credit losses under "Other operating costs".

Operating Profit

Consequently, the Group's operating profit of \$16.5 million for 1H 2022 was \$1.6 million or 10.6% higher than 1H 2021.

The Group's profit before tax of \$16.3 million for 1H 2022 was \$1.6 million or 11.0% higher than 1H 2021.

Taxation for the Group of \$3.0 million for 1H 2022 was \$0.6 million or 23.2% higher than 1H 2021. The higher tax expense was due to higher profits, lower tax-exempt COVID-19 Government reliefs and higher non-tax deductible assets that were capitalised in 2H 2021.

The Group's Profit attributable to Shareholders of the Company of \$13.1 million for 1H 2022 was \$1.1 million or 9.2% higher than 1H 2021.

Excluding COVID-19 Government reliefs of \$0.2 million for 1H 2022 and \$1.2 million for 1H 2021, the Group's operating profit of \$16.3 million for 1H 2022 was \$2.6 million or 19.0% higher than 1H 2021.

Statements of Financial Position

Total Equity decreased by \$5.5 million to \$122.7 million as at 30 June 2022 due mainly to payment of dividends of \$18.6 million offset by profits generated from operations of \$13.3 million.

Total Assets decreased by \$9.1 million to \$190.7 million as at 30 June 2022 due to the decrease in Current Assets and Non-Current Assets by \$7.2 million and \$1.9 million respectively. The decrease in Current Assets was due mainly to the decrease in Cash and Cash Equivalents of \$9.6 million offset by increase in trade receivables and Other Receivables & Prepayments of \$1.6 million and \$0.8 million respectively. The decrease in Non-Current Assets was due mainly to the decrease in Vehicles, Premises and Equipment of \$1.9 million.

Total Liabilities decreased by \$3.6 million to \$68.0 million as at 30 June 2022 due mainly to the decrease in Trade and Other Payable of \$2.3 million, Provision for relocation costs of \$0.8 million, and Lease liabilities of \$0.5 million, offset by the increase in Tax provision of \$0.1 million.

#### Cash Flow

The net cash outflow in the period was \$9.6 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 related to the vehicle testing business is expected to remain stable. However, there is an expected drop in demand for new car registration and emission testing services because of the twin effects of the lower Certificate of Entitlement quota and the reduction in vehicle production given the world-wide shortage of microchips.

Demand related to the non-vehicle testing business is expected to increase in tandem with the current better economy.

Although the outlook from the demand side of the business remains positive, there are rising inflationary cost pressures led mainly by high energy prices, supply chain disruption and manpower shortage.

Barring unforeseen circumstances, the Group expects satisfactory performance in the 2nd half of 2022.

#### 6 Dividend information

##### a) Current Financial Period Reported on

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 3.32 cents (2021: 3.04 cents) per ordinary share.

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

##### c) Date Payable

The interim dividend will be payable on 26 August 2022.

d) Record Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 19 August 2022 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 19 August 2022 will be registered to determine Shareholders' entitlements to the interim dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 19 August 2022 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 2022 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  
Joint Company Secretary

Singapore  
11 August 2022