

INTERESTED PERSON TRANSACTION::INTERESTED PERSON TRANSACTIONS - SOLAR POWER PURCHASE AGREEMENTS

Issuer & Securities

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VICOM LTD

Securities

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Submitted By (Co./ Ind. Name)

Angeline Joyce Lee Siang Pohr

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Additional Details

Interested Person Details

Please see attached.

Attachments

[20221230 - VICOM - IPT Announcement.pdf](#)

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VICOM LTD
(Company Registration No. 198100320K)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

**ANNOUNCEMENT OF INTERESTED PERSON TRANSACTIONS
PURSUANT TO RULE 905(2) OF THE SGX LISTING MANUAL**

1. INTRODUCTION

1.1 The Board of Directors of VICOM Ltd (the “**Company**”) wishes to announce, pursuant to Rule 905(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX Listing Manual**”), that the following interested person transactions, in particular, solar power purchase agreements, have been entered into on 30 December 2022 (each a “**Power Purchase Agreement**” and collectively, the “**Power Purchase Agreements**”):

1.1.1 Power Purchase Agreement between the Company and ComfortDelGro Engie Solar Pte. Ltd. (“**CDG Engie Solar**”) in respect of the Company’s Kaki Bukit Inspection Centre;

1.1.2 Power Purchase Agreement between the Company and CDG Engie Solar in respect of the Company’s Sin Ming Inspection Centre;

1.1.3 Power Purchase Agreement between the Company and CDG Engie Solar in respect of the Company’s Yishun Inspection Centre;

1.1.4 Power Purchase Agreement between the Company and CDG Engie Solar in respect of the Company’s Changi North Inspection Centre;

1.1.5 Power Purchase Agreement between the Company and CDG Engie Solar in respect of the Company’s Bukit Batok Inspection Centre; and

1.1.6 Power Purchase Agreement between Setsco Services Pte Ltd (“**Setsco**”) (a wholly-owned subsidiary of the Company) and CDG Engie Solar in respect of Setsco’s premises at Bukit Batok.

1.2 For the purpose of this Announcement, “**Group**” means the Company and its subsidiaries.

2. KEY TERMS OF THE POWER PURCHASE AGREEMENTS

2.1 Under each of the Power Purchase Agreements, CDG Engie Solar is responsible for the installation, construction, operation and maintenance of a solar photovoltaic generating plant (the “**Plant**”) at each site, and is required to supply electricity generated from the Plant to the Company or Setsco (as applicable) at a fixed tariff (the “**Fixed Tariff**”). There is a guaranteed minimum annual output for each site.

- 2.2 The duration of the Power Purchase Agreements ranges between 17 and 25 years, to coincide with the remaining lease term for each site. Upon expiry of each Power Purchase Agreement, the Company or Setsco (as applicable) has the option of requiring CDG Engie Solar to transfer ownership of the Plant to the Company or Setsco (as applicable) at no additional cost.
- 2.3 The estimated total contract value of the Power Purchase Agreements is S\$2.07 million, computed based on the Fixed Tariff and an estimated average annual generation output of 1,890 MWh.
- 2.4 CDG Engie Solar was awarded the contracts pursuant to a public tender called by the Company. 5 tenderers, including CDG Engie Solar, submitted their tender proposals. CDG Engie Solar's tender proposal was deemed the most competitive, based on their competitive pricing and proposed solution which included the costs of all required roof waterproofing and roof repair works. CDG Engie Solar also proposed the shortest completion lead time of 4 months.

3. RATIONALE FOR AND BENEFITS OF THE POWER PURCHASE AGREEMENTS

- 3.1 The installation and operation of the solar photovoltaic systems at the 6 sites would divert the Group's energy use away from fossil fuels (brown energy) and towards renewable energy (green energy) and is therefore expected to reduce the Group's Scope 2 emissions. The installation is one of several key Sustainability initiatives by the Group, reflecting the Group's commitment towards climate action and reducing its carbon footprint in support of the national goal to reach net zero emissions by 2050. At the same time, the installation of the solar photovoltaic systems would help the Group to maintain a competitive advantage as a sustainable service provider, with cost savings of approximately S\$7.48 million (computed using the costs difference between solar energy and brown energy) expected to be achieved over the duration of the Power Purchase Agreements.

4. DETAILS OF INTERESTED PERSON

- 4.1 As at the date of this announcement:
 - 4.1.1 ComfortDelGro Corporation Limited ("**CDG**") owns 67.06% of the total number of issued shares of the Company. CDG is therefore regarded as a "controlling shareholder" and an "interested person" of the Company under Chapter 9 of the SGX Listing Manual.
 - 4.1.2 CDG owns, through its wholly-owned subsidiary ComfortDelGro Engineering Pte. Ltd. ("**CDG Engineering**"), 49% of the total number of issued shares of CDG Engie Solar. CDG Engie Solar is therefore regarded as an associate of a controlling shareholder of the Company and an "interested person" of the Company under Chapter 9 of the SGX Listing Manual.
- 4.2 In light of the matters stated in paragraph 4.1 above, transactions between any Group company (being the "entity at risk") and CDG and between any Group company and CDG

Engie Solar will constitute “interested person transactions” with the same interested person under Chapter 9 of the SGX Listing Manual.

- 4.3 The entry into each of the Power Purchase Agreements constitutes an interested person transaction under Chapter 9 of the SGX Listing Manual. The value of these transactions, when aggregated with the existing interested person transactions with CDG and its subsidiaries and associates, would exceed 3.0% (but would not exceed 5.0%) of the latest audited net tangible assets of the Group, and accordingly, the Company is required to make an immediate announcement of the entry into the Power Purchase Agreements under Rule 905(2) of the SGX Listing Manual. The latest audited net tangible assets of the Group is S\$115.93 million.

5. STATEMENT FROM THE AUDIT AND RISK COMMITTEE

- 5.1 The Company’s Audit and Risk Committee has considered the terms of and rationale for the transactions and the benefits to the Group, and is of the view that the transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

6. DISCLOSURE REQUIREMENTS

- 6.1 Under Rule 905(2) of the SGX Listing Manual, if the aggregate value of all transactions (excluding any transaction less than S\$100,000) entered into with the same interested person during the same financial year amounts to 3% or more of the latest audited net tangible assets of the Group, the Company must make an immediate announcement of the latest transaction entered into with that same interested person during that financial year.

7. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS FOR THE CURRENT FINANCIAL YEAR

- 7.1 As at the date of this announcement, the value of all interested person transactions entered into between (1) the Group and (2) CDG and its subsidiaries and associates during the course of the current financial year (including the Power Purchase Agreements but excluding any transaction with a value of less than S\$100,000) (the “**CDG Group IPTs**”) is approximately S\$4.71 million, which exceeds 3.0% (but would not exceed 5.0%) of the latest audited net tangible assets of the Group. Excluding the Power Purchase Agreements, the value of the CDG Group IPTs is approximately S\$2.64 million which is less than 3.0% of the latest audited net tangible assets of the Group.
- 7.2 As at the date of this announcement, the value of all interested person transactions entered into between (1) the Group and (2) all interested persons during the course of the current financial year (including the Power Purchase Agreements but excluding any transaction with a value of less than S\$100,000) is approximately S\$4.71 million.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 8.1 Save as disclosed in this announcement and save for their respective interests, through their shareholdings and/or directorships, as the case may be, in the Company, CDG, CDG Engineering and/or CDG Engie Solar, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Power Purchase Agreements.

**BY ORDER OF THE BOARD
VICOM LTD**

Angeline Joyce Lee Siang Pohr / Cher Ya Li Sheryl
Company Secretaries

30 December 2022