

CIRCULAR DATED 23 March 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is circulated to the shareholders of VICOM Ltd (the “**Company**”) together with the annual report for the financial year ended 31 December 2019 (“**Annual Report 2019**”). Its purpose is to provide information on the proposed share split to be tabled at the Annual General Meeting of the Company to be held on 22 April 2020 at 10.00 a.m. at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701. The resolution proposed to be passed in relation to the proposed share split is set out in the notice of annual general meeting attached to the Annual Report 2019.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports contained in this Circular.



CIRCULAR TO SHAREHOLDERS

in relation to:

THE PROPOSED SHARE SPLIT OF EVERY ONE ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO FOUR ORDINARY SHARES

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated.

"Additional Shares"	: The additional Shares arising from the Share Split
"AGM"	: The annual general meeting of the Company to be held on 22 April 2020 or any adjournment thereof
"Annual Report 2019"	: The annual report for the financial year ended 31 December 2019
"Board"	: The board of Directors of the Company as at the date of this Circular
"Business Day"	: A day (excluding Saturday, Sunday and public holidays) on which commercial banks are open for business in Singapore
"CDP"	: The Central Depository (Pte) Limited
"Cessation Date"	: Shall have the meaning ascribed to it in paragraph 2.12(i)
"Circular"	: This circular to Shareholders dated 23 March 2020
"Companies Act"	: Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Constitution"	: The Constitution of the Company, as may be amended or modified from time to time
"Company"	: VICOM Ltd
"Directors"	: The directors of the Company as at the date of this Circular
"Effective Trading Date"	: Shall have the meaning ascribed to it in paragraph 2.12(ii)
"EPS"	: Earnings per Share
"Existing Share Certificates"	: Shall have the meaning ascribed to it in paragraph 2.10
"FY2019"	: Financial year ended 31 December 2019
"Group"	: The Company and its subsidiaries
"Latest Practicable Date"	: 27 February 2020, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	: Listing manual of the SGX-ST, as amended, modified and supplemented from time to time
"Listing Rules"	: The listing rules of the SGX-ST as set out in the Listing Manual
"Market Day"	: A day on which the SGX-ST is open for trading in securities
"New Share Certificates"	: Shall have the meaning ascribed to it in paragraph 2.10
"Notice of AGM"	: The notice of AGM dated 23 March 2020 as set out in the Annual Report 2019

"NTA"	: Net tangible assets
"Record Date"	: The time and date, to be determined by the Directors, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders under the Share Split
"Register of Members"	: The principal register of members (duly registered holders of Shares)
"Registrar of Companies"	: Shall have the meaning ascribed to it in section 4 of the Companies Act
"Securities Account"	: The securities account maintained by a Depositor directly with CDP, but not including a securities sub-account maintained with a Depository Agent
"SFA"	: Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Share Registrar"	: B.A.C.S. Private Limited
"Share Split"	: The proposed share split of every one existing Share into four Shares
"Shareholders"	: The registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts with CDP are credited with those Shares
"Shares"	: Ordinary shares in the capital of the Company
"Substantial Shareholder"	: A Shareholder who has 5% or more of the total issued share capital of the Company
"S\$" or "cents"	: Singapore dollars and cents, respectively, being the lawful currency of Singapore
"%" or "per cent."	: Per centum or percentage

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term **"subsidiary"** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

References to persons, where applicable, shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Rules or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act or the Listing Rules or any modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS

VICOM LTD

(Company Registration Number: 198100320K)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Lim Jit Poh	(Non-Independent Non-Executive Chairman)
Mr. Yang Ban Seng	(Non-Independent Non-Executive Deputy Chairman)
Mr. Sim Wing Yew	(Non-Independent Executive Director and Chief Executive Officer)
Professor Shim Phiau Wui, Victor	(Lead Independent Non-Executive Director)
Mr. Goh Yeow Tin	(Independent Non-Executive Director)
Ms. June Seah Lee Kiang	(Independent Non-Executive Director)
Mr. Soh Chung Hian, Daniel	(Independent Non-Executive Director)
Dr. Tan Kim Siew	(Independent Non-Executive Director)
Ms. Tan Poh Hong	(Independent Non-Executive Director)
Ms. Teo Geok Har, Nancy	(Independent Non-Executive Director)

Registered Office:

205 Braddell Road
Singapore 579701

23 March 2020

To: The Shareholders of VICOM Ltd

Dear Sir/Madam,

THE SHARE SPLIT OF EVERY ONE ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO FOUR ORDINARY SHARES

1. INTRODUCTION

- 1.1** We refer to the announcement made by the Company on 12 February 2020 in relation to the Share Split and the Notice of AGM accompanying the Annual Report 2019 convening the AGM, and in particular the Ordinary Resolution number 9 as set out in the Notice of AGM.
- 1.2** The purpose of this Circular is to explain the rationale for and provide information to Shareholders for the Share Split, and to seek Shareholders' approval for the same at the AGM.
- 1.3** The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.
- 1.4** This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any person (other than the Shareholders to whom this Circular is dispatched by the Company) or for any other purpose.

2. THE SHARE SPLIT

2.1 Terms of the Share Split

The Company proposes to split every one existing Share into four Shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$36,284,000 comprising 88,642,000 Shares. Upon the completion of the Share Split, the number of issued Shares will increase to 354,568,000 Shares, assuming that no further Shares are issued on or prior to the completion of the Share Split.

All Shares after the Share Split shall rank pari passu with one another. Shareholders are not required to make any payment to the Company in respect of the Share Split.

2.2 Rationale for the Share Split

The Directors believe that the Share Split will be beneficial to the Company and its Shareholders for the following reasons:

- (i) The reduced price of each Share after the Share Split will make each Share more affordable to investors, thus encouraging greater participation by and providing greater flexibility in terms of the size of the trades to investors with different investment profiles. Furthermore, the reduced price of each board lot of Shares would make the Shares more accessible and attractive to both existing and potential investors and hence enhance the trading liquidity of the Shares over time.
- (ii) The number of Shareholders after the Share Split may increase with the increase in the number of Shares available for trading purposes. As such, the Share Split may broaden the Shareholder base of the Company given that an investment in the Shares would be made more accessible to investors.

Shareholders should note, however, that there can be no assurance that the intended effect of the Share Split above can be achieved, nor is there any assurance that such effect can be sustained in the longer term.

2.3 Conditions for the Share Split

The Share Split is subject to the approval of Shareholders by way of an ordinary resolution at the AGM and the approval in-principle of the SGX-ST for the listing and quotation of the Additional Shares on the SGX-ST.

The Company had on 5 March 2020 received the approval in-principle of the SGX-ST for the listing and quotation of the Additional Shares on the SGX-ST, subject to the following conditions:

- (i) Shareholders' approval being obtained for the Share Split at the forthcoming AGM; and
- (ii) compliance with the SGX-ST's listing requirements.

The approval in-principle of the SGX-ST in respect of the Additional Shares is not to be taken as an indication of the merits of the Share Split, the Additional Shares, the Company and/or its subsidiaries. Shareholders are advised that the SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

The terms of the Share Split do not contravene any laws and regulations governing the Company and the Constitution.

2.4 Post Share Split Share Capital

None of the Shares is subject to a moratorium. Further, the Company does not have any outstanding or existing warrants or other convertible.

Following the implementation of the Share Split, the Company will have an issued and paid-up share capital of approximately S\$36,284,000 comprising 354,568,000 Shares.

2.5 Financial Effects of the Share Split

For illustration purposes only, the financial effects of the Share Split on the Company, based on the audited consolidated financial statements of the Group for FY2019 and the share capital of the Company as at the Latest Practicable Date, are set out below:

(i) Share Capital

	<u>Before Share Split</u>	<u>After Share Split</u>
Issued and Paid Up Share capital	S\$36,284,000	S\$36,284,000
Number of Shares	88,642,000	354,568,000

(ii) NTA

	<u>Before Share Split</u>	<u>After Share Split</u>
NTA ⁽¹⁾	S\$120,000,000	S\$120,000,000
Number of Shares	88,642,000	354,568,000
NTA per Share (cents)	135.38	33.84

Note:

(1) This represents the total assets of the Group, less any intangible assets such as goodwill, and liabilities. For FY2019, the Group has adopted SFRS(I) 16 Leases and has recognized Right-Of-Use (ROU) Assets on the Statement of Financial Position. The ROU assets have been included within the definition of NTA as tangible assets.

(iii) EPS

	<u>FY2019</u>	<u>After Share Split</u>
Profits after income tax attributable to owners of the Company (after minority interests)	S\$28,412,000	S\$28,412,000
Number of Shares	88,642,000	354,568,000
EPS (cents)	32.05	8.01

2.6 Gearing

The Share Split will not have any effect on the gearing of the Group.

2.7 Dividends

In respect of the financial year ended 31 December 2018, the total quantum of dividend (comprising interim, special and final dividends) declared and paid by the Company was S\$40,111,000. In respect of FY2019, the Company had declared and paid an interim dividend of S\$12,508,000 and has further declared a one-tier tax exempt final dividend of S\$0.2429 per Share amounting to a total amount of S\$21,531,000 to be approved by the Shareholders at the AGM. Accordingly, on the assumption that Shareholders approve the final dividend at the AGM and the amount is subsequently paid, the total quantum of dividend declared and paid for FY2019 will be S\$34,039,000.

The Directors are of the opinion that the Share Split will not have any effect on the ability of the Company to make dividend payments in the future. However, whether the Company is able to maintain the quantum of dividend declared and paid in the previous year will depend on factors such as the Group's financial performance, cash flows, financial position, expansion requirements, working capital requirements, and the Group's financial prospects. Nevertheless, the Company expects to continue to make dividend payments based on its dividend policy of distributing at least 90% of the Company's profits each year.

2.8 Theoretical Price of Split Shares

Based on the daily weighted average price per Share of S\$8.01 for trades done for the period commencing one month prior to the Latest Practicable Date, the theoretical Share price after the Share Split will be S\$2.00 subsequent to the implementation of the Share Split. Shareholders should note that while there can be no assurance that the price of the Shares after the implementation of the Share Split would be equal to or higher than the theoretical Share price of S\$2.00 after the Share Split, the Company has no reason to believe that the theoretical price of the Shares after the Share Split is likely to fall below S\$0.50 after the period under review based on the daily weighted average price of the Shares for the period commencing one month prior to the Latest Practicable Date.

2.9 Procedures for the Share Split

Persons registered in the Register of Members of the Company and Depositors whose Securities Accounts are credited with Shares as at the Record Date will be included for the purpose of the Share Split on the basis of the number of such Shares registered in their names or standing to the credit of their Securities Accounts as at the Record Date.

The Record Date for the purpose of determining the Shareholders' entitlements under the Share Split will be announced by the Company in due course.

2.10 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificate(s) for the Shares in their own names ("**Existing Share Certificates**") and who wish to deposit the same with CDP and have their Additional Shares (after the Share Split) credited to their Securities Accounts maintained with CDP, must deposit their Existing Shares Certificates, together with the duly executed instruments of transfer in favour of CDP, not later than 12 Market Days prior to the Record Date.

After the Record Date, CDP will only accept the deposit of physical share certificates reflecting the number of Shares after the Share Split in their own names (the "**New Share Certificates**"). Shareholders who wish to deposit their physical share certificates with CDP after the Record Date must first deliver their Existing Share Certificates to the Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, for cancellation and issue of the New Share Certificates in replacement thereof as described below.

The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within 10 Market Days from the date of receipt of the Existing Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

2.11 Shareholders' Entitlement and New Share Certificates

Depositors whose Securities Accounts are credited with Shares as at the Record Date will be attributed the number of Shares pursuant to the Share Split based on the number of Shares standing to the credit of their Securities Accounts as at the Record Date.

Shareholders who have not deposited their Existing Share Certificates as aforesaid or who do not wish to deposit their Existing Share Certificates with CDP are advised to forward all their Existing Share Certificates to the Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, as soon as possible after the AGM for cancellation and exchange for the New Share Certificates.

New Share Certificates to be issued pursuant to the Share Split will be sent within 10 Market Days of the Record Date to:

- (i) Shareholders who are Depositors, by sending the same to CDP; and
- (ii) Shareholders who are not Depositors, by ordinary post at their respective addresses shown in the Register of Members of the Company or in the case of joint holders, to the first named holder at his registered address, at the sole risk of the holders.

No receipt will be issued by the Share Registrar for the physical share certificates tendered. Shareholders who hold physical share certificates are reminded that their Existing Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The Existing Share Certificates and the New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

Shareholders who have lost any of their Existing Share Certificates or whose addresses have been changed from those reflected in the Company's Register of Members should notify the Share Registrar immediately.

Shareholders being Depositors whose addresses have been changed from those reflected with CDP should notify CDP immediately.

2.12 Trading of Shares arising from the Share Split

Trading of the Shares (on a post-split basis) will commence prior to the Record Date on account of the fact that trades on the SGX-ST are settled on a "**T+2**" settlement cycle, that is, a purchase or sale of Shares on a particular day (T) will be settled two Market Days later (T+2). Accordingly, for trading purposes:

- (i) trading in the Shares (on a pre-split basis) will cease at 5:00 p.m. on the day falling two Market Days before the Record Date (the "**Cessation Date**"); and
- (ii) trading in the Shares (on a post-split basis) will commence from 9.00 a.m. on the day falling one Market Day before the Record Date (the "**Effective Trading Date**").

The Cessation Date and the Effective Trading Date will be announced in due course.

For the purpose of trading on the SGX-ST following the Share Split, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Shares in board lots of one Share on the Unit Share market. The Company notes that the Share Split will not result in odd lots.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are:

	Direct		Deemed	
	Number of Shares	% of total issued Shares ⁽¹⁾	Number of Shares	% of total issued Shares ⁽¹⁾
Directors				
Lim Jit Poh	190,000	0.00	–	–
Yang Ban Seng	–	–	–	–
Sim Wing Yew	10,000	0.00	–	–
Shim Phiau Wui, Victor	–	–	6,000	0.00
Goh Yeow Tin	–	–	–	–
June Seah Lee Kiang	–	–	–	–
Soh Chung Hian, Daniel	–	–	–	–
Tan Kim Siew	–	–	–	–
Tan Poh Hong	–	–	–	–
Teo Geok Har, Nancy	–	–	–	–
Substantial Shareholder (other than Directors)				
ComfortDelGro Corporation Limited	59,440,000	67.06	–	–

Note:

(1) There were 88,642,000 issued Shares as at the Latest Practicable Date.

4. CLOSURE OF BOOKS

The Record Date will be announced by the Company in due course.

5. DIRECTORS' RECOMMENDATIONS

Having considered the rationale for the Share Split as set out in this Circular, the Directors are of the opinion that the Share Split is in the best interests of the Company and its Shareholders. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution number 9 in relation to the Share Split as set out in the Notice of AGM.

The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to the Share Split should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2019, will be held on 22 April 2020 at 10:00 a.m., at Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of AGM.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote in his place or on his behalf, he should complete, sign and return the proxy form appended in the Annual Report 2019 in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 205 Braddell Road, Singapore 579701 not less than 48 hours before the time appointed for holding the AGM.

The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the AGM if he subsequently wishes to do so. In such an event, the proxy form shall be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote at the AGM unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP at least 72 hours before the AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Share Split, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 205 Braddell Road, Singapore 579701 during normal business hours from the date of this Circular up to the date of the AGM:

- (i) the Constitution;
- (ii) the Annual Report 2019; and
- (iii) the announcement made by the Company dated 12 February 2020 in respect of the Share Split.

Yours faithfully
For and on behalf of
the Board of Directors of
VICOM LTD

Lim Jit Poh
Chairman

23 March 2020

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