



**We've been busy this entire time**



As a business, we were very fortunate that our vehicle inspection business escaped largely unscathed as it was considered an essential service. All seven inspection centres were able to continue operating throughout the Circuit Breaker, albeit under stricter safe management measures.

**LIM JIT POH**  
CHAIRMAN, VICOM LTD

## OUR VISION

We Aspire To Be The Preferred  
Provider Of Inspection And  
Testing Services

## OUR MISSION

To Enable Safer And Greener  
Motoring And Provide  
Professional Testing Services  
To Our Customers

## OUR CORE VALUES

### VERSATILITY

To be able to adapt to changing environments,  
always staying ahead of the curve and  
inspiring creativity.

### INTEGRITY

To uphold the values of integrity and honesty,  
conducting our affairs in a manner consistent  
with the highest ethical and professional standards.

### CARE

#### **For all our stakeholders:**

- Our customers by putting their needs and requirements first
- Our business partners and regulators by keeping lines of communication open at all times
- Our staff by fostering a safe and conducive environment for growth and development
- Our community by enhancing the welfare of those in need

### OWNERSHIP

Of all that we do – by pursuing professionalism,  
excellence and ensuring responsibility for  
all our actions.

### MERITOCRACY

To be fair and objective, always recognising  
and rewarding good performance.

# CONTENTS

4	<a href="#">Chairman's Statement</a>
12	<a href="#">Group Financial Highlights</a>
14	<a href="#">Impact of COVID-19</a>
32	<a href="#">Bits &amp; Bytes</a>
44	<a href="#">Corporate Information</a>
45	<a href="#">Board of Directors</a>
50	<a href="#">Key Management</a>
54	<a href="#">Operations Review</a>
62	<a href="#">Sustainability Report</a>
66	<a href="#">Corporate Governance</a>
86	<a href="#">Directors' Particulars</a>
90	<a href="#">Risk Management</a>
97	<a href="#">Financial Calendar</a>
98	<a href="#">Financial Statements</a>
99	<a href="#">Directors' Statement</a>
103	<a href="#">Independent Auditor's Report</a>
107	<a href="#">Statements of Financial Position</a>
108	<a href="#">Group Income Statement</a>
109	<a href="#">Group Comprehensive Income Statement</a>
110	<a href="#">Statements of Changes in Equity</a>
112	<a href="#">Group Cash Flow Statement</a>
113	<a href="#">Notes to the Financial Statements</a>
150	<a href="#">Share Price Movement Chart</a>
151	<a href="#">Shareholding Statistics</a>
153	<a href="#">Notice of Annual General Meeting</a>
158	<a href="#">Additional Information on Directors Seeking Re-Election Proxy Form</a>

“

Amid this environment of change, we are reviewing our business models and accelerating our digitalisation programmes. These are exceptional times and we will need to make exceptional decisions.

”



# CHAIRMAN'S STATEMENT

## INTRODUCTION

2020 will always be remembered as the year of unprecedented changes.

The world was confronted by a global pandemic the likes of which have not been seen in over a century. From China in December 2019, we in Singapore experienced the effect in end-January 2020. Global business took a deep dive. Lockdowns and international cross-border travels were the order of the day with businesses almost at a standstill.

The COVID-19 pandemic cast a formidable shadow over Singapore's economy and changed the way we live, work and play. Not only was a Circuit Breaker implemented within Singapore, cross border travels were also imposed.

As a business, we were very fortunate that our vehicle inspection business escaped largely unscathed as it was considered an essential service. All seven inspection centres were able to continue operating throughout the Circuit Breaker, albeit under stricter safe management measures.

Demand for other "non-essential" services like accident repair, insurance sales and new car inspection fell as economic activity ground to a halt.

The impact was greater on our non-vehicle testing and inspection business, Seteco Services Pte Ltd (SETSCO), a wholly-owned subsidiary of VICOM Ltd ("VICOM" or the "Company") particularly in the Construction, Marine and Process sectors where our clients were affected by the temporary stop-work order during the Circuit Breaker, and the protracted resumption of work activities in Phase 2 Re-opening.

Against such a backdrop, the Singapore Government provided \$100 billion worth of aid to all the companies and self-employed persons. These were essentially in the form of Jobs Support Scheme (JSS) in which Government supported staff salaries from 25% to 75% depending on the nature of the business. Given the lacklustre business situation, the JSS was a much welcome relief that helped us tide over choppy waters.

## OUR BUSINESSES

Despite the two-month Circuit Breaker (April and May 2020) and the fact that private vehicles due for inspection were granted a six-month deferment from the Land Transport Authority (LTA), 493,520 vehicles went through our inspection lanes, representing an increase of 30,802 vehicles or 7% from 2019.

We also continued to hold onto our pole position in the vehicle testing business with a market share of 75.2%, higher than the 74.0% in 2019.

With the deferment, motorists were worried that they were unable to renew their road tax in time. As a result, our Customer Service hotline experienced a sudden surge in the volume of calls. Despite the long queue and longer waiting time for vehicle inspection in the second half of the year, we received a total of 5,436 compliments for our vehicle inspectors, slightly more than 2019. In fact, close to 80% of our vehicle inspectors and cashiers were commended during the year – a testament of our achievement in customer service excellence.

The Personal Mobility Devices (PMD) testing, which was supposed to have commenced in April 2020, was delayed by five months and only rolled out in September 2020. The "Point-to-Point (P2P) Passenger Transport Act" passed in Parliament in 2019 requiring all licensed ride-hail and street-hail service providers with a fleet size of more than 800 vehicles to have their vehicles inspected, was shelved and will only commence in April 2021.

Demand for our vehicle type approval inspection and emission testing services for new cars fell as bidding for the Certificate of Entitlement was suspended for three months (April to June 2020) and car showrooms had to close during the Circuit Breaker.

With many people working from home, traffic on the roads was reduced and correspondingly, so did the overall accident rate. As such, our VICOM Assessment Centre conducted fewer accident reports and surveys. The impact

## CHAIRMAN'S STATEMENT

continued even after the Circuit Breaker, albeit to a lesser extent, as telecommuting remained the norm.

We managed to collaborate with Diners Club at the beginning of 2020, right before the outbreak, to offer motorists the option of pre-paying the inspection fees online. This has not only helped to shave their waiting time in the entire vehicle inspection process, but it has also minimised the risk of contact between our cashiers and motorists by the time the COVID-19 pandemic happened. In July, we expanded the online pre-payment option to include PayNow so that more motorists can use the online pre-payment services.

We inked an agreement at the end of 2019 to allow EZ-Link Pte Ltd to raise public awareness of its various cashless payment services for the new generation onboard units in vehicles at our centres. We also entered into a win-win partnership with Motorist.sg, an up-and-coming digital platform that provides "automotive concierge" services to its members. Through it, VICOM promotes the platform and in return, Motorist.sg promotes its car evaluation services.

As for SETSCO, due to the profound impact that COVID-19 had brought to the economy and the businesses that it served across various sectors and industries, it would have registered its first loss in 2020 had it not been for Government financial relief.

But it was not all gloom and doom for SETSCO. The COVID-19 pandemic presented a new business opportunity. We started testing surgical masks and screening wastewater from the dormitories to screen for SARS-CoV-2, the causative virus for COVID-19.

In the construction sector, SETSCO secured three out of nine testing packages for the Jurong Region Line (JRL), a 24km-long MRT line that will serve both existing and future development in the western part of Singapore. It also successfully secured a Non-Destructive Testing (NDT) service contract with a major oil company and two other NDT service contracts with two major companies in the process industry.

A sizable three-year food and water testing contract with the Singapore Food Agency, involving the microbiological analysis of food and water samples, was secured, with the option to extend the contract for another two years. A separate three-year contract with the Public Utilities Board (PUB), involving the testing of air and water samples from the western sector of Singapore such as Jurong Water Reclamation Plant and Ulu Pandan Water Reclamation Plant, was also awarded.

SETSCO has also been building its testing capabilities to tap into the growth in the Medical and Life Sciences sector. With the capability now to perform the Sterility Test and Bacterial Endotoxin Test, SETSCO successfully made inroads into the pharmaceutical industry and won a few tenders to conduct such tests.

### SUSTAINABILITY

As a leader in the Testing, Inspection and Certification industry, VICOM takes great pride in being at the forefront of creating a safer and greener tomorrow.

A more detailed write up on our sustainability efforts can be found in the Sustainability section of this Annual Report. Our parent company, ComfortDelGro Corporation Limited ("ComfortDelGro"), has also produced a comprehensive Sustainability Report.

“

The COVID-19 pandemic  
cast a formidable  
shadow over  
Singapore's economy  
and changed the  
way we live,  
work and play.

”



# CHAIRMAN'S STATEMENT

## SHARE SPLIT

During the Annual General Meeting (AGM) held in May 2020, we presented the Board's proposal for a share split of every one existing ordinary share in the capital of the Company into four shares.

This was done as we believed it will be beneficial to the Company and Shareholders for two reasons. One, the share split will make each share more affordable to investors, thus encouraging greater participation and flexibility. Two, the number of Shareholders after the share split may increase and it may broaden the shareholder base of the Company, given that investment in the shares would become more accessible to investors. I am pleased that our Shareholders supported the proposal then.

On 12 June 2020, the Board announced the completion of the share split. Following this, the post share split price of VICOM was \$2.41 per ordinary share. This was 23.3% higher than the adjusted price of \$1.955 per ordinary share when the share split proposal was announced by the Board on 12 February 2020. This is testament that we have made the right decision.

## FINANCIAL RESULTS

Because of the COVID-19 crisis, Management undertook a worst-case scenario planning exercise in cash flows and kept the Board of Directors fully updated. We committed to avoid non mission-critical capital expenditure to conserve cash. Even mid-year interim dividends were not declared.

To keep manpower costs down, we put our employees on shorter work weeks and had them utilise their annual leave, all of which were supported by our Union leaders. On top of that, our CEO and senior staff ranked Vice-President and above took a 10% paycut for five months. Directors of our Company also took a 20% cut in their annual directors' fees proportionally. This is how we lead by example.

2020 financial results therefore could not be better or near to 2019 levels. I expect that Shareholders will understand that these are unprecedented times. Group revenue decreased by 16.6% or \$17.3 million to \$86.4 million in 2020. Net profit attributable to shareholders decreased by 13.8% or \$3.9 million to \$24.5 million. This is after factoring Government Relief of \$7.7 million for 2020.

Earnings per share for 2020 was 6.91 cents compared against 8.01 cents\* a year ago. Net asset value per ordinary share was 37.86 cents compared to 37.04 cents\* a year ago.

Government financial support is intended to protect jobs and business. The Board believes that it would be neither appropriate nor ethical to use such support for either staff bonus or dividend payment to Shareholders. The Board has recommended that a one-tier tax-exempt first and final dividend of 6.22 cents per share for Shareholders' approval. No interim dividend was declared in 2020, in order to conserve cash during the period of COVID-19 uncertainties. The total dividend for the year 2020 at 6.22 cents per share represents a total payout ratio of 90%. Viewed against the year's end closing price of \$2.16, the 2020 dividends will represent a dividend yield of 2.9%.

## CORPORATE GOVERNANCE

The nine-year rule for independent directors will come into effect on 1 January 2022. The Singapore Exchange (SGX) Rules stipulate that directors who have accumulated a total of nine or more years in their tenure on 1 January 2022 will be classified as non-independent unless prior approvals have been obtained from Shareholders. We have 2 out of 10 Directors in VICOM that fall in this category. I believe this to be an acceptable balance of experience and renewal.

In the 12<sup>th</sup> Annual Governance and Transparency Index Survey 2020, which assessed listed companies on corporate governance disclosures and practices,

\* Adjusted for the increase in the number of ordinary shares arising from the Share Split on 12 June 2020.

as well as timeliness, accessibility and transparency of their financial results announcements, VICOM did well to advance its score from 101 to 107. Its rose from the 17<sup>th</sup> spot to 16<sup>th</sup>. This places it in the top 3% among the 577 listed companies in 2020.

In its latest report released in March 2020, the Council for Board Diversity reflected that the pace of increase of women directors slowed down from previous years. Among the 100 largest listed companies in SGX, women on average made up 16.2% of directors as at end of 2019. I am pleased to advise that our percentage in VICOM is of the order of 30% or three female directors, well above the target stipulated by the Council.

In market capitalisation, out of 706 listed companies on the SGX as at 31 December 2020, VICOM was ranked 101<sup>st</sup> (2019: 125<sup>th</sup>). Our market capitalisation was \$765.9 million. This is a rise of \$80.7 million or 11.8%, probably due to the effect of our share split.

Quarterly reporting ceased from 7 February 2020. We however continued to provide some basic financial figures as substitutes in the first and third quarters to keep Shareholders and investors informed of our progress.

As a result of restrictions imposed by COVID-19 pandemic, our AGM was held virtually through electronic means. It was not entirely satisfactory as we were not able to mingle with our Shareholders after the meetings as we had done in the past. There was also no follow-up questioning after each advanced question was answered.

It is my hope that we will have physical AGMs in 2021. But, come 28 April 2021, we will only be able to conduct a hybrid-AGM, where there will be limited number of shareholders attending in person, while the rest can only participate through a webcast.

#### **DIRECTORS**

In 2020, we welcomed a new independent Director in Ms Wong Yoke Woon. Ms Wong is Deputy Chief Executive Officer (DY CEO) taking care of the Job Security Council (JSC) Outreach Group. The JSC Outreach Group consists of sectors under the clusters such as Built Environment, Essential Domestic Services, Lifestyle, Manufacturing, Modern Services and Trade and Connectivity. She also oversees the operations at the Singapore Bus Academy, the Career Centres at e2i Central and West as well as administers programmes that support workers and companies in training and job redesign needs. Since joining the Board, Ms Wong has made many valuable contributions and we look forward to her continued contributions.

Ms Wong, Mr Sim Wing Yew, Mr Goh Yeow Tin, Mr Soh Chung Hian, Daniel and I will present ourselves for election and re-election as Directors at the upcoming AGM, and we look forward to your support.

It is inevitable that with such early acceleration of planned retirement of Directors with more than nine years of service at each AGM, and new Directors appointed annually, the pace for retirement of long-tenure Directors will slow down as it is our intention to have a balance of Directors with different years of service to maintain continuity.

Now that our succession plans of Director renewals have been put in place after four consecutive years of active execution, the slowdown of the pace will give Directors time to settle down and consolidate their plans, build on teamwork and board-management relationships. We have a good mix of skill-sets among our Directors in technology, finance, as well as food testing. They are well represented in terms of tripartite experience from the government, labour and business sectors.

## CHAIRMAN'S STATEMENT

for Board Diversity. Directors have to work well with Management in mapping strategies and setting directions. They should guide, advise and counsel Management and staff with realistic examples and effective networking. The challenge is to ensure that all views of our varied Directors are considered and no group-think exists.

We shall be having our Directors' Biennial Retreat with Senior Management in 2021. This is very timely in the light of COVID-19. Significant topics in new business models, enhanced role of technology, expanded role of government, style of working arrangements and future black swans including pandemics will be reviewed and debated.

### THE YEAR AHEAD

The outlook looks uncertain with international travel still very much curtailed. Global economic recovery is expected to be gradual and uneven. Geopolitics is also uncertain and divided. These uncertainties are not conducive for business undertakings.

However, with the Nation's push towards clean emission vehicles by 2040, we have seen the roll-out of several vehicle emission schemes in recent years such as the Vehicular Emissions Scheme to promote ownership of cleaner cars.

Coupled with the latest Commercial Vehicle Emissions Scheme (CVES) to be effective April 2021, demand for VICOM Emission Test Laboratory (VETL) services should continue to be viable as parallel car importers, which are VICOM's major clients, are expected to bring in more clean emission vehicle models.

Given the continuous strong endorsement by the Government to ensure road-worthiness and environmental sustainability of our vehicles, and the fact that private hire vehicle inspection should start in April 2021, the Vehicle Inspection business is expected to remain strong.

On 10 February 2021, the Government unveiled the Singapore Green Plan 2030, a "whole-of-nation movement" to advance the national agenda on sustainable development. The Plan, which is spearheaded by five ministries, including the Ministry of Transport, will chart Singapore's green targets over the next 10 years, two of which are to halve its 2030 peak Greenhouse Gas emissions by 2050 and achieve its long-term net-zero emissions goal as soon as it is viable. This also requires all new car registrations to be cleaner-energy models from 2030, and for the targeted number of electric vehicles (EV) charging points to be doubled by 2030.

It was also announced during the Singapore Budget 2021 that \$30 million will be set aside over the next five years for EV-related initiatives as well as measures that would encourage the use of EVs. For instance, an early adoption incentive scheme was rolled out for EV buyers from 2021 to 2023, offering a 45% rebate on the Annual Registration Fee, capped at \$20,000 per vehicle.

The overall business outlook for SETSCO in the years ahead will be dependent on the recovery of the industries that it serves. While the economy is expected to move gradually out of recession, SETSCO business will remain uneven across sectors. Nonetheless, SETSCO will continue to monitor the changing trends in a post COVID-19 world, set its sights on adopting and developing new capabilities, especially in the emerging sectors such as pharmaceutical and environmental.

Crises tend to serve as a good time for reflection and recalibration. As such, we took the opportunity to accelerate our digitalisation activities. One of it was the formation of the Digital Steering Committee (DSC). The ComfortDelGro Group Digital Office, which is part of the DSC, is helping to map out VICOM's strategic digital vision for the next three years. In this new space, we will have to

strategic digital vision for the next three years. In this new space, we will have to harness advanced technologies that will enable transformation to take place, such as data analytics, IOT (Internet-of-things), Artificial Intelligence (AI) to create value proposition and growth opportunities for VICOM.

As part of this digital transformation, VICOM will be embarking on an online priority booking system for vehicle inspection in the last quarter of 2021. The booking system will incorporate the existing online pre-payment service so as to make the experience as seamless as possible for motorists who have been given priority.

Renovation work on our newly acquired premises, located at Bukit Batok Street 23, was delayed by about six months because of COVID-19. It will be completed in the second quarter of 2021.

#### **APPRECIATION**

Management has been under great stress ever since the start of the pandemic. We had to be concerned with the well-being of not only our staff but also customers, partners and other stakeholders. Civilisation as we know it is under threat and we have to play our part.

On behalf of the Board of Directors, I wish to thank the entire Management and staff under the capable leadership of CEO Sim Wing Yew for doing an excellent job in keeping the morale high. Special thanks go out to our many frontline staff who put their own health on the line as they go about their daily work.

I also wish to thank all the Authorities for all their assistance, financial and otherwise, in helping us through this difficult time. Teamwork has been strong throughout the crisis and it has helped make a very difficult situation slightly less challenging. I also wish to express my deepest appreciation to the Union that worked with us during these trying times.

I would also like to thank my fellow Directors for their invaluable contributions during this difficult time. And finally, to our Shareholders, thank you for your continued support.

It is my hope that 2021 will be a better year as we continue to face the pandemic.

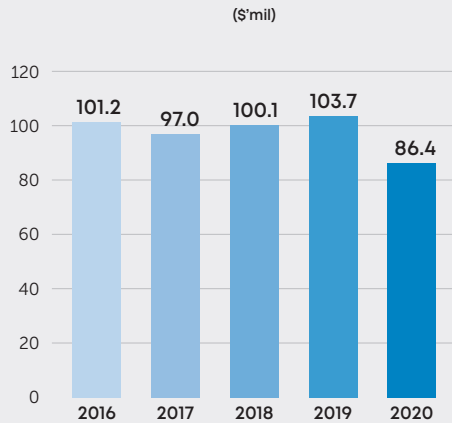
**LIM JIT POH**

**Chairman**

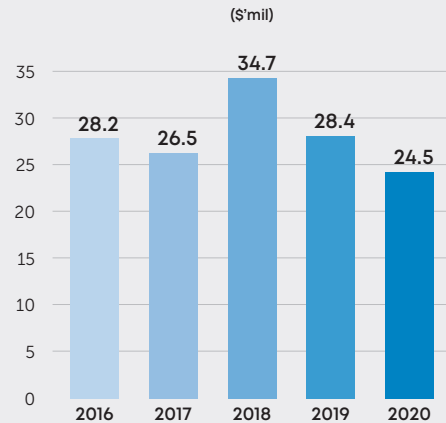
MARCH 2021

# GROUP FINANCIAL HIGHLIGHTS

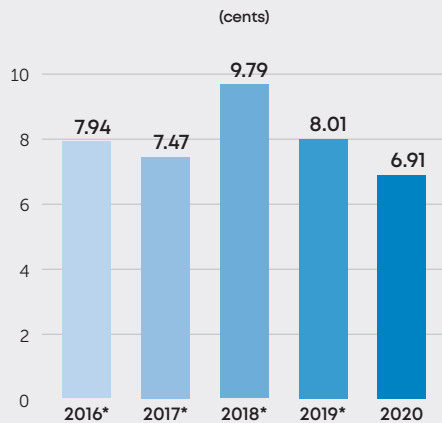
## REVENUE



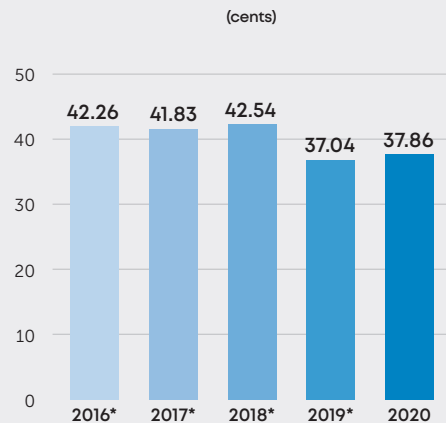
## PROFIT ATTRIBUTABLE TO SHAREHOLDERS



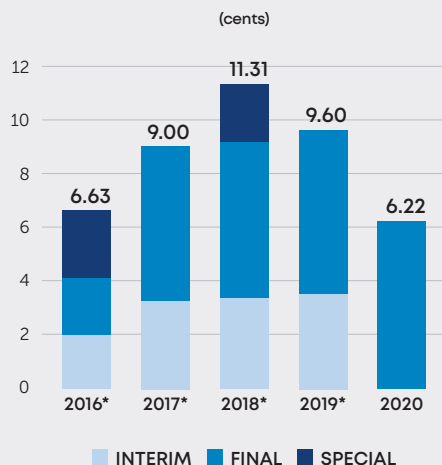
## EARNINGS PER ORDINARY SHARE



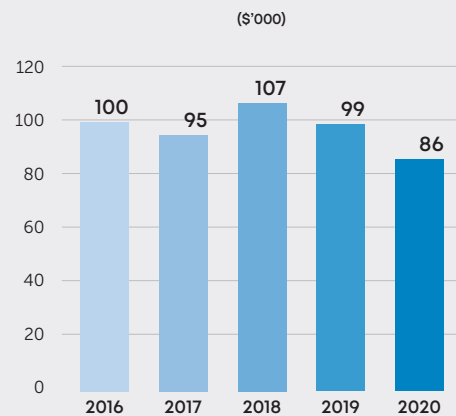
## NET ASSET VALUE PER ORDINARY SHARE



## TOTAL DIVIDEND PER ORDINARY SHARE



## VALUE-ADDED PER EMPLOYEE



\* Adjusted for the increase in the number of ordinary shares resulting from the share split in 12 June 2020 for the Financial Years 2016 to 2019.

**FINANCIAL SUMMARY**

	2016	2017	2018	2019	2020
Revenue (\$'mil)	101.2	97.0	100.1	103.7	86.4
Other Income (\$'mil)	–	–	7.7	–	–
Operating Costs (\$'mil)	68.8	66.5	68.1	69.5	57.1
Operating Profit (\$'mil)	32.4	30.5	39.7	34.2	29.3
Profit Attributable to Shareholders (\$'mil)	28.2	26.5	34.7	28.4	24.5
EBITDA (\$'mil)	38.9	36.7	46.1	41.6	36.7
Issued capital (\$'mil)	36.3	36.3	36.3	36.3	36.3
Capital and reserves (\$'mil)	149.9	148.3	150.8	131.3	134.3
Capital disbursement (\$'mil)	4.0	4.4	26.2	5.4	15.0
Return on shareholders' equity (%)	19.0	17.8	23.2	20.1	18.4
Earnings per ordinary share* (cents)	7.94	7.47	9.79	8.01	6.91
Net asset value per ordinary share* (cents)	42.26	41.83	42.54	37.04	37.86
Interim dividend per ordinary share* (cents)	2.00	3.28	3.36	3.53	–
Final dividend per ordinary share* (cents)	2.13	5.72	5.79	6.07	6.22
Special dividend per ordinary share* (cents)	2.50	–	2.16	–	–
Total dividend per ordinary share* (cents)	6.63	9.00	11.31	9.60	6.22
Dividend cover (number of times)	1.2	0.8	0.9	0.8	1.1

**VALUE-ADDED FOR THE GROUP**

	2016		2017		2018		2019		2020	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Suppliers of capital – dividends	25,061	29.6	28,454	35.1	32,677	35.5	41,118	46.0	21,777	29.4
Taxation to the government	5,958	7.0	5,621	6.9	6,589	7.1	6,763	7.5	5,106	6.9
Retained earnings	9,255	10.9	3,522	4.3	8,022	8.7	(5,090)	(5.7)	11,283	15.3
Employees – salaries and other staff costs	44,453	52.5	43,558	53.7	44,857	48.7	46,667	52.2	35,784	48.4
Total value-added	84,727	100.0	81,155	100.0	92,145	100.0	89,458	100.0	73,950	100.0
Number of employees	848		855		865		901		863	
Value-added per employee (\$'000)	100		95		107		99		86	

\* Adjusted for the increase in the number of ordinary shares resulting from the share split in 12 June 2020 for the Financial Years 2016 to 2019.

# COVID-19

THE PANDEMIC HAS  
CHANGED THE WAY  
WE LIVE AND WORK.  
IT HAS INCONVENIENCED  
NOT JUST OUR CUSTOMERS  
BUT THE WAY WE PERFORM  
OUR DAILY DUTIES.

# SAFEGUARDS

## AGAINST COVID-19

### DURING INSPECTION



Inspectors take  
temperature  
twice daily



Inspectors are  
in masks



Inspectors sanitise  
their hands regularly



Windows of  
vehicles are  
wound down



Hand sanitisers  
are available at all  
contact points



A safe distance  
of 1m is always  
maintained

**Reminder:** If you are a Diners Club member, you can choose prepayment online for your vehicle inspection via VICOM website at [www.vicom.com.sg](http://www.vicom.com.sg).

**Inspection may take longer than usual. We thank you for your patience and understanding.**







**ACTIVITY  
LEVELS DROPPED  
DRASTICALLY**



**CENTRES REMAINED EMPTY**

**SOCIAL  
DISTANCING  
BECAME A  
NEW NORM**





**VICOM'S K  
HAS BEEN ON  
EMPLOYEES, C  
OTHER STAKEHO  
THIS UNPRECED  
IN THE SAFEST**

**EY FOCUS  
HELPING OUR  
CUSTOMERS AND  
LEADERS WEATHER  
UNEXPECTED STORM  
ANY WAY POSSIBLE**

# THE SAFETY OF OUR CUSTOMERS IS OUR PRIORITY





**THE WELL-BEING  
OF EMPLOYEES  
IS OUR  
FOCUS TOO**

**TOGETHER WITH DE  
PERSEVERANCE, W  
WE CAN BEAT T**



# TERMINATION AND E ARE CONFIDENT HIS PANDEMIC



## COVID-19

**What started as a sneeze and cough quickly became a lot more sinister in the early months of 2020.**

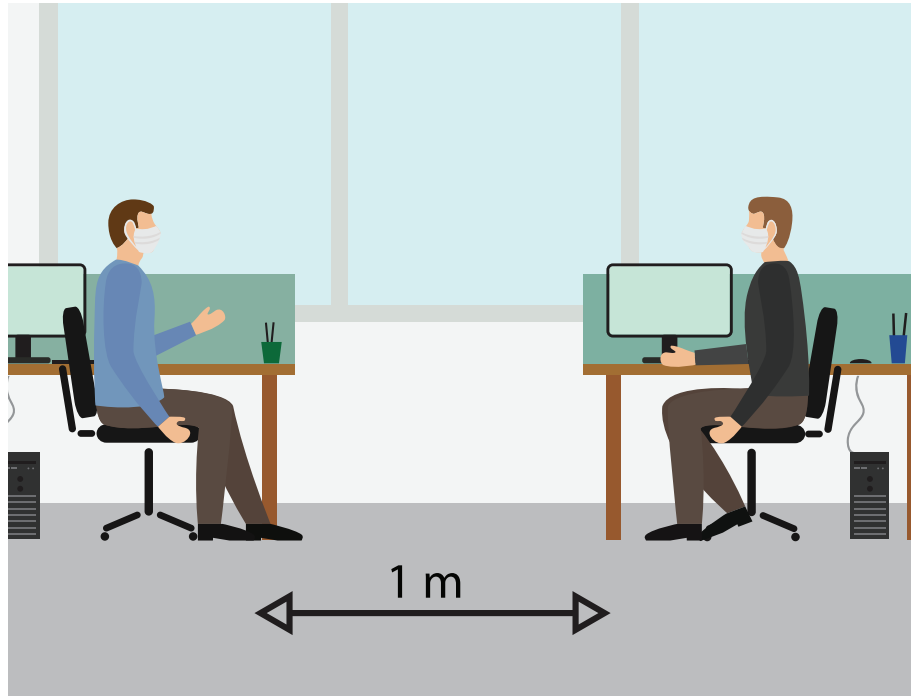
**The world now knows it as COVID-19 and is a virus that needs no introduction. It has changed the way we work and play, the way we interact with one another and certainly, the way VICOM conducted its testing and inspection businesses.**



Singapore's index case was discovered on 23 January 2020. A 66-year-old Chinese national from Wuhan had arrived on 20 January, and was admitted into the Singapore General Hospital where he was tested

positive for the coronavirus.

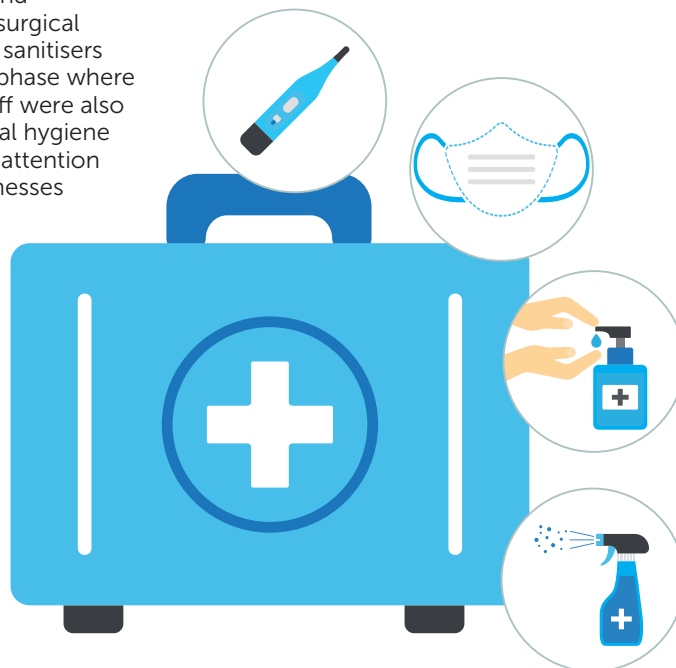
Working closely with our parent company, ComfortDelGro Corporation Limited, we ramped up our business continuity action plans to reduce the risk of COVID-19 transmission in the event of an outbreak in the workplace. We also ensured that we have in place a strong recovery plan to quickly restore business activities when the time was right.



When the DORSCON level was declared Orange on 7 February 2020, we made sure there was sufficient stockpile of essentials like face masks, thermometers, disinfectants and

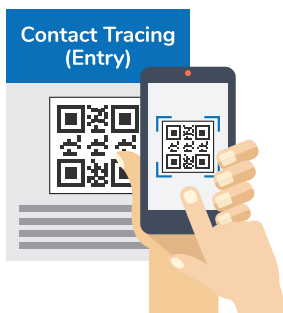
sanitisers. A reliable supply of surgical masks, disinfectants and hand sanitisers was secured during the initial phase where supplies were very limited. Staff were also reminded to adhere to personal hygiene practices and to seek medical attention when exhibiting respiratory illnesses

symptoms. Workplace arrangements were reviewed to enable social distancing amongst staff.



## COVID-19

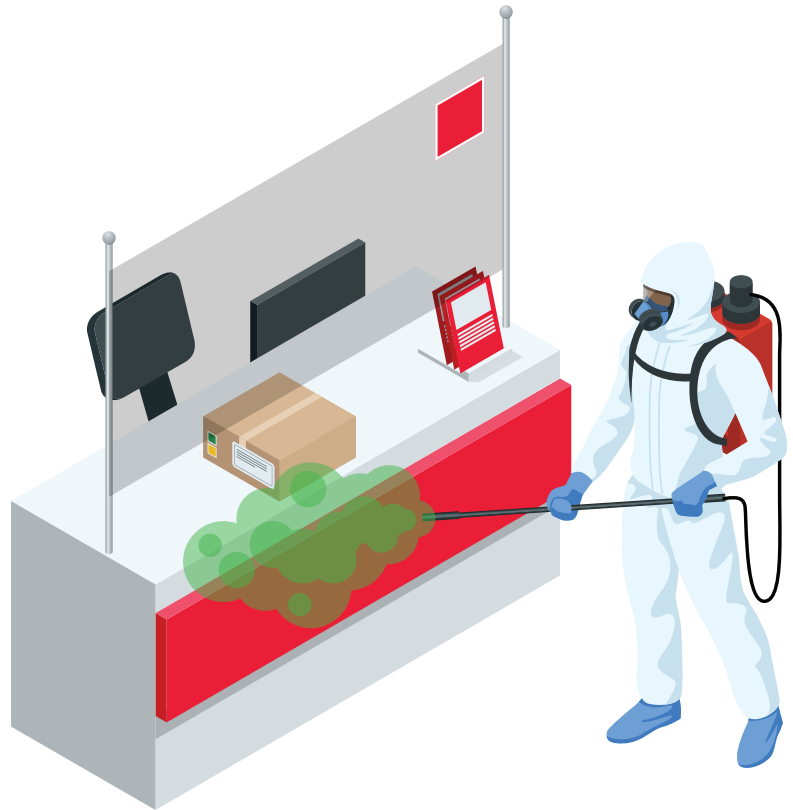
As more infections surfaced in Singapore, we stepped up our preventive measures, including carrying out regular disinfection of our premises. All staff were issued with personal PPE (Personal Protection Equipment) such as thermometers and surgical masks for their personal protection. Their temperature was monitored at least twice daily to ensure that any risk of a COVID-19 transmission could be mitigated in time.



Posters and notices related to COVID-19 were also prominently displayed to assure our stakeholders, especially our customers, of all the measures that we had taken to comply with safe distancing measures.

SafeEntry QR codes were also displayed for contact tracing purposes.

During the Circuit Breaker period, our businesses continued to operate and we implemented split team work arrangements and telecommuting. Our Information Technology (IT) Department worked doubly hard to set up the infrastructure to enable about three-quarters of our backend staff to work from home. Frontline and operations staff on site were grouped into separate teams

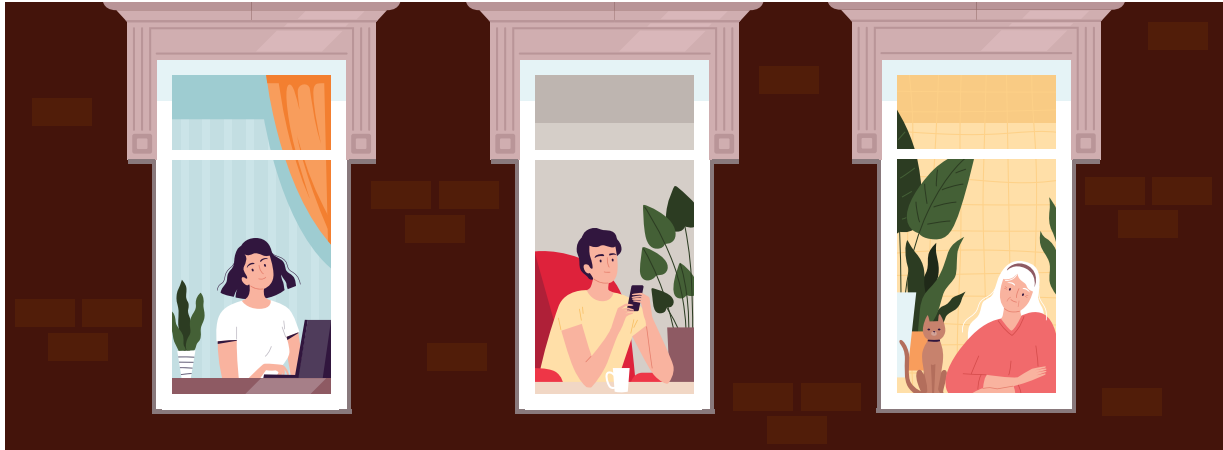


to minimise their contact with one another. They were also put on work shift on alternate days, given staggered working hours and encouraged to travel to and from home to office and vice versa during off-peak hours. Meetings were conducted online via Microsoft Teams as we practised safe distancing.

When the Malaysian Government announced its first Movement Control Order (MCO) on 18 March 2020, we managed to secure temporary hotel accommodation for 92 Malaysians in our workforce so that they would not be left stranded in Singapore without a roof over their heads, or be forced to go back to Malaysia with no immediate option of returning to work.

Meanwhile, another 97 of our staff who were staying in two Purpose Built Dormitories (PBDs) were placed under strict lockdown when the local dormitories were hit by a COVID-19 outbreak. These staff are from SETSCO's Construction, Marine and Process business and the lockdown affected delivery of these services. In all, 12 of our staff from the dormitories contracted COVID-19. Fortunately, they exhibited mild or no symptoms and have since recovered fully and returned to work. To reduce the risks of further disruptions to



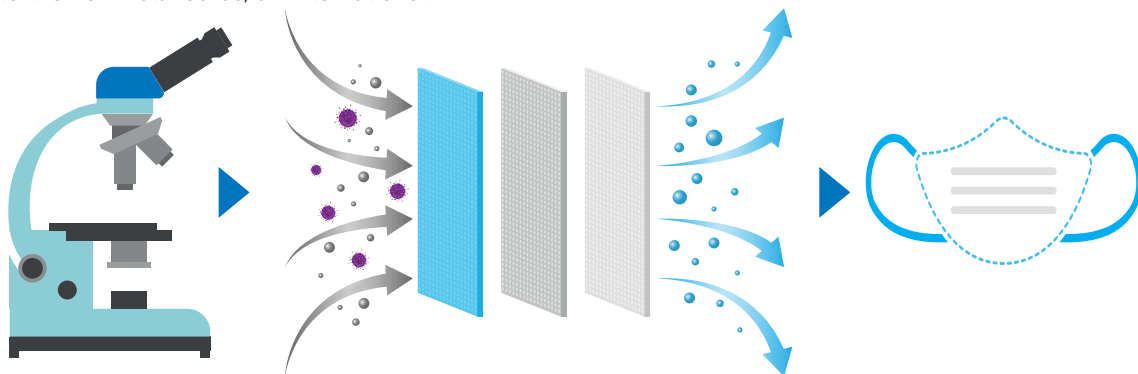


manpower, we have moved about 40% of our dormitory-housed workers to private residential properties. We have also taken the added precaution of staggering the off days of our staff and making sure that they were provided with dedicated transportation between work sites and dormitories to minimise any possible exposure.

In the face of challenges, there are often opportunities. The COVID-19 pandemic presented SETSCO with a new business – that of conducting surgical mask testing capabilities, making it one of the first in Singapore that can do this. The testing facility, which took SETSCO just three months to set up, is able to conduct five tests in accordance to the ASTM standards, an international

standard used in the testing of personal protective equipment, including face masks and medical gowns. These included the Bacterial Filtration Efficiency (BFE) Test, which measures the filtration efficiency of a mask using live bacteria as well as the Particulate Filtration Efficiency (PFE) Test which evaluates how well the mask protects against particles.

Although the Singapore Government had successfully contained the community spread of COVID-19 cases and more activities were allowed in Phase 3 Re-opening, the VICOM Group is not letting its guard down and will stay vigilant in our continuous effort to safeguard the health and safety of all our stakeholders.



# **BITS & BYTES**

TAKING ADVANTAGE OF  
DIGITALISATION TO MAKE  
US MORE EFFICIENT.







# LEVERAGE ON TECHNOLOGY FOR PRODUCTIVITY

# VEHICLE INSURANCE AT YOUR FINGERTIPS



# ONLINE SUBMISSION OF NEW VENDORS



# WE DID THE THE POWER OF



# SE THROUGH DIGITALISATION

## **BITS & BYTES**

**At VICOM, we embrace technology and innovation not as a concept – but as a way of life. As a company that has its foundations steeped in technology, we have never been averse to change. From the machines that we use to conduct all our tests, to the systems and processes that we have introduced to improve on efficiency and productivity, we have always embraced technological innovations.**

**In a year marked by a global pandemic, we took the opportunity to step up our digital transformation. Here are some of our key initiatives:**

VICOM

## ONLINE BOOKING SERVICES

We launched a new booking service for pre-owned vehicle buyers looking for vehicle evaluation services so that they did not have to queue and wait at inspection centres.



### A. DIGITAL PAYMENT OPTIONS



We introduced an online payment option with Diners to pay for inspection fee in advance. This was followed by PayNow to give them even more choices. These contactless payment options supported our safe management measures during Covid-19 pandemic.

### B. DIGITAL ADVERTISING

We ventured into digital advertising through a well-positioned digital screen at Sin Ming Inspection Centre and together with advertising partners offered product promotions to our motorists.



## BITS & BYTES

### SETSCO

SETSCO has started to digitalise its operations with new report testing systems which have to accommodate the complexity and breadth of the testing services from Construction, Mechanical and Biochemical domains. These help to improve turnaround time and transparency for testing deliverables which promote good customer experience and raise customer satisfaction.

#### A. SMARTS

The newly launched SETSCO Microbiology Archival Report Testing System (SMARTS) enables customers to submit their orders and track order fulfilment online. It manages the collection of samples, testing results, report approval and delivery to customers.



#### B. MECHANICAL REPORT APPROVAL SYSTEM

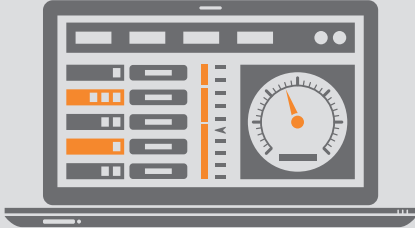
SETSCO has automated most of its mechanical testing using software programming to do computation and report generation. Products like reinforcement steel bars, and services like Non-Destructive Testing have dedicated software to generate test reports.

#### C. SELF-SERVICE CERTIFICATION SERVICE



SETSCO introduced a self-service certification service so customers can start a certification process and print the certification labels themselves.

## CONSTRUCTION WATER ABSORPTION TESTING SYSTEM



SETSCO is integrating its testing equipment to enable digital straight-through processing. This digital solution captures test results from the weighing balance directly to generate test reports for approval and distribution.

The VICOM Group has also begun adopting an Automation First Strategy as part of our digitalisation effort. By enabling Robotic Process Automation (RPA) to handle routine processes, it is able to streamline existing workflow and improve productivity with better accuracy and faster turnaround speed. This frees up valuable manpower resources to focus on other higher value-added services.

Besides digitalisation for the operation processes within various BUs and departments, there are also parallel efforts to digitalise our supporting business functions. In addition, the Finance and HR teams are also looking into various digitalisation projects such as monthly reconciliation of accounts, posting of journals, payment processing, bank reconciliation, creation of management reports using RPA to further save on man-days for mundane compilations.



SETSCO is embarking on its Customer 360 journey and currently in the midst of implementing a Customer Relations Management (CRM) system across the Group.



VICOM is harnessing data analytics to provide actionable insights to increase operations excellence. It seeks to become more data-driven by propagating data analytics across the organisation.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**LIM JIT POH**  
CHAIRMAN

**YANG BAN SENG**  
DEPUTY CHAIRMAN

**SIM WING YEW**  
CHIEF EXECUTIVE OFFICER

**SHIM PHYAU WUI, VICTOR**  
LEAD INDEPENDENT DIRECTOR

**GOH YEOW TIN**  
**JUNE SEAH LEE KIANG**  
**SOH CHUNG HIAN, DANIEL**  
**TAN KIM SIEW**  
**TAN POH HONG**  
**TEO GEOK HAR, NANCY** (Retired on 20 May 2020)  
**WONG YOKE WOON** (Appointed on 21 May 2020)

## AUDIT AND RISK COMMITTEE

**SOH CHUNG HIAN, DANIEL**  
CHAIRMAN

**GOH YEOW TIN**  
**SHIM PHYAU WUI, VICTOR**  
**TAN POH HONG**  
**TEO GEOK HAR, NANCY** (Retired on 20 May 2020)  
**WONG YOKE WOON** (Appointed on 21 May 2020)

## REMUNERATION COMMITTEE

**JUNE SEAH LEE KIANG**  
CHAIRMAN

**GOH YEOW TIN**  
**LIM JIT POH**  
**TAN KIM SIEW**  
**TAN POH HONG**  
**TEO GEOK HAR, NANCY** (Retired on 20 May 2020)  
**WONG YOKE WOON** (Appointed on 21 May 2020)

## NOMINATING COMMITTEE

**SHIM PHYAU WUI, VICTOR**  
CHAIRMAN

**LIM JIT POH**  
**JUNE SEAH LEE KIANG**  
**SOH CHUNG HIAN, DANIEL**  
**TAN KIM SIEW**

## CORPORATE DIRECTORY

### REGISTERED OFFICE

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6383 8833  
Facsimile: (65) 6287 0311  
Website: [www.vicom.com.sg](http://www.vicom.com.sg)  
Company Registration Number: 198100320K

### JOINT COMPANY SECRETARIES

Angeline Joyce Lee Siang Pohr  
Chan Wan Tak, Wendy

### SHARE REGISTRAR

B.A.C.S. Private Limited  
8 Robinson Road #03-00  
ASO Building  
Singapore 048544

### AUDITORS

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
6 Shenton Way,  
OUE Downtown 2  
#33-00  
Singapore 068809

Partner-in-Charge:  
Tsia Chee Wah

Date of Appointment:  
24 April 2017

# BOARD OF DIRECTORS



**LIM JIT POH**  
**CHAIRMAN**  
**(NON-INDEPENDENT**  
**NON-EXECUTIVE**  
**DIRECTOR)**

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
21 JANUARY 1981

DATE OF LAST RE-APPOINTMENT  
AS DIRECTOR OF THE COMPANY:  
24 APRIL 2019

Mr Lim Jit Poh is the Chairman and a Non-Independent and Non-Executive Director of VICOM Ltd. He is a member of both the Nominating Committee and the Remuneration Committee. Mr Lim is also the Chairman of ComfortDelGro Corporation Limited and SBS Transit Ltd. These are listed companies with business interest in land transport. The Company and SBS Transit Ltd are subsidiaries of ComfortDelGro Corporation Limited. Mr Lim is also the Chairman of several non-listed companies owned by the National Trades Union Congress (NTUC) and CapitaLand Limited Group.

Mr Lim was a former top civil servant and a Fulbright Scholar. He was awarded the Public Administration Medal in 1972 and the Public Service Star (BBM) in 2015 by the President of the Republic of Singapore, as well as four awards by NTUC, namely the Friend of Labour Award in 1986, the Meritorious Service Award in 1990, the Distinguished Service Award in 2000 and the Distinguished Service (Star) Award in 2014. In 2006, he was also one of the recipients of the Distinguished Science Alumni Award from the National University of Singapore.

In his previous employment as Executive Director of two public-listed companies, Mr Lim had been directly involved in negotiations with business partners and relevant authorities on various joint venture projects in the ASEAN region, as well as in China, Hong Kong, the United Kingdom, Australia and Mauritius. He was also involved in the management of these operations. Mr Lim was a Council Member of the Singapore Chinese Chamber of Commerce and Industry and the National University of Singapore, and a Member of the Singapore British Business Council. He was also very active in community work being Chairman of a community centre management committee. Presently, he is a Trustee of the Singapore National Employers' Federation and a Member of the Board of Management of Pei Chun Public School.

Mr Lim holds a Bachelor of Science (Hons) in Physics from the University of Singapore and a Master of Education from the University of Oregon, USA.



**YANG BAN SENG**  
**DEPUTY CHAIRMAN**  
**(NON-INDEPENDENT**  
**NON-EXECUTIVE**  
**DIRECTOR)**

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
1 MAY 2017

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
20 MAY 2020

Mr Yang Ban Seng is the Deputy Chairman of VICOM Ltd. He is a Non-Independent and Non-Executive Director of the Company. He is also the Managing Director/ Group Chief Executive Officer of ComfortDelGro Corporation Limited as well as Deputy Chairman of SBS Transit Ltd.

Prior to his current appointment, Mr Yang was the Chief Executive Officer of Taxi Business in Singapore where he oversaw the operations of Comfort Transportation Pte Ltd and CityCab Pte Ltd. Prior to joining the Group in 1989, Mr Yang served as Assistant Director of the Ministry of Education, Deputy Director of the Ministry of Home Affairs and the National Trades Union Congress' (NTUC) Secretary for Co-operatives. At the NTUC's May Day Awards in 2013, he was awarded the Medal of Commendation.

He holds a Bachelor of Science (Operations Research and Statistics) (Hons) from the University of Manchester and a Master of Business Administration from the National University of Singapore.

## BOARD OF DIRECTORS



**SIM WING YEW**  
**CHIEF EXECUTIVE OFFICER**  
**(NON-INDEPENDENT**  
**EXECUTIVE DIRECTOR)**

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
1 MAY 2012

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
24 APRIL 2019

Mr Sim Wing Yew is  
the Chief Executive

Officer and a Non-Independent and Executive Director of VICOM Ltd. Prior to this appointment, he was Chief Operating Officer of ComfortDelGro Engineering Pte Ltd since August 2008 before assuming the role as Chief Executive Officer on 1 March 2011. Mr Sim first joined the ComfortDelGro Group in September 2002 as a General Manager in charge of two maintenance workshops in SBS Transit Ltd's Fleet Management Department. In June 2006, he assumed responsibility as the General Manager for all five SBS Transit's workshops.

Prior to joining ComfortDelGro Group, he managed projects in China and Hong Kong for SGX-Catalist listed See Hup Seng Limited.

Mr Sim holds a Bachelor of Engineering (Hons) in Mechanical and Production Engineering from the Nanyang Technological University and a Master of Business Administration from the University of Hull, United Kingdom.



**SHIM PHYAU WUI, VICTOR**  
**(LEAD INDEPENDENT**  
**NON-EXECUTIVE**  
**DIRECTOR)**

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
1 JUNE 2017

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
20 MAY 2020

Professor Shim  
Phiau Wui, Victor is

a Lead Independent and Non-Executive Director of VICOM Ltd. Professor Shim is the Chairman of the Nominating Committee and a member of the Audit and Risk Committee.

He has worked with the National University of Singapore (NUS) since 1980, and is a professor of Mechanical Engineering. He is also currently Senior Advisor in the NUS office of Global Relations. Prof Shim has previously held a number of management appointments at NUS, including being the founding Director of the former Office Corporate Relations (now Office of University Communications) and a Vice-Dean (External Relations & Outreach) at the Faculty of Engineering. He has been a Visiting Scientist at the Tokyo Institute of Technology, and a Visiting Scholar at the University of California, San Diego. As part of his research and technical work, Prof Shim established the Impact Mechanics Laboratory at NUS to facilitate work on Dynamic Material Behaviour and Impact Engineering. His research interests include dynamic material response, 3D-printed and cellular materials, impact resistance of protective structures, as well as the response of components and products to impact and shock loads. He is also an Associate Editor of the International Journal of Impact Engineering, and he participates regularly in international conferences to share and keep abreast of developments in his area of research.

Professor Shim was a Colombo Plan Scholar. He holds a Bachelor of Mechanical Engineering (First Class Honours) from the University of Auckland, New Zealand, a Master of Engineering from the National University of Singapore, and a Doctor of Philosophy from the University of Cambridge, UK. He is a registered Professional Engineer and a Senior Member of the Institution of Engineers, Singapore. He has received awards at NUS for Teaching Excellence, Innovative Teaching and Outstanding Service, and was conferred the Singapore National Day Public Administration Medal (Silver) in 2012.



**GOH YEOW TIN**  
(INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR)

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
1 SEPTEMBER 2010

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
24 APRIL 2019

Mr Goh Yeow Tin is  
an Independent and

Non-Executive Director of VICOM Ltd. Mr Goh  
is a member of both the Audit and Risk Committee  
and the Remuneration Committee.

Mr Goh is also a Member of the Singapore Institute  
of Directors and an independent Director of KTMG  
Limited, Sheng Siong Group Ltd, AsiaPhos Limited  
and TLV Holdings Limited. Prior to that, Mr Goh  
was the Vice President of Times Publishing Ltd  
and was responsible for the Group's Retail and  
Distribution businesses overseeing the operations  
in West Malaysia, Brunei, Thailand, Hong Kong and  
China. Mr Goh began his career with the Economic  
Development Board (EDB) where he headed the  
Local Industries Unit and was subsequently appointed  
as a Director of EDB's Automation Applications Centre  
located in the Singapore Science Park. Mr Goh was  
the founding member of the Association of Small and  
Medium Enterprise (ASME) and founded International  
Franchise Pte Ltd, a pioneer in franchising business  
in Singapore. Mr Goh was previously the Deputy  
Managing Director of Tonhow Industries Ltd, the first  
SESDAQ listed plastic injection moulding company.

Mr Goh was appointed a Justice of the Peace in  
September 2015 and was awarded the Public Service  
Star (Bar) the same year by the President of the  
Republic of Singapore.

Mr Goh holds a Bachelor of Engineering (Mechanical)  
(Hons) from the University of Singapore and a  
Master of Engineering (Industrial Engineering &  
Management) from the Asian Institute of Technology.



**JUNE SEAH LEE KIANG**  
(INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR)

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
1 OCTOBER 2017

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
20 MAY 2020

Ms June Seah  
Lee Kiang is an

Independent and Non-Executive Director of  
VICOM Ltd. She is the Chairman of the  
Remuneration Committee and a member  
of the Nominating Committee.

Ms Seah is currently the Head of Business  
Development of Omise Co, a payment processor  
registered in Singapore with operations in Thailand,  
Indonesia, Singapore and Japan. She is also a  
partner of a restaurant called The Peranakan at  
Claymore Connect.

Ms Seah is a veteran banker with extensive experience  
in the cards and payments industry. She was formerly  
General Manager of UOB Card Center before joining  
VISA International. She was a member of VISA's Asia  
Pacific Management Committee and headed up  
Merchant and Acquirer Partnerships for Asia Pacific,  
Central Europe, Middle East and Africa.

Ms Seah holds a Bachelor of Social Science Degree  
with Second Upper Honours in Economics from the  
University of Singapore.

## BOARD OF DIRECTORS



**SOH CHUNG HIAN, DANIEL**  
(INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR)

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
1 MAY 2018

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
24 APRIL 2019

Mr Soh Chung  
Hian, Daniel is an

Independent and Non-Executive Director of VICOM Ltd. He is the Chairman of the Audit and Risk Committee and a member of the Nominating Committee.

A fellow member of the Institute of Singapore Chartered Accountants, Mr Soh began his career in 1977 with Ernst & Young LLP, Singapore, and was a partner from 1990 till his retirement in December 2012.

Mr Soh also serves as an independent director of the following companies namely: Lum Chang Holdings Ltd, Agency for Integrated Care Pte Ltd, British and Malayan Trustees Limited, British and Malayan Holdings Ltd and Sunright Limited. He is also a member of the Board of Governors of Raffles Girls' School.

Mr Soh holds a Bachelor of Accountancy from the University of Singapore and a Master of Business Administration from International Centre of Management in the United Kingdom.



**TAN KIM SIEW**  
(INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR)

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
1 MAY 2018

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
24 APRIL 2019

Dr Tan Kim Siew is  
an Independent

and Non-Executive Director of VICOM Ltd. He is a member of both the Remuneration Committee and the Nominating Committee. He is also an Independent and Non-Executive Director of SBS Transit Ltd.

Dr Tan is presently a Senior Consultant in the Ministry of Finance and Chairman of the Governing Board for the Mechanobiology Institute, National University of Singapore. From 2012 to 2014, Dr Tan served as Commissioner of Inland Revenue. Prior to this appointment, Dr Tan was the Permanent Secretary (Defence Development) of the Ministry of Defence from 2003 to 2012. He had also held other appointments in the public service, including CEO of the Urban Redevelopment Authority, Deputy Secretary in the Ministry of Finance and in the Ministry of National Development, Chairman of the Defence Science and Technology Agency, and Chairman of the DSO National Laboratories.

Dr Tan was awarded the Public Administration Medal (Silver) (Military) in 1990, the Public Administration Medal (Silver) in 1996, the Public Administration Medal (Gold) in 2001 and the Long Service Medal in 2003 by the President of the Republic of Singapore.

Dr Tan holds a Bachelor of Arts (Honours) (Engineering Tripos) with Distinction in Electronics Engineering and Doctor of Philosophy (Engineering) from the University of Cambridge.



**TAN POH HONG**  
(INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR)

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
24 APRIL 2019

DATE OF LAST RE-ELECTION AS  
DIRECTOR OF THE COMPANY:  
20 MAY 2020

Ms Tan is an  
Independent and  
Non-Executive

Director of VICOM Ltd. She is a member of both  
the Audit and Risk Committee and the  
Remuneration Committee.

She is an independent Director on the Boards of  
Sheng Siong Limited, Centurion Corporation Limited,  
and AnnAik Limited and APAC Realty. She is a Board  
Member of Jilin Food Zone Pte Ltd and Barramundi  
Asia Pte Ltd.

Ms Tan was the Chief Executive Officer of Agri-Food  
& Veterinary Authority (AVA) of Singapore from 2009  
to 2017. AVA is the national authority responsible for  
food security and safety. Ms Tan was instrumental  
in transforming and expanding the organization's  
mandate to cater to new challenges facing the  
country's food security. In particular, she built  
up the organisation's capabilities to manage and  
strengthen Singapore's food security. She initiated  
and led stakeholder engagement and partnership  
initiatives, and drove the push to transform the local  
farming sector.

Prior to her appointment at AVA, Ms Tan was the  
Deputy CEO of the Housing and Development Board  
(HDB) from 2004 to 2009. She played a key role  
in restructuring of HDB in 2003 and helped to  
stabilise the organisation after restructuring through  
various internal communications and engagement  
processes. She has held various leadership  
positions in HDB which involved policy and  
strategy development, operations and sales  
as well as corporate development.

Ms Tan holds a BSs (Hons) in Estate Management  
from the National University of Singapore, and a  
Master of Business Administration (with distinction)  
from New York University. She was awarded the  
Public Administration Medal (Gold) in 2013, and  
the Public Service Medal in 1999 by the Singapore  
Government and the NTUC Medal of Commendation  
in 2001.



**WONG YOKE WOON**  
(INDEPENDENT  
NON-EXECUTIVE  
DIRECTOR)

DATE OF APPOINTMENT AS  
DIRECTOR OF THE COMPANY:  
21 MAY 2020

Ms Wong is an  
Independent and  
Non-Executive  
Director of VICOM Ltd.  
She is a member

of both the Audit and Risk Committee and the  
Remuneration Committee of the Company.

Ms Wong is the Deputy Chief Executive Officer  
(DY CEO) taking care of the Job Security Council  
(JSC) Outreach Group. The JSC Outreach Group  
consists of sectors under the clusters such as Built  
Environment, Essential Domestic Services, Lifestyle,  
Manufacturing, Modern Services and Trade and  
Connectivity. She also oversees the operations at the  
Singapore Bus Academy, the Career Centres at e2i  
Central and West as well as administers programmes  
that support workers and companies in training and  
job redesign needs. Ms Wong started out at e2i as  
a Deputy Director, looking after business initiatives  
with strategic partners in the New Manufacturing  
Technology, Professional and Public Sectors.

As the DY CEO, she has implemented many key  
strategies to engage companies to embark on the  
Inclusive Growth Programme; enhance companies'  
operations to drive productivity through boosting  
the efficiency of workers, and in turn raise  
workers' welfares.

Prior to her role as DY CEO of e2i, she was with  
NTUC Learning Hub as General Manager of the  
Employability Campus where she was responsible for  
the employability training for working people across  
all industries.

Ms Wong holds an Executive Masters in Business  
Administration from the Singapore Management  
University, Bachelor of Social Sciences from the  
National University of Singapore (NUS) and  
Bachelor of Arts and Social Sciences from NUS.  
She holds a Professional Diploma in Employment  
Relations from the NUS-Extension and  
Ong Teng Cheong Institute and Graduate Diploma  
in Personnel Management from the Singapore  
Institute of Management.

# KEY MANAGEMENT



**SIZE THIAM SIONG**  
**CHIEF EXECUTIVE OFFICER**  
**SETSCO SERVICES PTE LTD**

Mr Sze Thiam Siong is the Chief Executive Officer of Setesco Services Pte Ltd (SETSCO). He is responsible for the overall management of SETSCO. Prior to this appointment, he was Senior Vice President/Director of SETSCO. Mr Sze joined the former Singapore Institute of Standards and Research (SISIR) in 1980 and was appointed Technical Manager of one of its subsidiary firms, Setesco Services Pte Ltd, in 1985. Mr Sze holds a Bachelor of Engineering (Mechanical) from the University of Strathclyde (UK), and a Diploma in Management Studies from the Singapore Institute of Management. He also sits in various committees in the governmental and non-governmental as well as professional bodies.

**LEE PECK KIM, MARY**  
**CHIEF FINANCIAL**  
**OFFICER**

Ms Lee Peck Kim, Mary is the Chief Financial Officer of VICOM Ltd and is responsible for the Group's finance and accounting functions. She is an ACCA qualified accountant and holds an MBA in Finance from the University of Hull, United Kingdom. She is also a Chartered Accountant of the Institute of Singapore Chartered Accountants. Prior to her appointment, Ms Lee was the Head of Finance at ComfortDelGro Engineering Pte Ltd. She brings with her many years of experience in the Group as well as experience in other listed and multinational companies.



**YUSOOF AYNUDDIN**  
**SENIOR VICE PRESIDENT**  
**MECHANICAL TECHNOLOGY DIVISION**  
**SETSCO SERVICES PTE LTD**

Mr Yusoof Aynuddin joined Setesco Services Pte Ltd in 1988 and is responsible for the overall management of the Mechanical Technology Division. He brings with him experience in a variety of testing services, including stress & strain analysis steel structures, calibration of instruments and metallographic examination. He graduated from Singapore Polytechnic with a Diploma in Mechanical Engineering and an Advanced Diploma in Industrial Engineering.

**CHUNG TYING CHUN**  
**SENIOR VICE PRESIDENT**  
**ANCILLARY OPERATIONS DIVISION, VICOM LTD**  
**BIOLOGICAL AND CHEMICAL TECHNOLOGY**  
**DIVISION, SETSCO SERVICES PTE LTD**

Mr Chung Tying Chun joined VICOM Ltd in 2013 and is responsible for the overall management of the Ancillary Operations Division comprising the VICOM Vehicle Emission Test Laboratory (VETL), VICOM Assessment Centre (VAC), as well as motor insurance and advertising. He also manages various organisation developments and process improvement projects for the Group. In October 2017, he took on the additional portfolio of managing the Biological & Chemical Technology Division of Setesco Services Pte Ltd. Mr Chung started his career with the Singapore Armed Forces (SAF) where he held several senior command and staff appointments. He holds a Master of Chemical Engineering (Hons) from University College, London and a Master of Business Administration (Strategy) from the National University of Singapore.





**YIP CHUN WAH**  
**VICE PRESIDENT**  
**OPERATIONS SUPPORT**

Mr Yip Chun Wah joined VICOM Ltd in 1998 as a Project Engineer and is subsequently promoted to Vice President (Operations)

in 2007. After more than a decade in Operations, Mr Yip was tasked to oversee Operations Support on 1 October 2019 in which he supervises the Quality and Standards of inspection as well as the management and maintenance of the Group's properties, facilities and test equipment. Mr Yip graduated from the Nanyang Technological University with a Bachelor of Mechanical Engineering and holds a Master of Science in Industrial & Systems Engineering from the National University of Singapore.

**TEO TENG KANG, ANTHONY**  
**VICE PRESIDENT**  
**OPERATIONS**

Mr Teo Teng Kang, Anthony joined VICOM Ltd in 2019 and is responsible for the vehicle inspection business. He brings with him many years of automotive experience starting as an engineer with SBS Transit in 2000. From 2011 to 2017, Mr Teo was Assistant Vice President responsible for the vehicle construction and components overhaul business at ComfortDelGro Engineering Pte Ltd. Mr Teo holds a Bachelor of Technology, Mechanical Engineering (Hons) from the National University of Singapore.



**TAN LI KOON, ANN**  
**ASSISTANT VICE PRESIDENT**  
**SALES & MARKETING**

Ms Tan Li Koon, Ann is responsible for the Group's sales & marketing, motor insurance and customer service. She joined the Group

in 1998 as a Customer Service and Public Relations Officer and was promoted to her present position in 2009. Ms Tan holds an Advanced Diploma in Business from the University of Cambridge and has Certificates in General and Life Insurance.

**SAMY SAMUGAM**  
**MANAGER (OPERATIONS) & HEAD,**  
**VICOM EMISSION TEST LABORATORY**

Mr Samy Samugam joined VICOM Ltd in 2011 as an Engineer for inspection operations and is now Manager (Operations) and Head of the VICOM Emission Test Laboratory (VETL). Mr Samugam holds a Bachelor of Engineering in Mechanical Engineering from the Nanyang Technological University.



## KEY MANAGEMENT



**SIEW YIM CHENG**  
GROUP CHIEF DIGITAL OFFICER  
COMFORTDELGRO GROUP

Ms Siew Yim Cheng was appointed Group Chief Digital Officer on 17 February 2020. She is responsible for the Group's transformation roadmap and

products, and oversees the digital transformation initiatives and Information Technology of the Group. Prior to joining the Group, Ms Siew was Global Vice President for Smart City with Envision Digital, where she was responsible for leading the development of Artificial Intelligence-Internet of Things and smart city products and solutions. Prior to that, she was also the Chief Digital Officer for JTC Corporation. Ms Siew holds a Bachelor of Engineering - EEE (First Class) from the National University of Singapore, and had attended the Cybersecurity Executive Education Programme with Harvard Kennedy School. She is also the President of IT Management Association, Deputy Chairman of Ngee Ann Polytechnic ICT Advisory Committee, Member of Ngee Ann Polytechnic's Digitalisation Sub-Committee, Member of Technical Expert Panel for Singapore International Mediation Centre, and Member of Council of Industry Leaders, Tech Talent Assembly.

**LAU YIN CHENG**  
GROUP CHIEF HUMAN RESOURCE  
OFFICER  
COMFORTDELGRO GROUP

Mr Lau Yin Cheng was appointed Group Chief Human Resource Officer on 1 August 2020. He has extensive Human Resource & Organisation Development leadership experience in Hi-Tech, Telecommunications, Hospitality, and Supply Chain Management sectors across Asia Pacific, Europe, and North America, where he partnered with C-level executives to realise their organisational goals. Early in his career, he has held appointments within the Ministry of Manpower. Prior to joining the Group, he was Head of Human Resource, Group Digital Life in Singtel. Mr Lau holds a Masters of Engineering (Electrical) from the National University of Singapore as well as a Graduate Diploma in Organisation Development from the Singapore Civil Service College (in partnership with the NTL Institute).



**TAN I-LIN, TAMMY**  
GROUP CHIEF CORPORATE  
COMMUNICATIONS OFFICER  
COMFORTDELGRO GROUP

Ms Tan I-Lin, Tammy is ComfortDelGro Corporation's Group Chief Corporate Communications

Officer and Spokesperson for the Group, including VICOM Ltd. She is responsible for all corporate communications functions, including promoting the Group's image, overseeing its various publications, coordinating requests for sponsorship and donations, and liaising with the media community. Ms Tan started her career with Singapore Press Holdings in 1995 and held several positions in The Straits Times, including Deputy Money Editor and Deputy News Editor. She holds a Bachelor of Social Sciences (Hons) from the National University of Singapore.

**CHOO PENG YEN**  
GROUP CHIEF BUSINESS  
DEVELOPMENT OFFICER  
COMFORTDELGRO GROUP



Mr Choo Peng Yen is currently the Group Chief Business Development Officer. He was previously the Group Chief Investor Relations Officer. He was also the General Manager of the North East China Business Unit. Mr Choo joined the Group in 1978 and was the Senior Vice President (Group Business Development) prior to his appointment in China. He holds a Bachelor of Business Administration from the University of Singapore and attended the International Executive Programme at INSEAD (France).



**JACKSON CHIA**  
**GROUP CHIEF RISK &  
SUSTAINABILITY OFFICER**  
**COMFORTDELGRO GROUP**

Mr Jackson Chia was appointed the Group Chief Risk & Sustainability Officer on 5 November

2018. He is concurrently Senior Vice President of Group Transformation Office. Mr Chia joined the Group in 2017 after a 28-year career with the Singapore Armed Forces, where he held various senior appointments in the Republic of Singapore Navy. He holds a Bachelor of Social Science (First Class) degree in Economics and Statistics from the University of Birmingham, and a Master of Arts from the Fletcher School of Law and Diplomacy. Mr Chia also attended the International Executive Programme at INSEAD, France in 2008.

**CHONG YEW FUI, ADRIAN**  
**GROUP CHIEF**  
**INTERNAL AUDIT OFFICER**  
**COMFORTDELGRO GROUP**



Mr Chong Yew Fui, Adrian is the Group Chief Internal Audit Officer of ComfortDelGro Corporation Limited. He is responsible for the internal audit functions of the Group, including VICOM Ltd's. Prior to joining the Group, he was Senior Vice President of Hyflux Ltd. Mr Chong has spent many years in the audit profession with extensive commercial, operations and overseas experience, particularly in corporate governance, systems risks and process controls. Mr Chong holds a Bachelor of Commerce (Accounting and Finance) from Murdoch University. He is a member of CPA Australia and is a Certified Information Systems Auditor. Mr Chong is also an ISACA Member.



**ANGELINE JOYCE LEE**  
**GROUP GENERAL COUNSEL &  
JOINT COMPANY SECRETARY**

Ms Angeline Joyce Lee is Joint Company Secretary of VICOM Ltd. She holds a similar appointment in ComfortDelGro Corporation Limited, which is

VICOM's parent company. Ms Lee joined the Group on 7 September 2020 as Group General Counsel & Joint Company Secretary to oversee the Group's legal and corporate secretariat matters, compliance and corporate governance to facilitate business processes and organizational efficiency. In 1993, Ms Lee joined Singapore Press Holdings to set up the Legal Department and held different positions as Head of Legal and Corporate Affairs in SPH Magazines, Head of Risk Management and Compliance and Vice President of SPH Legal-Secretariat Division. Ms Lee holds a Master in Business Law from the University of Westminster in United Kingdom and is a Chartered Secretary and Certified Risk-based Auditor.

**CHAN WAN TAK, WENDY**  
**SENIOR VICE PRESIDENT OF GROUP**  
**FINANCE & JOINT COMPANY**  
**SECRETARY**



Ms Chan Wan Tak, Wendy is the Joint Company Secretary of VICOM Ltd. She also holds a similar appointment in ComfortDelGro Corporation Limited which is VICOM's parent company. She joined ComfortDelGro in September 2007 as Vice President of Group Finance. She is currently Senior Vice President of Group Finance of ComfortDelGro. Prior to this, Ms Chan was Vice President of Finance and Operations at k1 Ventures Limited. She had also been with Deloitte & Touche LLP as Senior Audit Manager. Ms Chan holds a Bachelor of Accounting & Finance (Hons) from the University of Glamorgan, United Kingdom. She is a non-practising Member of the Institute of Certified Public Accountants of Singapore and a Fellow of the Chartered Association of Certified Accountants.

# OPERATIONS REVIEW

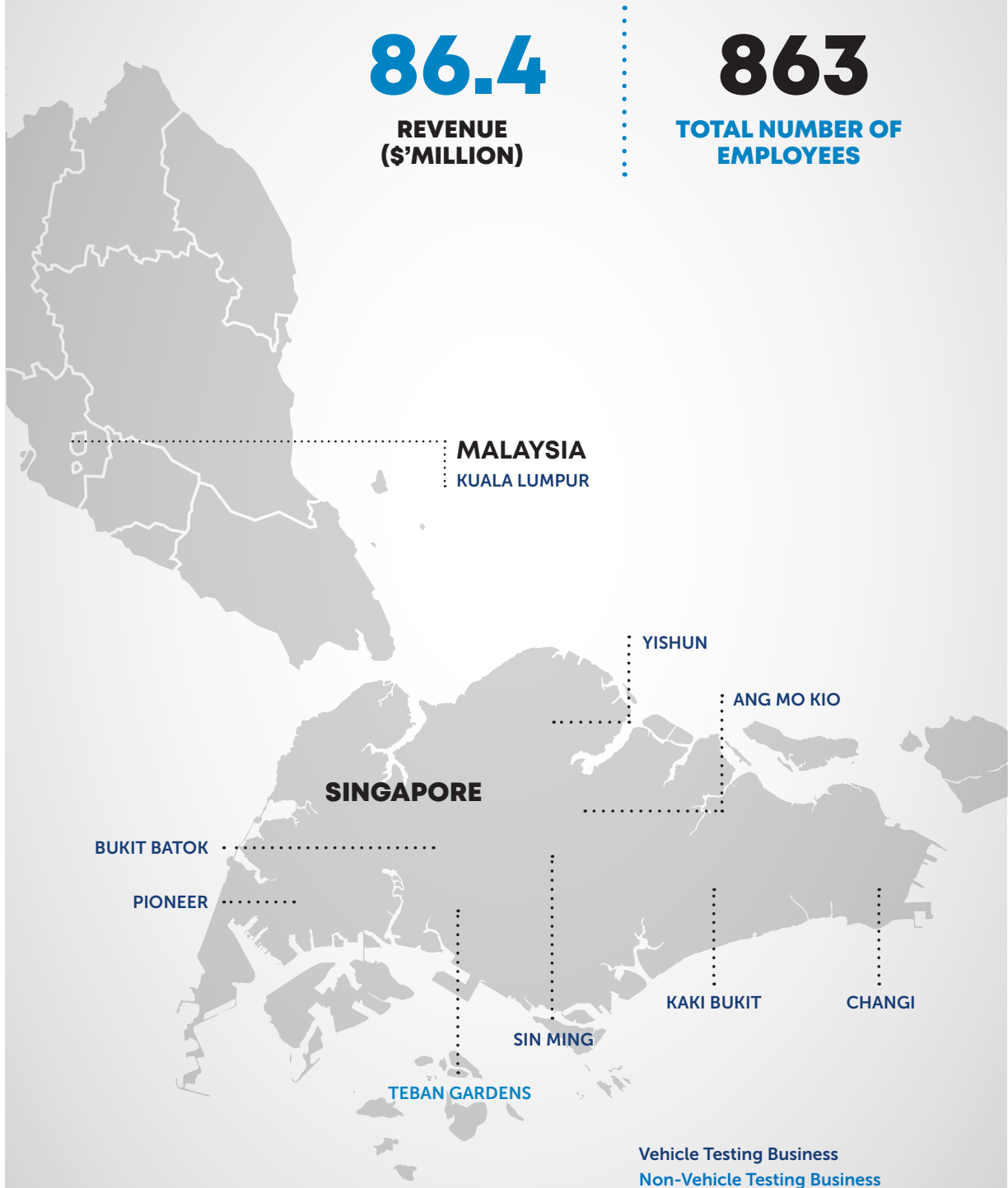
## VEHICLE TESTING BUSINESS

**86.4**

REVENUE  
(\$'MILLION)

**863**

TOTAL NUMBER OF  
EMPLOYEES



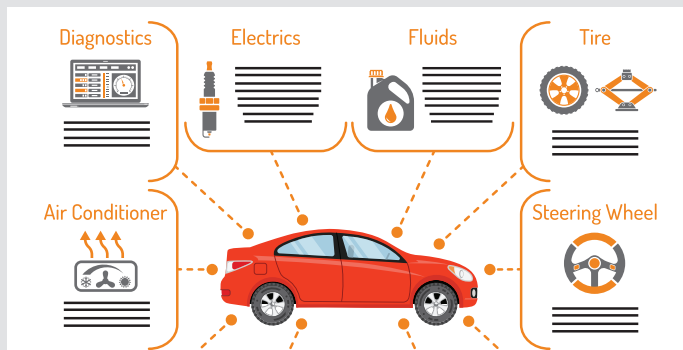
#### THE IMPACT OF COVID-19

During the two month lockdown period known as Circuit Breaker, VICOM's vehicle inspection business continued to operate as it was deemed an essential service.

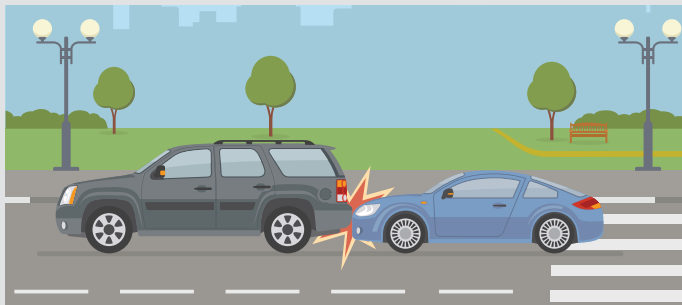
Private vehicles due for inspection during that period of time were granted a six-month deferment by the Land Transport Authority (LTA) and re-scheduled for inspection from July to December after the Circuit Breaker was lifted. This brought about a backlog of 50,000 private cars that had to be inspected between July and

December. VICOM tackled the problem head on and planned ahead. It granted its vehicle inspectors annual leave during the Circuit Breaker instead so that they could come back in full strength during the second half of the year to successfully clear the backlog.

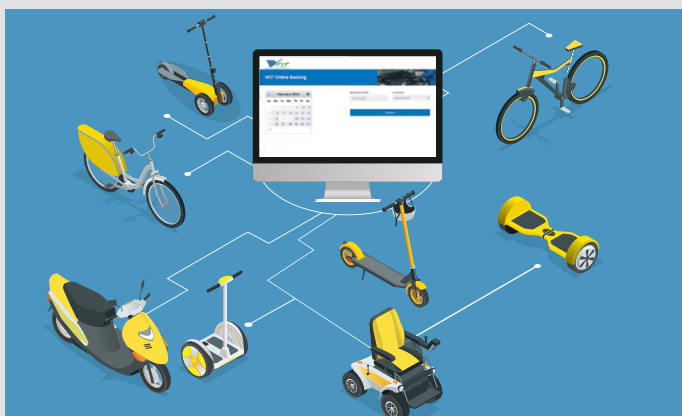
As a result, 493,520 vehicles were inspected during the year, representing an increase of 30,802 vehicles or 7% from 2019. Market share grew to 75.2%, higher than the 74.0% in 2019.



The suspension of Certificate of Entitlement bids from April to June 2020 resulted in a drop in demand for vehicle type approval inspection and emission testing services.



VICOM Assessment Centre also conducted fewer accidents and surveys as many people worked from home and traffic on the roads was reduced. The impact continued even after the Circuit Breaker, albeit to a lesser extent.



The mandatory inspection of Personal Mobility Devices (PMDs), which was supposed to have commenced in April 2020, was delayed by five months. It eventually commenced in September 2020.

## OPERATIONS REVIEW

### NON-VEHICLE TESTING BUSINESS

VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO), was hit hard by the general economic slowdown resulting from the pandemic.



Business demand only started to fall towards the tail end of the first quarter. There were delays in the Construction industry as a result of a disruption in supply chain arising from the lockdowns of several cities in China in February 2020.

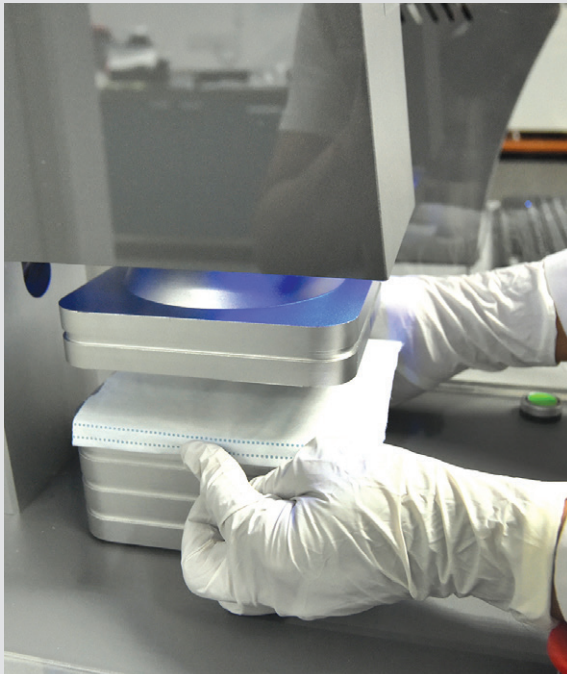
In March 2020, Malaysia imposed its own lockdown, halting the supply of both labour and construction materials to Singapore. Singapore's very own Circuit Breaker and the sudden surge in COVID-19 cases in the foreign worker dormitories made matters worse. Many businesses that SETSCO served that were not considered essential services grind to a halt. As a result, a significant proportion of SETSCO staff who had worked at its clients' premises or work sites had to stop work. Had it

not been for Government financial relief, it would have registered its first loss in 2020.

As Singapore came out of the Circuit Breaker, business also gradually recovered, though it was uneven for the different sectors that it served especially the construction sector where work progress was hampered often by several start-stops as a result of resurgence COVID-19 cases in the dormitories between August and September.



Nonetheless, in the construction sector, SETSCO secured three out of nine testing packages for the Jurong Region Line (JRL), a 24km-long MRT line that will serve both existing and future development in the western part of Singapore. It also successfully secured a Non-Destructive Testing (NDT) service contract with a major oil company and two other NDT service contracts with two major companies in the process industry.



But every cloud has a silver lining. The COVID-19 pandemic also presented SETSCO with a new business opportunity. It not only acquired capabilities to test surgical masks for manufacturers and suppliers, but it was also engaged by the National Environment Agency to screen wastewater from the dormitories for SARS-CoV-2, the causative virus for COVID-19.



In the area of food and water testing, it managed to secure a sizable three-year contract with the Singapore Food Agency (SFA), involving the microbiological analysis of food and water samples, with the option to extend the contract for another two years. It also secured a three-year contract with the Public Utilities Board to test the air and water samples from the western sector of Singapore such as Jurong Water Reclamation Plant and Ulu Pandan Water Reclamation Plant.

SETSCO also successfully completed the assessment for the Laboratory Recognition Programme (LRP) by SFA. With this, SETSCO is now able to test food that is to be exported overseas on behalf of SFA. The programme started in April 2020 and SETSCO successfully secured some orders from both existing and new customers.



In mechanical testing, plant owners have been using three-dimensional (3D) laser scanning technology to detect anomalies such as dents or mechanical damages. In storage tanks, this technique has been used to measure the changes in dimensions that may affect the integrity of the tank. It has also been specified in the refinery standard as one of the test methods to determine whether a tank is fit for purpose. With its ability to apply such a technique, SETSCO was engaged by a client to determine if there was a possible bulging

of a pressure vessel. The circumference of the tank obtained through this 3D laser technique eventually helped the client determine the criticality of the bulging and the extent of repair and strengthening that was required.

In the Medical and Life Sciences sector, SETSCO's ability to perform the Sterility Test and Bacterial Endotoxin Test, enabled it make inroads into the pharmaceutical industry by winning tenders to conduct such tests.

#### TECHNICAL EXPERTISE

Despite the COVID-19 pandemic, the LTA continued its practice of conducting regular meetings with industry players with the aim of aligning and raising inspection standards. All VICOM vehicle inspectors were kept abreast of key developments through quarterly briefings conducted by VICOM with safe management measures in place throughout the year.

As part of the Company's digitalisation transformation, training will be transferred to an e-learning platform in 2021, which will enable training sessions to be conducted more regularly without physical constraints.

Along the same vein, the International Motor Vehicle Inspection Committee (CITA) gave industry players online access to its Working Group (WG) meetings that were held in Europe. In all, there were eight WGs, specialising in different automotive fields of expertise, in which Management and staff could attend even though they were unable to travel there in person to attend.

With the Government's recent unveiling of its Green Plan 2030 that requires all new car registrations to be cleaner-energy models from 2030, it has become imperative for VICOM to keep track of the development of electrical vehicles (EVs) inspection and testing.



To give its inspectors a head start, Management has had, in 2020, inserted a new "New Vehicle Propellants (Electrical Vehicle)" module into the current training syllabi for newly joined vehicle inspectors. This module will also be rolled out to existing inspectors using the online training platform.

VICOM conducted its 16<sup>th</sup> Technical Knowledge Exam (TKE) for its vehicle inspectors on 18 November 2020. The theory-based examination focussed on new regulations implemented during the year and highlighted common mistakes made by vehicle inspectors during the course of their work. The TKE is testament of VICOM's commitment to deliver quality inspection services to its customers. Over 90% of 98 vehicle inspectors who took TKE scored 85 marks and above. Those who received scores below 85 marks were required to be re-tested until they achieved that score or higher.

#### CUSTOMER EXPERIENCE

Customer experience, also known as CX, is the holistic perception that customers have of their experience with a business or brand. It is the result of every interaction a customer has with the business, from navigating the website to talking to customer service and receiving the product or service.

As part of its efforts to improve the CX of its motorists, VICOM collaborated with Diners Club for the second time in early-January 2020 to offer motorists the option of pre-paying the inspection fees online. This not only helped to shave their waiting time in the entire vehicle inspection process, but also minimised the risk of contact between cashiers and motorists during the COVID-19 pandemic. The online pre-payment option was expanded to include PayNow so that more motorists could use the online pre-payment services.

#### RECOGNITION

VICOM received several plaudits during the year.

In the annual Singapore Governance and Transparency Index (SGTI) 2020, VICOM was ranked 16<sup>th</sup> among 577 listed companies surveyed, improving from the 17<sup>th</sup> positioned that was achieved in 2019.

SETSCO, on the other hand, received recognition from ExxonMobil Asia Pacific for having achieved “Zero Recordable Injuries” record in 2019. It was also awarded the “Commemorative Plaque and Bonus Award” from Petrochemical Corporation of Singapore (Private) Limited. In acknowledgement of its exemplary support towards National Service (NS), SETSCO was also presented the NS Advocate Award at the Total Defence Awards.

#### **ACCREDITATION**

The VICOM Group was awarded the Data Protection Trustmark (DPTM) certification by the Infocomm Media Development Authority (IMDA) in 2020. As a bearer of the Trustmark, customers can now have greater confidence in entrusting

their personal data to us. These also strengthened our reputation, built trust and fostered confidence in our business and raise our competitiveness both locally and overseas.

SETSCO added yet another organisational approval to its long list of credentials when it was approved by the Cessna Aircraft Company, a US-based company, to be its authorised independent Non-Destructive Inspection facility. With this approval, SETSCO can now perform NDI Cessna Citation aircrafts.

SETSCO was also accredited for the testing of water and microbiological parameters for Ballast Water, allowing its customer base to expand into the maritime sector.



#### **RELOCATION OF SETSCO**

Renovation work on our newly acquired premises located at Bukit Batok street 23 was delayed by about six months because of COVID-19. It will be completed in the second quarter of 2021.

# SUSTAINABILITY REPORT

As a leader in the Testing, Inspection and Certification industry, VICOM Ltd takes great pride in being at the forefront of creating a safer and greener tomorrow. To this end, we embarked on various initiatives and activities in 2020.

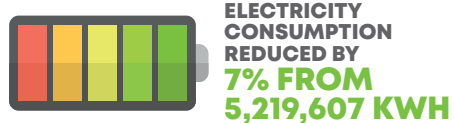
## ENVIRONMENTAL



It is VICOM's mission to keep the environment clean and pollution free by ensuring that vehicles are road worthy and operate within emission limits. Various internal measures and procedures have also been put in place to ensure that our usage of energy and resources are optimised and regulated.

One of the positive side effects of the COVID-19 pandemic has been the overall reduction in greenhouse gas pollution. As more people worked from home, fewer cars were seen on the roads. For our part, 75% of our back-end staff worked remotely during the Circuit Breaker, even as operations continued.

**IMPROVING ENERGY AND WATER CONSUMPTION**  
VICOM and our subsidiary, SETSCO Services Pte Ltd (SETSCO) were able to reduce their energy and water consumption.



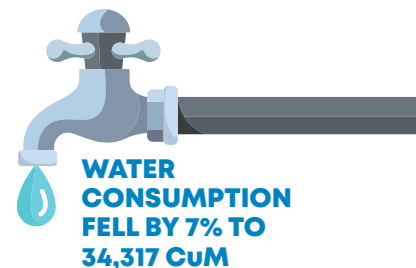
Electrical consumption was down by 7% from 5,219,607kWh due to lower business

activities during the two-month long Circuit Breaker period in 2020. Water consumption also fell by 7% to 34,317 CuM.

SETSCO was successfully re-certified to ISO 50001 for Energy Management System, a testament of its commitment by Management to continually reduce its energy use, and in turn its energy costs and Greenhouse Gas (GHG) emissions.

We proactively put in place by replacing current fluorescent lighting to T5 and T6 LEDs. This helps to increase light efficiency and decrease energy usage and thus, energy cost.

Amongst the fleet of vehicles owned by the Group, more than two-thirds are in compliance to Euro 5 and 6 emissions standards. The Group is committed to switch to even greener vehicles as and when the remaining vehicles are due for replacement.



Paperless vehicle inspection reports, resulting in a

**SAVING OF  
2.4 TONNES  
WORTH OF  
PAPER OR  
ABOUT 33  
TREES**



#### PROMOTING A GREEN CULTURE

We continued to drive Green initiatives in 2020, reminding our staff to practise the three 'Rs' – Reduce, Reuse and Recycle. One major initiative that took place in 2020 was the introduction of paperless vehicle inspection reports, resulting in a saving of 2.4 tonnes worth of paper or about 33 trees.

In our effort to go Green, all computers are energy-star certified which means they go into "sleep" mode after 15 minutes of inactivity. This reduces energy consumption, saves costs and helps conserve valuable resources.

VICOM & SETSCO were both awarded 'Professional' Tier for Eco-Office certification from 2019 to 2021. This is the 6<sup>th</sup> year the Group has been certified since 2016.

VICOM collected a total of 4.6 tonnes of waste for recycling during the year. SETSCO collected more than 2 tonnes of waste in 2019 as well as in 2020.

#### SOCIAL

##### SAFETY

The safety of our customers and staff is of paramount importance.

During the Circuit Breaker period, our businesses continued to operate and we implemented split team work arrangements and telecommuting.

Our Information Technology (IT) Department worked doubly hard to set up the infrastructure to enable about three-quarters of our backend staff to work from home. Frontline and operations staff on site were grouped into separate teams to minimise their contact with one another. They were also put on work shift on alternate days, given staggered working hours and encouraged to travel to and from home to office and vice versa during off-peak hours. Meetings were conducted online via Microsoft Teams as we practised safe distancing.

Posters and notices related to COVID-19 were also prominently displayed to assure our stakeholders, especially our customers, of all the measures that we had taken to comply with safe distancing measures. SafeEntry QR codes were also displayed for contact tracing purposes.

During the year, our Safety Committees walked the ground and promoted workplace safety to create greater awareness among all employees. As a result, SETSCO achieved zero workplace accident and zero loss time injury in 2020. However, VICOM reported one workplace accident in the year as a result of an inspector fell and injured himself during vehicle inspection.

Our vehicle inspectors attended safety and first aid-related courses during the year. In addition, a new Company Emergency Response Team (CERT) was formed to handle fire-related emergencies at our Kaki Bukit inspection centre.



**MEETINGS WERE CONDUCTED ONLINE  
VIA MICROSOFT TEAMS AS WE  
PRACTISED SAFE DISTANCING.**

## SUSTAINABILITY REPORT

To further enhance safety, 10 additional barrier arm systems have been installed at a few of our inspection centres, including Sin Ming, Kaki Bukit, Changi and Pioneer. The aim is to have all our inspection lanes equipped with barrier arm systems by 2021.

A fire drill at Sin Ming inspection centre was conducted in November 2020 during the Phase 2 Re-opening. Apart from that, business continuity exercises related to power outage and data network failure were carried out at Kaki Bukit, Yishun and Pioneer inspection centres to ensure they will be able to operate continuously should there be any such disruption.



### HUMAN RIGHTS AND LABOUR PRACTICES

We believe that employees' wellness is important and critical to the success of the Group. To stay ahead of competition and challenges, we continued to leverage on our parent company, the ComfortDelGro Group's talent management programmes to develop and strengthen our talent pipeline. We aligned closely with ComfortDelGro's robust processes and policies in human capital, leadership development and rewards, thus ensuring a high quality and sustainable talent pipeline in the Group.



**7,000** NEEDY  
received aid through  
the Care & Share  
programme

### LOCAL COMMUNITIES

With the belief that no gift is too small to give, VICOM's 'Care & Share' programme entered its 20th year in 2020. Over the last 20 years, our Care & Share Committee and volunteers continued to reach out to the needy, elderly and the unprivileged through monthly contributions from staff and 'dollar-for-dollar' contributions matched by the Company. As a result, more than 7,000 needy has received aid through the Care & Share programme in the last two decades.

In January 2020, right before COVID-19 reached the shores of Singapore, our Care & Share team celebrated Lunar New Year with 16 patients and staff of HCA Hospice Care (HCA) @Kang Le Day Hospice. *Yusheng* or *lo hei*, a popular must-have Chinese New Year dish meaning 'tossing of good fortune' and auspicious phrases can be heard from everyone cheering for good health and wealth. Patients were also treated to a sumptuous lunch and fresh bakes during tea break. A full one-hour karaoke session kept them entertained during the celebration. A similar programme was planned for the 220 elderly from Thye Hua Kwan but it was put to a halt when all mass gatherings were disallowed following the COVID-19 outbreak in early-February.

But, COVID-19 pandemic did not stop our Care & Share Team from finding other means to reach out to the needy. What they could not do in person, they did so through donations. We made donations to HCA and Star PALS (Paediatric Advanced Life support) – a palliative home care service for children and youth with life-threatening or life-limiting conditions.

Upon being informed of the social distancing guidelines on visitation, we took the opportunity to organise a small Christmas celebration for the patients at Kang Le Day Hospice in early-December. A small group of volunteers visited the hospice and served lunch to the patients in masks and gloves. As singing was prohibited, our staff played Bingo with the patients, with cash vouchers as prizes.

While we were unable to organise our annual Christmas celebration for the underprivileged children from Star PALS, we gifted 30 of them with goodie bags consisting of \$20 grocery vouchers contributed by staff as well as stationery, balloons, art and craft materials.

VICOM made a commitment to donate \$200K towards Fitz William-NUS PhD Scholarships to support and establish a new PhD Scholarship. The scholarship funding will be contributed over a spread of 5 years starting from Year 2018 to 2022. The scholarship recipients will have the opportunities to leverage academic and research resources from the funding and in return, contribute to the global community through education, research and industry.

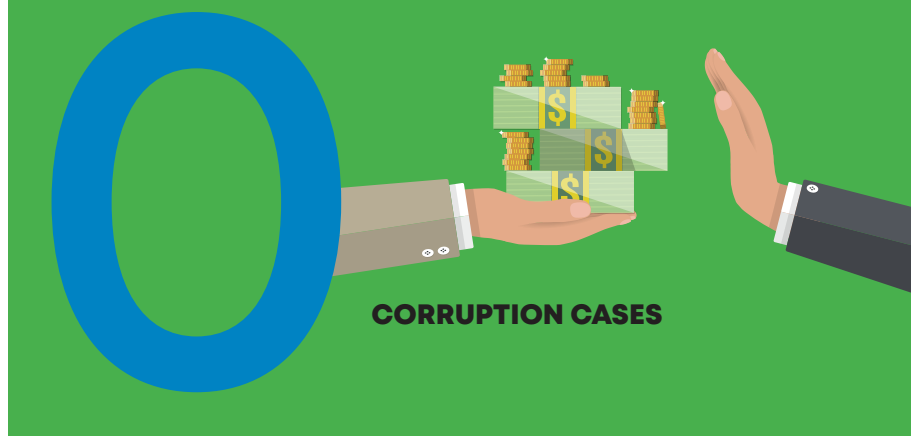
SETSCO, also ran a donation drive to raise funds for the Sunshine Welfare Action Mission (SWAMI) a nursing home located in the North of Singapore and organised its annual blood donation drive in support of Singapore Red Cross. Although the blood donation drive could not be organised on its premises, more than 10 SETSCO staff volunteered to give blood at the Singapore Red Cross blood centres.



### **VICOM AND SETSCO WAS AWARDED THE DPTM CERTIFICATION IN 2020**

## **GOVERNANCE**

As a Group, we conduct our business with integrity and transparency. We have in place strong processes to provide checks and balances and conduct regular audits on internal practices. In 2020, we had zero corruption incidents or any cyber data breach incidents.



## **CUSTOMER PRIVACY**

The Data Protection Trustmark (DPTM) Certification was launched by the Infocomm Media Development Authority (IMDA) and Personal Data Protection Commission (PDPC) in 2017 as part of several initiatives to ensure that the data protection ecosystem in Singapore stays up-to-date.

VICOM and SETSCO was awarded the DPTM certification in 2020 and became the first few companies in Singapore, and the first in the Testing, Inspection and Certification industry to obtain this important Trustmark.

As a bearer of the Trustmark, customers are given the added assurance and trust that we have a certified system to protect their personal data. This will strengthen our reputation and raise our business competitiveness both locally and overseas.

# CORPORATE GOVERNANCE

VICOM Ltd (“VICOM” or the “Company”, and together with its subsidiaries, the “Group”), believes that a fundamental measure of our success is about creating long term shareholder value.

We will continue to:

- Focus relentlessly on our customers;
- Make corporate decisions to generate long-term value rather than for short-term considerations;
- Maintain our lean culture through cost efficiencies to drive value creation;
- Hire and retain skilled and dedicated Employees; and
- Look for sustainable ways to protect the environment.

## CORPORATE GOVERNANCE STATEMENT

VICOM strongly believes that good Corporate Governance makes good business sense. To this end, the Company maintains the highest standards of Corporate Governance, professionalism and integrity as we build an organisation that our Shareholders, Employees, Business Partners, the Authorities and other Stakeholders can trust and be proud of.

The Company is committed and adheres to the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 (the “Code”) and ensures that it is upheld throughout the Group. The Company has also adopted a Code of Business Conduct, which sets out the principles and policies upon which the Company’s businesses are to be conducted, and also implemented a Whistle Blowing Policy which provides a mechanism for Employees to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst protecting the whistleblowers from reprisal within the limits of the law.

This Report sets out the Corporate Governance practices that were in place during the Financial Year ended 31 December 2020 (“FY 2020”), with specific references to the Code. For FY 2020, we are pleased to report that the Company complied in all material respects with the Code.

## 1. BOARD MATTERS

The Board of Directors (the “Board”) has a duty to protect and enhance the long-term value of the

Company and achieve sustainable growth for the Group. It sets the overall strategic direction of the Company and oversees the proper conduct of the business, performance and affairs of the Group. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Company.

In appointing Directors, the Company seeks individuals who have integrity, expertise, business acumen, shareholder orientation and a genuine interest in the Group.

## PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

### BOARD’S ROLE AND RESPONSIBILITIES

At the helm of the decision-making process of the Company is the Board. The Board is headed by the Non-Independent and Non-Executive Chairman, Mr Lim Jit Poh (the “Chairman”), and is responsible for:

- Providing entrepreneurial leadership and guidance, setting strategic directions and objectives of the Group (which include appropriate focus on value creation, innovation and sustainability) and ensuring that adequate financial and human resources are in place to achieve the objectives;
- Ensuring that appropriate and adequate systems of internal controls, risk management processes and Financial Authority Limits are in place to safeguard Shareholders’ interests and the Group’s assets, and to achieve an appropriate balance between risks and company performance;
- Challenging Management constructively and monitoring its performance;
- Identifying the key Stakeholder groups and guiding Management in the Company’s strategy and approach in addressing the concerns of these key Stakeholder groups, and ensuring transparency and accountability to all Stakeholders;
- Instilling an ethical corporate culture and ensuring the Company’s values, standards, policies and practices are consistent with the culture; and
- Considering environmental, social and governance issues as part of its strategic formulation on sustainability.

#### INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Upon appointment as a Director, the Chairman will issue an official letter of appointment to the Director, which clearly sets out his/her role, duties and responsibilities as a director of the Company.

Management will conduct a comprehensive orientation programme for newly appointed Directors, which include duties as a Director and how to discharge those duties, key aspects of the businesses, including financial and Corporate Governance policies are also discussed. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with its terms of reference.

If the newly appointed director has no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), training in relevant areas such as regulatory, finance and legal as well as industry-related areas will be provided. As required under the SGX Listing Rules, a new director who has no prior experience as a director of a company listed on the

SGX-ST must undergo training as prescribed by the SGX-ST. Such training should be completed within one year of appointment.

Directors are encouraged to undergo continual professional development by attending relevant training programme, seminars and courses organised by the Singapore Institute of Directors and other professional bodies to enhance their (SID) knowledge and skills and better equip themselves to effectively discharge their duties as a Director of the Company. The fees for the courses are paid for by the Company.

The Company Secretaries also update and brief the Board on Corporate Governance practices and changes in or updates to the relevant legal and regulatory requirements pertaining to the Group's businesses. External consultants are also engaged to conduct seminars on specific topics as and when necessary.

Due to the COVID-19 pandemic started in early 2020, there were no internal training programmes being organised in 2020 for the Directors. However, some Directors continued to attend external courses/seminars as listed below:

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY:
25 Feb 2020	SID	Financial Reporting Fundamentals	(1) Prof Shim Phiau Wui, Victor
15 Oct 2020	SID	LED 6 - Board Risk Committee Essentials	(1) Mr Sim Wing Yew

Ms Wong Yoke Woon, who was appointed as Director of the Company on 21 May 2020 attended the essential Listed Entity Directors' (LED) Programmes organised by the SID as follows:

DATE	TRAINING PROVIDER	LISTED ENTITY DIRECTORS PROGRAMME
16 Jul 2020	SID	LED 1 – Listed Entity Director Essentials
17 Jul 2020	SID	LED 2 – Board Dynamics
17 Jul 2020	SID	LED 3 – Board Performance
20 Jul 2020	SID	LED 4 – Stakeholder Engagement
20 Jul 2020	SID	LED 5 – Audit Committee Essentials
15 Oct 2020	SID	LED 6 – Board Risk Committee Essentials
21 Oct 2020	SID	LED 7 – Nominating Committee Essentials

## CORPORATE GOVERNANCE

Regular presentations are made by Management to the Board to enable Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are also organised from time to time to enable Directors to learn more about the Group's operations. During such visits, Directors spend time with Management to discuss key strategies and policies pertaining to, not just Company specific operations, but also the Group's business in general. Such meetings help Directors to be better equipped to make informed decisions relating to the future direction of the Group.

### RESERVED MATTERS

VICOM has adopted clear, established and documented internal guidelines setting forth certain matters that require the Board's approval. Under these guidelines, Board approval is required with regard to matters such as acquisitions of businesses, disposals or changes in equity interests in existing subsidiaries/ associates, investment in financial instruments, tender for businesses above the prescribed limits, assessing and approving key business decisions, funding and investment initiatives and other corporate actions, including approval of the Financial Authority Limits, Annual Budget and Capital Expenditure and the release of Financial Results to the SGX-ST via SGXNET. In addition, the acceptance of credit facilities from banks, the establishment of capital market programmes and the issuance of debt instruments require the approval of the Board.

The Board periodically reviews the adequacy and effectiveness of internal controls, risk management and Financial Authority Limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor such delegation.

### CONFLICTS OF INTEREST

All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company. Where a Director has a conflict of interest, or it appears that he/she might have a conflict of interest in relation to any matter, he/she must immediately declare his/her interest at a meeting of the Directors or send a written notice to the Company containing details of his/her interest in the matter and the actual or potential conflict, and recuse himself/herself from participating in any discussion or decision on the matter.

### DELEGATION BY THE BOARD

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision-making, three Board Committees were formed, namely, the Audit and Risk Committee (**ARC**), the Nominating Committee (**NC**) and the Remuneration Committee (**RC**)(collectively, the "**Board Committees**"). Ad hoc committees are also formed to look at specific issues from time to time.

Each Board Committee is governed and regulated by its own terms of reference, which sets out the scope of its authorities, duties and responsibilities, regulations and procedures governing the manner in which the Board Committee is to operate and how decisions are to be taken.

The terms of reference and summary of the activities of the ARC, NC and RC are described in further detail in the relevant sections below from pages 72 to 82.

Although the Board Committees are empowered to make their own decisions, the Board is ultimately responsible for all decisions made by the Board Committees.

### DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

At least four scheduled Board Meetings are held every year at regular intervals for the purpose of reviewing the results and ongoing performance of the Group notwithstanding that the financial results are only announced semi-annually. The Board Meetings to approve the half yearly Financial Results are held within 45 days after the end of the first half of the financial year, and not later than 60 days after the end of the financial year for the full year financial results, while the Board Meeting to approve the Annual Budget is held in last quarter of each year after all the Budgets of the subsidiaries have been approved by their respective Boards. Ad hoc Board and Board Committee Meetings are also held from time to time when the need arises.

Directors who are unable to attend meetings in-person, are able to participate in the discussions through video/audio/tele-conferencing. Decisions of the Board and Board Committees on matters in the ordinary course of business may also be obtained via circular Resolutions. Directors are free to seek clarifications and explanations from Management on the reports and papers submitted to the Board.

**ATTENDANCE OF DIRECTORS AT ANNUAL GENERAL MEETING, BOARD AND BOARD COMMITTEE MEETINGS IN 2020**

Name	BOARD		AUDIT & RISK COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE		ANNUAL GENERAL MEETING	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lim Jit Poh	4	4	–	–	2	2	2	2	1	1
Yang Ban Seng	4	4	–	–	2	2 <sup>a</sup>	2	2 <sup>a</sup>	1	1
Sim Wing Yew	4	4	3	3 <sup>a</sup>	2	1 <sup>a</sup>	2	2 <sup>a</sup>	1	1
Shim Phyu Wui, Victor	4	4	3	3	2	2	–	–	1	1
Goh Yeow Tin	4	4	3	3	–	–	2	2	1	1
June Seah Lee Kiang	4	4	–	–	2	2	2	2	1	1
Soh Chung Hian, Daniel	4	4	3	3	2	2	–	–	1	1
Tan Kim Siew	4	4	–	–	2	2	2	2	1	1
Tan Poh Hong	4	4	3	3	–	–	2	2	1	1
Teo Geok Har, Nancy <sup>b</sup>	1	1	1	1	–	–	1	1	1	1
Wong Yoke Woon <sup>c</sup>	3	3	2	2			1	1	–	–

Notes:

- a) Attended meetings by invitation of the Committee.  
b) Retired on 20 May 2020.  
c) Appointed on 21 May 2020.

**ACCESS TO INFORMATION**

Prior to each Board and Board Committee Meeting, and where needed, Management provides Directors with complete, adequate and timely information. The Board also receives monthly management accounts, updates on key performance indicators and quarterly Investor Relations (“IR”) Reports covering IR activities and updates of analysts’ and investors’ views and comments. This enables the Board to make informed and sound business decisions and be kept abreast of key challenges, opportunities and developments for the Group. As a general rule, reports to the Board and Board Committees are disseminated to Directors prior to meetings to provide sufficient time for review and consideration, so that discussions at the meetings are productive and effective. All information is encrypted if distributed electronically.

**INDEPENDENT PROFESSIONAL ADVICE**

Directors can request for additional information and has full access to Management. Management provides information requested by Directors for its meetings and decision making in a timely manner. Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting the duties of the Directors, the Company will arrange for the appointment of relevant professional advisers at its own cost.

**COMPANY SECRETARIES**

The Company Secretaries assist in organising Board and Board Committee Meetings, prepare the agenda in consultation with the Chairman, the CEO and the chairman of the respective Board Committees. The Company Secretaries attend all Board and Board Committee Meetings. The Company Secretaries keep the Directors informed of any significant developments or events relating to the Group, including compliance with all relevant rules and regulations. The Directors have separate and independent access to the Company Secretaries. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

**PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE**

**BOARD INDEPENDENCE**

As at 31 December 2020, the Board comprised ten (10) Directors with 70% independent Directors. There is a strong level of independence in the Board. Except for the Chairman and the Deputy Chairman who are Non-Independent Non-Executive Directors, as well as the Chief Executive Officer (**CEO**) who is a Non-Independent Executive Director, all the remaining seven Non-Executive Directors (**NED**) are considered by the NC to be independent. The current board composition exceeds the

## CORPORATE GOVERNANCE

requirement under Listing Rules and the Code for at least one third of the Board to comprise independent Directors where the Chairman is not independent. The Chairman and Deputy Chairman are nominees of ComfortDelGro Corporation Limited (**ComfortDelGro**), a Substantial Shareholder of the Company, and therefore non-independent. As such a Lead Independent Director has been appointed with effect from 1 January 2013. The Chairman, Deputy Chairman and CEO are different persons and are not immediate family members. The Chairman and Deputy Chairman are also not part of the Management team. No person will be able to influence the decisions of the Board as the over-whelming majority of the Directors are independent NEDs.

The NC is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist which is drawn up in accordance with the guidelines provided in the Code and requires each Director to assess his/her own independence. The Director is required to declare any circumstances in which he/she may be considered non-independent. The NC will then review the Confirmation of Independence to determine whether a Director is independent. The NC deems a Director who is associated with a Substantial Shareholder in the current and immediate past financial year as non-independent. Mr Lim Jit Poh, the chairman of the Board is deemed as non-independent as he is both the nominee and the Chairman of ComfortDelGro. Mr Yang Ban Seng is deemed as non-independent as he is both the nominee and the Managing Director/Group CEO of ComfortDelGro. Mr Sim Wing Yew is deemed as non-independent as he is the Executive Director and CEO of the Company.

As at 31 December 2020, one out of the seven Independent Directors, namely Mr Goh Yeow Tin, has served on the Board for more than nine years. The NC takes the view that a Director's independence should not be determined solely and arbitrarily on the basis of the length of service. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Group as he/she performs his/her duties in good faith, are more critical measures in ascertaining his/her independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the independent Directors. In taking a holistic approach, the Board and the NC exercise due and careful review, taking into consideration various factors, in assessing the independence of a Director.

These factors include, inter alia, if the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement. The Board is of the view that all independent Directors remain independent in the exercise of their judgement on Board matters.

### INDEPENDENT JUDGEMENT

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company and its Group.

### BOARD SIZE, COMPOSITION AND COMPETENCY

The NC examines the size and composition of the Board and the Board Committees annually to ensure an appropriate balance and diversity of skills, knowledge, experiences, age and gender and the size is conducive to effective discussion and decision making, with an appropriate number of independent Directors. The NC also takes into consideration the promotion of tripartism experience from labour, government and business, to foster constructive debate to enhance the Board's ability to discharge its duties and responsibilities effectively.

The bulk of the Group's businesses is regulated. Having considered the scope and nature of the operations of the Group and the requirements of its businesses, the NC and the Board are of the view that the current size of ten (10) Directors is appropriate.

The Group is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development.

The Board recognises the merits of gender diversity in relation to composition of the Board and in identifying suitable candidates for new appointments to the Board would ensure that female candidates are included for consideration. As at 31 December 2020, out of ten directors on the Board three of them or 30% are females.

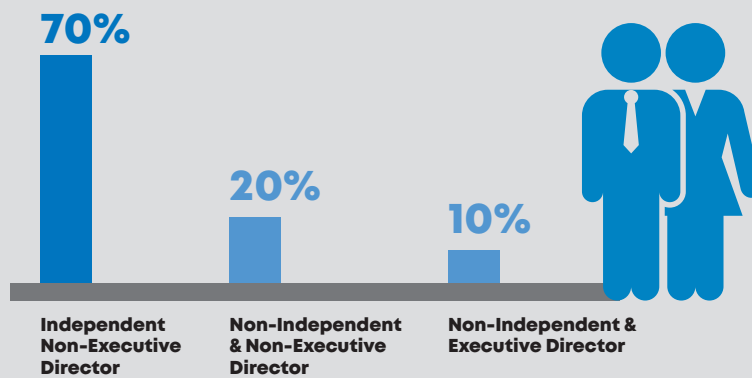
The Directors are individuals with leadership experiences in business, government and the labour movement and with a broad diversity of expertise and experience including accounting, finance, technical testing, engineering, regulatory and business management. Each Director provides a valuable network of industry contacts and brings in different perspectives and ideas at Board discussions.

The NC is satisfied that the Board and Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, age, knowledge and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates. The current makeup

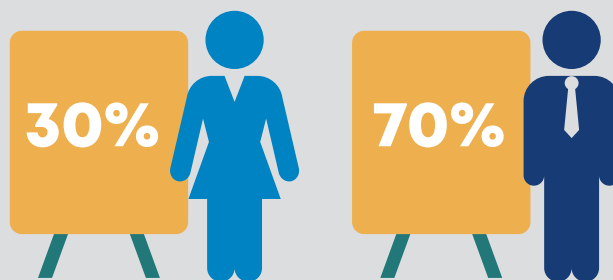
of the Board and Board Committees reflects our commitment to all aspects of diversity.

The individual profile of the Directors, their listed company directorships and principal commitments held currently and in the preceding five years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 45 to 49 and pages 86 to 89 of this Annual Report.

#### BOARD INDEPENDENCE



#### BOARD GENDER DIVERSITY



#### DIRECTORS' LENGTH OF SERVICE



# CORPORATE GOVERNANCE

## NON-EXECUTIVE DIRECTORS' PARTICIPATION

All the NEDs have unrestricted access to the Management and are well supported by accurate, complete and timely information, including monthly and quarterly performance reports. They participate actively at Board and Board Committee Meetings to constructively challenge Management and help develop proposals on business strategy and other business and governance issues and also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

All the members of the ARC, RC, and NC are NEDs. There is no Executive Director on these Board Committees.

The Chairman, who is not a member of the ARC, meets with the chairman of the ARC and External Auditors annually in the absence of Management. From time to time when required, the NEDs led by the Lead Independent Director meet without the presence of Management before or after Board Meetings. The Chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

## PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

The roles of the Chairman and the CEO are kept separate and distinct to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. This is a deliberate policy agreed by the Board and one that is strictly adhered to. This ensures Management accountability and Board independence. The Chairman is responsible for the effective functioning of the Board, while the CEO is responsible for the operations and management of the Group's businesses. The Chairman and the CEO are not related.

The Chairman:

- (i) Leads the Board, facilitates effective contribution of all Directors, sets the agenda and promotes comprehensive, rigorous and open discussions at Board Meetings among the Directors, as well as between the Board and Management;
- (ii) Oversees the translation of the Board's decisions into executive actions;
- (iii) Ensures adequacy and timeliness of information flow between the Board and Management and effective communications with Shareholders and other Stakeholders;

- (iv) Encourages constructive relations within the Board, between the Board and Management and the Board and the CEO; and

- (v) Promotes high standards of Corporate Governance and transparency.

The CEO is given full executive responsibility for the management of the Group's businesses and the implementation of the Group's strategies and policies as decided by the Board and reports to the Board on a regular basis.

The Chairman and the CEO represent the Board at official functions and meetings with Shareholders and other Stakeholders such as employees, regulators and customers. A detailed description of our engagements with Stakeholders can be found from pages 62 and 65 of our Sustainability Report.

## LEAD INDEPENDENT DIRECTOR

Consistent with the Code, as the Chairman is deemed non-independent, the Board unanimously appointed Professor Shim Phyu Wui, Victor as the Lead Independent Director with effect from 1 September 2019. Professor Shim is the chairman of the NC and a member of the ARC.

## PRINCIPLE 4: BOARD MEMBERSHIP

There is a formal and transparent process for the appointment and reappointment of Directors to the Board, taking into account the need for progressive renewal of the Board.

## NOMINATING COMMITTEE

As at 31 December 2020, the NC comprised five NEDs, of whom four including the NC Chairman is independent. The NC Chairman is also the Lead Independent Director and he is not associated with any Substantial Shareholder. The NC is responsible for regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place. The renewal of Board membership is an ongoing process to ensure good governance and to maintain relevance in a changing business environment. All decisions by the NC are made by a majority of votes of the NC members who are present and voting. The key terms of reference of the NC include the following:

- (i) Review the Board's succession plans and make recommendations to the Board on all appointments and re-appointments of Directors of the Company;

- (ii) Assess the effectiveness of the Board and Board Committees and contribution by each individual Director;
- (iii) Develop a process for performance evaluation of the Board, its Board Committees and individual Directors' performance, including comparison with industry peers; and
- (iv) Make recommendations to the Board on the review of training and professional development programmes for the Board and the Directors.

#### **MULTIPLE BOARD REPRESENTATIONS**

The NC subscribes to the view that it is important for Directors to devote sufficient time and attention to the affairs of the Group. Consistent with the guidelines in the Code, the NC and the Board have adopted the following as a proactive step in ensuring this:

- A Director who is in full-time employment should not serve as a Director on the Board of more than three listed companies; and
- A Director who is not in full-time employment should not serve as a Director on the Board of more than six listed companies.

As the number of board representations should not be the only measure of a Director's commitment and ability to contribute effectively, the NC takes the view that if a Director wishes to hold more board representations than the maximum stated in the guidelines, a request must be made to the Chairman for approval. As a policy, the Chairman himself should not hold more than six directorships in listed companies if he is not in full-time employment and not more than three directorships in listed companies if he is in full-time employment.

In assessing a Director's contribution, the NC takes a holistic approach. Focussing solely on Directors' attendance at Board and Board Committee Meetings per se may not be an adequate evaluation of the contribution of the Directors. Instead, their abilities to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board and Board Committee Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors.

As a policy, the CEO, being an executive of the Company, besides adhering to the guidelines set on the maximum number of board representations on

listed companies, will also have to seek the approval of the Chairman before accepting any directorships of companies not within the Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the CEO and whether the new external directorships will provide strategic fit and networking for the businesses of the Group. The Chairman will also ensure that the CEO will not accept appointments to the boards of competitors.

As at 31 December 2020, all Directors comply with the guideline on multiple board representation.

#### **ALTERNATE DIRECTOR**

Consistent with the Code, there is no alternate Director on the Board.

#### **PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS**

As part of the Board Succession Plan, new Directors may be identified from time to time for appointment to the Board after the NC evaluates and assesses their suitability in strengthening the diversity of skills, experience, age, gender, knowledge and relevant core competencies of the Board whilst ensuring that there is balanced tripartism experience from government, labour and business to avoid unproductive group-think and biasness.

The process for selection of new Directors is as follows:

- (i) The NC assesses the desired competencies and attributes of the Board taking into account the Group's businesses and its strategic objectives.
- (ii) The NC then assesses the competencies and attributes to include into the current representation to achieve the desired mix. This forms the basis for selection of new Directors.
- (iii) New Directors are sourced through various channels, including recommendations of Directors and Management and if required, external search consultants.
- (iv) Potential candidates are interviewed by the NC to assess suitability and commitment.
- (v) The NC makes recommendations to the Board for approval.

The Constitution of the Company provides that one-third of the Directors are subject to retirement and re-election by rotation at every Annual General Meeting (AGM). All Directors are required to retire

## CORPORATE GOVERNANCE

from office at least once every three years. Re-election is, however, not automatic, and all Directors are assessed by the NC on their past performance and contributions before being recommended to Shareholders for re-election at the AGM. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments. Independent Directors who have served or will be serving more than nine years on Board when Rule 210(5)(d)(iii) of the Listing Manual come into effect on 1 January 2022 must subject their independence to a two-tier shareholder vote.

At the forthcoming AGM, Mr Lim Jit Poh, Mr Sim Wing Yew, Mr Goh Yeow Tin and Mr Soh Chung Hian, Daniel are due for re-election pursuant to Regulation 98(b) of the Constitution of the Company, while Ms Wong Yoke Woon is due for re-election pursuant to Regulation 99 of the Constitution of the Company. Mr Goh will also be seeking approval on his continued appointment as an Independent Non-Executive Director as he would have been a director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on and from 1 January 2022 pursuant to Rule 210(5)(d)(iii) of the Listing Manual if a two-tier shareholder vote has not been sought and approved prior to 1 January 2022.

### KEY INFORMATION ON DIRECTORS

The profile of the Directors and key information are set out in this Annual Report from page 45 to 49. The Notice of AGM sets out the Directors proposed for re-election or re-appointment at the forthcoming AGM. Key information on Directors are also available on the Company's website.

### PRINCIPLE 5: BOARD PERFORMANCE

Each year, the Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

The NC is delegated by the Board to undertake a process to assess the effectiveness of the Board in terms of overall performance and growth of the Group, achieving an adequate return for Shareholders, preventing conflicts of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each individual Director, factors taken into consideration include attendance at AGM, Board and Board Committee Meetings and corporate activities, contributions in specialist areas and maintenance of independence. The performance criterion is determined by the NC and does not change from year to year.

In the last quarter of 2020, the NC conducted a performance evaluation of the Board, the Board Committee and individual Directors. The performance evaluation included key points on Board's composition, Board's contributions, contributions at Board Committees and conduct of proceedings and whether the Directors had discharged their duties effectively. The findings were then presented by the Chairman of the NC to the Board during its meeting for deliberation and discussion on possible areas for improvement to enhance overall effectiveness.

### 2. REMUNERATION MATTERS

#### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

VICOM recognises the importance of having a skilled and dedicated workforce to manage and grow the businesses in an increasingly competitive and challenging environment. It therefore places great emphasis on motivating staff through engagement, recognition and an alignment of rewards to the performance, as well as long-term interests of the Group and Shareholders.

#### REMUNERATION COMMITTEE

The RC plays an important role in the Group's remuneration policies, as well as oversees the talent management and succession planning for Key Management Personnel. Besides providing the Board with an independent review and assessment of Directors' remuneration, it also reviews the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success and enhancing shareholder value.

As at 31 December 2020, the RC comprised six independent NEDs, of whom five including the RC Chairman are independent. This is in accordance with the Code. The RC considers all aspects of remuneration including terms of their termination to ensure they are fair. Members of RC are independent of Management and also free from any business or other relationships, which may materially interfere with the exercise of independent judgement.

All decisions by the RC are made by a majority of votes of the RC members who are present and voting. Any member of the RC with a conflict of interest in relation to the subject matter under consideration would abstain from voting, approving or making recommendations that would affect the decisions of the RC. The CEO is not present at and does not participate in any RC discussions pertaining to his own compensation and the review of his performance. He is, however, in attendance when

the compensation of Key Management Personnel is discussed. No Director is involved in deciding his or her own remuneration.

The key terms of reference of the RC include the following:

- (i) Oversee the talent management and succession planning for Key Management Personnel;
- (ii) Review and recommend to the Board the remuneration framework for compensation to each Director, and ensure that the level of remuneration offered is appropriate to the level of contribution;
- (iii) Review and approve the remuneration of Key Management Personnel that is aligned with the long-term interests of the Group to ensure that the overall remuneration package is attractive to retain and motivate Key Management Personnel; and
- (iv) Review the Group's obligations arising in the event of termination of Directors' and Key Management Personnel's services in a fair, reasonable and equitable manner, including the cessation of financial incentives that have been earned but not yet disbursed due to exceptional circumstances of misstatement or misconduct.

The RC has unrestricted access to the ComfortDelGro Group Chief Human Resource Officer, who attends all RC meetings and provides the relevant market remuneration data and practices to the Committee. The RC may also seek external expert advice on such matters where needed. The Group continued to engage the services of an external consulting firm, Willis Towers Watson in 2020, to conduct an Executive Compensation Benchmarking exercise for an independent review of the compensation packages of its senior executives.

#### PRINCIPLE 7: LEVEL OF MIX OF REMUNERATION

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationship between remuneration, performance and value creation.

The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company, and it is appropriate to attract, retain and motivate the Directors and Key Management Personnel to successfully manage the Company for the long term.

#### PERFORMANCE-RELATED REMUNERATION

The Group is committed to creating and enhancing shareholder value through growth that is sustainable and profitable. The remuneration packages of the CEO and Key Management Personnel comprise fixed and variable components, and is appropriate and proportionate to sustained performance and value creation of the Company. The variable component in the form of year end performance bonuses, forms a significant proportion of the remuneration packages and is dependent on the profitability of the Group and individual performance. Subject to market conditions and the operating environment, the Group targets a total compensation package with fixed to variable component ratios of 70:30 for Rank and File Employees, 60:40 for Middle Management staff and 50:50 for Senior Management staff. The Group believes that a higher proportion of performance related component would ensure greater alignment of interests of the employees with those of Shareholders and contributes to sustainable performance and value creation in the long-term.

#### SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES

The 2001 VICOM Share Option Scheme expired in April 2011 and hence no option had been granted since then. Eligible VICOM employees shall be eligible to participate in the ComfortDelGro Executive Share Award Scheme introduced in 2019.

#### REMUNERATION OF NON-EXECUTIVE DIRECTORS

The structure for the payment of fees to NEDs is based on a framework comprising basic fees and additional fees for serving on Board Committees and also for undertaking additional services for the Group. The fees are subject to the approval of Shareholders at the AGM.

The CEO, being an executive of the Group, does not retain any fees paid by the subsidiaries. Instead, fees due to him are paid by the subsidiaries to the Company. The CEO does not receive Director's fees for his Board Directorship with the Company.

## CORPORATE GOVERNANCE

The Directors' fee structure for 2020 is set out below:

BOARD	BASIC FEE (PER ANNUM)
Chairman	S\$62,000
Deputy Chairman	S\$46,500
Lead Independent Director	S\$37,200
Member	S\$31,000

	ADDITIONAL FEES (PER ANNUM) AS	
BOARD COMMITTEE	CHAIRMAN	MEMBER
Audit and Risk Committee	S\$20,667	S\$14,467
Nominating Committee	S\$10,334	S\$7,234
Remuneration Committee	S\$10,334	S\$7,234

The attendance fees payable to Non-Executive Directors for attendance at each Board and Board Committee Meeting are as follows:

MEETINGS	ATTENDANCE FEE (PER MEETING)	
	In-person	Dial-in
Board	S\$1,000	S\$500
Board Committee	S\$1,000	S\$500

\* Directors are only paid one attendance fee even if two or more meetings are held on the same day.

### PRINCIPLE 8: DISCLOSURE ON REMUNERATION

#### REMUNERATION OF DIRECTORS AND EXECUTIVES

CEO's remuneration:

REMUNERATION 2020	THE GROUP			
	SALARY S\$	BONUS S\$	OTHERS S\$	TOTAL COMPENSATION S\$
Sim Wing Yew	292,100	215,900	97,141	605,141

The remuneration of the Non-Executive Directors comprised entirely Directors' fees as follows:

<b>DIRECTORS' FEES</b>	
	<b>2020</b>
	<b>S\$</b>
<b>Lim Jit Poh</b>	70,121
<b>Yang Ban Seng<sup>1</sup></b>	42,641
<b>Shim Phiau Wui, Victor</b>	56,855
<b>Goh Yeow Tin</b>	48,327
<b>June Seah Lee Kiang</b>	44,537
<b>Soh Chung Hian, Daniel</b>	54,012
<b>Tan Kim Siew</b>	41,694
<b>Tan Poh Hong</b>	48,327
<b>Teo Geok Har, Nancy<sup>2</sup></b>	18,618
<b>Wong Yoke Woon<sup>3</sup></b>	29,709

Notes:

1. Mr Yang's Directors' Fees are paid to the Company's holding company ComfortDelGro Corporation Limited.
2. Amount constitutes Ms Teo Geok Har, Nancy's Directors' fees for the period from 1 January 2020 to 20 May 2020. Ms Teo retired as Director at the conclusion of the Company's AGM held on 20 May 2020 and ceased to be a member of both the Audit and Risk Committee and the Remuneration Committee.
3. Amount constitutes Ms Wong Yoke Woon's Directors' fees for the period from 21 May 2020 to 31 December 2020. Ms Wong was appointed as an Independent Non-Executive Director and a member of both the Audit and Risk Committee and the Remuneration Committee with effect from 21 May 2020.

The remuneration of the Key Management Personnel in the five key portfolios having regard to the performance of the individuals and the Group, are as follows:

	<b>THE GROUP</b>			
	<b>SALARY</b>	<b>BONUS</b>	<b>OTHERS</b>	<b>TOTAL COMPENSATION</b>
<b>REMUNERATION BAND</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>2020</b>				
<b>S\$250,000 to S\$499,999</b>				
Sze Thiam Siong	57.7	30.1	12.2	100
Chung Tying Chun	58.1	25.3	16.6	100
Yusoof Aynuddin	59.6	25.9	14.5	100
<b>Below S\$250,000</b>				
Lee Peck Kim, Mary	63.2	33.0	3.8	100
Yip Chun Wah	61.9	29.6	8.5	100

The total remuneration paid to these five Key Management Personnel holding the key portfolios (who are not Directors or the CEO) amounted to S\$1,510,120.

# CORPORATE GOVERNANCE

## REMUNERATION OF CERTAIN RELATED EMPLOYEES

During the FY 2020, no employees whose remuneration exceeded S\$100,000 was a substantial shareholder of the Company, or an immediate family member of a Director or the CEO. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

## 3. ACCOUNTABILITY AND AUDIT

The Board has overall accountability to the Shareholders of the Company and ensures that the Group is managed well and guided by sustainable long-term strategic objectives. The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects. Price sensitive information, Annual Reports and other material corporate developments are disseminated in a timely manner and posted on the Company's website as well as SGXNET. The Financial Results are reported semi-annually via SGXNET with an accompanying Negative Assurance by the Board to confirm that nothing has come to its attention that may render the results false or misleading in any material aspects. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining Shareholder confidence and trust.

The Group has formalised a Policy on Securities – Restrictions Against Dealings to provide guidance to Directors and executives of the Group in relation to dealings in the securities of the Company, ComfortDelGro Corporation Limited (ComfortDelGro) and SBS Transit Ltd (SBS Transit). Directors and Executives of the Group are prohibited from dealing in the securities of the Company, ComfortDelGro and SBS Transit during the period commencing one month before the announcement of the Company's, ComfortDelGro and SBS Transit's semi-annual results, and the full-year results and ending on the date of the announcement of the relevant results. All Directors and Executives are notified of the trading blackout periods before the start of the financial year and are given reminders prior to each trading blackout period.

All Directors and Executives of the Group are also told that they must not deal in (i) the securities of the Company, ComfortDelGro and SBS Transit on short-term consideration and/or while in possession of unpublished material price-sensitive information relating to the relevant securities; and (ii) the securities of other listed companies while in possession of unpublished material price-sensitive information relating to those securities. Executives are required to notify the Company upon disposal of shares arising from the exercise of options under the Employees' Share Option Scheme which expired on 26 April 2011.

The Group has put in place a Standard Operating Procedure ("SOP") on compilation of information on privy persons who have access to material information of transactions that have yet to be disclosed to the public. The SOP prescribes that the person-in-charge of such transactions must remind all privy persons to keep all material information strictly confidential.

## PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

Risk management is an important and integral part of VICOM's strategic planning and decision making process. Key risks are identified and presented to the ARC and Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional levels, with stewardship retained at Senior Management. Plans that are necessary to manage and mitigate the risks are in place and closely monitored. The adequacy of the risk governance, risk policy and internal controls in place is also assessed as part of the process. A detailed description of the Group's approach to internal controls and risk management can be found from pages 90 to 96 of this Annual Report.

As part of the risk management process, all businesses are required to refresh their risk inventories, conduct risk prioritisation exercises, identify key and emerging risks, and develop the requisite risk controls and risk treatment action plans. The identified risks, their indicators and action plans are to be continually reviewed and reported.

The Internal and External Auditors conduct reviews in accordance with their audit plans. Any material non-compliance and recommendations for improvements on the internal controls are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

For the FY 2020, the Board has received assurance from the CEO and Chief Financial Officer ("CFO") that (i) the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards (International) and are correct in all

material aspects and give a true and fair view of the operations and finances of the Group; and (ii) the Group's internal controls system (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

Key risks, mitigating controls and business continuity plans in place are reviewed annually by the ARC and the Board. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that the systems of risk management and internal controls in place for the Group are adequate and effective to address its financial, operational, compliance and information technology risks and to provide reasonable assurance against material financial misstatements or loss.

#### PRINCIPLE 10: AUDIT AND RISK COMMITTEE

As at 31 December 2020, the ARC comprises five independent NEDs. None of the ARC members are previous partners or directors of the External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the External Auditors. The Chairman and Members of the ARC are rotated periodically. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

The ARC members who collectively bring with them recent and relevant managerial and professional expertise in accounting and related financial management domains, are as follows:

- (i) Mr Soh Chung Hian, Daniel, Chairman of the ARC, is an Independent Non-Executive Director of VICOM. He is also a member of the Nominating Committee of the Company. Mr Soh is a fellow member of the Institute of Singapore Chartered Accountants, Mr Soh began his career in 1977 with Ernst & Young LLP, Singapore, and was a partner from 1990 till his retirement in December 2012. His 35 years of experience saw him auditing many publicly listed companies and working on many IPOs of listed companies. Mr Soh holds a Bachelor of Accountancy from the then University of Singapore and a Master of Business Administration from International Centre of Management in the United Kingdom.
- (ii) Mr Goh Yeow Tin is an Independent Non-Executive Director of VICOM. He is also a member of Remuneration Committee of the Company. Mr Goh is a Member of the Singapore Institute of Directors and an independent Director of KTMG

Limited, Sheng Siong Group Ltd, AsiaPhos Limited and TLV Holdings Limited. Prior to that, Mr Goh was the Vice President of Times Publishing Ltd and was responsible for the Group's Retail and Distribution businesses overseeing the operations in West Malaysia, Brunei, Thailand, Hong Kong and China. Mr Goh was appointed a Justice of the Peace in September 2015 and was awarded the Public Service Star (Bar) the same year by the President of the Republic of Singapore. Mr Goh holds a Bachelor of Engineering (Mechanical) (Hons) from the University of Singapore and a Master of Engineering (Industrial Engineering & Management) from the Asian Institute of Technology.

- (iii) Prof Shim Phiau Wui, Victor is the Lead Independent and Non-Executive Director of VICOM. He is also a Chairman of Nominating Committee of the Company. Professor Shim was a Colombo Plan Scholar. He holds a Bachelor of Mechanical Engineering (First Class Honours) from the University of Auckland, New Zealand, a Master of Engineering from the National University of Singapore, and a Doctor of Philosophy from the University of Cambridge, UK. He is a registered Professional Engineer and a Senior Member of the Institution of Engineers, Singapore. He has received awards at NUS for Teaching Excellence, Innovative Teaching and Outstanding Service, and was conferred the Singapore National Day Public Administration Medal (Silver) in 2012.
- (iv) Ms Tan Poh Hong is an Independent Non-Executive Director of VICOM. She is also a member of Remuneration Committee of the Company. Ms Tan holds a BSs (Hons) in Estate Management from the National University of Singapore, and a Master of Business Administration (with distinction) from New York University. She was awarded the Public Administration Medal (Gold) in 2013, and the Public Service Medal in 1999 by the Singapore Government and the NTUC Medal of Commendation in 2001.
- (v) Ms Wong Yoke Woon is an Independent Non-Executive Director of VICOM. She is also a member of Remuneration Committee of the Company. Ms Wong holds an Executive Masters in Business Administration from the Singapore Management University, Bachelor of Social Sciences from the National University of Singapore (NUS) and Bachelor of Arts and Social Sciences from NUS. She is also holds the Professional Diploma in Employment Relations from the NUS-Extension and Ong Teng Cheong Institute and Graduate Diploma in Personnel Management from the Singapore Institute of Management.

## CORPORATE GOVERNANCE

The details of ARC members' credentials are found in pages 46 to 49 of this Annual Report.

Members of the ARC keep abreast of relevant changes to accounting standards and issues through attendance at relevant seminars/talks, articles and news circulated by the Company Secretaries and regular updates by the External Auditors at ARC Meetings.

The terms of reference of the ARC are aligned with the provisions of Section 201B(5) of the Companies Act, Cap. 50 and include the following:

- (i) Risk identification and reviewing the adequacy and effectiveness of financial, operational, compliance and information technology controls and risk management systems to ensure effectiveness in the management of risks and compliance with internal policies and external regulations;
- (ii) Review the effectiveness, adequacy and independence of the Group's external audit and internal audit function;
- (iii) Review the semi-annual and annual financial statements and also significant accounting and reporting issues and their impact on financial statements so as to ensure the integrity of the financial statements and any formal announcements relating to the Group's financial performance and recommend to the Board the acceptance of such financial statements;
- (iv) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by the External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (v) Review Interested Person Transactions;
- (vi) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;
- (vii) Review and approve the annual audit plans of the Internal and External Auditors;
- (viii) Review and approve the Internal Auditor's annual and three-year rolling work plans; and

- (ix) Review the effectiveness of the Group's Whistle Blowing Policy. The Whistle Blowing Policy is described on page 96 of this Annual Report.

### AUDIT AND RISK COMMITTEE'S ACTIVITIES

The ARC scheduled four meetings during the financial year under review but due to COVID-19 only three meetings took place. The CEO, CFO, ComfortDelGro Group Chief Internal Audit Officer (GCIAO) and the External Auditors were present at these meetings. The ARC reviewed and considered the following:

- (i) Overall scope of both internal and external audits and results of their respective audits;
- (ii) Significant internal and external audit observations and Management's responses;
- (iii) Half yearly and full year results announcements and the financial statements and recommendation to the Board;
- (iv) Adoption of the Singapore Financial Reporting Standards (International);
- (v) Interested Person Transactions;
- (vi) Corporate Service Charges;
- (vii) Risk Management and adequacy and effectiveness of internal controls;
- (viii) Independence of the External Auditors;
- (ix) Re-appointment of External Auditors and its remuneration and recommendation to the Board; and
- (x) Significant matters (if any) raised through the whistle-blowing channel.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation from Management, discretion to invite any Director or executive officer to attend its meetings and reasonable resources to enable it to discharge its duties properly.

The ARC meets with the Internal and External Auditors annually in the absence of Management. During these meetings, the Auditors may raise issues encountered in the course of their work directly to the ARC.

#### **SIGNIFICANT FINANCIAL REPORTING MATTERS**

In the review of the financial statements of the Group, the ARC considered the following key audit matters:

<b>SIGNIFICANT MATTERS</b>	<b>REVIEW OF SIGNIFICANT MATTERS BY THE ARC</b>
Allowance for expected credit losses for trade receivables	<p>The Group makes allowances for expected credit losses based on an assessment of the recoverability of trade receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.</p> <p>Our audit procedures included critically challenging Management's assessment of the allowance for expected credit losses. We have evaluated the design and implementation of key controls over the allowance for expected credit losses; assessed Management's assumptions about risk of default and expected credit loss rate; and assessed movement in the allowance for expected credit losses, write-off and recoveries of receivables. We found Management's key assumptions to be reasonable.</p>

Following the review and discussions on the above, the ARC recommended to the Board to approve the financial statements of the Group for the financial year ended 31 December 2020.

#### **REVIEW OF INDEPENDENCE OF EXTERNAL AUDITOR**

Prior to the re-appointment of the External Auditors, the ARC assesses their independence based on the guidelines set by the Accounting and Corporate Regulatory Authority and the Accountants Act. Having satisfied itself that the independence of the External Auditors, Deloitte & Touche LLP, is not impaired by their provision of non-audit services to the Group and that Rules 712, 715 and 716 of the SGX-ST Listing Manual have been complied with, the ARC has recommended to the Board that Deloitte & Touche LLP be nominated for reappointment as the Company's External Auditors at the next AGM.

As a further safeguard of Deloitte & Touche LLP's independence, the partner in-charge of auditing the Company is changed every five years.

#### **INTERNAL AUDIT**

The internal audit function of the Group is performed by ComfortDelGro's group internal audit division comprising of suitably qualified and experienced Internal Audit staff including the Group Chief Internal Audit Officer (GCIAO). The ComfortDelGro Group Internal Audit staff have professional qualifications and are either members of the Institute of Singapore Chartered Accountants, the Information Systems Audit and the Control Association or Institute of Internal Auditors. The GCIAO reports functionally to the Chairman of the ARC and administratively to the Managing Director/Group CEO of ComfortDelGro Corporation Ltd. The ComfortDelGro Group ARC participates in the hiring, removal and evaluation of the GCIAO and reviews his compensation with the Managing Director/Group CEO of ComfortDelGro Corporation Ltd.

The ComfortDelGro Group Internal Audit Division adopts a risk based approach in its continuous audit work with focus on material internal control systems including financial, operational, information technology and compliance controls. It provides an independent and objective evaluation of the internal control systems and Corporate Governance processes of the Group. The annual and three year rolling audit plans are developed by the GCIAO in consultation with, but independent of, Management and are subject to the ARC's approval before the start of each financial year. Quarterly internal audit reports are also prepared and submitted to the ARC. Any material non-compliance or lapses in internal controls are reported to the ARC and the CEO for improvements to be made. The ARC conducts review of the adequacy, effectiveness, independence, scope and results of the internal audit function. The ARC has full access to the GCIAO and the independence of the internal audit function is ensured as the ARC meets with the GCIAO at least once a year in the absence of Management. The Group Internal Audit Division is given unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC, and has appropriate standing within the Group.

The activities and organisational structure of the ComfortDelGro Group Internal Audit Division are monitored and reviewed by the ARC periodically to ensure that it has the necessary resources to adequately perform its functions and that there are no unjustified restrictions and limitations placed on the performance of its duties. The ComfortDelGro Group Internal Audit Division has adopted the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors (IIA Standards). The ComfortDelGro Group Internal Audit Division successfully completed its external Quality Assurance

## CORPORATE GOVERNANCE

Review in 2018 by PricewaterhouseCoopers LLP and continues to meet or exceed the IIA Standards in all key aspects. The next Quality Assurance Review is scheduled for 2023.

The ARC finds the ComfortDelGro Group Internal Audit Division independent, effective and adequately resourced.

### 4. SHAREHOLDER RIGHTS AND ENGAGEMENT

#### PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

##### DISCLOSURE OF INFORMATION TO SHAREHOLDERS

The Company notifies Shareholders in advance of the dates of release of its Financial Results through the Company's website as well as SGXNET. Communications with Shareholders is conducted through announcements to the SGXNET, media and analyst briefings after the announcement of the Financial Results together with its presentation materials, as well as the posting of announcements and press releases on the Company's website. The Group has formalised a Policy on Securities – Drafting and Releasing SGX Announcements to provide guidance on preparation of SGX announcements.

Shareholders may send in their requests or queries through the feedback channel provided on the website. The ComfortDelGro Group's Investor Relations (**IR**) team is accessible throughout the year to address Shareholders' queries. The contact details of the ComfortDelGro Group Chief Investor Relations Officer (**GCIRO**) can be found on the website.

Beyond complying with the requirements of the Code, the SGX-ST Listing Manual and the Companies Act, Cap. 50, the Company has also taken various additional measures to enhance Corporate Governance and improve transparency, including:

- (i) The Notice of AGM is released publicly at least 28 days before the AGM is held; and
- (ii) The Annual Report is available to all Shareholders at the Company's website at least 28 days before the AGM to ensure that all Shareholders have adequate time to review the Annual Report before the AGM. The electronic documentation demonstrates the Group's commitment towards Green and sustainable efforts. Upon request, hard copies are provided to Shareholders.

##### CONDUCT OF SHAREHOLDER MEETING

The Company encourages and supports shareholder participation at general meetings, and views the AGM as a good opportunity for Shareholders to meet the Board and Senior Management. The top criterion for

selecting the AGM venue is an easy to reach location within Singapore accessible by public transport. Shareholders are informed of Shareholders' Meetings through notices published in the newspapers and circulars sent to all Shareholders. All registered Shareholders are invited to attend and participate actively in the AGM and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed Resolutions.

All Directors including the Chairman, CEO and the chairpersons of the various Board Committees together with Senior Management and the Company Secretaries are present to address any question or feedback raised by the Shareholders at the AGM and thereafter, including those pertaining to the proposed Resolutions before they are voted on. The External Auditors are also present to address Shareholders' queries about the conduct of audit and the preparation and contents of the Auditor's Report.

The Board had since 2009 removed and stopped seeking the general authority to issue shares to address concerns from the Shareholders that if this general authority to share issue was mandated, the Company could subsequently issue shares pursuant to this mandate, which would dilute their shareholding percentages and affect their voting rights.

The Constitution of the Company provides for voting in-person and by proxy at the AGM of the Company. Each Shareholder is allowed to appoint up to two proxies to vote on his behalf at Shareholders' Meetings through proxy forms sent in advance. Relevant intermediaries such as the Central Provident Fund and custodian banks are entitled to appoint more than two proxies to attend, speak and vote at Shareholders' Meetings. Shareholders who hold shares through these relevant intermediaries will be allowed to attend, speak and vote at the AGM subject to being appointed a proxy by their respective relevant intermediaries.

Each issue or matter requiring Shareholders' approval is tabled as a separate and distinct Resolution. All the Resolutions at the Shareholders' Meetings are single item Resolutions. The Company will consider implementing absentia voting methods such as voting via mail, e-mail or fax when security, integrity and other pertinent issues are satisfactorily resolved.

The Company prepares Minutes of General Meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board and Management. The Minutes are available to Shareholders on the Company's website and SGXNET within one month after the date of the AGM.

The Company has adopted electronic poll voting for General Meetings since 2013 to ensure greater transparency and efficiency in the voting process and results. Shareholders are invited to vote on each of the Resolutions by poll, using an electronic voting system. The results of all votes cast for or against each Resolution or abstentions if any and the respective percentages (Voting Results) and the names of the independent scrutineers for the AGM are presented during the AGM and are announced via the SGXNET after the AGM. Voting by poll is the most accurate means of tabulating Shareholders' votes according to the number of shares owned. We believe that this will encourage greater Shareholders' participation at the Company's General Meetings and demonstrates VICOM's commitment to high standards of Corporate Governance and transparency.

The Company's AGM for the Financial Year ended 2019 was held by way of audio-visual electronic means as a result of the COVID-19 Circuit Breaker measures. On 23 September 2020, the Ministry of Health declared that companies could resume physical general meetings, for up to 50 persons at permitted premises with strict adherence to safe management measures. As such, the Board decided that the FY 2020 AGM will be held both physically and by way of audio-visual electronic means. To minimize physical interaction and COVID-19 transmission risk, the number of shareholders allowed to attend the AGM in-person will be below 50, based on the prevailing national guidelines and regulations. Shareholders who are not able to attend the AGM in-person or those who prefer to attend the live webcast may do so by audio or audio visual means. Shareholders are required to appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to the notice of the FY 2020 AGM for more information.

#### **DIVIDEND POLICY**

The Company's dividend policy is to pay out at least 90% of profit attributable to Shareholders of the Company. The dividend policy takes into account the long-term objective of maximising shareholder value, availability of cash and retained earnings, projected Capital Expenditure and growth opportunities. The Company declares dividend semi-annually and informs its Shareholders of the dividend payments via announcements in the SGX-Net. Dividends are paid to Shareholders in an equitable and timely manner.

No interim dividend was declared for 1H FY 2020 in order to conserve cash during COVID-19 uncertainties. However, the Board has proposed a tax-exempt one-tier final dividend of 6.22 cents per ordinary share for the FY 2020 at the forthcoming AGM of the Company.

#### **PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS**

##### **REGULAR, EFFECTIVE AND FAIR COMMUNICATIONS WITH SHAREHOLDERS**

It is our policy to disseminate accurate and pertinent information to the market in a timely and transparent manner as part of good Corporate Governance. We have put in place an IR programme to promote regular, effective and fair communications with Shareholders and the investment community. The dedicated ComfortDelGro IR team works with Senior Management to proactively carry out this engagement programme.

Communications with the SGX-ST is handled by the Company Secretaries, while communications with Shareholders, analysts and fund managers is handled by the GCIRO. Specific guidelines have been laid down for compliance in respect of all public communications. The Company does not practise selective disclosure in the communication of material information.

In addition, the Company has put in place operational procedures to respond promptly to queries from the SGX-ST on any unusual trading activities in its securities and to clear all announcements to the SGXNet with the Board.

#### **5. MANAGING STAKEHOLDERS RELATIONSHIPS**

##### **PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS**

The Company recognises the importance of engaging and balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has arrangements in place to enable it to engage stakeholders so as to better understand and take action to address their needs and interests. The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found on pages 62 to 65 of the Sustainability Report. Our Sustainability Report highlights the economic, environmental and social aspects of our developments and operations in accordance with the Global Reporting Initiative Guidelines (G4 Core) and is issued ahead of the requirement under the SGX-ST Listing Manual.

The Company maintains a current corporate website to communicate and engage with stakeholders.

##### **ADDITIONAL MEASURES TO ENHANCE CORPORATE GOVERNANCE**

The Company has also undertaken various additional measures to enhance Corporate Governance as follows:

# CORPORATE GOVERNANCE

## CORPORATE GIFTS/ENTERTAINMENT POLICY

Whilst business gifts and entertainment are courtesies that build goodwill and sound working relationships among Business Partners, the Group does not tolerate the improper use of gifts or entertainment to gain any special advantage in a business relationship.

The Group discourages the receipt of gifts or acceptance of entertainment, loans or other favours as these may compromise an employee's ability to make objective, independent and fair business decisions. Offering excessive gifts in whatever form or entertainment to others can also be opened to misinterpretation.

Employees are therefore not permitted to offer or accept any gifts or entertainment without first seeking their supervisor's authorisation. Employees who receive gifts directly or indirectly in relation to their employment with the Group are expected to notify their supervisors and declare such gifts to the Group Human Resource Department. All gifts declared are processed through structured corporate procedures to ensure proper accountability.

Business gifts presented and entertainment on the Group's behalf are consistent with generally Corporate Governance accepted business practices and ethical standards and do not violate any applicable laws, regulations or policies of any country we operate in or company in which we have dealings with.

## ANTI-CORRUPTION POLICY

The Group complies with all the laws of the jurisdictions in which it operates and conducts businesses in an open, transparent manner, and prohibits employees from directly or indirectly offering, promising to pay, or authorising the payment of money or anything of value for the purpose of gaining perceived personal advantage for the Group. All employees are responsible for following the Group's procedures, including audit controls, for carrying out and reporting business transactions.

## BLOCK LEAVE POLICY

As a further risk mitigation measure and to enhance governance, the Group has a Block Leave Policy in place which applies to Employees holding key functions. This arrangement allows covering officers to fully step into the duties of the Employees on leave as an additional check and balance against any breaches.

## HEALTH AND SAFETY POLICY

Given the nature of the Group's businesses, the health and safety of the employees and customers are of paramount importance. We comply with statutory requirements and regulations and procedures are

put in place to guide proper safe work practices for the well-being of all employees and customers. Employees are sent for training to equip them with the required competencies.

Employees are to observe safety rules and carry out safe work practices that apply to their jobs to ensure a safe work environment for everyone.

## INFORMATION PROTECTION POLICY

The Group has also implemented an Information Protection Policy to ensure that all documents and data information of the Group are properly safeguarded.

Information is classified into secret, confidential, restricted and unrestricted use based on its nature, contents and implications. Processes and systems used to store, process or communicate the information provide protection from unauthorised disclosure and use.

## DATA PROTECTION POLICY

All Business Units are required to comply with applicable laws pertaining to data protection. In particular, the Business Units in Singapore have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act and Do Not Call provisions that came into force in 2014.

## CYBER SECURITY POLICY

The Group has adopted the international information Security Standard ISO 27000 in assessing and formulating the Company's cyber security framework. The Group regularly reviews its cyber security measures to ensure effective protection of our information technology systems and databases. We have implemented multi-layered defence, including firewalls, intrusion prevention system, network access control, server hardening, data encryption and employee security training. We keep abreast of the evolving threats and the latest techniques, and actively collaborate with cyber security authorities and regulators to develop appropriate countermeasures.

We will continue to strengthen our capabilities in light of the way cyber security risks will evolve with the digital age. As and when necessary, we will take appropriate risk management decisions and implement security controls to secure our information infrastructure systems and databases.

## SUPPLIER ETHICS POLICY

The Group procures a wide range of goods and services from various businesses, companies, persons and entities and requires its suppliers to be in full

compliance with all applicable laws and regulations and practice fair competition in accordance with local anti-trust and competition regulations. Suppliers must conduct their businesses with integrity, transparency and honesty and the Group does not condone any corrupt and fraudulent practice.

Suppliers must have in place health and safety policies for its employees and be committed to good environmental, social and governance practices. Suppliers must not trade in the securities of the Group while in possession of confidential non-public information.

**CREDITORS' PAYMENT POLICY**

The Group values its suppliers and is committed to safeguarding creditors' rights and acknowledges the importance of paying invoices, especially those of small businesses, in a timely manner. It is the Group's practice to agree terms with suppliers when entering into contracts. We negotiate with suppliers on an individual basis and meet our obligations accordingly.

**INTERESTED PERSON TRANSACTIONS**

**LISTING MANUAL – RULE 907**

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
ComfortDelGro	ComfortDelGro is the majority shareholder of the Company	\$2,047,000	NIL
SBS Transit Ltd	SBS is an associate of the Company	\$1,574,000	NIL

There is no Shareholders' mandate for Interested Party Transactions pursuant to Rule 920 of the Listing Manual.

# DIRECTORS' PARTICULARS

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2020)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2016 TO 31 DECEMBER 2020)	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>Lim Jit Poh</b> <b>Chairman</b> (Non-Independent Non-Executive Director)	81	<p><b>Principal Directorship in the VICOM Group</b></p> <ul style="list-style-type: none"> <li>• Setesco Services Pte Ltd</li> </ul> <p><b>Principal Directorships in the ComfortDelGro Group</b></p> <ul style="list-style-type: none"> <li>• ComfortDelGro Corporation Limited*</li> <li>• Beijing Jin Jian Taxi Services Co., Ltd</li> <li>• Comfort Transportation Pte Ltd</li> <li>• CityCab Pte Ltd</li> <li>• ComfortDelGro Engineering Pte Ltd</li> <li>• CityFleet Networks Limited</li> <li>• ComfortDelGro Corporation Australia Pty Ltd</li> <li>• Guangzhou Xin Tian Wei Transportation Development Co., Ltd</li> <li>• Metroline Limited</li> <li>• Swan Taxis Pty Ltd</li> </ul> <p><b>Directorship in the SBS Transit Group</b></p> <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> </ul> <p><b>Other Companies</b></p> <ul style="list-style-type: none"> <li>• Family Leisure Pte Ltd</li> <li>• NCI Golf Pte Ltd</li> <li>• Pasir Ris Resort Pte Ltd</li> <li>• Orchid Leisure Enterprises (Pte) Ltd</li> <li>• Surbana Property Investment Pte Ltd</li> <li>• CapitalLand Township Development Fund Pte Ltd</li> <li>• CapitalLand Township Development Fund II Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Ascott Residence Trust Management Ltd*</li> </ul>	Nil	Nil

\* Listed Company

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2020)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2016 TO 31 DECEMBER 2020)	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>Yang Ban Seng</b> <b>Deputy</b> <b>Chairman</b> (Non- Independent Non-Executive Director)	64	<b>Principal Directorship in the VICOM Group</b> <ul style="list-style-type: none"> <li>• Setesco Services Pte Ltd</li> <li>• JIC Inspection Services Pte Ltd</li> </ul> <b>Principal Directorships in the ComfortDelGro Group</b> <ul style="list-style-type: none"> <li>• ComfortDelGro Corporation Limited*</li> <li>• Beijing Jin Jian Taxi Services Co., Ltd</li> <li>• Comfort Transportation Pte Ltd</li> <li>• CityCab Pte Ltd</li> <li>• ComfortDelGro Engineering Pte Ltd</li> <li>• CityFleet Networks Limited</li> <li>• ComfortDelGro Corporation Australia Pty Ltd</li> <li>• Guangzhou Xin Tian Wei Transportation Development Co., Ltd</li> <li>• Metroline Limited</li> <li>• Swan Taxis Pty Ltd</li> </ul> <b>Directorships in the SBS Transit Group</b> <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> <li>• SBS Transit DTL Pte Ltd</li> </ul>	Nil	<ul style="list-style-type: none"> <li>• ComfortDelGro Corporation Limited* (Managing Director &amp; Group Chief Executive Officer)</li> </ul>	<ul style="list-style-type: none"> <li>• SBS Transit Ltd* (Executive Deputy Chairman and Chief Executive Officer)</li> </ul>

\* Listed Company

## DIRECTORS' PARTICULARS

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2020)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2016 TO 31 DECEMBER 2020)	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>Sim Wing Yew</b> <b>Chief Executive Officer</b> (Non- Independent Executive Director)	53	<b>Directorship in the ComfortDelGro Group</b> <ul style="list-style-type: none"> <li>ComfortDelGro Engineering Pte Ltd</li> </ul> <b>Directorships in the VICOM Group</b> <ul style="list-style-type: none"> <li>VICOM Inspection Centre Pte Ltd</li> <li>Setsco Services Pte Ltd</li> <li>JIC Inspection Services Pte Ltd</li> <li>Setsco Consultancy International Pte Ltd</li> <li>Setsco Services (M) Sdn Bhd</li> <li>Setsco Middle East Laboratory LLC</li> </ul>	Nil	Nil	Nil
<b>Shim Phiau Wui, Victor</b> (Lead Independent Non-Executive Director)	67	Nil	Nil	<ul style="list-style-type: none"> <li>National University of Singapore (Professor of Mechanical Engineering and Senior Advisor for Global Relations)</li> </ul>	Nil
<b>Goh Yeow Tin</b> (Independent Non-Executive Director)	70	<b>Other Companies</b> <ul style="list-style-type: none"> <li>TLV Holdings Limited*</li> <li>KTMG Limited*</li> <li>Sheng Siong Group Ltd*</li> <li>AsiaPhos Limited*</li> <li>Edu-Community Pte Ltd</li> <li>Kiran Electronics B&amp;C Services Pte Ltd</li> <li>Seacare Manpower Services Pte Ltd</li> <li>Seacare Medical Holdings Pte Ltd</li> <li>Seacare Foundation Pte Ltd</li> <li>SGP Global Pte Ltd (Formerly known as WaterTech Pte Ltd)</li> </ul>	<ul style="list-style-type: none"> <li>OEL (Holdings) Limited*</li> <li>Singapore Post Limited*</li> </ul>	Nil	Nil

\* Listed Company

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2020)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2016 TO 31 DECEMBER 2020)	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>June Seah Lee Kiang</b> (Independent Non-Executive Director)	67	Nil	Nil	<ul style="list-style-type: none"> <li>The Peranakan at Claymore Connect (Partner)</li> <li>Omise Co. (Head of Business Development)</li> </ul>	<ul style="list-style-type: none"> <li>Visa (Head of Merchant and Acquirer Partnerships)</li> </ul>
<b>Soh Chung Hian, Daniel</b> (Independent Non-Executive Director)	67	<b>Other Companies</b> <ul style="list-style-type: none"> <li>Lum Chang Holdings Limited*</li> <li>British and Malayan Holdings Limited*</li> <li>Sunright Limited*</li> <li>British and Malayan Trustees Limited</li> <li>Agency for Integrated Care Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Eu Yan Sang International Ltd*</li> <li>QAF Limited*</li> <li>JDJ Investment Pte Ltd</li> </ul>	Nil	Nil
<b>Tan Kim Siew</b> (Independent Non-Executive Director)	67	<b>Directorship in the SBS Transit Group</b> <ul style="list-style-type: none"> <li>SBS Transit Ltd*</li> </ul>	Nil	Nil	Nil
<b>Tan Poh Hong</b> (Independent Non-Executive Director)	62	<b>Other Companies</b> <ul style="list-style-type: none"> <li>Sheng Siong Group Ltd*</li> <li>Centurion Corporation Limited*</li> <li>Ann Aik Limited*</li> <li>APAC Realty Ltd*</li> <li>Barramundi Asia Pte Ltd</li> <li>Jilin Food Zone Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Agri-Food and Veterinary Authority (Chief Executive Officer and Board Member – 2009-2017)</li> </ul>	Nil	Agri-Food and Veterinary Authority (Chief Executive Officer and Board Member – 2009-2017)
<b>Wong Yoke Woon</b> (Independent Non-Executive Director)	47	Nil	Nil	Employment and Employability Institute (e2i) (Deputy CEO)	Nil

\* Listed Company

# RISK MANAGEMENT

The VICOM Group's Risk Management Framework provides a systematic process for the Group and its Business Units to identify and review the nature and complexity of the risks involved in their business operations and to prioritise resources to manage them. The Group is committed to enhance shareholder value through growth that is sustainable and profitable, while taking measured and well-considered risks.

The Group's approach to risk management is underpinned by several key principles:

- The risk management process is a continuous and iterative one, as the Group's businesses and operating environments are dynamic. Risk identification, assessment and risk management practices are reviewed and updated regularly to manage risks proactively.
- We promote and inculcate risk awareness among all our employees by embedding risk management processes into day-to-day business operations and setting an appropriate tone at the top. Regular briefings, continuous education and training, as well as communications through various forums on risk management are carried out to sustain a risk-informed and risk-aware culture in the Group.
- Ownership of and accountability for the risk management process is clearly defined and assigned to the Business Units (BUs), departments and individuals. Managers at each level have intimate knowledge of their businesses and take ownership of risk management, with stewardship retained at Senior Management.

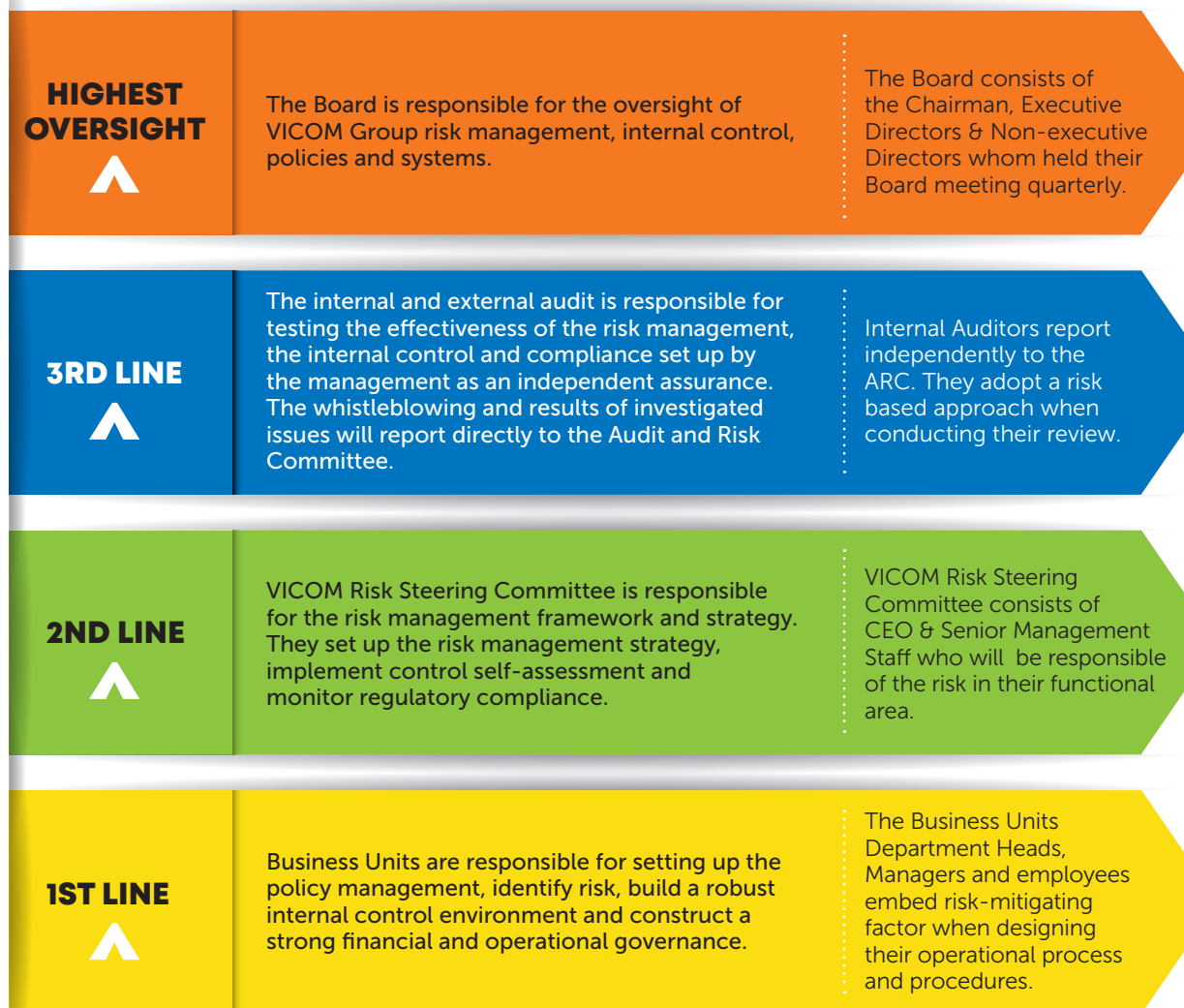
In 2020, the COVID-19 pandemic crisis has upended economies, businesses and livelihoods. For the Testing, Inspection and Certification (TIC) industry, supporting the essential services has emerged as the top priority as essential government agencies and key industries had to ensure the continuity of operations during the Circuit Breaker. This includes vehicle inspection, food and water testing, amongst others.

The key efforts of 2020 were thus focused on ensuring a safe workplace for our staff and also a safe environment for our customers. As an essential service provider, the Group and our BUs continued our operations even at the peak of the pandemic, but with Safe Management Measures enforced. Amidst the disruption resulting from the Covid-19 pandemic, the Group also refreshed our risk management policies and processes, and reviewed the risk registers for the Group and its BUs. This enables us to assess and better manage our business and operational risks, and explore opportunities in the uncertain and volatile environment.

#### RISK MANAGEMENT MODEL

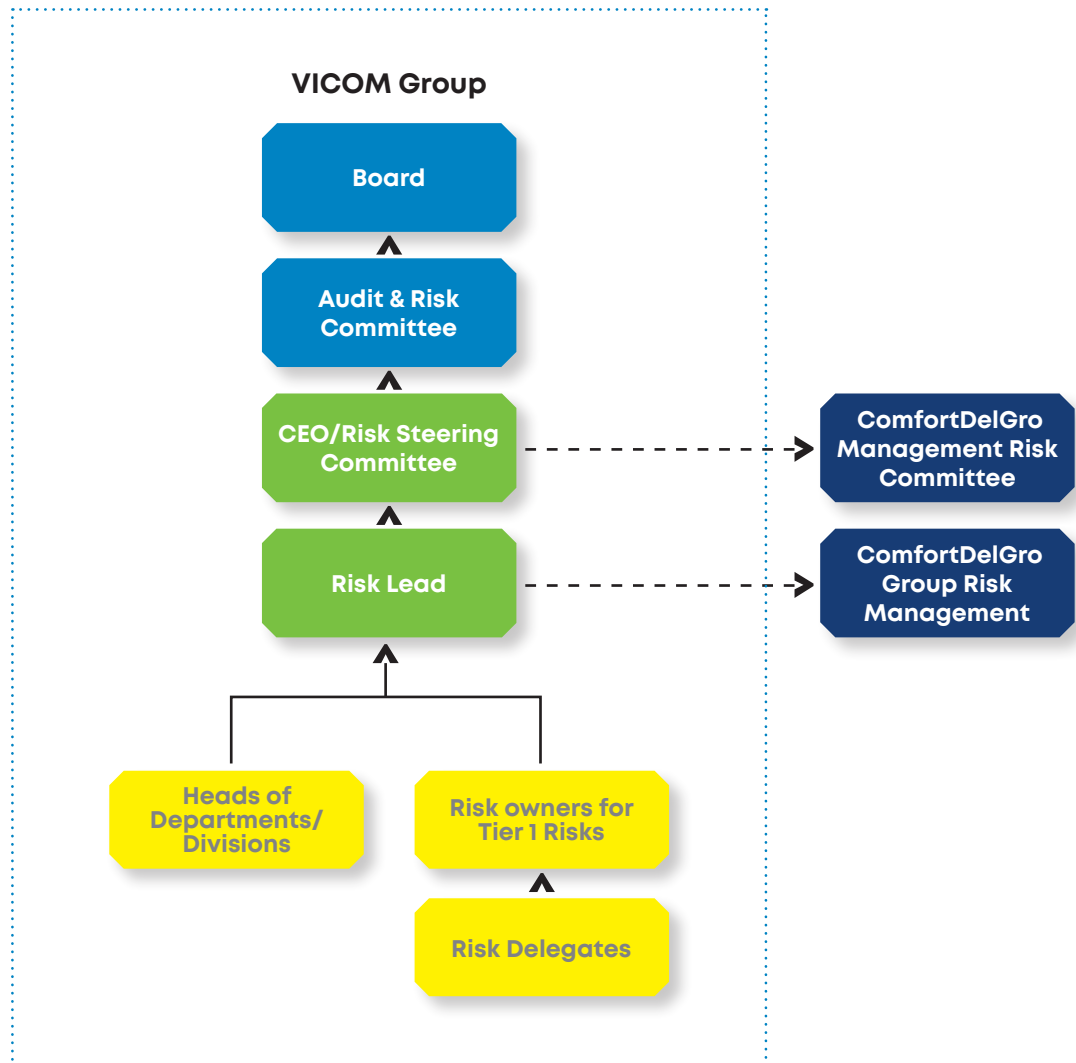
The Group has adopted the "4 Lines of Defence" as our assurance framework in risk management. The Board has the ultimate responsibility for the governance of risk, and sets the tone and direction for the Group. It delegates the oversight of risk management and internal control to

the Audit and Risk Committee (ARC). The ARC helps the Board in ensuring that the Management establishes and enforces a sound system of risk management and internal controls to safeguard the Group's assets and shareholders' interests, and that a robust system and processes is in-place to identify and manage risks enterprise-wide.



# RISK MANAGEMENT

## VICOM GROUP RISK MANAGEMENT STRUCTURE



The Group CEO chairs the Risk Steering Committee (RSC), and members are drawn from BUs' senior management staff. He is also a member of the ComfortDelGro's Management Risk Committee and has appointed a Risk Lead to work closely with the ComfortDelGro's Group Risk Management to ensure alignment and that the Risk Management Framework is diligently implemented. Key risks for the Group are identified and presented to the Audit and Risk Committee and the Board annually.

The Group RSC meetings serve as the platform where Group and BU-level risks are shared and discussed, including the progress of the respective risk treatment action plans and the key risk indicators. Different BUs will have different risk profiles but the risk assessment methodology, approach and processes are aligned with that of the Group, including the risk taxonomy. BUs are expected to continually refine and review their risk profiles and to detect and report any emerging risks promptly. This is to prevent unexpected risks and disruptions to our business operations and growth.

#### **GROUP RISK PROFILE**

The key risks faced by the Group, the relevant mitigating factors and how they are managed are set out in the paragraphs below. The risks are categorised along Operational, Financial, Compliance and Information Technology risks.

#### **OPERATIONAL RISKS**

##### **SAFETY RISK**

The safety of our customers and employees have always been our top priority. To achieve assurance, we regularly update and revisit our safety policies and procedures. We apply zero tolerance to non-compliance on these policies. We also carry out risk assessment and safety inspection on our premises and conduct fire drills as part of our prevention measures.

The COVID-19 pandemic necessitates that the Group and its BUs introduce and enforce Safe Management Measures, including the enhanced cleaning of our facilities and workplaces. Less our frontline staff, the Group actively enables other staff to work from home. Given the resurgent waves of infection in various

parts of the world, the Group will continue to monitor the situation, adhere strictly to the stipulated Safe Management Measures, and ensure that we do not fall prey to COVID-19 fatigue.

##### **COMPETITION RISK**

Competition remains keen in the Testing, Inspection and Certification (TIC) industry, as evident by the 426 accredited laboratories, 128 accredited Inspection Bodies and 165 accredited Certification Bodies. To remain relevant, the Group and our BUs will have to improve our offerings and services, and also enhance efficiency and productivity through digitalization and automation. We must also leverage on partnerships and collaborations to enhance our value propositions.

##### **ECONOMIC CYCLE**

Changes in economic conditions may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring the economic climate and its impact across industries. We also monitor demand trends, cost structures, and operating margins closely. Expenses are managed in the light of revenue patterns and changing market conditions. Where possible, revenue risks are mitigated by diversifying revenue streams and reduce dependency on a specific industrial sector.

##### **OPERATIONAL PERFORMANCE RISK**

The Group and its BUs have established the requisite frameworks, standard operating procedures and Business Continuity Plans (BCPs) to ensure operational effectiveness and enable compliance and control of our various business operations and services. The BCPs are to mitigate the risks of disruption and catastrophic loss to our operations, people, information databases and other assets. Such risks can arise from adverse natural events like flooding, fires, or from pandemic outbreaks. The BCPs include identification and planning of alternate recovery centres, operational procedures to maintain communication, measures to ensure continuity of critical business functions, protection of our employees and customers, and recovery of information databases. We update and test the BCPs regularly. Drills and emergency response exercises are conducted to familiarise employees with the various incident management plans. The BCPs

# RISK MANAGEMENT

enhance the Group's operational readiness and resilience to potential business disruptions.

The Group also seeks to adopt the best practices in industry, harmonise and streamline our processes, and attain 3<sup>rd</sup> party accreditation and certification from the Singapore Accreditation Council (SAC) as an attestation to our technical competency and professionalism. Besides this, the Group works closely with the various regulatory bodies to keep abreast of the latest regulatory requirements and for compliance. Ensuring high standards and operational excellence will enable us to deliver the desired outcomes and mitigate the risk of operating licences, certifications and accreditations being revoked.

## PEOPLE RISK

The Group's ability to develop and grow the business depends on the quality of its people, and it is committed to invest in developing its talent pool. We believe in developing a strong workforce by putting in place various programmes and processes. These include talent management, building management bench strength, succession planning, performance management, compensation and benefits, training and development, and employee conduct and supervision. We ensure that our employees are selected and promoted based on merit, and that they understand their responsibilities and are given access to the necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. We work with the Authorities and the Unions to ensure that our people are fairly recognised, remunerated and taken care of. Over the Covid-19 period, the Group took decision to provide accommodation for stranded foreign staff in Singapore when neighbouring borders were closed. This ensured the continuity of critical services and the livelihoods of these staff.

## PROPERTY AND LIABILITY

The Group's exposure to property damage, business interruption and other liability risks is constantly monitored and reviewed with ComfortDelGro's wholly owned insurance broking subsidiary. We ensure sufficiency of insurance coverage and maintain an optimal balance between risks that are internally and risks that are placed out with underwriters.

## FINANCIAL RISKS

### BUDGETARY CONTROL

A robust and comprehensive Annual Budget is prepared and approved by the Board prior to the commencement of each financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis. The capital expenditure budget is approved in-principle by the Board as part of the Annual Budget. Each capital expenditure is subjected to rigorous justification and review before it is incurred in accordance with the Group's financial authority limits. Specific approvals must be sought for unbudgeted expenditures. Tight control on manpower is exercised through the headcount budget.

### FINANCIAL MANAGEMENT RISK

The Group upholds the highest integrity in financial statement disclosure. Financial Authority Limits are put in place for capital expenditure, operating expenses, treasury matters, direct investments, revenue tender participation, and disposal and write-off of assets. These authority limits are delegated based on the organizational hierarchy from the Board down to the Group CEO and the Heads of BUs/ Departments, with the Board retaining the ultimate authority.

### FRAUD RISK

The Group recognizes that fraud risk not only negatively impact our financial results, but also our reputation. As such, a robust internal control environment, with both prevention and detection control are embedded into our finance & business processes, including check and balance with no single approval for all transactions. We also frequently conduct external and internal audit reviews to identify potential gaps within our organisation. Beyond controls, the Group also promotes an ethical culture and educates our staff to identify and report possible fraudulent act committed both internally and externally.

## COMPLIANCE RISKS

### COMPLIANCE & REGULATORY RISK

The Group is committed to ensure that all BUs comply with the laws and regulations in the country they operate in. These laws and regulations include, but not limited to, labour, taxation and environmental

laws. As part of the risk management process, we maintain a compliance framework to monitor closely for any changes in the laws and regulations. Any changes are disseminated and updated in the respective compliance registers. We proactively engaged the regulatory authorities for any updated policies. As and where necessary, our BUs will also provide feedback on proposed regulatory changes during industry or public consultation exercises.

#### INFORMATION TECHNOLOGY RISKS

##### CYBERSECURITY RISK

Cybersecurity remains a key risk for the Group, given the trend of increasing cyber-attacks globally, and that our digital footprint has grown with increased digitalisation. The Covid-19 pandemic added a new dimension to cybersecurity as more employees are now working from home. Coupled with the ever-evolving digital terrain, it is pertinent that the Group put in-place a comprehensive and robust security framework, with regular reviews to ensure continuing relevance in face of changing threats.

The Group's information technology security management framework complies with the latest industry standards. We have put in place various controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and cyber threats. Penetration tests are carried out regularly to test the systems, identify potential vulnerabilities and to strengthen the security hardening of our websites. Information security policies and procedures, including education and training for all staff, are reviewed and enhanced regularly.

##### DATA CONFIDENTIALITY RISK

As a data custodian for our employees' and customers' personal data, the Group has implemented various policies, practices and controls to protect the confidentiality of these data. We regularly review our means of collecting, managing, safekeeping, sharing and disposal of such data to ensure compliance with the personal

data protection regulations. The Group and the BUs also evaluate and update our data inventory map bi-annually. Data Protection Officers and other organisational representatives involved in the management of personal data are also sent for training to ensure that they are equipped with the required competencies.

The Group has attained the Data Protection Trust Mark (DPTM) from the Info-Comm and Media Development Authority (IMDA) as a testament on the adequacy and effectiveness of its policies, internal processes and procedures in preventing personal data breach.

##### AUDIT PROCESS

The internal audit function of the Group is performed by ComfortDelGro's group internal audit division. The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. A risk-based approach has been adopted in developing the annual audit plan, and in identifying the auditable areas of each entity. In the course of their audits, the Internal and External Auditors will highlight to the Management and the Audit and Risk Committee the areas where there are material deficiencies, non-compliance, weaknesses or where there are occurrences or potential occurrence of significant risk events. The auditors will also propose mitigating measures and treatment plans. The recommendations are followed up as part of the Group's continuous review of its system of internal controls, and the implementation status is reported to the Audit and Risk Committee.

The ComfortDelGro's Internal Audit is independent of the activities it audits, and has unfettered access to the ARC, the Board and the Management. In line with best practices, ComfortDelGro's Internal Audit has a Quality Assurance Programme that covers all aspects of its audit activities and conforms to international standards of auditing. External quality assessment reviews are carried out at least once every five years and the last review was conducted in 2017 by PwC.

## RISK MANAGEMENT

### RISK CULTURE

The Group believes in setting a robust risk management culture by ensuring good awareness, attitudes and behaviour towards risk management. We aim for continuous improvements

by aligning ourselves with best practices and lessons learnt. The diagram below best describes the processes that the Group advocates in order to sustain continuous improvement in our risk management.



### CODE OF BUSINESS CONDUCT

The Group has adopted a Code of Business Conduct that sets out the principles and policies upon which businesses are conducted. The Code of Business Conduct includes the anti-corruption and anti-bribery policies that stress on zero tolerance on fraud, improper use of monetary favors, gifts or entertainment. In addition, employees should not put themselves in a position of conflict of interest with the Group. If there is a potential conflict of interest, employees should declare to their immediate supervisors and recuse themselves from the decision process.

### WHISTLE BLOWING POLICY

The Whistle Blowing Policy is to provide a mechanism for employees to raise concerns, through well-defined and accessible confidential disclosure channels about possible improprieties in financial reporting or other improper business conduct. Employees are given a Company Handbook detailing how they can go about raising their concerns. Incidents can also be reported via a direct Intranet link to the Chairperson of the Audit and Risk Committee and/or the ComfortDelGro's Group Chief Internal Audit Officer. All cases are investigated and dealt with promptly and thoroughly.

# FINANCIAL CALENDAR

---

## 2019

Announcement of 2018 Full Year Results	11 February 2019
Annual General Meeting	24 April 2019
Announcement of 1st Quarter 2019 Results	10 May 2019
Payment of 2018 Final Dividend (23.17 cents/share)	10 May 2019
Payment of 2018 Special Dividend (8.62 cents/share)	10 May 2019
Announcement of 2nd Quarter 2019 Results	7 August 2019
Payment of 2019 interim dividend (14.11 cents/share)	26 August 2019
Announcement of 3rd Quarter 2019 Results	11 November 2019

---

## 2020

Announcement of 2019 Full Year Results	12 February 2020
Annual General Meeting	20 May 2020
Payment of 2019 Final Dividend (24.29 cents/share)	5 June 2020
Announcement of 2020 Half Year Results	12 August 2020

---

## 2021

Announcement of 2020 Full Year Results	8 February 2021
Annual General Meeting	28 April 2021
Payment of 2020 Final Dividend (6.22 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	18 May 2021
Announcement of 2021 Half Year Results	11 August 2021*

\* Provisional – Updates will be posted on [www.vicom.com.sg](http://www.vicom.com.sg)

# CONTENTS

99	Directors' Statement
103	Independent Auditor's Report
107	Statements of Financial Position
108	Group Income Statement
109	Group Comprehensive Income Statement
110	Statements of Changes in Equity
112	Group Cash Flow Statement
113	Notes to the Financial Statements

# DIRECTORS' STATEMENT

The Directors of VICOM Ltd (the "Company") and its subsidiaries (the "Group") present their statement together with the audited Consolidated Financial Statements of the Group for the financial year ended 31 December 2020 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2020.

In the opinion of the Directors, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company as set out on pages 107 to 149 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1 DIRECTORS

The Directors of the Company in office at the date of this statement are:

Lim Jit Poh	(Chairman)
Yang Ban Seng	(Deputy Chairman)
Sim Wing Yew	(Chief Executive Officer)
Shim Phiau Wui, Victor	(Lead Independent Director)
Goh Yeow Tin	
June Seah Lee Kiang	
Soh Chung Hian, Daniel	
Tan Kim Siew	
Tan Poh Hong	
Wong Yoke Woon	(Appointed on 21 May 2020)

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options as stipulated in paragraph 3 of the Directors' Statement.

# DIRECTORS' STATEMENT

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, except as follows:

	Shareholdings registered in name of Directors		
	At 1 January 2020	At 31 December 2020	At 21 January 2021

### Interest in the Company

(a)	Ordinary shares			
	Lim Jit Poh	190,000	760,000*	760,000
	Sim Wing Yew	10,000	40,000*	40,000
	Shim Phiau Wui, Victor (Deemed Interest)	6,000	24,000*	24,000

\* Increase in shares due to share split of every one ordinary share in the capital of the Company into four ordinary shares with effect from 12 June 2020.

### Interest in related company, SBS Transit Ltd

(a)	Ordinary shares			
	Sim Wing Yew	70,000	70,000	70,000

### Interest in holding company, ComfortDelGro Corporation Limited

(a)	Ordinary shares			
	Lim Jit Poh	244,425	244,425	244,425
	Yang Ban Seng	7,168	7,168	7,168
	Yang Ban Seng (Deemed Interest)	18,185	18,185	18,185
	Sim Wing Yew	450,000	457,500	457,500
	Shim Phiau Wui, Victor (Deemed Interest)	19,000	19,000	19,000
(b)	Options to subscribe for ordinary shares			
	Yang Ban Seng	660,000	330,000	330,000

(c) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme ("ESAS")

	Number of unvested share held by Directors	
	At 1 January 2020	At 31 December 2020
Yang Ban Seng	100,000	225,000
Sim Wing Yew	30,000	52,500

#### **4 OPTIONS TO TAKE UP UNISSUED SHARES**

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

#### **5 OPTIONS EXERCISED**

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

#### **6 UNISSUED SHARES UNDER OPTION**

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

#### **7 AUDIT AND RISK COMMITTEE**

At the date of this report, the Audit and Risk Committee comprises five independent non-executive Directors:

Soh Chung Hian, Daniel (Chairman)  
Goh Yeow Tin  
Shim Phiau Wui, Victor  
Tan Poh Hong  
Wong Yoke Woon

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50 and the Code of Corporate Governance 2018.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors four times during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Deloitte & Touche LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

The Audit and Risk Committee has full access to and has the co-operation of the Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

In addition, the Audit and Risk Committee has reviewed the Financial Statements of the Group and of the Company before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

The Audit and Risk Committee has recommended to the Board of Directors, the nomination of Deloitte & Touche LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

# DIRECTORS' STATEMENT

## 8 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

**Lim Jit Poh**  
Chairman

**Sim Wing Yew**  
Chief Executive Officer

Singapore  
8 February 2021

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VICOM LTD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the Financial Statements of VICOM Ltd (the "Company") and its subsidiaries (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2020, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 107 to 149.

In our opinion, the accompanying Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Financial Statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### Allowance for expected credit losses for trade receivables (Note 6)

The Group makes allowances for expected credit losses based on an assessment of the recoverability of trade receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation as disclosed in Note 3 to the Financial Statements.

Our audit procedures included critically challenging Management's assessment of the allowance for expected credit losses. We have evaluated the design and implementation of key controls over the allowance for expected credit losses; assessed Management's assumptions about risk of default and expected credit loss rate; and assessed movement in the allowance for expected credit losses, write-off and recoveries of receivables. We found Management's key assumptions to be reasonable.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VICOM LTD

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair Financial Statements and to maintain accountability of assets.

In preparing the Financial Statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF VICOM LTD**

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tsia Chee Wah.

### **DELOITTE & TOUCHE LLP**

Public Accountants and  
Chartered Accountants  
Singapore

8 February 2021

# STATEMENTS OF FINANCIAL POSITION

## 31 DECEMBER 2020

		The Group		The Company	
	Note	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	93,196	92,851	89,384	88,973
Trade receivables	6	10,505	16,181	2,083	2,244
Other receivables and prepayments	7	1,764	1,827	431	1,168
Inventories		2	21	–	–
Total current assets		105,467	110,880	91,898	92,385
<b>Non-current assets</b>					
Subsidiaries	8	–	–	25,941	25,941
Associate	9	25	25	–	–
Club memberships	10	–	–	–	–
Financial assets at fair value through other comprehensive income	11	1,327	1,349	1,327	1,349
Vehicles, premises and equipment	12	89,754	81,465	36,589	39,020
Goodwill	13	11,325	11,325	–	–
Total non-current assets		102,431	94,164	63,857	66,310
<b>Total assets</b>		<b>207,898</b>	<b>205,044</b>	<b>155,755</b>	<b>158,695</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables	14	24,375	24,180	7,500	7,465
Due to subsidiaries	15	–	–	49,988	46,624
Provision for relocation costs	16	6,973	6,589	–	–
Lease liabilities	17	1,092	1,210	587	566
Income tax payable		6,773	6,923	4,415	3,762
Total current liabilities		39,213	38,902	62,490	58,417
<b>Non-current liabilities</b>					
Deferred tax liabilities	18	1,542	1,548	63	193
Lease liabilities	17	31,691	32,304	24,896	25,476
Total non-current liabilities		33,233	33,852	24,959	25,669
<b>Total liabilities</b>		<b>72,446</b>	<b>72,754</b>	<b>87,449</b>	<b>84,086</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	19	36,284	36,284	36,284	36,284
Other reserves	20	3,043	3,065	3,043	3,065
Foreign currency translation reserve		(16)	(1)	–	–
Accumulated profits		94,940	91,977	28,979	35,260
Equity attributable to shareholders of the Company		134,251	131,325	68,306	74,609
Non-controlling interests		1,201	965	–	–
Total equity		135,452	132,290	68,306	74,609
<b>Total liabilities and equity</b>		<b>207,898</b>	<b>205,044</b>	<b>155,755</b>	<b>158,695</b>

See accompanying notes to the Financial Statements.

# GROUP INCOME STATEMENT

## YEAR ENDED 31 DECEMBER 2020

		The Group	
	Note	2020 \$'000	2019 \$'000
<b>Revenue</b>	21	86,452	103,703
Staff costs	22	(35,784)	(46,667)
Depreciation and amortisation	10, 12	(7,334)	(7,412)
Contract services		(2,405)	(3,448)
Materials and consumables		(2,074)	(2,506)
Premises costs		(1,684)	(1,805)
Repairs and maintenance costs		(1,625)	(1,694)
Utilities and communication costs		(1,242)	(1,642)
Other operating costs		(4,977)	(4,337)
Total operating costs		(57,125)	(69,511)
<b>Operating profit</b>		29,327	34,192
Finance costs	23	(899)	(918)
Interest income		948	1,657
<b>Profit before taxation</b>		29,376	34,931
Taxation	24	(4,400)	(6,052)
<b>Profit after taxation</b>	25	24,976	28,879
Attributable to:			
Shareholders of the Company		24,494	28,412
Non-controlling interests		482	467
		24,976	28,879
Earnings per share (in cents):			
Basic – post share split	26	6.91	8.01
Diluted – post share split	26	6.91	8.01

See accompanying notes to the Financial Statements.

# GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2020

	Note	The Group	
		2020 \$'000	2019 \$'000
<b>Profit after taxation</b>		24,976	28,879
<b>Items that may be reclassified subsequently to Profit or Loss</b>			
Exchange differences arising on translation of foreign operations		(15)	(22)
<b>Items that will not be reclassified subsequently to Profit or Loss</b>			
Fair value adjustment on equity investments	20	(22)	(8)
<b>Other comprehensive income for the year</b>		(37)	(30)
<b>Total comprehensive income for the year</b>		24,939	28,849
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		24,457	28,382
Non-controlling interests		482	467
		24,939	28,849

See accompanying notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	The Group						
	Attributable to shareholders of the Company						
	Share capital \$'000	Other reserves \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Balance at 1 January 2019</b>	36,284	3,073	21	104,252	143,630	929	144,559
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	28,412	28,412	467	28,879
Other comprehensive income for the year	–	(8)	(22)	–	(30)	–	(30)
<b>Total</b>	–	(8)	(22)	28,412	28,382	467	28,849
<b>Transactions recognised directly in equity</b>							
Payment of dividends (Note 31)	–	–	–	(40,687)	(40,687)	–	(40,687)
<b>Total</b>	–	–	–	(40,687)	(40,687)	–	(40,687)
Payments to non-controlling interests	–	–	–	–	–	(431)	(431)
<b>Balance at 31 December 2019</b>	36,284	3,065	(1)	91,977	131,325	965	132,290
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	24,494	24,494	482	24,976
Other comprehensive income for the year	–	(22)	(15)	–	(37)	–	(37)
<b>Total</b>	–	(22)	(15)	24,494	24,457	482	24,939
<b>Transactions recognised directly in equity</b>							
Payment of dividends (Note 31)	–	–	–	(21,531)	(21,531)	–	(21,531)
<b>Total</b>	–	–	–	(21,531)	(21,531)	–	(21,531)
Payments to non-controlling interests	–	–	–	–	–	(246)	(246)
<b>Balance at 31 December 2020</b>	36,284	3,043	(16)	94,940	134,251	1,201	135,452

See accompanying notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	The Company			
	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Balance at 1 January 2019</b>	36,284	3,073	53,196	92,553
<b>Total comprehensive income for the year</b>				
Profit for the year	–	–	22,751	22,751
Other comprehensive income for the year	–	(8)	–	(8)
Total	–	(8)	22,751	22,743
<b>Transactions recognised directly in equity</b>				
Payment of dividends (Note 31)	–	–	(40,687)	(40,687)
Total	–	–	(40,687)	(40,687)
<b>Balance at 31 December 2019</b>	36,284	3,065	35,260	74,609
<b>Total comprehensive income for the year</b>				
Profit for the year	–	–	15,250	15,250
Other comprehensive income for the year	–	(22)	–	(22)
Total	–	(22)	15,250	15,228
<b>Transactions recognised directly in equity</b>				
Payment of dividends (Note 31)	–	–	(21,531)	(21,531)
Total	–	–	(21,531)	(21,531)
<b>Balance at 31 December 2020</b>	36,284	3,043	28,979	68,306

See accompanying notes to the Financial Statements.

# GROUP CASH FLOW STATEMENT

## YEAR ENDED 31 DECEMBER 2020

	2020 \$'000	2019 \$'000
<b>Operating activities</b>		
Profit before taxation	29,376	34,931
Adjustments for:		
Depreciation of vehicles, premises and equipment and amortisation of club memberships	7,334	7,412
Interest expense	899	918
Interest income	(948)	(1,657)
(Gain) Loss on disposal of vehicles, premises and equipment	(30)	2
Allowance for expected credit losses	856	435
Operating cash flows before movements in working capital	37,487	42,041
Trade receivables	4,820	241
Other receivables and prepayments	(733)	(190)
Inventories	19	7
Trade and other payables	579	912
Cash generated from operations	42,172	43,011
Interest paid	(899)	(918)
Income tax paid	(4,556)	(6,132)
Net cash from operating activities	36,717	35,961
<b>Investing activities</b>		
Purchase of vehicles, premises and equipment	(15,001)	(5,372)
Interest received	1,744	1,658
Proceeds from disposal of vehicles, premises and equipment	37	82
Purchase of unquoted equity instruments held at fair value through other comprehensive income	–	(1,357)
Net cash used in investing activities	(13,220)	(4,989)
<b>Financing activities</b>		
Payments to non-controlling interests	(246)	(431)
Repayments of lease liabilities	(1,358)	(1,081)
Dividends paid (Note 31)	(21,531)	(40,687)
Net cash used in financing activities	(23,135)	(42,199)
<b>Net effect of foreign exchange rates in consolidating subsidiaries</b>	(17)	(19)
Net increase (decrease) in cash and cash equivalents	345	(11,246)
Cash and cash equivalents at beginning of year	92,851	104,097
<b>Cash and cash equivalents at end of year (Note 5)</b>	<b>93,196</b>	<b>92,851</b>

See accompanying notes to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 1 GENERAL

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.

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, as described in Note 8.

The Financial Statements are expressed in Singapore dollars and all values are expressed in thousand (\$'000) except when otherwise indicated.

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2020 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2020 were authorised for issue by the Board of Directors on 8 February 2021.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** – The Financial Statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(1) 1-36 *Impairment of Assets*.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**ADOPTION OF NEW AND REVISED FINANCIAL STANDARDS** – On 1 January 2020, the Group and the Company adopted all the new and revised SFRS(I)s pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I)s pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

#### **Impact of the initial application of COVID-19-Related Rent Concessions amendment to SFRS(I) 16**

In May 2020, the Accounting Standard Council Singapore issued COVID-19-Related Rent Concessions (Amendment to SFRS(I) 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change was not a lease modification. The amendment is effective for annual periods beginning on or after 1 June 2020, with early application permitted.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due in on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to SFRS(I) 16 in advance of its effective date.

#### *Impact of accounting for changes in lease payments applying the exemption*

The Group has applied the practical expedient to all rent concessions that meet the conditions in SFRS(I) 16:46B during the year, and has not restated prior period figures.

**NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED** – The Group has not applied the following accounting standards that are relevant to the Group and have been issued as at the end of the reporting period but not yet effective:

- Amendments to SFRS(I) 3 *Reference to the Conceptual Framework* <sup>(1)</sup>
- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use* <sup>(1)</sup>
- Amendments to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract* <sup>(1)</sup>
- Annual improvements to SFRS(I) 2018-2020 <sup>(1)</sup>
- Amendments to SFRS(I) 1 *Classification of Liabilities as Current or Non-current* <sup>(2)</sup>

(1) Applies to annual periods beginning on or after 1 January 2022.

(2) Applies to annual periods beginning on or after 1 January 2023.

Management anticipates that the adoption of the above SFRS(I) pronouncements in future periods will not have a material impact on the Financial Statements of the Group in the period of their initial adoption.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**BASIS OF CONSOLIDATION** – The Consolidated Financial Statements incorporate the Financial Statements of the Group and entities controlled by the Group and its subsidiaries. Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group Income Statement and Group Comprehensive Income Statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with those consistently by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Statement of Financial Position of the Company, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

**BUSINESS COMBINATIONS** – The acquisition of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group to the former owners of the acquiree in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date except for deferred tax assets or liabilities which are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes*. Acquisition-related costs are recognised in Profit or Loss as incurred.

The interest of the non-controlling shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### BUSINESS COMBINATIONS (CONT'D)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

**FINANCIAL INSTRUMENTS** – Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or Loss are recognised immediately in Profit or Loss.

#### Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through Profit or Loss ("FVTPL").

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### FINANCIAL INSTRUMENTS (CONT'D)

#### Financial assets (cont'd)

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in Other Comprehensive Income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through Other Comprehensive Income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

#### Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the Investment Revaluation Reserve. The cumulative gain or loss will not be reclassified to Profit or Loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### FINANCIAL INSTRUMENTS (CONT'D)

##### Financial assets (cont'd)

The Group has designated its investment in equity instruments, which comprises of an unquoted equity security and is not held for trading, as at FVTOCI on initial application of SFRS(I) 9 *Financial Instruments* (see Note 11).

Dividends on this investment in equity instruments is recognised in Profit or Loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

##### Impairment of financial assets

The Group applies the simplified approach permitted by SFRS(I) 9 for trade receivables. The expected credit losses ("ECL") on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as current and forecast general economic conditions at the reporting date. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant. The internal credit rating of these financial assets are categorised as "Doubtful". The basis for recognition of ECL for financial assets with significant increase in credit risk since initial recognition is lifetime ECL – not credit impaired.

A default on a financial asset is when the counterparty fails to make contractual payments within a specific period after the credit period granted. The internal credit rating of these financial assets are categorised as "Non-performing". The basis for recognition of ECL for financial assets with evidence indicating credit-impaired is lifetime ECL – credit impaired.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include taking into consideration observable data about the significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Where receivables have been written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in Profit or Loss.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### FINANCIAL INSTRUMENTS (CONT'D)

#### Financial assets (cont'd)

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Profit or Loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is not reclassified to Profit or Loss, but is transferred to Retained Earnings.

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Profit or Loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### LEASES

##### The Group as lessor

The Group enters into lease agreements as a lessor with respect to its leasehold buildings.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

##### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The Group determines its incremental borrowing rate based on the quotes from reputable banks in accordance to the type of asset, tenure and country where the assets are situated.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### LEASES (CONT'D)

The lease liability is presented as a separate line in the Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within vehicles, premises and equipment in the Statements of Financial Position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating costs' in the Group Income Statement.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**INVENTORIES** – Inventories, comprise of spare parts for the testing services equipment, are stated at cost. Cost comprises cost of purchase and those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method.

**CLUB MEMBERSHIPS** – Club memberships acquired are recorded at cost less accumulated amortisation and any accumulated impairment losses.

**VEHICLES, PREMISES AND EQUIPMENT** – Vehicles, premises and equipment are stated at cost or valuation, less accumulated depreciation and any provision for impairment.

Capital projects in progress comprising development and construction costs incurred during the period of construction are carried at cost, less any recognised provision for impairment. Depreciation on these assets, on the same basis as other vehicles, premises and equipment, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of the assets, other than capital projects in progress, over their estimated useful lives, using the straight-line method, on the following bases:

	Number of years
Leasehold land and buildings	Over the remaining lease period
Furniture, fittings and equipment	5 to 7
Workshop machinery, tools and equipment	
• General workshop machinery, tools and equipment	3 to 10
• Specialised inspection and testing equipment	20
Motor vehicles	5 to 10
Computers and automated equipment	3 to 5

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

On disposal of an item of vehicles, premises and equipment, the difference between the sale proceeds and its carrying amount is recognised in Profit or Loss.

Fully depreciated vehicles, premises and equipment still in use are retained in the Financial Statements.

**ASSOCIATES** – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the Profit or Loss and Other Comprehensive Income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### ASSOCIATES (CONT'D)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in Profit or Loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

**GOODWILL** – Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognised immediately in Profit or Loss.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any provision for impairment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the provision for impairment is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. A provision for impairment recognised for goodwill is not reversed in a subsequent period.

On divestment of a subsidiary, the attributable amount of goodwill is included in the determination of the Profit or Loss on divestment.

**IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL** – At the end of each reporting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. A provision for impairment is recognised immediately in Profit or Loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL (CONT'D)

Where provision for impairment subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no provision for impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of provision for impairment is recognised immediately in Profit or Loss.

**PROVISIONS** – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

**DEFERRED INCOME** – Deferred income arises from advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

**SERVICE BENEFITS** – These comprise the following:

- (i) Retirement Benefits – The Company and some of the subsidiaries participate in defined contribution retirement benefit plan (Central Provident Fund for Singapore-incorporated subsidiaries and Employees Provident Fund for Malaysia-incorporated subsidiary). Payments made to the plan are charged as an expense as they fall due.
- (ii) Employee Leave Entitlement – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

**GOVERNMENT GRANTS** – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grant will be received.

Government grants are recognised in Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Statement of Financial Position and transferred to Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Profit or Loss in the period in which they become receivable.

**REVENUE RECOGNITION** – The Group recognises revenue from the following major sources:

- Vehicle inspection services; and
- Testing and inspection testing.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer or when services are rendered.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### REVENUE RECOGNITION (CONT'D)

#### Vehicle inspection services

Revenue from vehicle inspection services is recognised at a point in time upon completion of the inspection services.

#### Testing services

Revenue from testing services for aerospace, marine and offshore, biotechnology, oil and petrochemical, building construction and electronics manufacturing industries is recognised at a point in time upon completion of the final test report.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

#### Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.

**INCOME TAX** – Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### INCOME TAX (CONT'D)

Current and deferred tax are recognised as an expense or income in Profit or Loss, except when they relate to items credited or debited outside Profit or Loss (either in Other Comprehensive Income or directly in equity), in which case the tax is also recognised outside Profit or Loss (either in Other Comprehensive Income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** – The individual Financial Statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting year, monetary items denominated in foreign currencies are translated at rates prevailing at the end of each reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in Profit or Loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Profit or Loss for the period except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in Other Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other Comprehensive Income.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulate in the Group's currency translation reserve. Such translation differences are recognised in Profit or Loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in Other Comprehensive Income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of a foreign operation and translated at the closing rate.

**CASH AND CASH EQUIVALENTS IN THE GROUP CASH FLOW STATEMENT** – Cash and cash equivalents in the Group Cash Flow Statement comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in Note 2, 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 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, 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 13.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows for the following 4 years based on an estimated growth rates of approximately 1.5% (2019 : 1.0%).

The discount rate applied to the forecast is 4.62% (2019 : 4.70%).

As at 31 December 2020 and 31 December 2019, any reasonably possible changes to the key assumptions applied are not likely to cause the recoverable amount to be below the carrying amount of the CGU.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

#### 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. The carrying amount of trade receivables is disclosed in Note 6.

### 4 HOLDING COMPANY AND RELATED COMPANY/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 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	
	2020	2019
	\$'000	\$'000
Inspection and testing services charged to related companies	(1,980)	(2,036)
Refuelling outlet (variable rental) income charged to related company	(228)	(284)
Rental income charged to related companies	(260)	(420)
Assessment fee charged to related companies	(172)	(259)
Other fees charged to related companies	(55)	(74)
Corporate service charges paid to holding company	539	492
Other charges paid to holding company	91	88
Other charges paid to related companies	269	200
Lease expense paid to related companies	178	189

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.

## 5 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	3,905	3,539	904	448
Fixed deposits with financial institutions	89,291	89,312	88,480	88,525
Total	93,196	92,851	89,384	88,973

Fixed deposits are placed on a staggered basis based on the Group's cash flow projections, bore interest at effective interest rates of between 0.25% to 0.92% (2019 : 1.68% to 2.14%) per annum and for a weighted average tenure of approximately 165 days (2019 : 275 days). These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## 6 TRADE RECEIVABLES

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Outside parties	13,302	18,174	345	739
Allowance for expected credit losses	(2,852)	(2,128)	(72)	(152)
Allowance for discount allowed	(270)	(318)	—	—
Net	10,180	15,728	273	587
Holding company (Note 4)	—	3	—	—
Subsidiaries (Note 4)	—	—	1,726	1,504
Related companies (Note 4)	325	450	84	153
Total	10,505	16,181	2,083	2,244

The average credit period on sale of goods and provision of services is 30 days (2019 : 30 days).

Before accepting any new corporate customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

An allowance has been made for estimated irrecoverable amounts from the provision of services to outside parties of the Group of \$2,852,000 (2019 : \$2,128,000) and of the Company of \$72,000 (2019 : \$152,000). This allowance which has been determined by reference to past default experience and expected credit losses, ranging from 2% to 6.2% (2019 : 2% to 4.5%) for receivable that are current to more than 180 days past due. The expected credit losses incorporate forward looking estimates. In calculating the expected credit loss rates, the Group and the Company considers historical loss rates for each category of customers and adjust for forward-looking macroeconomic data.

Approximately 58% (2019 : 63%) of the Group's trade receivables are neither past due nor impaired. Included in the Group's trade receivable balance are debtors with a carrying amount of \$2,728,000 (2019 : \$4,700,000) which are past due at the reporting date for which the Group has not provided an allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. On the average, these trade receivables are past due for 52 days (2019 : 52 days).

Approximately 94% (2019 : 91%) of the Company's trade receivables are neither past due nor impaired. Included in the Company's trade receivable balance are debtors with a carrying amount of \$52,000 (2019 : \$67,000) which are past due at the reporting date for which the Company has not provided an allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances. On the average, these trade receivables are past due for 32 days (2019 : 38 days).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 6 TRADE RECEIVABLES (CONT'D)

#### Movements in allowance for expected credit losses:

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	2,128	1,814	152	110
Amounts written off during the year	(132)	(121)		–
Increase (Decrease) in allowance recognised in Profit or Loss	856	435	(80)	42
Balance at end of the year	2,852	2,128	72	152

The Group's and Company's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Denominated in:				
Malaysian ringgit	–	2	–	–
Great Britain pound	–	1	–	–
United States dollar	72	166	–	–

As at 31 December 2020, included in the gross carrying amounts of the trade receivables and allowance of the Group and the Company are credit impaired financial assets amounting to \$2,640,000 (2019 : \$1,823,000) and \$67,000 (2019 : \$146,000) respectively.

During the year, the credit impaired financial assets of the Group and the Company written off amounted to \$132,000 (2019 : \$121,000) and \$Nil (2019 : \$Nil) respectively; and the allowance recognised in Profit or Loss amounted to \$858,000 (2019 : \$427,000) and reversal of \$80,000 (2019 : allowance recognised in Profit or Loss of \$42,000) respectively.

During the year, the gross carrying amounts of trade receivables of the Group and the Company transferred from lifetime expected credit losses to credit impaired financial assets amounted to \$91,000 (2019 : \$34,000) and \$1,000 (2019 : \$1,000) respectively.

### 7 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Other receivables	570	484	133	130
Interest receivable	64	860	58	824
Deposits	141	133	6	10
Prepayments	263	350	159	204
Grant receivable	726	–	75	–
Total	1,764	1,827	431	1,168

## 7 OTHER RECEIVABLES AND PREPAYMENTS (CONT'D)

The Group's and Company's other receivables and interest receivable are due from outside parties and these receivables are current. The Group and Company has not recognised any allowance as the Management assessed the credit risk to be low.

Grant receivable relates to the amounts granted to the Group and the Company under the COVID-19 Government Relief Measures, mainly the Jobs Support Scheme ("JSS") initiative by the Singapore Government. The initiative is intended to defray certain manpower costs.

## 8 SUBSIDIARIES

	The Company	
	2020 \$'000	2019 \$'000
Unquoted equity shares, at cost	25,941	25,941

Details of subsidiaries are as follows:

Name of entity	Principal activity	Country of incorporation/ operation	Company's effective interest		Cost of investment	
			2020 %	2019 %	2020 \$'000	2019 \$'000
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	100	100	4,160	4,160
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	78	78	5,663	5,663
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	100	100	16,118	16,118
<u>Subsidiaries of Setsco Services Pte Ltd</u>						
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	100	100	—	—
Setsco Services (M) Sdn Bhd <sup>(1)</sup>	Provision of testing, inspection and consultancy services	Malaysia	100	100	—	—
SETS Services DMCC <sup>(2)</sup>	Building inspection services	United Arab Emirates	100	100	—	—
					25,941	25,941

All the companies are audited by Deloitte & Touche LLP, Singapore, except for as indicated below:

- (1) Audited by WT Ng & Co, Malaysia.
- (2) Audited by Ethics Plus Public Accountants, United Arab Emirates.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 8 SUBSIDIARIES (CONT'D)

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations. In accordance to Rule 716, the Audit and Risk Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for Setsco Services (M) Sdn Bhd and SETS Services DMCC would not compromise the standard and effectiveness of the audit of the Group.

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2020	2019
Provision of vehicle inspection services	Singapore	1	1
Provision of testing inspection and consultancy services	Singapore	1	1
Provision of professional inspection and engineering services	Singapore	1	1
Provision of testing inspection and consultancy services	Malaysia	1	1
Building inspection services	United Arab Emirates	1	1
		5	5

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2020	2019
Vehicle inspection and other related services	Singapore	1	1

## 9 ASSOCIATE

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Unquoted equity shares, at cost	50	50	–	–
Less: Share of post- acquisition reserves	(25)	(25)	–	–
Net	25	25	–	–

a) Details of the associate is as follows:

Associate of Setsco Consultancy International Pte Ltd		Country of incorporation/ operations	Group's effective interest		Cost of investment	
Principal activity			2020 %	2019 %	2020 \$'000	2019 \$'000
Setsco Middle East Laboratory LLC	Provision of testing, inspection, training, certification and consultancy services	Abu Dhabi, United Arab Emirates/ Dormant	49	49	50	50

The associate was set up on 30 November 2010 and has been dormant since 2012. The accounts have not been audited and is insignificant to the Group.

b) Summarised financial information in respect of the Group's associate is set out below:

	2020 \$'000	2019 \$'000
Total assets	80	80
Total liabilities	(29)	(29)
Net assets	51	51
Group's share of associate's net assets	25	25
Loss for the year	–	–
Group's share of associate's loss for the year	–	–

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 10 CLUB MEMBERSHIPS

	The Group and The Company	
	2020	2019
	\$'000	\$'000
Cost:		
At beginning and end of year	451	451
Accumulated amortisation:		
At beginning of year	315	160
Amortisation for the year	–	155
At end of the year	315	315
Accumulated impairment:		
At beginning and end of year	136	136
Carrying amount at end of year	–	–

### 11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	The Group and The Company	
	2020	2019
	\$'000	\$'000
Investment in equity instrument designated as at FVTOCI		
Unquoted equity shares	1,327	1,349

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.

## 12 VEHICLES, PREMISES AND EQUIPMENT

		The Group		The Company	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
(a)	Vehicles, premises and equipment owned	56,298	46,874	10,119	11,505
(b)	Right-of-use assets classified within vehicles, premises and equipment	33,456	34,591	26,470	27,515
Total		89,754	81,465	36,589	39,020

### (a) Vehicles, premises and equipment owned

	Leasehold buildings \$'000	Leasehold land \$'000	Furniture, fittings and equipment \$'000	Workshop machinery, tools and equipment \$'000	Motor vehicles \$'000	Computers and automated equipment \$'000	Capital projects in progress \$'000	Total \$'000
<b>Group</b>								
Cost:								
At 1 January 2019	65,460	14,813	1,416	40,472	3,544	2,200	–	127,905
Amount reclassified as right-of-use assets	–	(14,813)	–	–	–	–	–	(14,813)
Additions	164	–	89	2,548	1,219	130	1,222	5,372
Disposals	(2)	–	(10)	(229)	(668)	(62)	–	(971)
Exchange differences	(3)	–	–	(2)	(1)	–	–	(6)
At 31 December 2019	65,619	–	1,495	42,789	4,094	2,268	1,222	117,487
Additions	48	–	123	1,706	38	232	12,854	15,001
Disposals	–	–	(31)	(964)	–	(59)	–	(1,054)
Exchange differences	2	–	–	2	1	–	–	5
At 31 December 2020	65,669	–	1,587	43,533	4,133	2,441	14,076	131,439
Accumulated depreciation:								
At 1 January 2019	29,214	5,818	1,104	32,131	2,158	1,391	–	71,816
Amount reclassified as right-of-use assets	–	(5,818)	–	–	–	–	–	(5,818)
Depreciation	2,150	–	124	2,584	317	330	–	5,505
Disposals	(1)	–	(10)	(222)	(593)	(61)	–	(887)
Exchange differences	–	–	–	(2)	(1)	–	–	(3)
At 31 December 2019	31,363	–	1,218	34,491	1,881	1,660	–	70,613
Depreciation	2,131	–	114	2,669	330	328	–	5,572
Disposals	–	–	(31)	(957)	–	(59)	–	(1,047)
Exchange differences	–	–	–	2	1	–	–	3
At 31 December 2020	33,494	–	1,301	36,205	2,212	1,929	–	75,141
Carrying amounts:								
At 31 December 2020	32,175	–	286	7,328	1,921	512	14,076	56,298
At 31 December 2019	34,256	–	277	8,298	2,213	608	1,222	46,874

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 12 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

	Leasehold buildings \$'000	Leasehold land \$'000	Furniture, fittings and equipment \$'000	Workshop machinery, tools and equipment \$'000	Motor vehicles \$'000	Computers and automated equipment \$'000	Total \$'000
<b>Company</b>							
Cost:							
At 1 January 2019	38,931	14,813	348	2,508	231	565	57,396
Amount reclassified as right-of-use assets	–	(14,813)	–	–	–	–	(14,813)
Additions	58	–	18	29	–	40	145
Disposals	(2)	–	(5)	(7)	–	(16)	(30)
At 31 December 2019	38,987	–	361	2,530	231	589	42,698
Additions	47	–	41	2	–	41	131
Disposals	–	–	(13)	–	–	(2)	(15)
At 31 December 2020	39,034	–	389	2,532	231	628	42,814
Accumulated depreciation:							
At 1 January 2019	27,762	5,818	257	1,219	128	327	35,511
Amount reclassified as right-of-use assets	–	(5,818)	–	–	–	–	(5,818)
Depreciation	1,209	–	34	144	11	131	1,529
Disposals	(1)	–	(5)	(7)	–	(16)	(29)
At 31 December 2019	28,970	–	286	1,356	139	442	31,193
Depreciation	1,218	–	36	133	12	117	1,516
Disposals	–	–	(12)	–	–	(2)	(14)
At 31 December 2020	30,188	–	310	1,489	151	557	32,695
Carrying amounts:							
At 31 December 2020	8,846	–	79	1,043	80	71	10,119
At 31 December 2019	10,017	–	75	1,174	92	147	11,505

## **12 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)**

Details of the Company's and the Group's leasehold land and buildings are as follows:

<b>Held by</b>	<b>Group's effective interest</b>	<b>Location</b>	<b>Approximate land area</b>	<b>Tenure</b>	<b>Usage</b>
The Company	100%	No. 385 Sin Ming Drive Singapore 575718	10,852.6 sq metre	30 years from January 2011 20 years unexpired	Inspection and assessment services.
The Company	100%	No. 23 Kaki Bukit Avenue 4 Singapore 415933	9,796.9 sq metre	30 years from January 1997 with option to renew another 30 years 6 years unexpired	Inspection and assessment services.
The Company	100%	No. 511 Bukit Batok Street 23 Singapore 659545	9,625.0 sq metre	30 years from October 1995 with option to renew another 30 years 4 years 9 months unexpired	Inspection, testing and assessment services.
The Company	100%	No. 20 Changi North Crescent Singapore 499613	6,015.0 sq metre	30 years from May 1995 4 years 4 months unexpired	Inspection services.
The Company	100%	No. 501 Yishun Industrial Park A Singapore 768732	5,190.3 sq metre	60 years from July 1983 22 years 6 months unexpired	Inspection services.
The Company	100%	No. 501 Yishun Industrial Park A Singapore 768732	1,104.9 sq metre	30 years from July 2013 22 years 6 months unexpired	Inspection services.
Setsco Services Pte Ltd	100%	No. 531 Bukit Batok Street 23 Singapore 659547	7,554.5 sq metre	7 years from October 2018 with option to renew another 30 years 4 years 9 months unexpired	Testing, inspection and consultancy services.
Setsco Services (M) Sdn Bhd	100%	31 Jln Industri Mas 12 Taman Mas 47100 Puchong Selangor Darul Ehsan West Malaysia	791.5 sq metre	99 years from December 2009 87 years 11 months unexpired	Testing, inspection and consultancy services.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 12 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
JIC Inspection Services Pte Ltd	78%	No. 53 Pioneer Road Singapore 628505	9,190.0 sq metre	30 years from December 1994 3 years 11 months unexpired	Inspection services.
JIC Inspection Services Pte Ltd	78%	No. 15 Ang Mo Kio Street 63 Singapore 569117	2,145.0 sq metre	3 years from March 2020, 2 years 2 months unexpired	Inspection services.

(b) Right-of-use assets classified within vehicles, premises and equipment

The Group and Company lease several land and buildings. The average lease term is 25 years (2019 : 29 years), where the Group and Company make periodic lease payments, which are used for its day to day operations.

	Land \$'000	Buildings \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>				
Cost:				
At 1 January 2019	42,898	1,082	–	43,980
Amount reclassified from vehicles, premises and equipment owned	14,813	–	–	14,813
Adjustment	(10)	–	–	(10)
At 31 December 2019	57,701	1,082	–	58,783
Additions	–	–	106	106
Lease modifications	–	521	–	521
At 31 December 2020	57,701	1,603	106	59,410
Accumulated depreciation:				
At 1 January 2019	16,294	328	–	16,622
Amount reclassified from vehicles, premises and equipment owned	5,818	–	–	5,818
Depreciation for the year	1,318	434	–	1,752
At 31 December 2019	23,430	762	–	24,192
Depreciation for the year	1,319	431	12	1,762
At 31 December 2020	24,749	1,193	12	25,954
Carrying amount:				
At 31 December 2020	32,952	410	94	33,456
At 31 December 2019	34,271	320	–	34,591

## 12 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

	Land \$'000	Building \$'000	Total \$'000
<b>Company</b>			
Cost:			
At 1 January 2019	33,677	19	33,696
Amount reclassified from vehicles, premises and equipment owned	14,813	–	14,813
Adjustment	(10)	–	(10)
At 31 December 2019	48,480	19	48,499
Lease modification	–	13	13
At 31 December 2020	48,480	32	48,512
Accumulated depreciation:			
At 1 January 2019	14,095	12	14,107
Amount reclassified from vehicles, premises and equipment owned	5,818	–	5,818
Depreciation for the year	1,053	6	1,059
At 31 December 2019	20,966	18	20,984
Depreciation for the year	1,051	7	1,058
At 31 December 2020	22,017	25	22,042
Carrying amount:			
At 31 December 2020	26,463	7	26,470
At 31 December 2019	27,514	1	27,515

## 13 GOODWILL

	The Group	
	2020 \$'000	2019 \$'000
Carrying amount:		
At beginning and end of year	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:

	The Group	
	2020 \$'000	2019 \$'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.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 14 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Outside parties	3,907	3,613	1,849	2,181
Holding company (Note 4)	467	409	301	118
Related companies (Note 4)	96	87	3	2
Accruals	14,416	16,567	4,197	4,178
Deferred income	1,569	1,212	137	152
Deposits received from customers	1,096	1,025	475	616
Deferred grant income	1,232	–	123	–
Others	1,592	1,267	415	218
Total	24,375	24,180	7,500	7,465

The average credit period on purchases of goods and services is 30 days (2019 : 30 days).

Deferred grant income relates to the amounts granted to the Group and the Company under the COVID-19 Government Relief Measures, mainly the JSS initiative by the Singapore Government. The initiative is intended to defray certain manpower costs.

### 15 DUE TO SUBSIDIARIES

Included in the payable to subsidiaries is an amount of \$47,874,000 (2019 : \$44,746,000) pertaining to funds held under central pooling which is unsecured and repayable on demand. Non-wholly-owned subsidiaries receive interest at the rate of 0.25% to 0.65% (2019 : 1.68% to 1.99%) per annum.

### 16 PROVISION FOR RELOCATION COSTS

This pertains to estimated cost, including moving cost and calibration cost of equipment, in relation to the relocation package offered by JTC Corporation and deferred until the relocation to the new premise which is expected to take place in 2021 (2019: 2020). The relocation has been delayed to 2021 due to COVID-19.

## 17 LEASE LIABILITIES

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Maturity analysis:				
Within one year	1,963	2,099	1,269	1,263
In the second to fifth year inclusive	6,706	6,715	4,972	5,048
After five years	40,858	42,323	32,515	33,700
	49,527	51,137	38,756	40,011
Less: Future finance charges	(16,744)	(17,623)	(13,273)	(13,969)
Total	32,783	33,514	25,483	26,042
Analysed as:				
Current	1,092	1,210	587	566
Non-current	31,691	32,304	24,896	25,476
Total	32,783	33,514	25,483	26,042

The Group does not face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

## 18 DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group and Company, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation \$'000	Provisions \$'000	Total \$'000
<b>Group</b>			
At 1 January 2019	1,599	62	1,661
Credit to Profit or Loss for the year (Note 24)	(77)	(36)	(113)
At 31 December 2019	1,522	26	1,548
Charge (Credit) to Profit or Loss for the year (Note 24)	81	(87)	(6)
At 31 December 2020	1,603	(61)	1,542
<b>Company</b>			
At 1 January 2019	399	(155)	244
Credit to Profit or Loss for the year	(22)	(29)	(51)
At 31 December 2019	377	(184)	193
Credit to Profit or Loss for the year	(23)	(107)	(130)
At 31 December 2020	354	(291)	63

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 19 SHARE CAPITAL

	The Group and the Company			
	2020 Number of ordinary shares	2019	2020 \$'000	2019 \$'000
Issued and paid up:				
At 1 January	88,642,000	88,642,000	36,284	36,284
Issuance of new shares arising from share split	265,926,000	–	–	–
At 31 December	354,568,000	88,642,000	36,284	36,284

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

On 12 June 2020, the Company completed and effected the share split of every one (1) existing ordinary share in the capital of the Company held by shareholders of the Company into four (4) ordinary shares ("Share Split").

### 20 OTHER RESERVES

	The Group and the Company		
	Revaluation reserve \$'000	Capital reserve \$'000	Total \$'000
Balance at 1 January 2019	–	3,073	3,073
Revaluation changes during the year in other comprehensive income	(8)	–	(8)
Balance at 31 December 2019	(8)	3,073	3,065
Revaluation changes during the year in other comprehensive income	(22)	–	(22)
Balance at 31 December 2020	(30)	3,073	3,043

### 21 REVENUE

	The Group	
	2020 \$'000	2019 \$'000
Inspection and testing services	81,797	98,798
Rental income	2,549	2,940
Others	2,106	1,965
	86,452	103,703

Majority of the revenue is derived from Singapore.

## 22 STAFF COSTS

Included in the staff costs are as follows:

- a) The remuneration of the Directors (executive and non-executive) and key executives comprises mainly of short term benefits amounting to \$2,570,000 (2019 : \$2,794,000).

	The Group	
	2020 \$'000	2019 \$'000
Cost of defined contribution plans (included in staff costs)	3,607	3,779
Government grant income (included in staff costs)	(7,861)	(245)

The employees of the Company and some of the subsidiaries are members of defined contribution retirement schemes. The Company and these subsidiaries are required to contribute a specified percentage of their payroll costs to the retirement schemes to fund the benefits. The only obligation of the Company and these subsidiaries with respect to the schemes is to make the specified contributions.

In 2020, the Group received wage support for local employees under the JSS from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Government grant income is recognised in Profit or Loss on a systemic basis over the period impacted by COVID-19 in which the related salary costs for which the grant is intended to compensate is recognised as expenses. The period impacted by COVID-19 has been determined to be 17 months commencing from April 2020. Government grant income related to JSS of \$5,641,000 was recognised during the year.

## 23 FINANCE COSTS

	The Group	
	2020 \$'000	2019 \$'000
Interest on lease liabilities	899	918

## 24 TAXATION

	The Group	
	2020 \$'000	2019 \$'000
Taxation charge in respect of profit for the financial year:		
Current taxation		
Singapore	4,786	6,552
Foreign	9	49
Deferred tax (Note 18)	(210)	(129)
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(389)	(436)
Deferred tax (Note 18)	204	16
	4,400	6,052

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 24 TAXATION (CONT'D)

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2019 : 17%) to profit before taxation as a result of the following differences:

	The Group	
	2020	2019
	\$'000	\$'000
Profit before taxation	29,376	34,931
Taxation at the domestic income tax rate of 17% (2019 : 17%)	4,994	5,938
Non-(taxable) allowable items	(343)	598
Tax-exempt income	(70)	(76)
Overprovision in prior years (net)	(185)	(420)
Effect of different tax rates of subsidiary operating in other jurisdiction	4	12
	4,400	6,052

### 25 PROFIT AFTER TAXATION

In addition to the charges and (credits) disclosed elsewhere in the notes to the Group Income Statement, this item includes the following charges (credits):

	The Group	
	2020	2019
	\$'000	\$'000
Directors' fees	492	525
Foreign currency exchange adjustment (gain) loss	(60)	21
(Gain) Loss on disposal of vehicles, premises and equipment	(30)	2
Allowance for expected credit losses	856	435
Cost of inventories recognised as expense	4	2
Government grant (COVID-19 related)	7,717	–
Audit fees:		
Auditors of the Company	61	64
Other auditors	2	4
Non-audit fees:		
Auditors of the Company	24	22
Other auditors	1	1

Excluding the Government grant (COVID-19 related) of \$7,717,000 (2019 : \$Nil), the Group would have recorded Operating Profit of \$21,610,000 (2019 : \$34,192,000).

## **26 EARNINGS PER SHARE**

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>2020</b>	<b>2019</b>
Profit attributable to shareholders of the Company (\$'000)	24,494	28,412
Weighted average number of ordinary shares in issue (thousands)	354,568	354,568
Basic earnings per share (in cents)	6.91	8.01

The weighted average number of ordinary shares for 31 December 2019 have been adjusted for the increase in the number of ordinary shares resulting from the Share Split on 12 June 2020.

Fully diluted earnings per share is the same as the basic earnings per share as there is no dilutive shares outstanding at the end of financial year ended 31 December 2020 and 31 December 2019.

## **27 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.

## **28 CAPITAL EXPENDITURE COMMITMENTS**

The Group has the following capital commitments contracted but not provided for in the Financial Statements:

	<b>The Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Purchase of vehicles, premises and equipment	15,443	28,285

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 29 OPERATING LEASE ARRANGEMENTS

#### The Group as lessee

At 31 December 2020, the Group is committed to \$190,000 (2019 : \$193,000) for short-term leases.

#### The Group as lessor

*Disclosure required by SFRS(I) 16*

Operating leases, in which the Group is the lessor, relate to lettable space in Singapore owned by the Group with lease terms of between 1 to 4 years, with no extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to property which is located in a location with a constant increase in value over the last 14 years. The Group did not identify any indications that this situation will change.

Maturity analysis of operating lease payments:

	2020 \$'000	2019 \$'000
Within one year	1,214	2,315
In the second to fifth year inclusive	1,335	656
Total	2,549	2,971

### 30 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

#### (a) Categories of financial instruments

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Financial Assets</b>				
Amortised cost	105,202	110,509	91,739	92,181
Financial assets at FVTOCI	1,327	1,349	1,327	1,349
<b>Financial Liabilities</b>				
Amortised cost	20,478	21,943	56,753	53,321
Lease liabilities	32,783	33,514	25,483	26,042

### 30 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives*

The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

Foreign exchange risk management

The Group operates predominantly in Singapore and therefore is not exposed to any material foreign currency exchange risk.

Interest rate risk management

The Group's exposure to interest rate risks relate primarily to its fixed deposit placements with financial institutions. The Group's policy is to obtain the most favourable interest rate available without exposing itself to any unnecessary risk. Interest rate risk is managed by placing deposits on varying maturities and terms. Based on the current interest rate level, any future variations in interest rates are not expected to have significant impact on the Group's results.

Credit risk management

The Group has policies in place to ensure that customers are of adequate financial standing and have appropriate credit history. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk.

Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements.

Liquidity risk management

The Group regularly reviews its liquidity position comprising free cash flows from its operations and credit facilities with banks. It ensures that there are sufficient credit lines available to support its liquidity needs.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2020

### 30 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

Fair values of financial assets and financial liabilities

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 17.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- inputs for the asset or liability that are not based on observable market data (Level 3).

*Fair value hierarchy*

The table below analyses financial instruments by the levels in the fair value hierarchy based on inputs to valuation techniques.

	Level 3	
	The Group and The Company	
	2020	2019
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	1,327	1,349

The fair value of the investment is based on the net value of the investment provided by an independent third party. Any significant isolated 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.

Equity price risk management

Equity price risk relates to price risk which exists due to changes in market prices that will affect the Group's income or the value of its holdings in investment. The objective of the Group's investment risk management is to manage and control the price risk exposures within acceptable parameters, while optimising the return on risk.

The Company is exposed to equity price risk changes arising from its investment in an unquoted equity instrument.

*Equity price sensitivity*

A 10% increase in the equity price of the underlying investment in the unquoted equity instrument at the reporting date would increase the fair value reserve for the year by \$133,000 (2019 : \$135,000).

A 10% decrease in the equity price of the underlying investment in the unquoted equity instrument would have an equal but opposite effect on the fair value reserve.

This analysis assumes that all other variables remain constant.

### 30 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholder value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt.

No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 2019.

### 31 DIVIDENDS

(a) During the financial year, the Company paid dividends as follows:

	2020 \$'000	2019 \$'000
Tax-exempt one-tier final dividend in respect of the previous financial year: – 6.07 cents (2019 : 5.79 cents) per ordinary share	21,531	20,538
Tax-exempt one-tier special dividend in respect of the previous financial year: – nil cents (2019 : 2.16 cents) per ordinary share	–	7,641
Tax- exempt one-tier interim dividend in respect of the current financial year: – nil cents (2019 : 3.53 cents) per ordinary share	–	12,508
<b>Total</b>	<b>21,531</b>	<b>40,687</b>

The dividends per ordinary share for 31 December 2019 have been adjusted for the increase in number of ordinary shares resulting from Share Split on 12 June 2020.

(b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier first and final dividend of 6.22 cents per ordinary share totalling \$22,054,000 be paid for the financial year ended 31 December 2020. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

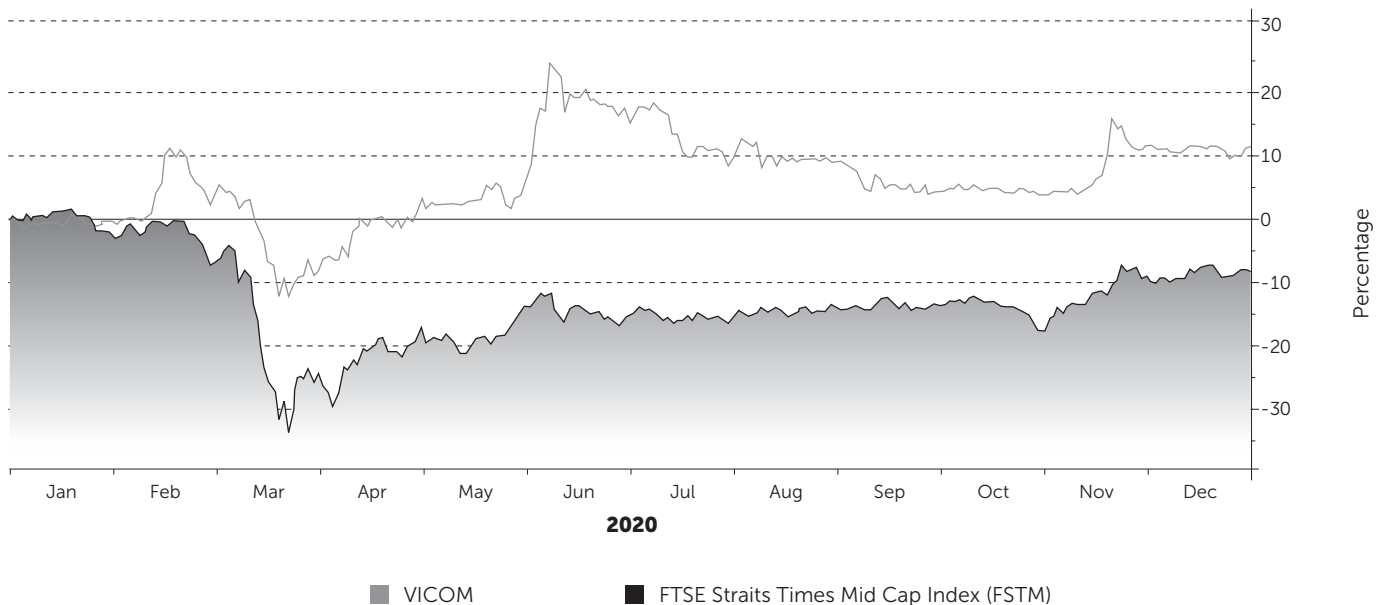
During the financial year, no interim dividend was declared (2019 : 3.53 cents per ordinary share). A first and final dividend of 6.22 cents per ordinary share has been proposed for the financial year ended 31 December 2020. Total distributions paid in respect of the financial year ended 31 December 2019 was 9.60 cents per ordinary share.

# SHARE PRICE MOVEMENT CHART

## VICOM'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



## COMPARISON OF PERFORMANCE OF VICOM'S SHARE PRICE AND FTSE STRAITS TIMES MID CAP INDEX (FSTM)



Source: Bloomberg Finance L.P.

# SHAREHOLDING STATISTICS

## AS AT 1 MARCH 2021

### SHAREHOLDING STATISTICS AS AT 1 MARCH 2021

ISSUED AND FULLY-PAID CAPITAL : S\$36,284,000  
 NUMBER OF SHARES ISSUED : 354,568,000  
 CLASS OF SHARES : Ordinary Shares  
 VOTING RIGHTS : One vote per ordinary share  
 The Company does not hold any Treasury Shares and Subsidiary Holdings.

### DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 1 MARCH 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1-99	4	0.07	148	0.00
100-1,000	902	16.40	600,126	0.17
1,001 – 10,000	3,571	64.90	15,627,996	4.41
10,001 – 1,000,000	1,008	18.32	51,768,422	14.60
1,000,001 & ABOVE	17	0.31	286,571,308	80.82
<b>TOTAL:</b>	<b>5,502</b>	<b>100.00</b>	<b>354,568,000</b>	<b>100.00</b>

### LIST OF TWENTY (20) LARGEST SHAREHOLDERS

(As recorded in the Depository Register as at 1 March 2021)

	NAME OF SHAREHOLDER	NO. OF SHARES	% <sup>(1)</sup>
1	COMFORTDELGRO CORPORATION LIMITED	237,760,000	67.06
2	DBS NOMINEES PTE LTD	13,239,251	3.73
3	RAFFLES NOMINEES (PTE) LIMITED	8,235,949	2.32
4	CHU CHEE LEONG	3,768,000	1.06
5	SZE THIAM SIONG	3,088,000	0.87
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,810,200	0.79
7	OCBC NOMINEES SINGAPORE PTE LTD	2,132,776	0.60
8	MRS HELEN ONG YONG KHEE NEE TANG HELEN @ HELEN TAN SIOK WAN	2,128,000	0.60
9	QUAH SIEW KWEE	2,006,000	0.57
10	CITIBANK NOMINEES SINGAPORE PTE LTD	1,733,032	0.49
11	QUAH SIEW ENG EILEEN	1,665,000	0.47
12	EUNICE QUAH SIEW THYE	1,505,000	0.42
13	HSBC (SINGAPORE) NOMINEES PTE LTD	1,456,100	0.41
14	LOW LAN ENG	1,312,000	0.37
15	TAN KENG SOON HOMER	1,312,000	0.37
16	TAN KUANGXU	1,228,000	0.35
17	PANG CHEOW JOW	1,192,000	0.34
18	PHILLIP SECURITIES PTE LTD	988,866	0.28
19	TAN SIAK HUAN	912,000	0.26
20	IFAST FINANCIAL PTE LTD	830,400	0.23
<b>TOTAL:</b>		<b>289,302,574</b>	<b>81.59</b>

#### Note:

(1) The percentage is calculated based on 354,568,000 issued shares of the Company as at 1 March 2021.

# SHAREHOLDING STATISTICS

## AS AT 1 MARCH 2021

### SUBSTANTIAL SHAREHOLDERS

(As recorded in the Depository Register as at 1 March 2021)

SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	% <sup>(1)</sup>	NO. OF SHARES	% <sup>(1)</sup>
COMFORTDELGRO CORPORATION LIMITED	237,760,000	67.06	–	–

**Note:**

(1) The percentage is calculated based on 354,568,000 issued shares of the Company as at 1 March 2021.

### COMPLIANCE WITH RULE 723 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") LISTING MANUAL

Based on information available and to the best knowledge of the Company as at 1 March 2021, approximately 31.84% of the ordinary shares of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

# NOTICE OF ANNUAL GENERAL MEETING

## VICOM LTD

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 198100320K)

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting (the “**AGM**”) of VICOM Ltd (the “**Company**”) will be held on Wednesday, 28 April 2021 at 10.00 a.m. via electronic means and at:

## AUDITORIUM

**COMFORTDELGRO HEADQUARTERS**

**205 BRADDELL ROAD**

**SINGAPORE 579701**

The AGM is for the purpose of transacting the following business:

## ORDINARY BUSINESS:

To consider and, if thought fit, to pass the following Resolutions

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the Financial Year ended 31 December 2020 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 6.22 cents per ordinary share in respect of the Financial Year ended 31 December 2020. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$454,841 for the Financial Year ended 31 December 2020. (FY2019: \$479,552) **(Resolution 3)**
4. To re-elect Mr Lim Jit Poh, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution.  
[Please refer to Explanatory Note (a)] **(Resolution 4)**
5. To re-elect Mr Sim Wing Yew, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution. **(Resolution 5)**
6. To re-elect Mr Goh Yeow Tin as a director on the following terms: **(Resolution 6)**
  - Mr Goh is an Independent Non-Executive Director who is retiring pursuant to Regulation 98(b) of the Company’s Constitution and, being eligible, has offered himself up for re-election. He will cease to be designated as independent as of 1 January 2022 in accordance with Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will come into effect on 1 January 2022), unless both Resolution 6 and 7 are passed.
  - If both Resolution 6 and Resolution 7 are passed, Mr Goh shall continue to be designated as an Independent Non-Executive Director from 1 January 2022 and for the duration specified in Resolution 7.
  - If only Resolution 6 is passed but Resolution 7 is not passed, Mr Goh shall continue to be designated as an Independent Non-Executive Director up to and including 31 December 2021 and shall thereafter be re-designated as a Non-Independent Non-Executive Director as of and from 1 January 2022.

[Please refer to Explanatory Note (b)]

# NOTICE OF ANNUAL GENERAL MEETING

7. Subject to and contingent upon Resolution 6 being passed, pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will come into effect on 1 January 2022), to re-elect Mr Goh Yeow Tin as an Independent Non-Executive Director on the following terms: **(Resolution 7)**
- If passed, this Resolution shall remain in force until Mr Goh's retirement or resignation as director, or the conclusion of the annual general meeting of the Company in 2024, whichever is the earliest.
  - For the purposes of this Resolution, the Directors and the Chief Executive Officer of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST): (i) shall abstain from voting; and (ii) must not accept appointment as proxies unless specific instructions as to voting are given. Any votes cast by such persons in contravention of the foregoing shall be disregarded for the purposes of determining if this Resolution has been passed in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.  
[Please refer to Explanatory Note (b)]
8. To re-elect Mr Soh Chung Hian, Daniel, a Director retiring pursuant to Regulation 98(b) of the Company's Constitution. **(Resolution 8)**  
[Please refer to Explanatory Note (c)]
9. To re-elect Ms Wong Yoke Woon, a Director retiring pursuant to Regulation 99 of the Company's Constitution. **(Resolution 9)**  
[Please refer to Explanatory Note (d)]
10. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their Remuneration. **(Resolution 10)**

## RECORD AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 6 May 2021, at 5 p.m. for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 6.22 cents per ordinary share for the Financial Year ended 31 December 2020.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8, Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 6 May 2021 will be registered to determine Shareholders' entitlements to the final dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 6 May 2021 will be entitled for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Fortieth Annual General Meeting of the Company, will be paid on 18 May 2021.

## BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr  
Joint Company Secretary

Singapore  
24 March 2021

## NOTES:

### General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative arrangements for Meetings for Companies, Variable Capital Companies, Business Trust, Unit Trust and Debenture Holders) Order 2020 (the “**Order**”), the Company is permitted to hold physical meetings with strict adherence to safe management measures. The AGM will be held both physically at 205 Braddell Road, Singapore 579701 and by way of electronic means.
2. Alternative arrangements relating to attendance at the AGM, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM are set out in this Notice of AGM. This Notice of AGM may also be accessed at the Company’s website at **www.vicom.com.sg** and will also be made available on SGXNET.

### Pre-registration

1. To minimise physical interactions and COVID-19 transmission risk, the number of shareholders allowed to attend the AGM in person will be kept at 25. Shareholders who wish to attend the AGM in person or virtually via webcast should pre-register at **www.conveneagm.sg/VICOM\_AGM2021** by **10.00 am on Sunday, 25 April 2021** to enable the Company to verify their status as shareholders.
2. Following the verification, confirmed shareholders will receive an email by **Monday, 26 April 2021**, notifying if they will be able to attend the AGM in person, or virtually using the account credentials created during pre-registration. Please do not disclose your login details to any other persons who are not entitled to attend the AGM. Your presence via the live webcast shall be taken as attendance at the AGM.
3. Shareholders who hold their shares through relevant intermediaries, including CPF and SRS investors, who wish to participate in the AGM via the live webcast should approach their respective relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

### Submission of questions

1. Shareholders who wish to ask questions relating to the resolutions to be tabled for approval at the AGM must do so in advance via signing in to the pre-registration site. Alternatively, shareholders may email their questions in advance to **IR@comfortdelgro.com**, together with their full name and NRIC/FIN/Company Registration Number, whichever is applicable.
2. All questions must be submitted by **10.00 am on Sunday, 25 April 2021**.

### Voting

1. Shareholders (whether individual or corporate), either attending in person or via live webcast, must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.
2. Where a shareholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

# NOTICE OF ANNUAL GENERAL MEETING

3. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF or SRS approved nominees to submit their votes not less than 7 working days before the AGM by **10.00 am on Monday, 19 April 2021.**
4. The proxy form for the AGM may be accessed at the Company's website at **[www.vicom.com.sg/agm2021proxyform](http://www.vicom.com.sg/agm2021proxyform)**, and on SGXNET. The electronic proxy form is also available on the Company's AGM pre-registration site, **[www.conveneagm.sg/VICOM\\_AGM2021](http://www.conveneagm.sg/VICOM_AGM2021)**.
5. The proxy form must be submitted in the following manner:
  - a. If submit by post, be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
  - b. If submitted by electronic mail, be sent to **[agm2021@vicom.com.sg](mailto:agm2021@vicom.com.sg)**; or
  - c. If submitted electronically, be lodged at the Company's AGM pre-registration site, **[www.conveneagm.sg/VICOM\\_AGM2021](http://www.conveneagm.sg/VICOM_AGM2021)**.

in either case, by **10.00 am on Sunday, 25 April 2021**
6. The instrument appointing the Chairman of the meeting as proxy must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Shareholders will not be able to vote through the live webcast and can only vote via their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

## **Annual Report and other documents**

The Annual Report for the financial year ended 31 December 2020 has been uploaded on SGXNET on 24 March 2021 and may be accessed via SGXNET and also the Company's website at **[www.vicom.com.sg](http://www.vicom.com.sg)**.

## **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any actions, proceedings, penalties, liabilities, claims, demands, costs, expenses, losses and damages suffered or incurred by the Company as a result of the member's breach of warranty.

## EXPLANATORY NOTES:

### ORDINARY BUSINESS:

- (a) Ordinary Resolution 4. Mr Lim Jit Poh<sup>(1)</sup> will, upon re-election as a Director of the Company, continue to serve as Chairman of the Board and a member of the Remuneration Committee and the Nominating Committee. Mr Lim will be considered as a Non-Independent and Non-Executive Director of the Company.
- (b) Ordinary Resolution 6 and Ordinary Resolution 7 relate to Mr Goh Yeow Tin's<sup>(1)</sup> re-election as a director of the Company and his continued designation as an Independent Non-Executive Director. As of 1 January 2022, Mr Goh would have been a Director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on such date pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will come into effect on 1 January 2022), unless Resolution 6 and Resolution 7 are both passed.

If Resolution 6 and Resolution 7 are both passed, Mr Goh will continue to be designated as an Independent Non-Executive Director of the Company for the duration specified in Resolution 7.

If only Resolution 6 is passed but Resolution 7 is not passed, Mr Goh shall continue to be designated as an Independent Non-Executive Director of the Company up to and including 31 December 2021, and shall thereafter be re-designated as a Non-Independent Non-Executive Director as of and from 1 January 2022.

If Resolution 6 is not passed, Resolution 7 will not be put to the vote at the Annual General Meeting in the interest of efficiency.

The Nominating Committee and the Board have determined that Mr Goh Yeow Tin has remained objective and independent in Board deliberations. His vast experience enables him to provide the Board and the various Board Committees on which he has been serving, with pertinent experience and competence to facilitate sound decision making. His length of service does not in any way interfere with his exercise of independent judgement nor hinder his ability to act in the best interest of the Company. The Board is of the view that Mr Goh is able to continue to discharge his duties independently with integrity and competence.

- (c) Ordinary Resolution 8. Mr Soh Chung Hian, Daniel<sup>(1)</sup> will, upon re-election as a director of the Company, continue to serve as Chairman of the Audit and Risk Committee and a member of the Nominating Committee. Mr Soh will be considered as an Independent Non-Executive Director of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (d) Ordinary Resolution 9. Ms Wong Yoke Woon<sup>(1)</sup> will, upon re-election as a director of the Company, continue to serve as a member of the Audit and Risk Committee and the Remuneration Committee. Ms Wong will be considered an Independent Non-Executive Director of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

(1) Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled "Board of Directors", "Directors' Particulars" and "Additional Information on Directors Seeking Re-election" in the 2020 Annual Report of the Company.

**As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate at short notice up to the day of the AGM.**

**Shareholders are advised to closely monitor announcements made by the Company on SGXNET.**

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr Lim Jit Poh, Mr Sim Wing Yew, Mr Goh Yeow Tin, Mr Soh Chung Hian, Daniel and Ms Wong Yoke Woon, all of whom are seeking re-election as Directors of the Company at the 40<sup>th</sup> Annual General Meeting to be held on 28 April 2021, is to be read in conjunction with their respective biographies on pages 45 to 49.

	<b>LIM JIT POH</b> <b>Chairman</b> <b>(Non-Independent Non-Executive Director)</b>	<b>SIM WING YEW</b> <b>Chief Executive Officer</b> <b>(Non-Independent Executive Director)</b>
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment	As a founding Director, Mr Lim has deep institutional knowledge and business experience with the Group. His leadership will continue to enhance board deliberations and set direction for growth.	Mr Sim, who is the Chief Executive Officer (CEO) of VICOM Ltd since 2012, has the requisite experience, qualification and capability to continue to contribute positively as the CEO and Executive Director and set direction for growth.
Working experience and occupations(s) during the past 10 years	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>1. ComfortDelGro Corporation Limited* – Chairman</li> <li>2. SBS Transit Ltd* – Chairman</li> <li>3. VICOM Ltd* – Chairman</li> <li>4. Mr Lim's principal directorships of ComfortDelGro Group can be found under the section entitled "Directors' Particulars" in 2020 Annual Report on page 86.</li> </ol> <p>Directorship of other unlisted companies:</p> <ol style="list-style-type: none"> <li>1. Family Leisure Pte Ltd</li> <li>2. NCI Golf Pte Ltd</li> <li>3. Pasir Ris Resort Pte Ltd</li> <li>4. Orchid Leisure Enterprises (Pte) Ltd</li> <li>5. Surbana Property Investment Pte Ltd</li> <li>6. CapitaLand Township Development Fund Pte Ltd</li> <li>7. CapitaLand Township Development Fund II Pte Ltd</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>1. ComfortDelGro Corporation Limited*</li> <li>2. SBS Transit Ltd*</li> <li>3. VICOM Ltd*</li> </ol> <p><b><u>Past 10 years Directorships and Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>1. Ascott Residence Trust Management Ltd* (till 2016)</li> <li>2. China Printing &amp; Dyeing Holding Limited* (till 2012)</li> <li>3. Maybank Kim Eng Holdings Limited (till 2013)</li> </ol>	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>1. VICOM Ltd*</li> <li>2. VICOM Inspection Centre Pte Ltd</li> <li>3. Setsco Services Pte Ltd</li> <li>4. JIC Inspection Services Pte Ltd</li> <li>5. Setsco Consultancy International Pte Ltd</li> <li>6. Setsco Services (M) Sdn Bhd</li> <li>7. Setsco Middle East Laboratory LLC</li> <li>8. ComfortDelGro Engineering Pte Ltd</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>1. VICOM Ltd*</li> </ol> <p><b><u>Past 10 years Directorships and Principal Commitments:</u></b></p> <p>NIL</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct Interest:</p> <p>ComfortDelGro Corporation Limited* – 244,425 ordinary shares</p> <p>VICOM Ltd* – 760,000 ordinary shares</p>	<p>Direct Interest:</p> <p>ComfortDelGro Corporation Limited* – 457,500 ordinary shares</p> <p>Share Options:</p> <p>CDG ESAS – 52,500 (Unvested)</p> <p>SBS Transit Ltd* – 70,000 ordinary shares</p> <p>VICOM Ltd* – 40,000 ordinary shares</p>

\* Listed Company

<b>GOH YEOW TIN</b> (Independent Non-Executive Director)	<b>SOH CHUNG HIAN, DANIEL</b> (Independent Non-Executive Director)	<b>WONG YOKE WOON</b> (Independent Non-Executive Director)
Singapore	Singapore	Singapore
Mr Goh has vast experience in business management and deep knowledge of the Group which will continue to enhance board deliberations and contribute towards the core competencies of the Board.	Mr Soh's extensive experience in audit and accounting will continue to complement the Board's decision-making process.	Ms Wong's extensive experience in supporting the labour movement including facilitating strategic growth programmes to help workers and companies develop better relations will be an asset to the Board in their deliberations on strategy and development of core competencies.
<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>1. VICOM Ltd*</li> <li>2. TLV Holdings Limited*</li> <li>3. KTMG Limited*</li> <li>4. Sheng Siong Group Ltd*</li> <li>5. AsiaPhos Limited*</li> <li>6. Edu-Community Pte Ltd</li> <li>7. Kiran Electronic B&amp;C Services Pte Ltd</li> <li>8. Seacare Medical Holdings Pte Ltd</li> <li>9. SGP(Global) Pte Ltd</li> <li>10. Seacare Foundation Pte Ltd</li> </ol> <p><b><u>Current Principal Commitments:</u></b> Nil</p> <p><b><u>Past 10 years Directorships:</u></b></p> <ol style="list-style-type: none"> <li>1. OEL (Holdings) Limited* (till 2015)</li> <li>2. Singapore Post Limited*</li> </ol>	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>1. VICOM Ltd*</li> <li>2. Lum Chang Holdings Ltd*</li> <li>3. British and Malayan Holdings Ltd*</li> <li>4. Sunright Limited*</li> <li>5. British and Malayan Trustees Ltd</li> <li>6. Agency for Integrated Care Pte Ltd</li> </ol> <p><b><u>Current Principal Commitments:</u></b> Nil</p> <p><b><u>Past 10 years Directorships:</u></b></p> <ol style="list-style-type: none"> <li>1. QAF Limited (2014 to 2016)</li> <li>2. Eu Yang San International Ltd (till 2016)</li> <li>3. JDJ Investment Pte Ltd (till 2019)</li> <li>4. Ernst &amp; Young – Audit Partner (2009 to 2012)</li> </ol>	<p><b><u>Current Directorships:</u></b></p> <ol style="list-style-type: none"> <li>1. VICOM Ltd*</li> </ol> <p><b><u>Current Principal Commitments:</u></b> Employment and Employability Institute (e2i) – Deputy CEO</p> <p><b><u>Past 10 years Directorships:</u></b> Nil</p>
No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	LIM JIT POH Chairman (Non-Independent Non-Executive Director)	SIM WING YEW Chief Executive Officer (Non-Independent Executive Director)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer (Yes or No)	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

\* Listed Company

GOH YEOW TIN (Independent Non-Executive Director)	SOH CHUNG HIAN, DANIEL (Independent Non-Executive Director)	WONG YOKE WOON (Independent Non-Executive Director)
No	No	No
No	No	No
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	LIM JIT POH Chairman (Non-Independent Non-Executive Director)	SIM WING YEW Chief Executive Officer (Non-Independent Executive Director)
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

GOH YEOW TIN  
(Independent Non-Executive Director)

SOH CHUNG HIAN, DANIEL  
(Independent Non-Executive Director)

WONG YOKE WOON  
(Independent Non-Executive Director)

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	LIM JIT POH Chairman (Non-Independent Non-Executive Director)	SIM WING YEW Chief Executive Officer (Non-Independent Executive Director)
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,		
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

\* Listed Company

\*\* Mr. Goh Yeow Tin ("Mr. Goh") was an independent director of Singapore Post Limited ("SingPost") from 7 July 2014. He was subsequently re-designated as Executive Director for the period from 1 January 2016 up to 24 June 2016.

Mr. Goh confirms that he was not the subject of any investigations conducted by PricewaterhouseCoopers LLP and Drew & Napier LLC (collectively, the "Joint Special Auditors") appointed by SingPost on or around 23 December 2015, on the request of one of SingPost's directors, to investigate the issues raised in the media reports in relation to certain acquisitions, including the purchase of the entire issued and paid-up capital of F.S. Mackenzie Limited announced on 18 July 2014.

Mr. Goh ceased to be a director of SingPost on 24 June 2016 and at that point in time, Mr. Goh was not made aware of any investigations that were actually being carried out by any relevant authority in relation to the affairs of SingPost for a breach of any law or regulatory requirement.

Mr. Goh was not called up by any authority for any interview or to respond to any queries

GOH YEOW TIN (Independent Non-Executive Director)	SOH CHUNG HIAN, DANIEL (Independent Non-Executive Director)	WONG YOKE WOON (Independent Non-Executive Director)
Yes	No	No
Please refer to Explanatory Note**		
No	No	No

This page has been intentionally left blank.

## VICOM LTD

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 198100320K)

### PROXY FORM ANNUAL GENERAL MEETING

#### IMPORTANT

1. The fortieth Annual General Meeting (the "AGM") of the Company is being convened and held both physically at 205 Braddell Road, Singapore 579701 and by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternatives Arrangements for Meetings for Companies, Variable Capital Companies, Business Trust and Debenture Holders) Order 2020.
2. Due to the Government's prevailing regulations to prevent the spread of COVID-19, the number of member allowed to attend the AGM in person is kept at 25 and the remaining is to attend via live webcast. A member (whether individual or corporation) must appoint the Chairman of the Meeting as his/her proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
3. CPF/SRS investors who intend to exercise the voting rights attached to their VICOM Ltd shares purchased using their CPF/SRS monies are requested to contact their respective CPF/SRS Approved Nominees.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 24 March 2021.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)  
of \_\_\_\_\_ (Address)

being a member/members of VICOM Ltd (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**" or "**Meeting**"), as \*my/our proxy to attend, speak and to vote for \*me/us on \*my/our behalf, at the 40<sup>th</sup> AGM of the Company to be held at the Auditorium of ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Wednesday, 28 April 2021 at 10.00 a.m. and any adjournment thereof to vote for, against or abstain from the Resolutions to be proposed at the AGM as indicated hereunder.

\* Delete where inapplicable

If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" the relevant Resolution, please tick (v) within the box provided. If you wish the Chairman of the Meeting as your proxy to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of shares in the relevant boxes provided below. Alternatively, if you wish the Chairman of the Meeting as your proxy to abstain from voting for the relevant Resolution, please either tick (v) within the box or indicate the number of shares in the relevant box provided.

No.	Resolutions	No. of Votes For	No. of Votes Against	No. of Votes Abstained
<b>Ordinary Business</b>				
1.	Adoption of Directors' Statement and Audited Financial Statements for the year ended 31 December 2020			
2.	Declaration of Final Dividend for the year ended 31 December 2020			
3.	Approval of Directors' Fees amounting to \$454,841 for year ended 31 December 2020			
4.	Re-election of Mr Lim Jit Poh as a Director			
5.	Re-election of Mr Sim Wing Yew as a Director			
6.	Re-election of Mr Goh Yeow Tin as a Director and his continued appointment as an Independent Non-Executive Director			
7.	Approval of Mr Goh Yeow Tin's continued appointment as an Independent Non-Executive Director by shareholders (excluding Directors, Chief Executive Officer and their associates)			
8.	Re-election of Mr Soh Chung Hian, Daniel as a Director			
9.	Re-election of Ms Wong Yoke Woon as a Director			
10.	Re-appointment of Auditors and authorising Directors to fix their remuneration			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Total Number of Shares Held in (Note 1) :		No. of Shares
(a)	CDP Register	
(b)	Register of Members	

Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**NOTES:**

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. Due to the Government's prevailing regulations to prevent the spread of COVID-19, members who attend the meeting physically must appoint the Chairman of the Meeting as proxy in order to vote.
3. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF or SRS approved nominees to submit their votes not less than 7 working days before the AGM by **10.00 am on 19 April 2021**.
5. A member who is a relevant intermediary is entitled to vote at the AGM must appoint the Chairman of the Meeting to vote at the Meeting.  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter. 50 of Singapore.
6. The Chairman of the Meeting, as proxy, need not be a member of the Company.
7. The proxy form must be submitted in the following manner:
  - a. If submitted by post, be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
  - b. If submitted by electronic mail, be sent to: **agm2021@vicom.com.sg**; or
  - c. If submitted by electronically, be lodged at the Company's AGM pre-registration site, **www.conveneagm.sg/VICOM\_AGM2021**.in either case, by **10.00 am on Sunday, 25 April 2021**.
8. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix  
postage  
stamp

**THE COMPANY SECRETARY**  
VICOM Ltd  
205 Braddell Road  
Singapore 579701

This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

**PLEASE NOTE THAT THE FORTIETH  
ANNUAL GENERAL MEETING OF VICOM LTD  
WILL BE HELD ON WEDNESDAY, 28 APRIL 2021  
AT 10.00 AM VIA ELECTRONIC MEANS AND AT:**

AUDITORIUM  
COMFORTDELGRO HEADQUARTERS  
205 BRADDELL ROAD  
SINGAPORE 579701



**VICOM Ltd**

385 Sin Ming Drive  
Singapore 575718

Mainline (65) 6458 4555  
Facsimile (65) 6458 1040  
[www.vicom.com.sg](http://www.vicom.com.sg)  
Company Registration No. 198100320K