

# GOING THE DISTANCE

ANNUAL  
REPORT  
2021





**OUR  
VISION**

**OUR  
MISSION**

**WE ASPIRE TO BE THE PREFERRED  
PROVIDER OF INSPECTION AND  
TESTING SERVICES**

**TO ENABLE SAFER AND GREENER  
MOTORING AND PROVIDE  
PROFESSIONAL TESTING SERVICES  
TO OUR CUSTOMERS**

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## 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.

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ANNIVERSARY

th

40 YEARS STRONG

# 1981



○ Mr Lim Chee Onn (centre), inaugurating the Company in January 1981.

Incorporated on 21 January with an authorised share capital of \$10 million, as a wholly-owned subsidiary of the Singapore Labour Foundation.



○ Foundation Stone Laying Ceremony officiated by Dr Wong Kwei Cheong, Minister of State (Labour), 25 November 1981. From left to right: Dr Wong Kwei Cheong, MP from Thomson, Dr Chau Sik Ting, Mr Michael Liew, Mr Yan Poh Soon.

# 1982



Began operations on 2 January as Singapore's first vehicle inspection centre with inspection lanes for passenger vehicles.

○ Cars inspected on the day of the official opening.



○ VIPs at the official opening of VICOM Pte Ltd. From left to right: Mr Raymond Lim, Mr Cheong Yip Seng, Mr Lim Jit Poh, Dr Wong Kwei Cheong, Mr Goh Chok Tong, Mr Lim Chee Onn, Mr Michael Liew, Mr Ong Chow Hong, Mr Sam Chong Keen, Mr Yan Poh Soon.



○ Mr Lim Chee Onn (centre) receiving VIPs at the official opening of VICOM Pte Ltd.



○ Mr Goh Chok Tong and Dr Wong Kwei Cheong unveiling the plaque to mark the official opening.



○ Mr Michael Liew delivering a speech in November 1982 at the Commissioning Ceremony.



○ Mr Raymond Lim giving a speech in November 1982 at the Commissioning Ceremony.

# 1984

Began inspection of motorcycles on 2 May 1984.



Motorcycle inspected at VICOM Sin Ming.

# 1985

Engaged as a consultant to assist in the set up of vehicle inspection centres in Saudi Arabia and the provision of staff training for vehicle inspection.



Saudi Arabia Consultancy – meeting with equipment suppliers in Japan, 1985.

# 1989



Launch of Car Evaluation Service by Mr Leong Horn Kee, MP for Thomson.

# 1991



10th Anniversary Celebration held on 19 January 1991. From left to right: Mr Sim Cheok Lim, Mr Cheong Yip Seng, Mr Ong Chow Hong, Mr Ong Teong Wan, Mr Ong Teng Cheong, Mr Lim Jit Poh, Mr Heng Chye Kiou, Mr Yan Poh Soon.



Third from right: Mr Yap Gim Chui seated next to Dr Wong Kwei Cheong (fourth from right) at VICOM 10th Anniversary Dinner's Celebration.

# 1993

Restructured as a wholly-owned subsidiary under mainboard-listed Comfort Group Limited on 6 December.



Engaged to provide consultancy services to set up vehicle inspection centres in Malaysia.

# 1995



- The Stone Laying Ceremony of VICOM (Changi). From left to right: Mr Yan Poh Soon, Mr Heng Chye Kiou, Mr Sam Chong Keen, Dr Wan Soon Bee, Mr Lim Jit Poh.

## Public flotation.



- Initial Public Offering at Westin Stamford Hotel, 1995. From left to right: Mr Eric Ang, Mr Sam Chong Keen, Mr Lim Jit Poh, Mr Heng Chye Kiou, Ms Doreen Tay.



Awarded ISO 9002 Certification on 23 September.



Signed the draft agreement with the Bangladesh Road Transport Authority to provide consultancy services to set up five vehicle inspection centres in four cities in Bangladesh.

- Signing of Agreement with Bangladesh's Road Transport Authority, 2 October 1995. From left to right: Mr Yan Poh Soon, Mr Heng Chye Kiou, Chairman of BRTA Md. Ismail Husain.

# 1996



VICOM (Changi) Inspection Centre commenced operations on 17 February.



VICOM (Bukit Batok) Inspection Centre began operations on 12 November.



VICOM Assessment Centre Pte Ltd (VAC) was formed as a joint venture between VICOM and four insurance companies to provide assessment services for accident vehicles.

- From left to right: Dr Wan Soon Bee, Mr Heng Chye Kiou, Mr Lim Jit Poh, Mr Sam Chong Keen, Mr Teo Kwang Whee.

# 1997

VICOM commenced work on a contract awarded by the Land Transport Authority to manage and operate a network of commissioning centres to install in-vehicle units (IU) for the Electronic Road Pricing system in the northern and eastern parts of Singapore.



# 2000



○ Signing ceremony for the acquisition of AA Vehicle Inspection Centre Pte Ltd (AAVIC) held on 28 July 2000.

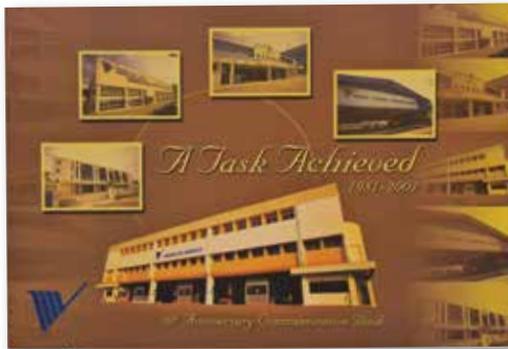


VICOM (Yishun), the fourth inspection centre located at Yishun Industrial Park A, commenced operations on 25 September.



VICOM (Kaki Bukit), acquired from Automobile Association, commenced operations on 1 November.

# 2001



○ 20th Anniversary Celebration held on 21 January 2001. From left to right: Mr Ong Teong Wan, Mr Sim Cheok Lim (Third), Mr Goh Chee Wee, Dr John Chen, Mr Lim Jit Poh, Mr Heng Chye Kiou, Ms Nancy Teo.

# 2002



Achieved the Singapore Quality Class Award and the ISO9001/2000 standards, signifying the attainment of high standards in service and management.

# 2003

VICOM was assigned a vehicle inspection project in Brunei by ATB Services, a Bruneian company. The project involved upgrading, commissioning and maintaining the vehicle inspection system owned by the Land Transport Department of Brunei.



○ Acquisition of Setsco Services Pte Ltd on 27 January 2003. Signing ceremony of Keppel Intergrated Engineers Ltd and VICOM Ltd. From left to right: Mr Johnny Lim, Mr Choo Chiau Beng, Mr Teo Soon Hoe, Mr Lim Jit Poh, Mr Lim Chee Onn, Mr Goh Chee Wee, Mr Heng Chye Kiou.



○ Mr Kua Hong Pak ComfortDelGro Managing Director/Group Chief Executive Officer, surveying the site of Setco's additional laboratory cum office block.

Acquired Setsco Services Pte Ltd, one of Singapore's largest testing companies offering a range of testing, calibration, inspection, consultancy and training services to a wide spectrum of industries.

# 2004



VICOM acquired a 41.5% stake in JIC Inspection Services Pte Ltd from CIAS Enterprises Pte Ltd and ALPHA Container Services Pte Ltd.



○ Share Purchase of Jurong Inspection Services Pte Ltd on 22 January 2004. Signing ceremony between CIAS Enterprises Pte Ltd & ALPHA Container Services Pte Ltd and VICOM Ltd.

# 2006

SETSCO established a dedicated Aerospace Testing Centre at VICOM (Changi) to service the MRO (Maintenance, Repair and Overhaul) companies located in the Changi Aerospace hub.



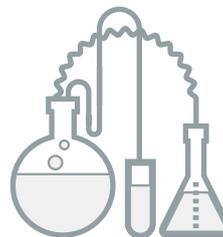
# 2007

VICOM and JIC were appointed by the National Environmental Agency to conduct Chassis Dynamometer Smoke Tests as part of the mandatory inspection process for diesel-driven vehicles. This regulation was enforced on 1 January.

# 2005

VICOM acquired another 36.5% stake in JIC from DelGro Engineering Pte Ltd, raising its shareholding to 78%. JIC became a subsidiary of VICOM as of 1 May.

SETSCO received the National Aerospace and Defence Accreditation Program (NADCAP) certification from USA in the provision of special Non-Destructive Testing (NDT) processes for the aerospace industry.



SETSCO established a dedicated water laboratory to analyse and evaluate the quality of water for compliance with regulatory requirements and adherence to the safety procedures.

# 2008

VICOM was awarded the 'Best Service Agent' at the inaugural Land Transport Excellence Awards on 18 March.



# 2009

Commenced VICOM Emission Test Laboratory (VETL) operation on 10 October 2009.

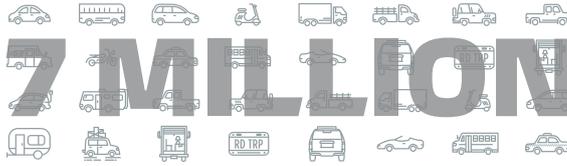


SETSCO received the bizSafe Level 1, 2, 3 and 4 certificates from the Workplace Safety and Health Council (WSH).



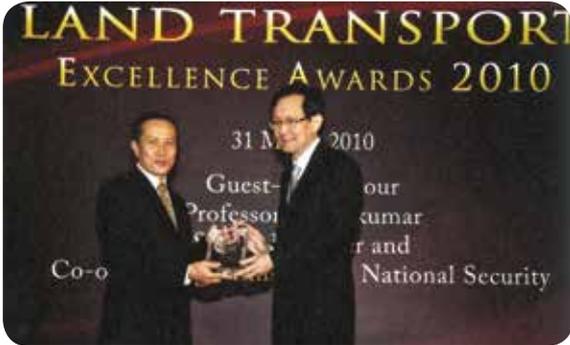
# 2010

SETSCO was accredited by the Singapore Accreditation Council (SAC) as a certification body for ISO 17065.



Inspected its seven-millionth vehicle on 30 June 2010.

SETSCO received the Defence Partner Award from MINDEF for our strong support and our contributions towards National Service and Total Defence as a civil resource owners.



Awarded 'Best Service Agent' at the biennial Land Transport Excellent Awards on 31 March 2010.



# 2011

- 30th Anniversary Celebration held on 22 January 2011. From left to right: Mr Goh Yeow Tin, Mr Sim Cheok Lim, Mr Kua Hong Pak, Mr Lim Jit Poh, Mr Heng Chye Kiou, Ms Nancy Teo, Dr Ho Kah Leong, Mr Ong Teong Wan.



# 2012

SETSCO established an environment laboratory to test and analyse environmental samples such as air, water, biological materials and wastes.



- Awarded 'Best Service Agent' at the biennial Land Transport Excellent Awards on 3rd April 2012.



- Awarded 'Most Transparent Company Awards' Runner-up on 3rd October 2012.

# 2013

VICOM crossed the \$100-million revenue mark for the first time and holding firm its position as the premier vehicle inspection and technical testing centre in Singapore.



# 2014



SETSCO successfully attained its Occupational Health and Safety Advisory Services (OHSAS) 18001:2007 recertification.

VICOM and SETSCO first attained certification for the Eco-office Scheme in 2014. The certification was recognition of the Company's support of environmental issues.



SETSCO introduced the first Automated Concrete Cube Testing System (ACTS) in Singapore to replace all human elements in manual cube testing and the disposal of tested cubes into the waste bins.

In 2014, VETL was upgraded to perform tests using the Euro 4 "New European Driving Cycle".



Celebrated a milestone on 26 March 2014 when VICOM conducted its 8,888,888th vehicle inspection. To mark the occasion, the lucky vehicle owner was presented with a lifetime's worth of vehicle inspection services.

SETSCO signed a collaborative training and certification agreement with Republic Polytechnic (RP) to provide training and certification for RP students in the aerospace engineering course.



VICOM won the Best Investor Relations Award (Bronze) Mid-cap at the Singapore Corporate Awards 2015.



# 2015

SETSCO attained the ISO 50001 Certification for Energy Management System which enabled it to establish the systems and processes necessary to improve energy performance.

# 2016



Welcomed VICOM's 10 millionth vehicle inspection in 2016. A "10 Millionth Inspection Lucky Draw" was held where more than 15,000 customers participated.



SETSCO set up a wholly-owned subsidiary in Dubai after being awarded a contract by Dubai Multi Commodities Centre (DMCC) to conduct glass inspection for the building façade of the Gold and Silver Towers.



Mr Sze Thiam Siong (centre) awarded 'Distinguished Partner' from Spring Singapore in 2016.

SETSCO received a number of awards in 2016 including Spring Singapore's "Distinguished Partner" Award which was awarded to Mr Sze Thiam Siong, SETSCO's General Manager.



Awarded the 'Merit' Award at the Singapore Corporate Governance Awards 2016, Big Cap Category under the 17th Investors' Choice Awards 2016.



SETSCO received a special recognition from the then Deputy Prime Minister Mr Tharman Shanmugaratnam on 26 July 2016 for being the pioneer batch of SINGLAS laboratories to be accredited by the then Singapore Institute of Standards and Industrial Research (SISIR).

# 2017



SETSCO was accredited by SAC as a certification body for ISO 17021.

VICOM was also awarded the Securities Investors Association Singapore (SIAS) Transparency Award Winner - Small and Mid-Cap Category at the Investors' Choice Award 2017.

SETSCO received the NS Mark Gold and NS Advocate Awards from MINDEF for our efforts in supporting National Service and Total Defence over the years.



In 2017, VETL's equipment and system was further upgraded to perform tests using Euro 6 "New European Driving Cycle" and JPN 2009 "Japan Driving Cycle".

# 2018



SETSCO became one of three assessment bodies appointed by the Infocomm Media Development Authority and the Personal Data Protection Commission to conduct independent audit of firms which wished to apply for the Data Protection Trustmark Certification.

VICOM and JIC were appointed by the National Environment Agency to implement tighter exhaust emission standards for in-use petrol vehicles and motorcycles with effect from 1 April.

One of the measures was the introduction of a high idle test that requires the engine speed to be increased to at least 2,000 revs/min during inspection.

VICOM started high/low idle emission test by National Environmental Agency (NEA).



SETSCO signed a collaboration agreement with the Singapore Institute of Technology (SIT) on 11 January 2018 to participate in the Integrated Work Study Programme where we shared our industrial experience and technical know-how with the students.



VICOM won two awards, winning the Singapore Corporate Governance Award in the Mid-Cap Category and Runner-Up in the Most Transparent Company Award, Services Category at the Securities Investors Association Singapore (SIAS) Investors' Choice Award 2018.



# 2019



To ensure that the Group kept pace with technological developments, VICOM invested US\$1million in Foretellix, a company founded in 2010 and headquartered in Israel. Foretellix is developing solutions to address challenges in Autonomous Vehicle testing and compliance.

SETSCO was accredited by SAC as a certification body to ISO 17065 for Structural Steelwork Fabricators.



Ms Lee Peck Kim, Mary bagged the 'Best Chief Financial Officer Award' for Mid-cap category at the 14th Singapore Corporate Awards 2019. From left to right: Mr Sim Wing Yew, Ms June Seah, Ms Mary Lee, Ms Nancy Teo, Professor Victor Shim.

# 2020



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 were better assured that their personal data was well looked after.



SETSCO became one of the first few recognised labs approved by Singapore Food Agency (SFA) under the Laboratory Recognition Program (LRP) in Apr 2020. With LRP, it can undertake testing services to support the testing needs of SFA and the food industry, such as export certification testing.



From left to right: Mr Sim Wing Yew, Mr Choo Peng Yen, Ms Mary Lee.

VICOM bagged three awards at the annual Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards – Winner of the "Singapore Corporate Governance Award" – Mid-cap category, and Runner-up in both the "Shareholder Communication Excellence Award" – Mid-cap category and the "Most Transparent Company Award" – Consumer Discretionary Services category. This was the first time VICOM won three awards at The SIAS Investors' Choice Awards at the same time.

SETSCO was approved by the European Union Aviation Safety Agency (EASA) to provide specialised NDT services. SETSCO also set up a full fledge facilities to test surgical mask in response to public concern on the quality of surgical masks produced by various manufacturers from different countries amid the COVID-19 pandemic.



# 2021



VICOM and JIC started annual inspection of Private Hire Cars (PHCs) from 1 January, as part of new safety requirements in the new Point-to-Point (P2P) regulatory framework.

SETSCO attained the AS 9100 Certification for Quality Management System requirements for Aviation, Space and Defence Organisation which gave added confidence to its Aerospace clients.

VICOM was named runner up in the Shareholder Communication Excellence Award Mid Cap Category at the annual Securities Investors Association Singapore (SIAS) Investor's Choice Awards.



SETSCO's Non-Vehicle Testing business relocated to the new \$50 million building in Bukit Batok in September 2021. With larger premises, it expanded the depth and breadth of its testing services and also raised productivity through better workflow and re-designed of all the laboratories.

## CHAIRMAN'S STATEMENT



IN TERMS OF MARKET  
CAPITALISATION, WE HAVE ALSO  
GROWN FROM JUST \$16.8 MILLION  
WHEN WE WERE LISTED ON THE  
SINGAPORE EXCHANGE IN 1995, TO  
\$723.0 MILLION AS AT THE END OF  
2021, A 43-FOLD INCREASE.

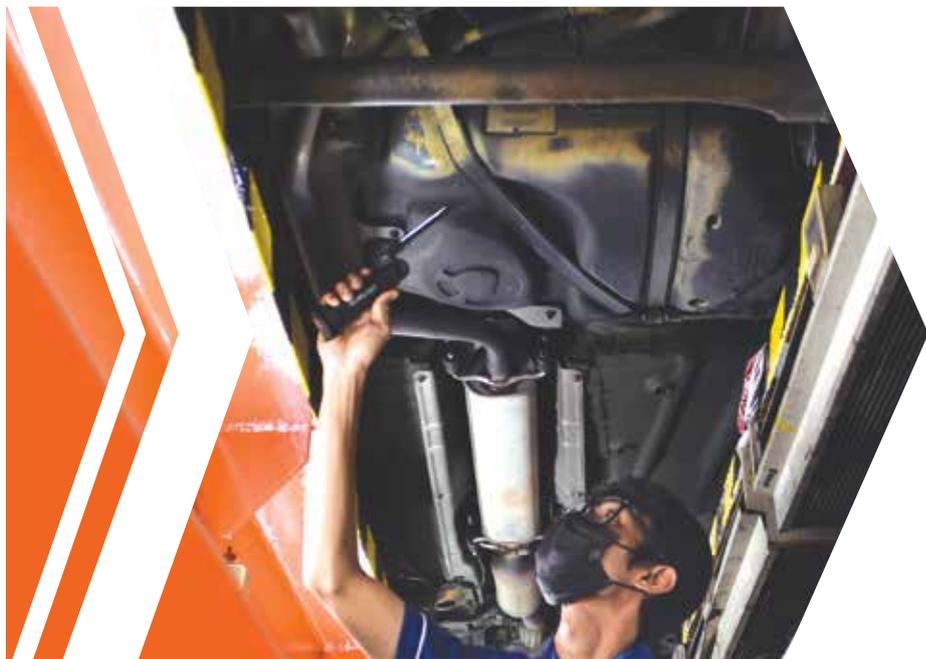


**LIM JIT POH**  
CHAIRMAN



## INTRODUCTION

Forty years ago, compulsory vehicle inspection was introduced in Singapore. VICOM, which is the acronym for Vehicle Inspection Company, was formed to undertake this task with just two inspection lanes in Sin Ming and a small staff strength of less than 30. It was one of two inspection centres at the time – the other being AA Vehicle Inspection Centre Pte Ltd, whose business we eventually acquired in 2000. Today, we are Singapore's largest vehicle inspection company with 35 inspection lanes across seven centres islandwide and a headcount that's 850 strong. Significantly, we have expanded beyond just vehicle inspection and now provide a broad range of non-vehicle testing services serving the construction, marine & offshore, oil & gas, aerospace, electronics, food, water and biochemical industries.



Indeed, we have advanced through the decades. From revenue of a mere \$2 million in 1982, we registered Group revenue of \$100.9 million for the year ended 31 December 2021 despite the uncertainties brought on by the COVID-19 pandemic. In terms of market capitalisation, we have also grown from just \$16.8 million when we were listed on the Singapore Exchange in 1995, to \$723.0 million as at the end of 2021, a 43-fold increase.

## OUR BUSINESSES

Pandemic notwithstanding, the vehicle inspection business registered a very strong performance during the year with a record 523,639 vehicles inspected including 33,202 hybrid and electric vehicles. With this, we reinforced our leadership position with a market share of 74.7% in 2021.

The Land Transport Authority (LTA) has made it mandatory for all private hire vehicles (PHVs) to undergo yearly periodic inspection. Motorists who want to convert their passenger vehicles to PHVs will also need to pass the conversion inspection first. As a result of the changes in inspection guidelines, 25,396 PHV inspection and 3,477 conversions were conducted in 2021.

To further promote the adoption of clean vehicles and to discourage the purchase of more pollutive models, the National Environmental Agency (NEA) enhanced the Vehicular Emissions Scheme (VES) and the LTA introduced a new Electric Vehicle Early Adoption Incentive (EEAI) Scheme. Under the enhanced VES, vehicles with lower emissions will be given higher rebates while more pollutive models will be slapped with higher surcharges. The EEAI scheme is intended to promote the switch from Internal Combustive Engines to Electric Vehicles by lowering the vehicular taxes and reducing the cost of car ownership. As a result of these policy changes, demand for the VICOM Emission Test Laboratory (VETL) services increased as more parallel importers brought in newer and more environmentally-friendly models.

During the year, traffic on the roads continued to remain low as people worked from home as a default. Correspondingly, the overall accident rate also fell. As such, our VICOM Assessment Centre (VAC) logged fewer accident reports and surveys. This was further exacerbated by the cessation of Accident Reporting scheme in July 2021 as accident reporting can now be done online.

Performance of our non-vehicle testing business under Setesco Services Pte Ltd (SETSCO) improved slightly in line with the recovery of the economy. In fact, it even managed to get back into the black at the operational level. This was a marked improvement compared to 2020 when business plunged and the company registered a loss excluding government grants.

Several major testing projects in the construction sector were secured during the year, including those for the construction of the Customs, Immigration and Quarantine Building and the link tunnel of the Singapore-Johor Bahru Rapid Transit System, HDB dwelling projects in Tengah and Toa Payoh, and the Tuas Water Reclamation Plant. In addition, SETSCO also secured another four packages under the 24-kilometre long Jurong Region Line (JRL) by the Land Transport Authority, bringing to seven the total number of packages won in the project.

In the area of food testing, we continued to expand our testing services under Singapore Food Agency's (SFA) Lab Recognition Program (LRP). SETSCO now has 242 food testing services recognised by SFA under the LRP. With the added capabilities, we

## CHAIRMAN'S STATEMENT



managed to secure another two contracts from SFA during the year.

The refining and chemical sectors experienced a slight uptick in demand in 2021 compared to the previous year. As a result, SETSCO successfully secured a few Non-destructive Testing (NDT) and advanced NDT contracts from several major oil refineries, chemical and petrochemical companies.

### NEW SETSCO HEADQUARTERS

After three years of planning and construction, SETSCO finally relocated to its new premises in September 2021 – a delay of one year as a result of the COVID-19 pandemic.

The \$50 million SETSCO building marks a major milestone for a company that started out with just non-destructive and concrete testing in 1987 in rented premises in Hindhede Drive. In the 34 years since, SETSCO has expanded to cover mechanical, chemical, environmental, microbiological, food, micro-contamination, geotechnical & pavement, building & construction materials, product, conventional & advanced non-destructive, aerospace & maintenance, as well as electrical testing. It also conducts third party inspection, training and certification,

structural evaluation, metallurgical & failure analysis, and calibration services.

With a specialised facility, SETSCO is now well-positioned to further broaden its reach through an even wider range of testing services.

### SUSTAINABILITY

Sustainability is a topic that is very close to our hearts. After all, the very core of our entire business is based on key Environmental, Social and Corporate Governance principles. As we advance up the sustainability ladder, we have decided to set up a Sustainability Committee at Board level to set the direction for the Group. In addition, we have now produced a standalone Sustainability Report from this year for the benefit of our Shareholders. This report can be found on our website. In previous years, VICOM's sustainability efforts were subsumed as part of ComfordDelGro's Sustainability Report.

### CORPORATE GOVERNANCE

Under the Code of Corporate Governance (Code 2018), the nine-year rule for independent directors came into effect on 1 January 2022. The Singapore Exchange (SGX) has stipulated 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. After the upcoming Annual General Meeting (AGM), none of our non-executive Directors in VICOM will fall in this category.

The Nominating Committee and the Remuneration Committees were merged into a single Board Committee, the Nominating and Remuneration Committee (NRC), in 2021 for greater efficiency in the review of the appointment, performance and compensation of Directors and Key Management Personnel. Two new committees, the Sustainability Committee and the Technology Committee, have also been established.

The Technology Committee was established to oversee the Group's digital strategy and related execution plans so as to improve our productivity and the user-experience of our customers. It will also oversee technology investments to enhance the Group's capabilities in the inspection and testing businesses to capture new business opportunities, as well as review the requirements for technology talent and expertise to promote disruptive innovation.

In the annual "Singapore Governance and Transparency Index (SGTI) 2021, VICOM scored 103 and performed significantly better than the average score of 68.7. We are ranked 21<sup>st</sup> out of 519 listed companies surveyed.

VICOM bagged an award at the annual Securities Investors Association Singapore (SIAS) Investor's Choice Awards. It was named runner-up of the Shareholder Communication Excellence Award (SCEA) 2021, Mid Cap Category.

Our planned director renewal process, which began in 2018 has resulted in a good mix of skill-sets among our Directors in technology, finance, engineering and food testing, as well as a gender diverse make-up with three female directors on

board. The Board is also well represented in the tripartite areas of government, labour and business.

### FINANCIAL RESULTS

Group revenue increased by 16.7% or \$14.4 million to \$100.9 million in 2021, almost back to pre-COVID-19 levels due to the improved business environment for the non-vehicle testing business. As a result, net profit attributable to shareholders increased by 1.2% or \$0.3 million to \$24.8 million. Excluding Government Reliefs, the Group's operating profit would have improved by 35.0% or \$7.6 million in 2021 as compared to 2020.

Earnings per share for 2021 was 6.99 cents compared against 6.91 cents a year ago. Net asset value per ordinary share was 35.89 cents compared to 37.86 cents a year ago.

The Board has recommended a tax-exempt one-tier final dividend of 3.24 cents per ordinary share for Shareholders' approval. To commemorate VICOM's 40<sup>th</sup> Anniversary, a tax-exempt one-tier special dividend of 2.00 cents per ordinary share has also been recommended. Together with the interim tax-exempt one-tier dividend of 3.04 cents per ordinary share paid in August 2021, the total dividend for 2021 will be 8.28 cents per ordinary share, representing a payout ratio of 118%. Viewed against the year's end closing price of \$2.04, the 2021 dividends will represent a dividend yield of 4.1%.

### THE YEAR AHEAD

We will be upgrading our test equipment and facilities in the VICOM Emission Testing Laboratory to comply with the latest "Worldwide Harmonised Light-duty vehicles Test Procedure" (WLTP) as the NEA moves towards replacing the current New European Driving Cycle (NEDC) and Japanese Driving Cycle (JC08) for light commercial vehicles in April 2023 and for car and taxis in January 2024.

In the non-vehicle testing business, we will invest in new equipment and build

up new capabilities in the new premises. Some of the planned capabilities include the development of new test methods to check for pesticides and drug residues in food and water, as well as the testing of combustibility of building and construction materials/products in compliance with the requirements of ISO 1182 and the Singapore SCDF Fire Code. We will also be pursuing opportunities arising on the sustainability front – namely air, water and food testing.

### APPRECIATION

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 during another difficult pandemic year.

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.

Mr Goh Yeow Tin, who has been a VICOM Director since 2010 and held various Board Committees including chairmanships of the Audit and Risk Committee and the Nominating Committee, has informed me that he will be resigning from the Board on 27 April 2022, after the AGM, due to other commitments. On behalf of the Board, I would like to extend my deepest appreciation to him for his years of invaluable contribution.

### RETIREMENT

I am the remaining founding Director of the original eight, having succeeded the Chairmanship from the Founding Chairman Dr Wong Kwei Cheong on

25 July 1985 when he became a Minister of State in the Government. Other than me, the entire board as it stands now is comparatively new.

I have spent four decades with VICOM as a Non-Executive Director but an active Chairman during my term. It has been a very rewarding experience and I am proud to have been a part of its journey. I am very happy to see its progress and am confident it will continue to grow from strength to strength. Though I was re-elected as a Director at the last AGM and am only due to retire in April 2023, I have decided to retire a year earlier at the forthcoming AGM in April 2022.

I will assume the title of Emeritus Chairman and hold an advisory position as Senior Advisor to provide continuity for the Group.

The Board has agreed that Dr Tan Kim Siew, who has been a Director with the Company since 2018, will take over as Chairman when I step down after the upcoming AGM. Dr Tan, who is presently a Senior Consultant in the Ministry of Finance and Chairman of the Governing Board for the Mechanobiology Institute, National University of Singapore, has extensive experience in technology, research & development as well as finance. I am confident he will be able to steer the Group to even greater heights and hope you extend to him the same confidence as you have generously shown me through the years.

### LIM JIT POH

CHAIRMAN  
MARCH 2022

# GROUP FINANCIAL HIGHLIGHTS

## REVENUE

(\$'mil)



## PROFIT ATTRIBUTABLE TO SHAREHOLDERS

(\$'mil)



## EARNINGS PER ORDINARY SHARE

(cents)



## NET ASSET VALUE PER ORDINARY SHARE

(cents)



## TOTAL DIVIDEND PER ORDINARY SHARE

(cents)



## VALUE-ADDED PER EMPLOYEE

(\$'000)



\* Adjusted for the increase in the number of ordinary shares resulting from the share split on 12 June 2020 for the Financial Years 2017 to 2019.

## FINANCIAL SUMMARY

	2017	2018	2019	2020	2021
Revenue (\$'mil)	97.0	100.1	103.7	86.4	100.9
Other Income (\$'mil)	–	7.7	–	–	–
Operating Costs (\$'mil)	66.5	68.1	69.5	57.1	69.9
Operating Profit (\$'mil)	30.5	39.7	34.2	29.3	31.0
Profit Attributable to Shareholders (\$'mil)	26.5	34.7	28.4	24.5	24.8
EBITDA (\$'mil)	36.7	46.1	41.6	36.7	38.2
Issued capital (\$'mil)	36.3	36.3	36.3	36.3	36.3
Capital and reserves (\$'mil)	148.3	150.8	131.3	134.3	127.3
Capital disbursement (\$'mil)	4.4	26.2	5.4	15.0	12.3
Return on shareholders' equity (%)	17.8	23.2	20.1	18.4	18.9
Earnings per ordinary share* (cents)	7.47	9.79	8.01	6.91	6.99
Net asset value per ordinary share* (cents)	41.83	42.54	37.04	37.86	35.89
Interim dividend per ordinary share* (cents)	3.28	3.36	3.53	–	3.04
Final dividend per ordinary share* (cents)	5.72	5.79	6.07	6.22	3.24
Special dividend per ordinary share* (cents)	–	2.16	–	–	2.00
Total dividend per ordinary share* (cents)	9.00	11.31	9.60	6.22	8.28
Dividend cover (number of times)	0.8	0.9	0.8	1.1	0.8

## VALUE-ADDED FOR THE GROUP

	2017		2018		2019		2020		2021	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Suppliers of capital – dividends	28,454	35.1	32,677	35.5	41,118	46.0	21,777	29.4	33,533	39.4
Taxation to the government	5,621	6.9	6,589	7.1	6,763	7.5	5,106	6.9	5,851	6.9
Retained earnings	3,522	4.3	8,022	8.7	(5,090)	(5.7)	11,283	15.3	354	0.4
Employees – salaries and other staff costs	43,558	53.7	44,857	48.7	46,667	52.2	35,784	48.4	45,362	53.3
Total value-added	81,155	100.0	92,145	100.0	89,458	100.0	73,950	100.0	85,100	100.0
Number of employees	855		865		901		863		864	
Value-added per employee (\$'000)	<b>95</b>		<b>107</b>		<b>99</b>		<b>86</b>		<b>98</b>	

\* Adjusted for the increase in the number of ordinary shares resulting from the share split on 12 June 2020 for the Financial Years 2017 to 2019.

# 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**  
**WONG YOKE WOON**

## AUDIT AND RISK COMMITTEE

**SOH CHUNG HIAN, DANIEL**  
CHAIRMAN

**GOH YEOW TIN** (Stepped down on 28 April 2021)  
**JUNE SEAH LEE KIANG** (Appointed on 28 April 2021)  
**SHIM PHYAU WUI, VICTOR**  
**TAN POH HONG**  
**WONG YOKE WOON**

## NOMINATING AND REMUNERATION COMMITTEE

(NC and RC merged into NRC on 28 April 2021)

**SHIM PHYAU WUI, VICTOR**  
CHAIRMAN

**GOH YEOW TIN**  
**LIM JIT POH**  
**SOH CHUNG HIAN, DANIEL**  
**TAN KIM SIEW**  
**TAN POH HONG**  
**WONG YOKE WOON**

## SUSTAINABILITY COMMITTEE

(Formed on 28 April 2021)

**JUNE SEAH LEE KIANG**  
CHAIRMAN

**GOH YEOW TIN**  
**LIM JIT POH**  
**SIM WING YEW**  
**TAN KIM SIEW**  
**YANG BAN SENG**

## TECHNOLOGY COMMITTEE

(Formed on 1 January 2022)

**TAN KIM SIEW**  
CHAIRMAN

**GOH YEOW TIN**  
**SHIM PHYAU WUI, VICTOR**  
**SIM WING YEW**  
**TAN POH HONG**  
**YANG BAN SENG**

## 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

### COMPANY SECRETARY

Angeline Joyce Lee Siang Pohr

### SHARE REGISTRAR

B.A.C.S. Private Limited  
77 Robinson Road #06-03  
Robinson 77  
Singapore 068896

### 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-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2021**

**Mr Lim Jit Poh** is the Chairman and a Non-Independent Non-Executive Director of VICOM Ltd. He is a member of the Nominating and Remuneration Committee and the Sustainability Committee. Mr Lim is also the Chairman of ComfortDelGro Corporation Limited, the listed parent entity of the Company with business interest in land transport. He was the Chairman of SBS Transit Ltd, another listed subsidiary of ComfortDelGro Corporation Limited until April 2021 but since then, the Board and Management appointed him as Senior Advisor in order to continue to tap on his wise counsel. Mr Lim is also the Chairman of several non-listed companies owned by the National Trades Union Congress (NTUC).

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 Non-Executive Director of the Company. He is a member of the Sustainability Committee and the Technology Committee. 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 ComfortDelGro 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. He was awarded the Medal of Commendation at the NTUC's May Day Awards in 2013, and Medal of Commendation (Gold) at the NTUC's May Day Awards in 2021.

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)

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



DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 MAY 2012**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2021**

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 JUNE 2017**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**20 MAY 2020**

**Mr Sim Wing Yew** is the Chief Executive Officer and a Non-Independent Executive Director of VICOM Ltd. He is a member of the Sustainability Committee and Technology Committee.

Prior to this appointment, he was Chief Operating Officer of ComfortDelGro Engineering Pte Ltd from August 2008 until he assumed the role of 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.

**Professor Shim Phiau Wui, Victor** is the Lead Independent and a Non-Executive Director of VICOM Ltd. Prof Shim is the Chairman of the Nominating and Remuneration Committee and a Member of the Audit and Risk Committee and Technology Committee.

He is an Emeritus Professor with the National University of Singapore (NUS) and was a full-time academic staff member in the Department of Mechanical Engineering from 1980 to 2021. He has held numerous management appointments at the University, the last as Senior Advisor to the Office of Global Relations. Prior to that, he was Associate Vice-President for Global Relations. Other major responsibilities include being the founding Director of the Office of Corporate Relations (now Office of University Communications), a Vice-Dean (External Relations & Outreach) at the Faculty of Engineering, and a Deputy Head of the Department of Mechanical Engineering. He has been a Visiting Scientist at the Tokyo Institute of Technology, and a Visiting Scholar at the University of California, San Diego. In the course 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 materials testing and modelling, 3D-printed and cellular materials, impact resistance of protective structures, as well as the response of components and products to impacts and shocks. He has served as a consultant to industry, and is an Associate Editor of the *International Journal of Impact Engineering*. Prof Shim continues to supervise projects and students in fundamental and applied research, and through his contacts with overseas researchers and experts in the same field, he keeps abreast of current global developments and emerging areas of interest.

Prof 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 NUS, and a PhD 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:

**28 APRIL 2021**

**Mr Goh Yeow Tin** is an Independent Non-Executive Director of VICOM Ltd. Mr Goh is a member of the Nominating and Remuneration Committee, the Sustainability Committee and the Technology Committee.

Mr Goh is also a Member of the Singapore Institute of Directors and an independent Director of KTMG Limited, AsiaPhos Limited and Taka Jewellery 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 Enterprises (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 Non-Executive Director of VICOM Ltd. She is the Chairman of the Sustainability Committee and a member of the Audit and Risk 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, Malaysia and Japan.

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)

**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:

**28 APRIL 2021**

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

**Dr Tan Kim Siew** is an Independent Non-Executive Director of VICOM Ltd. He is the Chairman of the Technology Committee and a member of both the Nominating and Remuneration Committee and the Sustainability Committee. He is also an Independent 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.



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 Poh Hong** is an Independent Non-Executive Director of VICOM Ltd. She is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Technology Committee.

She is an Independent Director on the Boards of Sheng Siong Group Limited, Centurion Corporation Limited, AnnAik Limited, APAC Realty Ltd and OTS Holdings Ltd. She is also a Board Member of Jilin Food Zone Pte Ltd. She is Singapore's Non-Resident Ambassador to the Kingdom of Denmark.

Ms Tan was the Chief Executive Officer of Agri-Food & Veterinary Authority (AVA) of Singapore from 2009 to 2017. AVA was the national authority responsible for food security and safety. Ms Tan was instrumental in transforming and expanding the organisation's mandate to cater to new challenges facing the country'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 held various leadership positions in HDB which involved policy and strategy development, operations and sales as well as corporate development.

Ms Tan holds a BSc (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.



DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**21 MAY 2020**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2021**

**Ms Wong Yoke Woon** is an Independent Non-Executive Director of VICOM Ltd. She is a member of both the Audit and Risk Committee and the Nominating and Remuneration Committee.

Ms Wong is the Deputy Director of the National Trade Unions Congress' Administration and Research Unit (NTUC-ARU) Operations Department (OPD). The OPD's main task is to assist the Operations and Mobilisation Division in establishing the capability to 'Plan and Act' as part of the NTUC-ARU's efforts in supporting related labour movement and business continuity operations. As the Deputy Director of the OPD, Ms Wong is responsible to monitor, coordinate and report on the myriad activities related to operational readiness and resilience before working out action plans to address them.

With effect from January 2022, Ms Wong also holds the position of Deputy Executive Secretary of the Healthcare Services Employees' Union.

Ms Wong held the position of Deputy Chief Executive Officer (DY CEO) of the Outreach and Operations Group of the Employment and Employability Institute (e2i) until she relinquished this role in March 2022. As the DY CEO, she implemented many key strategies to engage companies to embark on the Inclusive Growth Programme and enhance companies' operations to drive productivity through boosting the efficiency of workers, which in turn raised workers' welfares.

Ms Wong was also previously with NTUC LearningHub as the 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, a Bachelor of Social Sciences from the National University of Singapore (NUS) and a Bachelor of Arts and Social Sciences from NUS.

Ms Wong also holds a Professional Diploma in Employment Relations from the NUS-Extension and Ong Teng Cheong Institute and a Graduate Diploma in Personnel Management from the Singapore Institute of Management.

## KEY MANAGEMENT

### **SZE THIAM SIONG**

CHIEF EXECUTIVE OFFICER  
SETSCO SERVICES PTE LTD



Mr Sze Thiam Siong is the Chief Executive Officer of SetSCO Services Pte Ltd (.). 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, SetSCO 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.

### **YUSOOF AYNUDDIN**

SENIOR VICE PRESIDENT  
MECHANICAL TECHNOLOGY DIVISION  
SETSCO SERVICES PTE LTD



Mr Yusoof Aynuddin joined SetSCO 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 SetSCO 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.

### **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.

### **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.

**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.

**CHENG TUCK WAH, JOHNSON**ASSISTANT VICE PRESIDENT  
INFORMATION TECHNOLOGY

Mr Cheng Tuck Wah, Johnson is responsible for overseeing the Group's information technology functions. After graduating from Australia in 1994, he worked for a Japanese software company as a Senior Programmer specialising in accounting software for Japanese firms and banks in Singapore. He then moved on to become a System Analyst at ECO Industrial Environmental Engineering Pte Ltd before joining Setsco Services Pte Ltd in 1998 as an IT Manager. Mr Cheng was promoted to his current position in 2012. Mr Cheng holds a Bachelor of Information Technology from the University of Southern Queensland, Australia.

**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.

**BANG YOKE HIEN, BOBBY**ASSISTANT VICE PRESIDENT  
HUMAN RESOURCES

Mr Bang Yoke Hien, Bobby joined VICOM Ltd in February 2021 and is responsible for the Group's Human Resource functions. Prior to this appointment, Mr Bang has held several human resource senior management positions in the hospitality sector across Asia-Pacific as well as Europe, Middle East and Africa namely Hyatt Hotels Corporation, Accor Hotels and the John Paul Group. He holds three Diplomas in Business Administration, Hotel & Catering Management, Travel & Tourism and was a board-certified Registered Behavior Technician.

**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

### **ZAIDEE BIN BAKEE**

VICE PRESIDENT, RISK &  
SUSTAINABILITY OFFICER



Zaidee Bin Bakee joined SETSCO in 1996 and holds a Master of Business Administration from the University of Leicester specialising in Total Quality Management and a Diploma in Sales and Marketing from the Marketing Institute of Singapore. He was also a graduate from the Singapore Polytechnic with a Diploma in Chemical Process Technology in 1985. Zaidee has extensive experience in Quality Assurance and in-depth knowledge of the processes within the Group. Prior to his appointment to the current position, Zaidee was the Risk and Sustainability Lead for the Group since 2019.

### **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 a Certified Information Systems Auditor and a Certified Information Security Manager. Mr Chong is also an ISACA Member.

### **TAN I-LIN, TAMMY**

GROUP CHIEF BRANDING &  
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.

### **ANGELINE JOYCE LEE**

GROUP GENERAL COUNSEL &  
COMPANY SECRETARY



Ms Angeline Joyce Lee is 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 & Company Secretary to oversee the Group's legal and corporate secretariat matters, compliance and corporate governance to facilitate business processes and organizational efficiency. 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. She has been practising as an in-house counsel for more than 25 years and is a founding member of the Singapore Corporate Counsel Association.

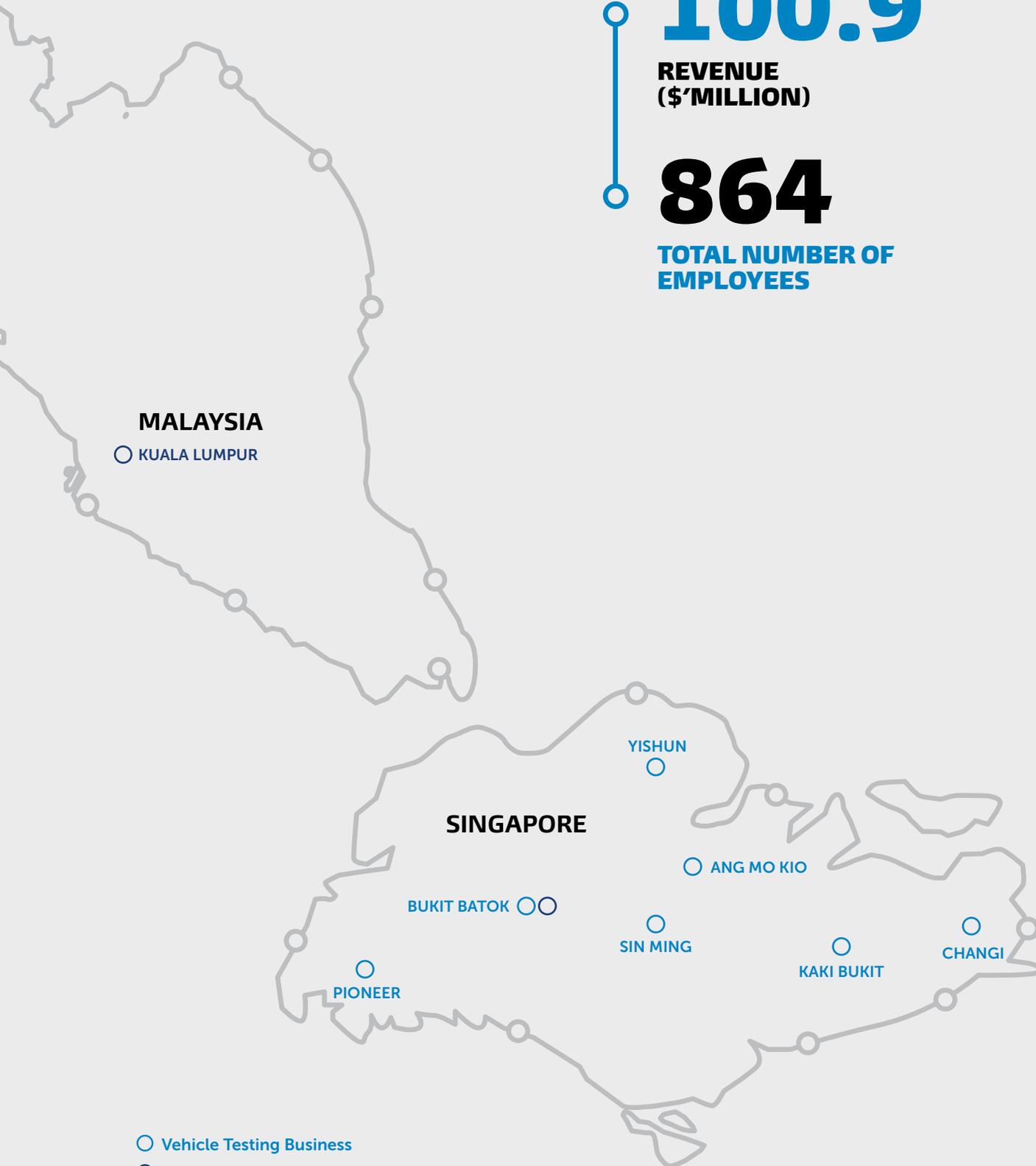
# OPERATIONS REVIEW

**100.9**

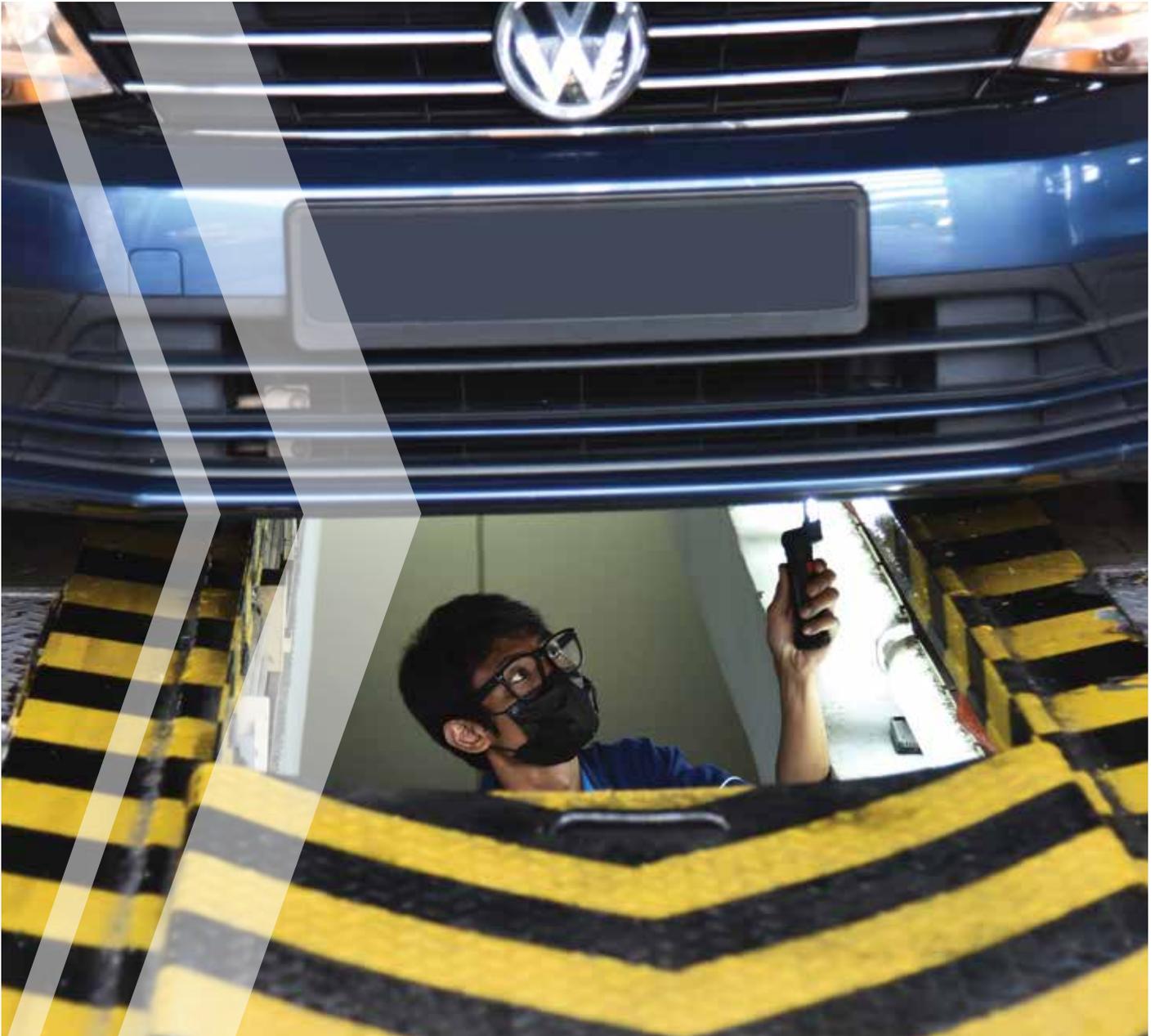
**REVENUE  
(\$'MILLION)**

**864**

**TOTAL NUMBER OF  
EMPLOYEES**



## OPERATIONS REVIEW



### VEHICLE TESTING BUSINESS

A record number of vehicles passed our inspection lanes in 2021 – buoyed by a new regulation requiring all Private Hire Vehicles (PHVs) to undergo annual inspection. In all, 523,639 vehicles, representing an increase of 30,119 vehicles or 6% from 2020, were inspected during the year. This strong performance enabled us to maintain our leadership position with a market share of 74.7% in 2021.

As the Green Movement gained momentum, demand for VICOM Emission Test Laboratory (VETL) services, which essentially caters to parallel importers bringing in newer and greener car models, also grew as car owners took advantage of the EV Early Adoption Incentive (EEAI) and the enhanced Vehicular Emissions

Scheme (VES) introduced by the Land Transport Authority (LTA) and the National Environment Agency (NEA).

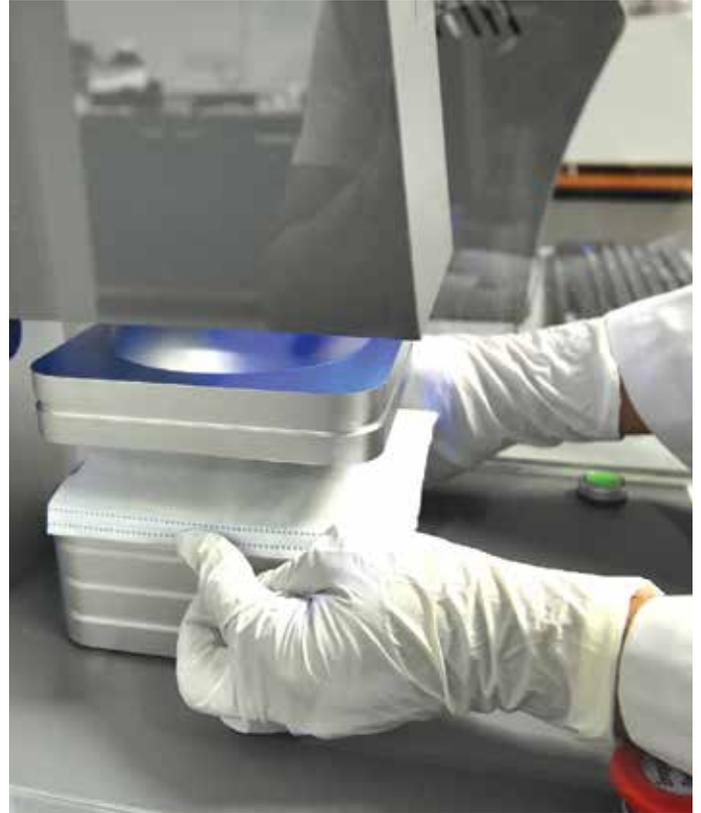
But even as demand for vehicle testing services increased, demand for accident reporting services under the VICOM Assessment Centre (VAC) fell as the impact of the COVID-19 pandemic was profoundly felt. With work-from-home (WFH) becoming a default for most companies, fewer cars were found on the roads during the year. Consequently, fewer accidents occurred – which, although a positive development in general, had a negative impact on our business. The decision by some insurance companies to discontinue the Accident Reporting scheme in July 2021 also impacted demand for VAC services.

### NON-VEHICLE TESTING BUSINESS

VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO), continued to face challenges posed by the COVID-19 pandemic. The shortage of workers, which plagued the business from the start of the pandemic in 2020, continued to persist with border restrictions in force. The company also took special care to ensure the psychological and mental well-being of our staff, especially the non-Singaporean workers who had not been able to visit their families back home for almost two years.

Amidst the ongoing challenges, SETSCO managed to put in a better performance in 2021 as economic conditions slowly improved.

SETSCO's Construction Technology Division was awarded several major materials testing contracts for large projects such as the construction of the Customs, Immigration and Quarantine Building; the link tunnel of the Singapore-Johor Bahru Rapid Transit System; HDB dwelling projects in Tengah and Toa Payoh; and the Tuas Water Reclamation Plant. In addition, SETSCO secured another four packages under the 24-kilometre long Jurong Region Line by the LTA and a contract by the Building & Construction Authority to test imported sand and aggregates for the presence of harmful contaminations such as chloride, sulphate and reactive materials, for use in the construction industry.



## OPERATIONS REVIEW

SETSCO's Biological & Chemical Technology Division continued to secure contracts for the testing of trade effluent/waste water discharge, soil and ground water of industrial land and air emissions. It also conducted industrial hygiene tests to ensure that the health and safety of workers in their environments were within approved limits.

We also secured two more tenders with the Singapore Food Agency (SFA) to procure and test food samples from hawker centres/restaurants and to detect Salmonella enteritidis in poultry farms. During the year, we continue to expand our testing services under the SFA Lab Recognition Program and now run 242 food testing services recognised under the programme.

Besides SFA, we also won a tender from Health Sciences Authority (HSA) to conduct microbiological tests such as Total Yeast and Mould, Staphylococcus Aureus, Salmonella, Sterility and Limulus Amebocyte Lysate. These tests were conducted on western pharmaceuticals, chinese proprietary medicine, cosmetic products and traditional medicines and health supplements.

SETSCO's Mechanical Technology Division secured some major contracts including conducting tests during the plant shutdown maintenance at Shell Bukom and Shell Seraya. These tests included conventional and advanced Non-destructive Testing (NDT), Radiography, Penetrant and Pulsed Array Ultrasonic

Testing, Corrosion Mapping and Remote Video Inspection. It also won a contract from ExxonMobil for Digital Radiography Testing (DRT) which essentially measures the wall thicknesses of the process pipeline. The information gathered is critical in calculating the corrosion rate and determine the remaining life for pipe repair or replacement planning.

### TECHNICAL EXPERTISE

VICOM has been conducting physical training for our inspectors quarterly to maintain their technical proficiency. However, COVID-19 has upended such physical training as inspectors from different centres are not allowed to inter-mingle. As such, we developed an e-learning platform to conduct the sessions. Training materials were prepared and uploaded and inspectors were taught how to use the new system.

The first online training was conducted in January 2021 and three more were conducted subsequently. Inspectors had to go through an online training session and sit through a quiz at the end of the module to ensure that they understood the lessons taught. A 100% participation rate was achieved for all sessions as inspectors were able to choose to attend lessons at their convenience.

With the implementation of online training, we are able to provide both quality and effective training to our inspectors at their own pace and convenience. However, physical training





in certain cases will still be needed as online training lacks the element of interaction and clarification of the technical aspects between inspectors and trainers.

As the nation moves towards the electrification of vehicles, it is imperative for VICOM to keep track of the development in the area of inspection for EVs. Management attended a total of three events in 2021.

The first event, an online conference titled “Emission Control in China and future plan to develop it”, was organised by the International Motor Vehicle Inspection Committee (CITA) in April 2021. It focused on current emission control methods in China and proposed inspection methods for periodic inspection on electric vehicles. Besides visual inspection, it proposed static inspection which involves the measurement of AC/DC insulation resistance and checks on the Battery Management System. In addition, dynamic inspection, which requires a chassis dynamometer, was recommended for checks on electrical energy consumption, drive performance and electromagnetic interference.

The second event, organised by TUV SUD Digital Academy in June 2021, was on “Safe Handling of High Voltage Systems in Motor Vehicles”. The course covered the layout of a high voltage system (HVS), dangers of electric current, accident prevention measure, first aid measures and technical safeguard. The purpose of the course was to impart a comprehensive transfer of basic knowledge and understanding in the area of safe handling of the HVS in motor vehicles. Though the course was primarily meant for technicians, the information shared was also useful for our inspectors as they go about inspecting EVs.

The third event, organized by the Slovenian Presidency of the Council of the EU and CITA in October 2021, was simply titled “Electric Vehicles”. It zoomed in on the outlook of EVs, focused on the differences between EV and Internal Combustion Engine (ICE) vehicles, types of charging modes and infrastructure, risks of EV and types of electrical tests available for EV. During the conference, the representative from the European Commission (Mobility and Transport) shared the timeline of revising the roadworthiness packages for Directive 2014/EU/EU on periodic

## OPERATIONS REVIEW



road worthiness tests, Directive 2014/46/EU on Registration documents of vehicles and Directive 2014/47/EU on Technical roadside inspection of commercial vehicles for EVs. The EU is targeting the adoption of the Commission proposal by the second quarter of 2023.

VICOM conducted its 17th Technical Knowledge Exam (TKE) for its vehicle inspectors on 11 November 2021. The theory-based examination focused 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 to VICOM's commitment to deliver quality inspection services to its customers. Over 95% of our vehicle inspectors who sat for the TKE scored 85 marks and above. Those who received scores below 85 marks had to re-sit the test until they met the minimum of 85 marks.

SETSCO was invited to speak as an industry partner under SFA's Laboratory Recognition Program on the topic of "Supporting Singapore's Approach in the Management of Import and Export Food Safety" at the e-APEC Food Safety Cooperation Forum. With delegates including those from various government agencies, businesses associations and stakeholders from USA, Australia, Chile, China, Malaysia and Indonesia, SETSCO was able to network with many stakeholders and raise its profile in the international testing community.

### DIGITALISATION

A Digitalisation Steering Committee (DSC) was set up in 2020 to provide governance and support to driving and accelerating digitalisation in the VICOM Group. Following that, Accenture, a leading global professional services company was commissioned

in 2021 to help develop a three-year comprehensive digital roadmap to address the digital future of the Group.

The digital roadmap focusses on three pillars of (1) Customer Centricity, (2) Asset and Operations Excellence and (3) Intelligence Enterprise. The expected outcome is to improve customer satisfaction and operation efficiency by developing end-to-end digital touch points to our customers and using data analytics to optimise operations.

To achieve this, it is imperative that the level of awareness of digital technology amongst our staff be raised. To this end, three basic and one advanced e-learning programmes were launched for our employees. A total of 496 staff attended the three basic programs under Cybersecurity, End-user computing and Digital Technologies and 351 staff attended the more advanced program on Data Analytics.



Ten senior staff were selected to attend the CDG-IMDA (Infocomm Media Development Authority) Company-Led Training (CLT) program for Data Analytics conducted by National University of Singapore (NUS). This program was funded by IMDA and aimed to boost the data analytics capabilities of mid-career professionals. Our staff had to undergo six months of on-the-job and instructor-led training on topics such as “Foundations of Data Analytics”, “Machine Learning and AI Data Analytics Project Management and Strategy”, “Data Exploration and Visualisation”, and “Analytics Techniques such as Correlation Analysis and Predictive Analytics”. To complete the course, staff had to put learning into practice by embarking on a project at work.

With the training, the 10 senior staff will be better able to lead their departments to further improve the efficiency of work processes, reduce cost and drive higher customer satisfaction.

## 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.

During the year, VICOM continue to make progress in the driving of a Customer Service culture. We received 7,412 compliments, about 36% more than the 5,436 compliments in 2020. On the other hand, the number of complaints dropped by 10%, from 42 in 2020 to 38 in 2021. The improvement in both compliments and complaints is giving a very positive indication that the Customer Service culture has been slowly ingrained into the daily lives of our staff.



Besides serving the customers well at the inspection centres, there was also an increase in motorists using the online payments via the VICOM website. Diners’ online payment increased by 55% while PayNow online payment increased by 290% or almost 1,000 transactions performed each month. Motorists enjoyed the comfort of pre-paying inspection online via their mobile, anytime and anywhere at their convenience. PayNow is well received among corporate customer especially corporate insurance fleet owners when remitting premiums. The transaction is instant and secure as compared to cheque payment which typically requires a few days to clear.

## VICOM BAGGED AN AWARD AT THE ANNUAL SECURITIES INVESTORS ASSOCIATION SINGAPORE (SIAS) INVESTOR’S CHOICE AWARDS - WINNING THE RUNNER UP OF THE SHAREHOLDER COMMUNICATION EXCELLENCE AWARD (SCEA) 2021, MID CAP CATEGORY.

During the year, we also expanded our online booking to Personal Mobility Device (PMD), Vehicle Inspection & Type Approval System (VITAS) & Speed-limiter inspection tapping on the earlier VFIT booking platform. With this, motorists could make bookings for such adhoc services on a 24/7 basis through our website.

## THE IMPACT ON COVID-19

COVID-19 continued into the second year but this time round, the Group was better equipped to cope with the challenges. Backend staff who were able to work from home continued to do so, while frontend staff continued to practice Safe Management Measures at the workplace. Various clean workplace environment measures that have been implemented include the use of handheld disinfectant electrostatic spray guns to disinfect high touch point locations regularly and weekly ART (Antigen Rapid Test) for staff facing the public. As at the end of 2021, all of VICOM’s staff have been fully vaccinated.

## RECOGNITION

VICOM received several plaudits during the year.

In the annual “Singapore Governance and Transparency Index (SGTI) 2021, VICOM scored 103 and performed significantly better than the average score of 68.7. We are ranked 21st out of 519 listed companies surveyed.

VICOM bagged an award at the annual Securities Investors Association Singapore (SIAS) Investor’s Choice Awards - winning the runner up of the Shareholder Communication Excellence Award (SCEA) 2021, Mid Cap Category.

SETSCO, on the other hand, received a letter of appreciation from ExxonMobil Asia Pacific Pte Ltd on 8 February 2021 in recognition of our company’s achievement of Zero Recordable Injury for Year 2020 within ExxonMobil Singapore Manufacturing Complex.

SETSCO received a letter of appreciation and plaque from Petrochemical Corporation of Singapore (Private) Limited (PCS) in recognition its achievement of Zero Lost Time Incidents in 2020.

## OPERATIONS REVIEW

### ACCREDITATION

SETSCO was accredited to conduct Resistance Performance Test (total viable spore count) under the United States Pharmacopeia (USP) 41: 2016, Chapter 55. Total viable spore count test is a common, in-coming inspection test for biological indicator (BI) users. This test serves as one of the simple tools that end users can use to ensure the quality of the product they are receiving. This test is required in the pharmaceuticals industry and we developed it as an addition to the previously accredited Endotoxin and Sterility tests.

### CERTIFICATION

SETSCO was successfully audited and received its renewal certification for ISO 45001 and ISO 50001 during the year.

The ISO 45001 certification specifies requirements for an Occupational Health and Safety (OH&S) Management System, to enable organisations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance, while ISO 50001 Energy Management System provides a framework for establishing energy management best practice to help organisations to improve their energy efficiency. This certification enables organisations to establish the systems and processes necessary to improve energy performance include energy efficiency, use, and consumption.

SETSCO also attained the AS 9100 (Quality Management Systems - Requirements for Aviation, Space, and Defense Organisations) Certification in February 2021 after it was successfully audited by an international aerospace certification organisation based in Singapore.

During the year, SETSCO obtained Singapore Airworthiness Requirement (SAR) -145 approval from Civil Aviation Authority of Singapore for its satellite facility at Jalan Buroh. With this approval, we can now perform Penetrant Testing for Maintenance, Repair and Overhaul (MRO) parts besides the new manufactured parts and hence further expanded our customer base.

### RELOCATION OF SETSCO

After a year of delay due to COVID-19, SETSCO finally shifted to the \$50 million new building at Bukit Batok in September 2021. The property consists of a six-storey industrial building with basement car park and was designed to house a small dormitory for foreign workers. It has a remaining lease of 34 years, expiring on October 2055. The premise was selected because of its close proximity to housing estates, good accessibility from the Ayer Rajah Expressway and Pan-Island Expressway, availability of public transport and room for future expansion.

The land plot is 7,554 m<sup>2</sup> and Gross Floor Area (GFA) is 18,843 m<sup>2</sup>. Though the land plot is smaller than the property at Teban Gardens, there is approximately 30% more usable space due to the higher plot ratio.

As part of our effort to promote environment's sustainability in Singapore, we decided to redesign and renovate the building based on BCA Green Mark (GM) scheme. This Green Mark is a recognised green building scheme tailored for the tropical climate. It encourages the industry and professionals to collaborate and develop green building solutions, raising Singapore's built environment's sustainability standards. BCA Green Mark aims to raise our standards in energy performance and place greater emphasis on other sustainability outcomes which include using smart technologies, enhancing a building's resilience to climate change and creating healthier environments for building users.

With a greener building and bigger area, the new building houses 78 labs as compared to 67 labs in the former premises in Teban Gardens. The new additions include the advance polymer lab, flammability test lab, reliability stress test lab, ingress protection test lab, hot climate conditioning lab, Gas Chromatography Mass Spectrometry/Mass Spectrometry (GCMS/MS) & Liquid Chromatography Mass Spectrometry/Mass Spectrometry (LCMS/MS) lab, foam test lab, asbestos analysis lab, microbiology development lab, pharmaceutical test room and an ISO Class 7 cleanroom. These additions will provide opportunities for SETSCO to further broaden and deepen its testing business.



# 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 sound business sense. To this end, the Group 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 Group is committed to ensuring the Group’s compliance with the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 (the “**Code**”). The Group has adopted a Code of Business Conduct, which sets out the principles and policies upon which the Group’s businesses are to be conducted, as well as a Whistle Blowing Policy, which provides a mechanism for employees and external parties 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 2021 (“**FY2021**”), with specific references to the Code. For FY2021, we are pleased to report that the Group complied in all material aspects 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 Group and achieve

sustainable growth for the Group. It sets the overall strategic direction of the Group 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 exposure to risks and the Group’s performance;
- Challenging Management constructively and monitoring its performance;
- Identifying the key stakeholder groups and guiding Management in the Group’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 Group’s values, standards, policies and practices are consistent with the Group’s culture; and
- Considering environmental, social and governance (“**ESG**”) issues as part of its strategic formulation on sustainability.

## CORPORATE GOVERNANCE

### 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. The new Director will also receive a copy of the Company's Constitution, the Company's current and past years' annual reports and the corporate structure chart of the Group.

Management will conduct a comprehensive orientation programme for newly appointed Directors, which covers, amongst other matters, duties as a director and how to discharge those duties and key aspects of the Group's businesses, including financial and corporate governance policies. 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 a copy of the relevant Board Committee's 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-ST 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 programmes, seminars and courses organised by the Singapore Institute of Directors ("SID") and other professional bodies to enhance their 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 Secretary updates and briefs 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 invited to conduct seminars on specific topics as and when necessary.

In FY2021, the Directors attended the courses/seminars listed below:

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY:
12 Jan 2021	SID	Audit Committee Seminar 2021	(1) Mr Goh Yeow Tin
29 Jan 2021	Accenture Innovation Hub	New Technology Overview	(1) Mr Lim Jit Poh (2) Mr Yang Ban Seng (3) Mr Sim Wing Yew (4) Prof Shim Phayau Wui, Victor (5) Ms June Seah Lee Kiang (6) Dr Tan Kim Siew (7) Mr Soh Chung Hian, Daniel (8) Ms Tan Poh Hong (9) Mr Goh Yeow Tin
19 May 2021	SID	Board Dynamics	(1) Prof Shim Phayau Wui, Victor
20 May 2021	SID	Board Performance	(1) Prof Shim Phayau Wui, Victor
21 Jul 2021	SID	Audit Committee Essentials	(1) Ms June Seah Lee Kiang
22 Jul 2021	SID	Board Risk Committee Essentials	(1) Prof Shim Phayau Wui, Victor (2) Ms June Seah Lee Kiang
23 Jul 2021	SID	Nominating Committee Essentials	(1) Prof Shim Phayau Wui, Victor
29 Jul 2021	SID	Remuneration Committee Essentials	(1) Prof Shim Phayau Wui, Victor

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY:
30 Jul 2021	SID	Driving Climate Change through Executive Compensation	(1) Ms June Seah Lee Kiang
2 Sep 2021	Eco-Business	The Board perspective: ESG and Climate-related Risks & Opportunities	(1) Ms June Seah Lee Kiang (2) Mr Goh Yeow Tin
18 Nov 2021	SID	Annual Corporate Governance Roundup 2021	(1) Ms Tan Poh Hong

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 businesses in general. Such meetings help Directors to be better equipped to make informed decisions relating to the future direction of the Group. The Group also holds strategy meetings at least once every two years for the Board to interact with Management and review the Group's future plans and proposals for new business opportunities, with the latest strategy meeting held in November 2021. In November 2021, the Directors also visited Setsco Services Pte Ltd's new premises at Bukit Batok.

### RESERVED MATTERS

VICOM has adopted clear, established and documented internal guidelines for matters which require the Board's approval. Under these guidelines, Board approval is required with regard to matters such as acquisition of business, disposal of or change in equity interests in existing subsidiaries/associates, investment in financial instruments, tender for business 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 also 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 Group. 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, the Director 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, four Board Committees were formed, namely, the Audit and Risk Committee ("**ARC**"), the Nominating and Remuneration Committee ("**NRC**"), the Sustainability Committee ("**SC**") which was formed on 28 April 2021 and the Technology Committee ("**TC**") which was formed on 1 January 2022 (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 authority, duties and responsibilities, as well as the regulations and procedures governing the manner in which the Board Committee operates and how decisions are taken.

The Nominating Committee and the Remuneration Committee were merged into one single Board Committee, the NRC, on 28 April 2021 for greater efficiency in the review of the appointment, performance and compensation of Directors and Key Management Personnel.

The terms of reference and summary of the activities of the NRC and the ARC are described in further detail in the relevant sections below from pages 45 to 54.

The SC, which was established on 28 April 2021, assists the Board in fulfilling its corporate governance responsibilities in relation to the Group's sustainability policies and strategies, by providing directions and considering ESG issues as part of its strategic formulation and investments. The Committee will seek to integrate sustainability considerations in the business strategies of the Group in order to deliver steady and sustainable outcomes.

## CORPORATE GOVERNANCE

As at 31 December 2021, the SC comprised six Directors, including the Chairman and the Chief Executive Officer (“CEO”). The Chairperson of the SC is Ms June Seah Lee Kiang. The key terms of reference of the SC include the following:

- (i) Review and monitor the implementation of the Group’s sustainability strategy, including materiality assessment and alignment of sustainable development policies with applicable laws and regulations;
- (ii) Review and monitor Management’s commitment and allocation of resources to achieving the desired outcomes of the Group’s sustainability strategy;
- (iii) Establish policies and practices, set and assess ESG targets, and measure the performance against targets;

(iv) Ensure the Group’s sustainability policies, strategies and priorities are integrated into the Group’s strategic plans, investment strategy and business goals; and

- (v) Monitor and consider emerging key ESG trends and issues that may have strategic, business and reputational implications for the Group, and receive periodic reports from the Management or external parties on the same, and make recommendations to the Board as necessary.

The Board also established the TC to oversee the group-wide digital strategy and associated execution plans to ensure that the Group leverages on technology as the catalyst for its strategic and business initiatives.

The TC was established on 1 January 2022, and comprises six Directors, including the CEO. The Chairperson of the TC is Dr Tan Kim Siew. The terms of reference of the TC include the following:

### ATTENDANCE OF DIRECTORS AT ANNUAL GENERAL MEETING, BOARD AND BOARD COMMITTEE MEETINGS IN 2021

NAME	BOARD		AUDIT & RISK COMMITTEE		NOMINATING COMMITTEE <sup>(b)</sup>	
	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	-	-	-	-
YANG BAN SENG	4	4	-	-	-	-
SIM WING YEW	4	4	4	4 <sup>(a)</sup>	-	-
GOH YEOW TIN	4	4	4	1 <sup>(d)</sup>	-	-
JUNE SEAH LEE KIANG	4	4	4	3 <sup>(e)</sup>	-	-
SHIM PHYAU WUI, VICTOR	4	4	4	4	-	-
SOH CHUNG HIAN, DANIEL	4	4	4	4	-	-
TAN KIM SIEW	4	4	-	-	-	-
TAN POH HONG	4	4	4	4	-	-
WONG YOKE WOON	4	4	4	4	-	-

Notes:

(a) Not a member but attended meetings by invitation of the Committee.

(b) The Nominating Committee and Remuneration Committee were merged to form the Nominating and Remuneration Committee on 28 April 2021.

(c) The Sustainability Committee was established on 28 April 2021.

(d) Mr Goh Yeow Tin stepped down as a member of the Audit and Risk Committee on 28 April 2021.

(e) Ms June Seah Lee Kiang was appointed as a member of the Audit and Risk Committee on 28 April 2021.

- (i) Oversee technology investments (including digitalisation) to enhance the Group's inspection and testing services;
- (ii) Review the requirements for technology talent and expertise to promote disruptive innovation across the Group; and
- (iii) Monitor technology trends and identify new opportunities for the Group.

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 the last quarter of each year after all the budgets of the Company's 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.

REMUNERATION COMMITTEE <sup>(b)</sup>		NOMINATING & REMUNERATION COMMITTEE <sup>(b)</sup>		SUSTAINABILITY COMMITTEE <sup>(c)</sup>		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
1	1	1	1	3	3	1	1
1	1 <sup>(a)</sup>	1	1 <sup>(a)</sup>	3	3	1	1
1	1 <sup>(a)</sup>	1	1 <sup>(a)</sup>	3	3	1	1
1	1	1	1	3	3	1	1
1	1	-	-	3	3	1	1
-	-	1	1	-	-	1	1
-	-	1	1	-	-	1	1
1	1	1	1	3	3	1	1
1	1	1	1	-	-	1	1
1	1	1	1	-	-	1	1

## CORPORATE GOVERNANCE

### 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 to keep 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 have full access to Management. Management provides information requested by Directors for their 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 SECRETARY

The Company Secretary assists in organising Board and Board Committee Meetings, and prepares the agenda in consultation with the Chairman, the CEO and the chairpersons of the respective Board Committees. The Company Secretary attends all Board and Board Committee Meetings. The Company Secretary keeps 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 Secretary. The appointment and removal of the Company Secretary are subject to the approval of the Board.

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

### BOARD INDEPENDENCE

As at 31 December 2021, the Board comprised ten Directors with 70% of them being 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 (they are deemed non-independent as they are nominees of ComfortDelGro Corporation Limited (“**ComfortDelGro**”) which is a substantial shareholder of the Company), as well as the CEO who is a Non-Independent Executive Director, all the remaining seven Non-Executive Directors (“**NED**”) are considered

by the NRC to be independent. The current board composition exceeds the requirement under the Code for a majority of the Board to comprise independent Directors where the Chairman is not independent. As the Chairman is not independent, 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 NRC 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. Each Director is required to declare any circumstances in which he/she may be considered non-independent. The NRC will then review the Confirmation of Independence to determine whether a Director is independent. The NRC 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 2021, the Chairman, the CEO and one out of the seven independent Directors, namely Mr Goh Yeow Tin, had served on the Board for more than nine years. However, as Mr Goh Yeow Tin’s continued appointment as an independent Director was approved in separate resolutions by (i) the shareholders of the Company; and (ii) the shareholders of the Company, excluding the Directors and CEO and associates of such Directors and CEO, at the Annual General Meeting (“**AGM**”) held on 28 April 2021, Mr Goh is still considered an Independent Director notwithstanding his length of service on the Board. The NRC 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 NRC 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.

Mr Lim Jit Poh and Mr Goh Yeow Tin have expressed their desire to step down as Directors upon the conclusion of the AGM in 2022. Upon their retirement as Directors, there will be eight Directors on the Board, six of whom are independent. The board composition following Mr Lim's and Mr Goh's retirement will still be in compliance with the Code.

#### **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.

A Director must not vote in respect of any contract or arrangement in which the Director is interested in accordance with Regulation 93 of the Company's Constitution.

#### **BOARD SIZE, COMPOSITION, DIVERSITY AND COMPETENCY**

The NRC 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 that the size is conducive for effective discussion and decision making, with an appropriate number of independent Directors. The NRC 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 NRC and the Board are of the view that the current size of ten 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.

#### **BOARD DIVERSITY POLICY**

The Company adopted a Board Diversity Policy in 2019 which focuses on ensuring an appropriate balance and mix of skills, knowledge, experience, gender and other aspects of diversity within the Board to avoid groupthink and bias, and instead foster constructive debate and achieve effective decision-making in the best interests of the Group.

In reviewing the Board composition and succession planning, the NRC considers various aspects of diversity, with all Board appointments and re-appointments based on merit, and due consideration being given to a candidate's suitability in strengthening the diversity of skills, experience, gender, knowledge and core competencies of the Board relevant to the Group. In relation to gender diversity, the Board ensures that female candidates are included for consideration when identifying suitable candidates for new appointments to the Board, and that at least one female director sits on the NRC. As at 31 December 2021, out of ten Directors on the Board, three Directors (or 30%) were females, and there were two female Directors on the NRC. The number of female Directors on the NRC exceeds the number in the guideline in the Company's Board Diversity Policy.

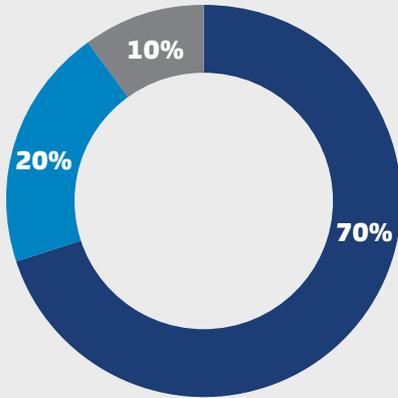
The Directors are individuals with leadership experiences in business, government and the labour movement and with a broad diversity of expertise and experience including accounting, finance, technical testing, engineering, regulatory and business management. Each Director provides a valuable network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

The NRC is satisfied that the Board and Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, knowledge, experience, age, gender, 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 NRC also ensures that the Board Diversity Policy is reviewed from time to time and ascertains that the current makeup of the Board and Board Committees reflects the Group's commitment to all aspects of diversity.

The individual profile of the Directors, their listed company directorships and principal commitments held currently and/or in the preceding five years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 21 to 25 and pages 58 to 61 of this Annual Report.

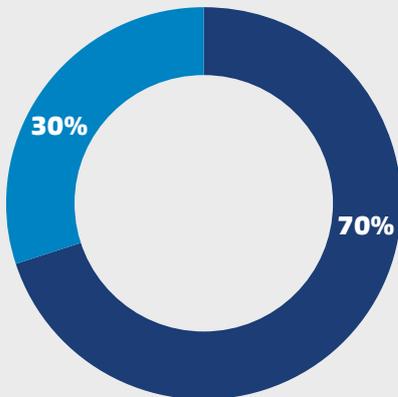
## CORPORATE GOVERNANCE

### BOARD INDEPENDENCE (As at 31 December 2021)



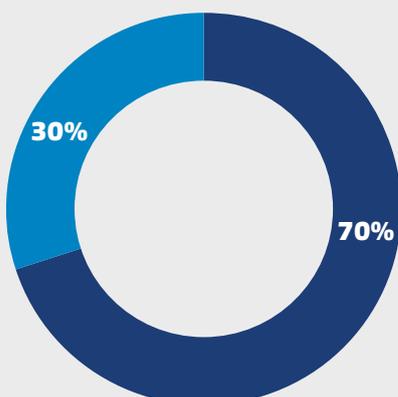
- Independent Non-Executive Director
- Non-Independent Non-Executive Director
- Non-Independent Executive Director

### BOARD GENDER DIVERSITY (As at 31 December 2021)



- Male
- Female

### DIRECTORS' LENGTH OF SERVICE (As at 31 December 2021)



- Served < 9 years
- Served > 9 years

### 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. They also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

All the members of the ARC and NRC 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. The NEDs led by the Lead Independent Director meet regularly without the presence of Management before or after Board Meetings. The chairperson of such meetings provides feedback to the Board and/or the Chairman as appropriate.

### PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

#### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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 responsibilities of the Chairman and the CEO are set out in writing, with the Chairman responsible for the effective functioning of the Board, and the CEO responsible for the operations and management of the Group's businesses. The Chairman and the CEO are not related.

The Chairman:

- 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;
- Oversees the translation of the Board's decisions into executive actions;
- Ensures adequacy and timeliness of information flow between the Board and Management and effective communications with shareholders and other stakeholders;
- Encourages constructive conversations and cordial 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 in 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 NRC and a member of the ARC and the TC. The Lead Independent Director is available to shareholders if they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

#### 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 AND REMUNERATION COMMITTEE

As at 31 December 2021, the NRC comprised seven NEDs, of whom six including the NRC Chairman are independent. The NRC Chairman is also the Lead Independent Director and he is not associated with any substantial shareholder. The NRC 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 NRC are made by a majority of votes of the NRC members who are present and voting. The key terms of reference of the NRC, in relation to nomination matters, include the following:

- (i) Review the succession plans for Directors and the talent management and succession plans for Key Management Personnel, and make recommendations to the Board on the appointment, replacement and re-appointment of Directors and Key Management Personnel, including the appointment and/or replacement of the Chairman and CEO;

- (ii) Assess the effectiveness of the Board and Board Committees and contributions by each individual Director;

- (iii) Develop a process for performance evaluation of the Board, its Board Committees and individual Director's performance, including comparison with industry peers;

- (iv) Determine annually, and as and when circumstances require, if a Director is independent; and

- (v) Make recommendations to the Board on the review of training and professional development programmes for the Board and the Directors.

#### MULTIPLE BOARD REPRESENTATIONS

The NRC 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 NRC and the Board have adopted the following as a proactive step to ensure 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 NRC 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 of the Board 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 NRC takes a holistic approach. Focusing 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 ability 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.

## CORPORATE GOVERNANCE

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 does not accept appointments to the boards of competitors.

As at 31 December 2021, all Directors comply with the guidelines 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 NRC 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 a balanced tripartism experience from government, labour and business to avoid unproductive group-think and bias.

The process for selection of new Directors is as follows:

- (i) The NRC assesses the desired competencies and attributes of the Board taking into account the Group's businesses and its strategic objectives.
- (ii) The NRC 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 NRC to assess suitability and commitment.
- (v) The NRC 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 AGM. All Directors are required to retire from office at least once every three years. Re-election is, however, not

automatic, and all Directors are assessed by the NRC 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. With effect from 1 January 2022, Independent Directors who have served more than nine years on the Board must subject their independence to a two-tier shareholder vote.

At the forthcoming AGM, Mr Yang Ban Seng, Ms June Seah Lee Kiang, Professor Shim Phiau Wui, Victor and Dr Tan Kim Siew are due for re-election pursuant to Regulation 98(b) of the Constitution of the Company. Mr Lim Jit Poh has expressed his desire to retire at the conclusion of the forthcoming AGM and this is one year ahead of the expiry of his current term. Mr Goh Yeow Tin has also expressed his desire to retire at the conclusion of the forthcoming AGM. The Board has decided that if Dr Tan Kim Siew is successfully re-elected as an Independent Non-Executive Director, he will succeed Mr Lim Jit Poh as the Chairman of the Board upon the latter's retirement. If Dr Tan is re-elected and succeeds the position of Chairman of the Board, there will no longer be a need for a Lead Independent Director under the Code as the Chairman of the Board will be independent, and hence Professor Shim will cease to be the Lead Independent Director.

The Board has, in recognition of Mr Lim Jit Poh's tremendous contributions to the Group and helping it evolve into Singapore's leading provider of vehicle inspection and technical testing services, as well as expand into non-vehicle testing services, decided to accord Mr Lim the title of Chairman Emeritus. Mr Lim Jit Poh will also assume the role of Senior Advisor after his retirement so that the Board and Management can continue to benefit from his sound counsel.

### KEY INFORMATION ON DIRECTORS

The profiles of the Directors and key information are set out in this Annual Report from pages 21 to 25. 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 NRC 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 a reasonable 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 criteria are determined by the NRC and approved by the Board, and do not change from year to year.

The annual evaluation process (including for FY2021) for the Board, Board Committees and individual Directors involves the following:

- (i) Each Director completes an individual director self-assessment form.
- (ii) The NRC members each completes a Board performance evaluation questionnaire.
- (iii) The respective Board Committee members complete the relevant Board Committee evaluation questionnaire.
- (iv) The results of the completed Board Committee questionnaires are collated by the Company Secretary and sent to the chairpersons of the respective Board Committees as well as to the Chairman for review.
- (v) The results of the completed Board questionnaires and the individual self-assessment forms are collated by the Company Secretary and sent to the Chairman for review.
- (vi) The collated results of the completed Board questionnaires, Board Committee questionnaires and individual self-assessment forms are presented to the Board for review, endorsement and discussion on possible areas for improvement to enhance overall effectiveness.

The performance evaluation includes key points such as the Board composition and size, Board accountability, conduct of Board and Board Committee Meetings, standards of conduct and whether the Directors have discharged their duties effectively.

## 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 Group's 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 corporate and individual performance as well as long-term interests of the Group and shareholders.

### NOMINATING AND REMUNERATION COMMITTEE

The NRC 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 that shareholder value is enhanced.

The NRC considers all aspects of remuneration, including the terms of termination, to ensure they are fair.

Members of the NRC are independent of Management and are also free from any business or other relationships, which may materially interfere with the exercise of independent judgement.

All decisions by the NRC are made by a majority of votes of the NRC members who are present and voting. Any member of the NRC with a conflict of interest in relation to the subject matter under consideration will abstain from voting, approving or making recommendations that would affect the decisions of the NRC. The CEO is not present at and does not participate in any NRC 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 NRC, in relation to remuneration matters, include the following:

- (i) Establish a formal and transparent procedure for developing the Group's remuneration policies and fixing the remuneration packages of individual Directors and the Key Management Personnel, and review 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;
- (ii) Review and recommend to the Board the remuneration framework and the specific remuneration packages for the Directors, and ensure that the level of remuneration offered is appropriate to the level of contribution;
- (iii) Review and approve the remuneration framework and the specific remuneration packages of Key Management Personnel that is aligned with the long-term interests of the Group to ensure that the overall remuneration package is appropriate to attract, retain and motivate Key Management Personnel to provide good stewardship of the Group and to successfully manage the Group for the long term; and

## CORPORATE GOVERNANCE

- (iv) Review the Group's obligations arising in the event of termination of Directors' and Key Management Personnel's services to ensure that they are fair, reasonable and equitable including the cessation of financial incentives that have been earned but not yet disbursed due to exceptional circumstances of misstatement or misconduct.

The NRC has unrestricted access to the ComfortDelGro Group Chief Human Resource Officer, who attends all NRC meetings and provides the relevant market remuneration data and practices to the Committee. The NRC may also seek external independent expert advice on such matters where needed. Where such advice is sought, the NRC will ensure that there is no existing relationship between the Group and its appointed consultants that will affect the independence and objectivity of the consultants. The Group continued to engage the services of an external consulting firm, Willis Towers Watson, in FY2021, to conduct an executive compensation benchmarking exercise for an independent review of the compensation packages of its senior executives. The NRC is of the view that there is no existing relationship between Willis Towers Watson and the Group that would affect their independence and objectivity.

### PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The Group 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 Group, taking into account the strategic objectives of the Group, and are appropriate to attract, retain and motivate the Directors and Key Management Personnel to successfully manage the Group 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 are appropriate and proportionate to the sustained performance and value creation of the Group. 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's guidelines on fixed to variable component ratios in respect of remuneration packages are 70:30 for rank and file employees, 60:40 for middle management staff and 50:50 for senior management staff. Notwithstanding the guidelines, the actual remuneration packages for employees are ultimately determined on a case-by-case basis with the aim of maximising employee engagement and retention. 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 employees of the Group are 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 Company's 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.

The Directors' fee structure for FY2021 is set out below:

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

<b>BOARD COMMITTEE</b>	<b>ADDITIONAL FEES (PER ANNUM) AS</b>	
	<b>CHAIRMAN</b>	<b>MEMBER</b>
<b>Audit and Risk Committee</b>	S\$20,667	S\$14,467
<b>Nominating Committee</b>	S\$10,334	S\$7,234
<b>Remuneration Committee</b>	S\$10,334	S\$7,234
<b>Nominating and Remuneration Committee (formed on 28 April 2021)</b>	S\$12,400	S\$8,680
<b>Sustainability Committee (formed on 28 April 2021)</b>	S\$10,334	S\$7,234

In light of the trend for meetings to be held remotely via video conferences, attendance fees were equalised between in-person and dial-in remote attendance with effect from 1 January 2021. The attendance fees payable to Non-Executive Directors for attendance at each Board and Board Committee Meeting are as follows:

<b>MEETINGS</b>	<b>ATTENDANCE FEE (PER MEETING)</b>
	<b>In-person / Dial-in</b>
<b>Board / Board Committee Meeting held locally</b>	S\$2,000
<b>Board / Board Committee Meeting held overseas</b>	US\$2,000

\* Directors are only paid one attendance fee per day irrespective of the number of meetings held on that day.

## **PRINCIPLE 8: DISCLOSURE ON REMUNERATION**

### **REMUNERATION OF DIRECTORS AND EXECUTIVES**

CEO's remuneration:

<b>REMUNERATION</b>	<b>THE GROUP</b>			
	<b>SALARY</b>	<b>BONUS</b>	<b>OTHERS</b>	<b>TOTAL COMPENSATION</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>FY2021</b>				
<b>SIM WING YEW</b>	313,200	247,950	101,940	663,090

## CORPORATE GOVERNANCE

The remuneration of the Non-Executive Directors in FY2021 comprised entirely Directors' fees as follows:

	<b>DIRECTORS' FEES</b>
	<b>FY2021</b>
	<b>S\$</b>
<b>LIM JIT POH</b>	77,491
<b>YANG BAN SENG<sup>1</sup></b>	51,415
<b>SHIM PHYAU WUI, VICTOR</b>	63,433
<b>GOH YEOW TIN</b>	48,829
<b>JUNE SEAH LEE KIANG</b>	53,531
<b>SOH CHUNG HIAN, DANIEL</b>	59,904
<b>TAN KIM SIEW</b>	46,491
<b>TAN POH HONG</b>	53,704
<b>WONG YOKE WOON</b>	53,704

Notes:

1. Mr Yang's Directors' fees are paid to the Company's holding company ComfortDelGro Corporation Limited.

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:

REMUNERATION BAND	THE GROUP			TOTAL COMPENSATION
	SALARY	BONUS	OTHERS	
	%	%	%	
<b>FY2021</b>				
<b>S\$500,000 to S\$749,999</b>				
<b>SZE THIAM SIONG</b>	53.2	37.6	9.2	100
<b>S\$250,000 to S\$499,999</b>				
<b>CHUNG TYING CHUN</b>	53.0	30.9	16.1	100
<b>YUSOOF AYNUDDIN</b>	55.1	32.2	12.7	100
<b>LEE PECK KIM, MARY</b>	58.3	34.0	7.7	100
<b>Below S\$250,000</b>				
<b>YIP CHUN WAH</b>	63.0	28.9	8.1	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\$1,717,270 in FY2021.

### REMUNERATION OF CERTAIN RELATED EMPLOYEES

During FY2021, no employee 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. Material price-sensitive and trade sensitive information, Annual Reports and other material corporate developments are disseminated in a timely and transparent 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 aspect. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining shareholder confidence and trust.

### DEALINGS IN SECURITIES

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 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's 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 considerations and/or while in possession of unpublished material price-sensitive and trade sensitive information relating to the relevant securities; and (ii) the securities of other listed companies while in possession of unpublished material price-sensitive and trade 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 the Group'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. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy and effectiveness of the risk governance, risk policy and internal controls in place are also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems are in place within the Group. A detailed description of the Group's approach to internal controls and risk management can be found from pages 62 to 67 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 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 FY2021, the Board has received assurance from the CEO and the 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.

## CORPORATE GOVERNANCE

### PRINCIPLE 10: AUDIT AND RISK COMMITTEE

As at 31 December 2021, the ARC comprised 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 NRC. 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) Ms June Seah Lee Kiang is an Independent Non-Executive Director of VICOM. She is a member of the ARC and also the Chairperson of the SC. Ms Seah is currently the Head of Business Development of Omise Co, a payment processor registered in Singapore with operations in Thailand, Indonesia, Singapore, Malaysia and Japan. 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.
- (iii) Professor Shim Phiau Wui, Victor is the Lead Independent and Non-Executive Director of VICOM. He is also the Chairman of the NRC and a member of the ARC and the TC. 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 ("**NUS**"), and a Doctor of Philosophy from the University of Cambridge, United Kingdom. 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 a member of the ARC and also a member of the NRC and the TC. Ms Tan holds a BSc (Hons) in Estate Management from NUS, 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 a member of the ARC and also a member of the NRC. Ms Wong holds an Executive Masters in Business Administration from the Singapore Management University, a Bachelor of Social Sciences from NUS and a Bachelor of Arts and Social Sciences from NUS. She also holds a Professional Diploma in Employment Relations from the NUS-Extension and Ong Teng Cheong Institute and a Graduate Diploma in Personnel Management from the Singapore Institute of Management.

The details of the ARC members' credentials are found on pages 21 to 25 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 Secretary 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 1967 of Singapore (the "**Companies Act**") and include the following:

- (i) Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal control systems (including financial, operational, compliance and information technology controls) and risk management systems;
- (ii) Review the effectiveness, adequacy, independence, scope and results of the Group's external audit and internal audit function;
- (iii) Review the significant accounting and financial reporting issues and judgements to ensure the integrity of the financial statements, as well as any formal announcements relating to the Group's financial performance and recommend to the Board the acceptance of such financial statements;
- (iv) Review the assurance from the CEO and the CFO on the financial records and financial statements;
- (v) 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;
- (vi) Review Interested Person Transactions;

- (vii) Make recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of the External Auditors; and (ii) the fees and terms of engagement of the External Auditors;
- (viii) Review and approve the annual audit plans of the External Auditors;
- (ix) Review and approve the Internal Auditors' annual and three-year rolling work plans; and
- (x) Review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, including the Group's Whistle Blowing Policy. The Whistle Blowing Policy is described on pages 54 and 67 of this Annual Report.
- (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) Recommendation to the Board of the re-appointment of External Auditors and its remuneration; and
- (x) Significant matters (if any) raised through the whistle-blowing channel.

#### AUDIT AND RISK COMMITTEE'S ACTIVITIES

The ARC held four meetings during FY2021. The CEO, CFO, ComfortDelGro Group Chief Internal Audit Officer ("**GCAIO**") were present at these meetings. The External Auditors attended the meetings that discussed the half-year and full-year results. 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;

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 Internal Auditors and External 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 for FY2021, the ARC considered the following key audit matters:

SIGNIFICANT MATTERS	REVIEW OF SIGNIFICANT MATTERS BY THE ARC
<b>Allowance for expected credit losses for trade receivables</b>	<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 FY2021.

## CORPORATE GOVERNANCE

### 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 the ComfortDelGro Group Internal Audit Division comprising of suitably qualified and experienced Internal Audit staff including the GCIAO. The ComfortDelGro Group Internal Audit staff have professional qualifications and are either members of the Institute of Singapore Chartered Accountants, CPA Australia, the Information Systems Audit and 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. The ARC participates in the hiring, removal and evaluation of the GCIAO and reviews his compensation with the Managing Director/Group CEO of ComfortDelGro.

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 audit plan is developed by the GCIAO in consultation with, but independent of, Management and is 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 meets with the GCIAO at least once a year in the absence of Management. The ComfortDelGro 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 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.

### WHISTLE BLOWING POLICY

The Group's Whistle Blowing Policy provides a mechanism for employees and external parties 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. Under the Whistle Blowing Policy, incidents may be reported to the GCIAO, whose contact information is set out in the policy. Where the incident involves the GCIAO, the complaint may be made to the ARC Chairman. All cases are investigated and overseen by the ComfortDelGro Group Internal Audit Division, and dealt with promptly and thoroughly. The identity of whistleblowers is kept confidential, and the Group is committed to ensure protection of whistleblowers against detrimental or unfair treatment. The ARC is responsible for oversight and monitoring of whistleblowing.

## 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 are 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 formulated a Policy on Securities – Drafting and Releasing SGX-ST Announcements to provide guidance on preparation of SGX-ST announcements.

Shareholders may send in their requests or queries through the feedback channel provided on the Company's website. The IR function of the Group is performed by the ComfortDelGro Group's IR team ("**Group IR Team**"), led by the ComfortDelGro Head, Group Investor Relations ("**GHIR**"). The Group IR Team is accessible throughout the year to address shareholders' queries. The contact details of the GHIR can be found on the Company's website.

Beyond complying with the requirements of the Code, the SGX-ST Listing Manual and the Companies Act, 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 sustainability efforts. Upon request, hard copies are provided to shareholders.

### CONDUCT OF SHAREHOLDER MEETINGS

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 Secretary, 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 issue shares was granted, 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/her 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. The Company believes 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 31 December 2020 was held in April 2021 both physically and by way of audio-visual electronic means as a result of restrictions on physical interactions due to the COVID-19 pandemic.

The FY2021 AGM scheduled to be held on 27 April 2022 will also be held both (i) physically pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("**Physical Meeting**") and (ii) by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Virtual Meeting**"). To facilitate high levels of shareholder engagement, real-time communication and real-time live voting will be conducted during the AGM for shareholders and proxies attending the Physical Meeting and the Virtual Meeting. Due to the current COVID-19 situation, the Company may restrict the number of attendees at the Physical Meeting in compliance with 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. The Company will adhere to the SGX-ST's guiding principle to provide answers to shareholders' questions within reasonable timelines. Please refer to the Notice of the FY2021 AGM of the Company 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 to SGXNET. Dividends are paid to shareholders in an equitable and timely manner.

## CORPORATE GOVERNANCE

### 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 Group IR Team works with senior management to proactively carry out this engagement programme.

Communications with the SGX-ST is handled by the Company Secretary, while communications with shareholders, analysts and fund managers is handled by the GHIR. 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 Group 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 in our 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 complies with the relevant requirements under the SGX-ST Listing Manual.

The Company maintains a 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 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 open 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 accepted corporate governance business practices and ethical standards and do not violate any applicable laws, regulations or policies of any country that the Group operates in or any company with which the Group has dealings.

#### ANTI-CORRUPTION POLICY

The Group complies with all applicable laws of the jurisdictions in which it operates and conducts business in an open and 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 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. The Group complies with applicable 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 required 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 information provide protection against 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 2012, including the 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 Group's cyber security framework. The Group regularly reviews its cyber security measures to ensure effective protection of its information technology systems and databases. The Group has implemented multi-layered defences, including firewalls, intrusion prevention system, network access control, server hardening, data encryption and employee security training. The Group keeps abreast of the evolving threats and the latest techniques, and actively collaborates with cyber security authorities and regulators to develop appropriate countermeasures.

The Group will continue to strengthen its capabilities in light of the way cyber security risks will evolve with the digital age. As and when necessary, the Group will take appropriate risk management decisions and implement security controls to secure its 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 practises 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 their 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. The Group negotiates with suppliers on an individual basis and meets its obligations accordingly.

## INTERESTED PERSON TRANSACTIONS

### SGX-ST 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.	\$2,626,000	NIL
SBS Transit	SBS Transit is an associate of the Company.	\$853,000	NIL

There is no shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

## DIRECTORS' PARTICULARS

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2021)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)	PRESENT PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2021)	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)
<b>LIM JIT POH</b> Chairman (Non-Independent Non-Executive Director)	82	<p><b>Principal Directorship in the VICOM Group</b></p> <ul style="list-style-type: none"> <li>• Setsco 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>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> </ul>	<ul style="list-style-type: none"> <li>• Ascott Residence Trust Management Ltd*</li> <li>• Surbana Property Investment Pte Ltd</li> <li>• CapitaLand Township Development Fund Pte Ltd</li> <li>• CapitaLand Township Development Fund II Pte Ltd</li> <li>• SBS Transit Ltd*</li> </ul>	Nil	Nil

\* Listed Company

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2021)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)	PRESENT PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2021)	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)
<b>YANG BAN SENG</b> Deputy Chairman (Non-Independent Non-Executive Director)	65	<p><b>Principal Directorships in the VICOM Group</b></p> <ul style="list-style-type: none"> <li>• Setsco Services Pte Ltd</li> <li>• JIC Inspection 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>Directorships in the SBS Transit Group</b></p> <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> <li>• SBS Transit Rail 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 2021)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)	PRESENT PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2021)	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)
<b>SIM WING YEW</b> Chief Executive Officer (Non-Independent Executive Director)	54	<p>Directorship in the <b>ComfortDelGro Group</b></p> <ul style="list-style-type: none"> <li>ComfortDelGro Engineering Pte Ltd</li> </ul> <p>Directorships in the <b>VICOM Group</b></p> <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 PHYAU WUI, VICTOR</b> (Lead Independent Non-Executive Director)	68	Nil	Nil	<ul style="list-style-type: none"> <li>National University of Singapore (Emeritus Professor)</li> </ul>	Nil
<b>GOH YEOW TIN</b> (Independent Non-Executive Director)	71	<p><b>Other Companies</b></p> <ul style="list-style-type: none"> <li>Taka Jewellery Holdings Limited* (f.k.a. TLV Holdings Limited)</li> <li>AsiaPhos Limited*</li> <li>KTMG 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> </ul>	<ul style="list-style-type: none"> <li>SGP Global Pte Ltd (f.k.a. WaterTech Pte Ltd)</li> <li>Sheng Siong Group Ltd*</li> </ul>	Nil	Nil
<b>JUNE SEAH LEE KIANG</b> (Independent Non-Executive Director)	68	Nil	Nil	<ul style="list-style-type: none"> <li>Omise Co. (Head of Business Development)</li> </ul>	<ul style="list-style-type: none"> <li>The Peranakan at Claymore Connect (Partner)</li> </ul>

\* Listed Company

<b>NAME</b>	<b>AGE</b>	<b>PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2021)</b>	<b>PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)</b>	<b>PRESENT PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2021)</b>	<b>PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)</b>
<b>SOH CHUNG HIAN, DANIEL</b> (Independent Non-Executive Director)	68	<b>Other Companies</b> <ul style="list-style-type: none"> <li>British and Malayan Holdings Limited*</li> <li>Sunright Limited*</li> </ul>	<ul style="list-style-type: none"> <li>JDJ Investment Pte Ltd</li> <li>Lum Chang Holdings Limited*</li> <li>British and Malayan Trustees Limited</li> <li>Agency for Integrated Care Pte Ltd</li> </ul>	<b>Nil</b>	<b>Nil</b>
<b>TAN KIM SIEW</b> (Independent Non-Executive Director)	68	<b>Directorship in the SBS Transit Group</b> <ul style="list-style-type: none"> <li>SBS Transit Ltd*</li> </ul>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>TAN POH HONG</b> (Independent Non-Executive Director)	63	<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>OTS Holdings 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)</li> <li>Barramundi Asia Pte Ltd</li> <li>AgriFood Technologies Pte Ltd</li> </ul>	<b>Nil</b>	<ul style="list-style-type: none"> <li>Agri-Food and Veterinary Authority (Chief Executive Officer and Board Member)</li> </ul>
<b>WONG YOKE WOON</b> (Independent Non-Executive Director)	48	<b>Nil</b>	<b>Nil</b>	<ul style="list-style-type: none"> <li>e2i (Employment and Employability Institute), Outreach and Operations Group (Deputy CEO)</li> <li>National Trades Union Congress, Operations Department (Deputy Director)</li> </ul>	<b>Nil</b>

## 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 2021, the deadly Delta variant together with the emerging and highly infectious Omicron variant continued to upend economies, businesses and livelihoods. For the Group, the pandemic resulted in manpower issues due to the disruption caused by staff travel restrictions and absenteeism.

The key efforts of 2021 were thus focused on ensuring a safe workplace for our staff and also a safe environment for our customers by implementing Safe Management Measures and other initiatives as prescribed by the various government agencies. 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.

### HIGHEST OVERSIGHT



The Board is responsible for the oversight of VICOM Group risk management, internal control, policies and systems.

The Board consists of the Chairman, Executive Directors & Non-executive Directors whom held their Board meeting quarterly.

### 3RD LINE



The internal and external audit is responsible for testing the effectiveness of the risk management, the internal control and compliance set up by the management as an independent assurance. The whistleblowing and results of investigated issues will report directly to the Audit and Risk Committee.

Internal Auditors report independently to the ARC. They adopt a risk based approach when conducting their review.

### 2ND LINE



VICOM Risk Steering Committee is responsible for the risk management framework and strategy. They set up the risk management strategy, implement control self-assessment and monitor regulatory compliance.

VICOM Risk Steering Committee consists of CEO & Senior Management Staff who will be responsible of the risk in their functional area.

### 1ST LINE

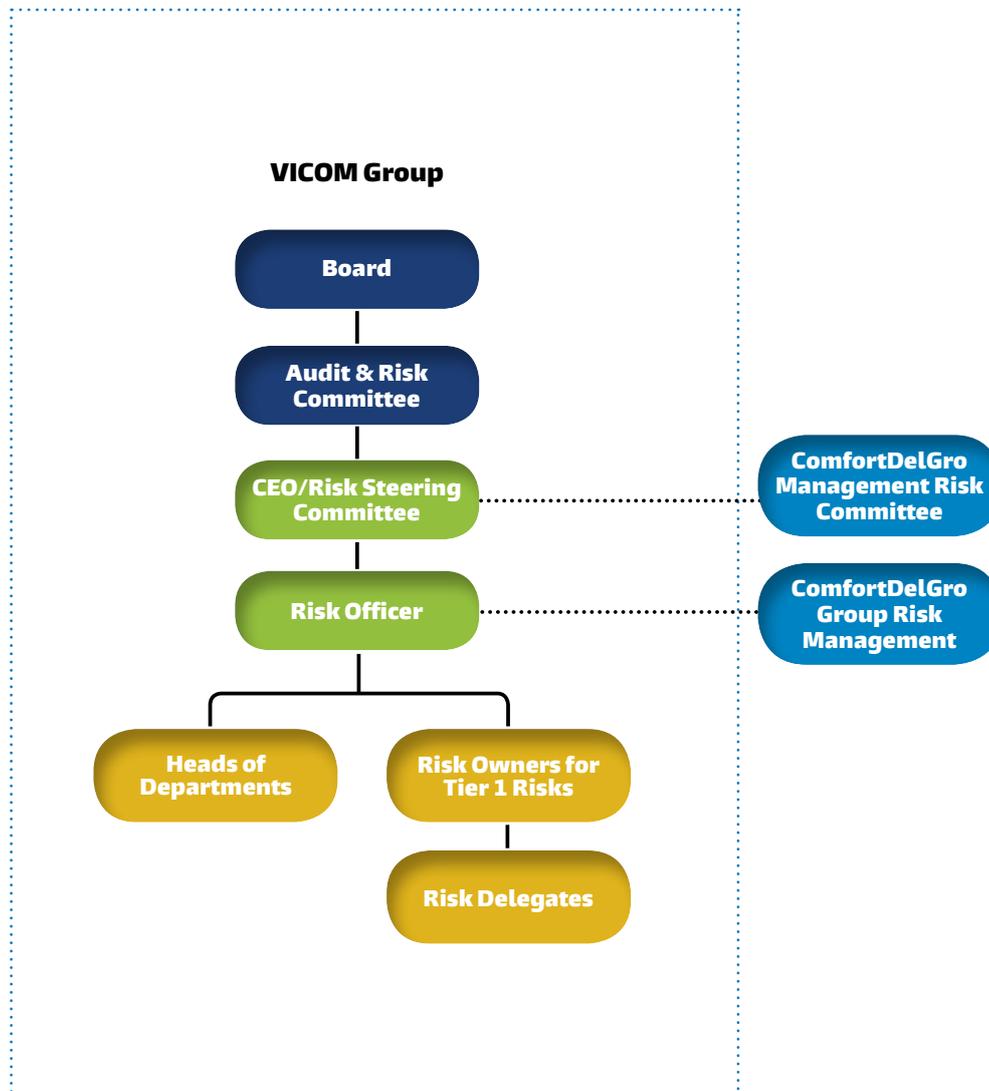


Business Units are responsible for setting up the policy management, identify risk, build a robust internal control environment and construct a strong financial and operational governance.

The Business Units Department Heads, Managers and employees embed risk-mitigating factor when designing their operational process and procedures.

## 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 Officer 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 preventive 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 due to the infectious Omicron variant 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 438 accredited laboratories, 129 accredited Inspection Bodies and 130 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 operation 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 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 3rd party accreditation 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 ensure 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. In Q4 2021, due to the infectious Omicron variant, the Group took decision to implement weekly Antigen Rapid Test (ART) testing by all staff. This is to prevent infection clusters from forming in the workplace and ensure a safe working environment for 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.

## RISK MANAGEMENT

### 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 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 digitalization. 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) since 2020 as a testament on the adequacy and effectiveness of its policies, internal processes and procedures in preventing personal data breach.

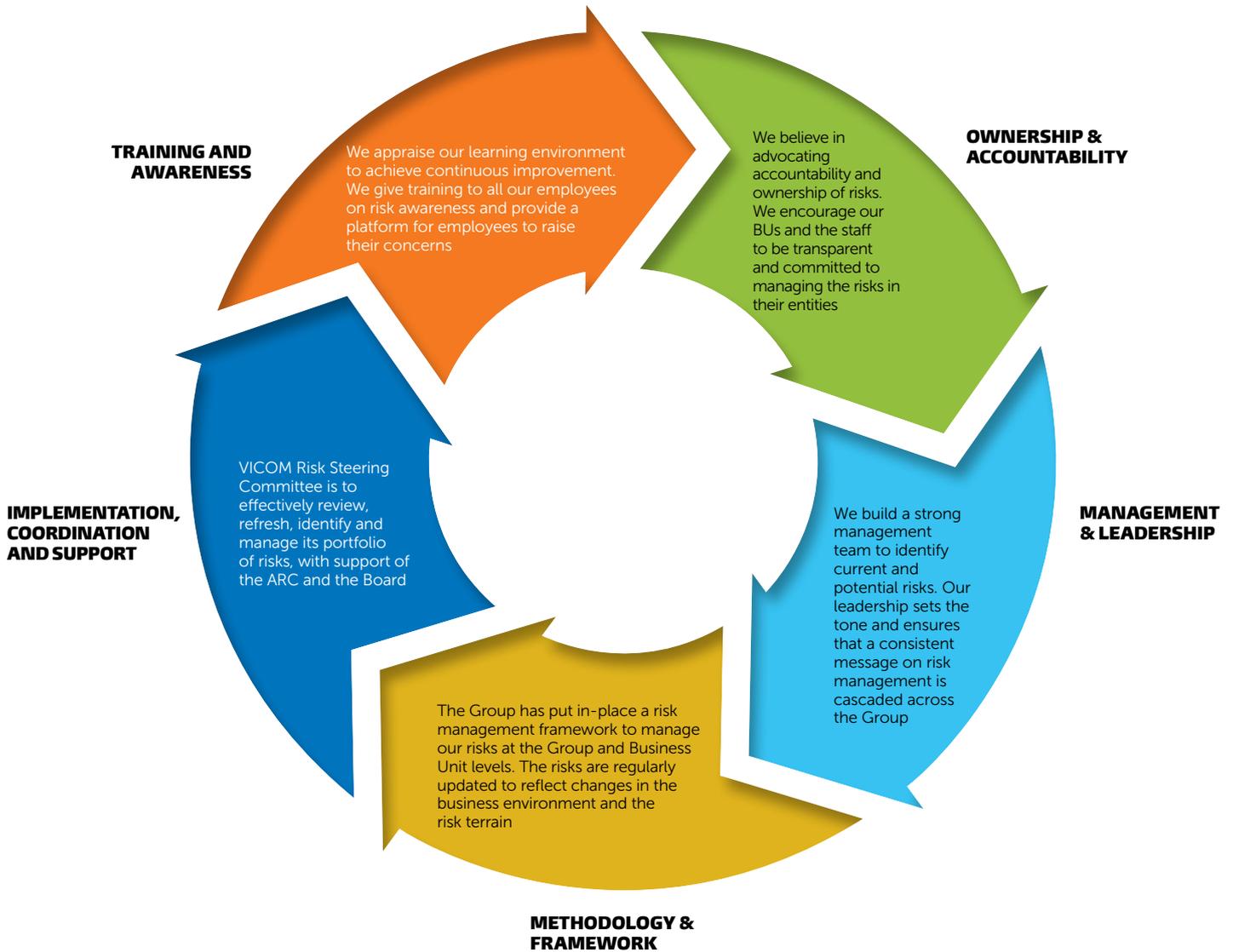
### AUDIT PROCESS

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 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. The policy is communicated to all employees twice yearly through Electronic Distribution Mails (EDMs) with their acknowledgement. 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

## 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)	18 May 2021
Announcement of 2021 Half Year Results	11 August 2021
Payment of 2021 Interim Dividend (3.04 cents/shares)	31 August 2021

## 2022

Announcement of 2021 Full Year Results	21 February 2022
Annual General Meeting	27 April 2022
Payment of 2021 Final Dividend (3.24 cents/share) and Special Dividend (2.00 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	25 May 2022
Announcement of 2022 Half Year Results	11 August 2022*

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

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# 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 2021 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2021.

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 77 to 115 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 2021, 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	

## 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.

### 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 1967, except as follows:

	Shareholdings registered in name of Directors		
	At 1 January 2021	At 31 December 2021	At 21 January 2022
<b>Interest in the Company</b>			
(a) Ordinary shares			
Lim Jit Poh	760,000	760,000	760,000
Sim Wing Yew	40,000	40,000	40,000
Shim Phiau Wui, Victor (Deemed Interest)	24,000	24,000	24,000
<b>Interest in related company, SBS Transit Ltd</b>			
(a) Ordinary shares			
Sim Wing Yew	70,000	70,000	70,000
<b>Interest in holding company, ComfortDelGro Corporation Limited</b>			
(a) Ordinary shares			
Lim Jit Poh	244,425	244,425	244,425
Yang Ban Seng	7,168	399,668	399,668
Yang Ban Seng (Deemed Interest)	18,185	18,185	18,185
Sim Wing Yew	457,500	472,500	472,500
Shim Phiau Wui, Victor (Deemed Interest)	19,000	19,000	19,000
(b) Options to subscribe for ordinary shares			
Yang Ban Seng	330,000	–	–
(c) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme ("ESAS")			
		<b>Number of unvested share held by Directors</b>	
		At 1 January 2021	At 31 December 2021
Yang Ban Seng		225,000	362,500
Sim Wing Yew		52,500	67,500

## DIRECTORS' STATEMENT

### 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)  
June Seah Lee Kiang  
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 1967, 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.

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 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.

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.

**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  
21 February 2022

# 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 2021, 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 77 to 115.

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 1967, (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 2021 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 *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.

### 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.

### **Information Other than the Financial Statements and Auditor's Report Thereon (cont'd)**

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.

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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICOM LTD

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

- 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.

## 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

21 February 2022

# STATEMENTS OF FINANCIAL POSITION

## 31 DECEMBER 2021

	Note	The Group		The Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	75,360	93,196	71,057	89,384
Trade receivables	6	11,268	10,505	1,946	2,083
Other receivables and prepayments	7	1,037	1,764	285	431
Inventories		21	2	–	–
<b>Total current assets</b>		<b>87,686</b>	<b>105,467</b>	<b>73,288</b>	<b>91,898</b>
<b>Non-current assets</b>					
Subsidiaries	8	–	–	25,941	25,941
Associate	9	25	25	–	–
Financial assets at fair value through other comprehensive income	10	3,295	1,327	3,295	1,327
Vehicles, premises and equipment	11	97,434	89,754	34,260	36,589
Goodwill	12	11,325	11,325	–	–
<b>Total non-current assets</b>		<b>112,079</b>	<b>102,431</b>	<b>63,496</b>	<b>63,857</b>
<b>Total assets</b>		<b>199,765</b>	<b>207,898</b>	<b>136,784</b>	<b>155,755</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables	13	29,755	24,375	7,826	7,500
Due to subsidiaries	14	–	–	38,786	49,988
Provision for relocation costs	15	2,462	6,973	–	–
Lease liabilities	16	1,062	1,092	597	587
Income tax payable		5,851	6,773	3,074	4,415
<b>Total current liabilities</b>		<b>39,130</b>	<b>39,213</b>	<b>50,283</b>	<b>62,490</b>
<b>Non-current liabilities</b>					
Other payables	13	720	–	–	–
Deferred tax liabilities	17	999	1,542	28	63
Lease liabilities	16	30,702	31,691	24,299	24,896
<b>Total non-current liabilities</b>		<b>32,421</b>	<b>33,233</b>	<b>24,327</b>	<b>24,959</b>
<b>Total liabilities</b>		<b>71,551</b>	<b>72,446</b>	<b>74,610</b>	<b>87,449</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	18	36,284	36,284	36,284	36,284
Other reserves	19	4,086	3,043	4,086	3,043
Foreign currency translation reserve		–	(16)	–	–
Accumulated profits		86,883	94,940	21,804	28,979
Equity attributable to shareholders of the Company		127,253	134,251	62,174	68,306
Non-controlling interests		961	1,201	–	–
<b>Total equity</b>		<b>128,214</b>	<b>135,452</b>	<b>62,174</b>	<b>68,306</b>
<b>Total liabilities and equity</b>		<b>199,765</b>	<b>207,898</b>	<b>136,784</b>	<b>155,755</b>

# GROUP INCOME STATEMENT

## YEAR ENDED 31 DECEMBER 2021

	Note	The Group	
		2021 \$'000	2020 \$'000
<b>Revenue</b>	20	100,892	86,452
Staff costs	21	(45,362)	(35,784)
Depreciation and amortisation	11	(7,249)	(7,334)
Contract services		(2,928)	(2,405)
Materials and consumables		(2,831)	(2,074)
Premises costs		(1,923)	(1,684)
Repairs and maintenance costs		(1,772)	(1,625)
Utilities and communication costs		(1,795)	(1,242)
Other operating costs		(6,056)	(4,977)
Total operating costs		(69,916)	(57,125)
<b>Operating profit</b>		30,976	29,327
Finance costs	22	(871)	(899)
Interest income		269	948
<b>Profit before taxation</b>		30,374	29,376
Taxation	23	(5,138)	(4,400)
<b>Profit after taxation</b>	24	25,236	24,976
Attributable to:			
Shareholders of the Company		24,776	24,494
Non-controlling interests		460	482
		25,236	24,976
Earnings per share (in cents):			
Basic	25	6.99	6.91
Diluted	25	6.99	6.91

## GROUP COMPREHENSIVE INCOME STATEMENT

### YEAR ENDED 31 DECEMBER 2021

	Note	The Group	
		2021 \$'000	2020 \$'000
<b>Profit after taxation</b>		25,236	24,976
<b>Items that may be reclassified subsequently to Profit or Loss</b>			
Exchange differences arising on translation of foreign operations		16	(15)
<b>Items that will not be reclassified subsequently to Profit or Loss</b>			
Fair value adjustment on equity investments	10	1,043	(22)
<b>Other comprehensive income for the year</b>		1,059	(37)
<b>Total comprehensive income for the year</b>		26,295	24,939
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		25,835	24,457
Non-controlling interests		460	482
		26,295	24,939

# STATEMENTS OF CHANGES IN EQUITY

## YEAR ENDED 31 DECEMBER 2021

	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 2020</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)
Total	–	(22)	(15)	24,494	24,457	482	24,939
<b>Transactions recognised directly in equity</b>							
Payment of dividends (Note 30)	–	–	–	(21,531)	(21,531)	–	(21,531)
Total	–	–	–	(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
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	24,776	24,776	460	25,236
Other comprehensive income for the year	–	1,043	16	–	1,059	–	1,059
Total	–	1,043	16	24,776	25,835	460	26,295
<b>Transactions recognised directly in equity</b>							
Payment of dividends (Note 30)	–	–	–	(32,833)	(32,833)	–	(32,833)
Total	–	–	–	(32,833)	(32,833)	–	(32,833)
Payments to non-controlling interests	–	–	–	–	–	(700)	(700)
<b>Balance at 31 December 2021</b>	36,284	4,086	–	86,883	127,253	961	128,214

	The Company			Total equity \$'000
	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	
<b>Balance at 1 January 2020</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 30)	–	–	(21,531)	(21,531)
Total	–	–	(21,531)	(21,531)
<b>Balance at 31 December 2020</b>	36,284	3,043	28,979	68,306
<b>Total comprehensive income for the year</b>				
Profit for the year	–	–	25,658	25,658
Other comprehensive income for the year	–	1,043	–	1,043
Total	–	1,043	25,658	26,701
<b>Transactions recognised directly in equity</b>				
Payment of dividends (Note 30)	–	–	(32,833)	(32,833)
Total	–	–	(32,833)	(32,833)
<b>Balance at 31 December 2021</b>	36,284	4,086	21,804	62,174

# GROUP CASH FLOW STATEMENT

## YEAR ENDED 31 DECEMBER 2021

	2021 \$'000	2020 \$'000
<b>Operating activities</b>		
Profit before taxation	30,374	29,376
Adjustments for:		
Depreciation of vehicles, premises and equipment owned and right-of-use assets	7,249	7,334
Interest expense	871	899
Interest income	(269)	(948)
Gain on disposal of vehicles, premises and equipment	(4)	(30)
Allowance for expected credit losses	552	856
Operating cash flows before movements in working capital	38,773	37,487
Trade receivables	(1,315)	4,820
Other receivables and prepayments	723	(733)
Inventories	(19)	19
Trade and other payables	(1,025)	579
Cash generated from operations	37,137	42,172
Interest paid	(871)	(899)
Income tax paid	(6,603)	(4,556)
Net cash from operating activities	29,663	36,717
<b>Investing activities</b>		
Purchase of vehicles, premises and equipment	(12,282)	(15,001)
Interest received	273	1,744
Proceeds from disposal of vehicles, premises and equipment	35	37
Purchase of unquoted equity instruments held at fair value through other comprehensive income	(925)	–
Net cash used in investing activities	(12,899)	(13,220)
<b>Financing activities</b>		
Payments to non-controlling interests	(700)	(246)
Repayments of lease liabilities	(1,093)	(1,358)
Dividends paid (Note 30)	(32,833)	(21,531)
Net cash used in financing activities	(34,626)	(23,135)
<b>Net effect of foreign exchange rates in consolidating subsidiaries</b>	26	(17)
Net (decrease) increase in cash and cash equivalents	(17,836)	345
Cash and cash equivalents at beginning of year	93,196	92,851
<b>Cash and cash equivalents at end of year (Note 5)</b>	75,360	93,196

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 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 2021 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2021 were authorised for issue by the Board of Directors on 21 February 2022.

## 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, 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*.

**ADOPTION OF NEW AND REVISED FINANCIAL STANDARDS** – On 1 January 2021, 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.

**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) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract* <sup>(1)</sup>
- Annual improvements to SFRS(I)s 2018-2020 <sup>(1)</sup>
- Amendments to SFRS(I) 1 *Classification of Liabilities as Current or Non-current* <sup>(2)</sup>
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates* <sup>(2)</sup>
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* <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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

### NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED (CONT'D)

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.

**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.

## 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").

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

### FINANCIAL INSTRUMENTS (CONT'D)

#### Financial assets (cont'd)

##### 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.

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 10).

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.

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

### FINANCIAL INSTRUMENTS (CONT'D)

#### Financial assets (cont'd)

##### Impairment of financial assets (cont'd)

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.

##### 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 2021

### 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.

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

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

### LEASES (CONT'D)

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.

**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.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2021

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

**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.

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.

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

**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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2021

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

**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.

#### 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.

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

**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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

### FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (CONT'D)

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 12.

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 3.2% (2020 : 1.5%).

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

#### Goodwill impairment review (cont'd)

The discount rate applied to the forecast is 6.36% (2020 : 4.62%).

As at 31 December 2021 and 31 December 2020, 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.

#### 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	
	2021 \$'000	2020 \$'000
Inspection and testing services charged to related companies	(1,848)	(1,980)
Refuelling outlet (variable rental) income charged to related company	(255)	(228)
Rental income charged to related companies	(223)	(260)
Assessment fee charged to related companies	(73)	(172)
Other fees charged to related companies	(81)	(55)
Shared and corporate services charged by holding company	1,303	539
Others charged by holding company	92	91
Others charged by related companies	304	269
Lease expense charged by related companies	193	178

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 5 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and bank balances	4,275	3,905	787	904
Fixed deposits with financial institutions	71,085	89,291	70,270	88,480
Total	75,360	93,196	71,057	89,384

Fixed deposits are placed on a staggered basis based on the Group's cash flow projections, bore interest at effective interest rates of between 0.27% to 0.48% (2020 : 0.25% to 0.92%) per annum and for a weighted average tenure of approximately 280 days (2020 : 165 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Outside parties	14,404	13,302	339	345
Allowance for expected credit losses	(3,347)	(2,852)	(30)	(72)
Allowance for discount allowed	(199)	(270)	–	–
Net	10,858	10,180	309	273
Holding company (Note 4)	5	–	–	–
Subsidiaries (Note 4)	–	–	1,518	1,726
Related companies (Note 4)	405	325	119	84
Total	11,268	10,505	1,946	2,083

The average credit period on sale of goods and provision of services is 30 days (2020 : 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 \$3,347,000 (2020 : \$2,852,000) and of the Company of \$30,000 (2020 : \$72,000). This allowance which has been determined by reference to past default experience and expected credit losses, ranging from 2% to 2.2% (2020 : 2% to 6.2%) 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 consider historical loss rates for each category of customers and adjust for forward-looking macroeconomic data.

Approximately 65% (2020 : 58%) of the Group's trade receivables are neither past due nor impaired. Included in the Group's trade receivable balances are debtors with a total carrying amount of \$1,767,000 (2020 : \$2,728,000) 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 19 days (2020 : 52 days).

Approximately 96% (2020 : 94%) of the Company's trade receivables are neither past due nor impaired. Included in the Company's trade receivable balances are debtors with a total carrying amount of \$42,000 (2020 : \$52,000) 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 15 days (2020 : 32 days).

## 6 TRADE RECEIVABLES (CONT'D)

### Movements in allowance for expected credit losses:

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of the year	2,852	2,128	72	152
Amounts written off during the year	(54)	(132)	(3)	–
Increase (Decrease) in allowance recognised in Profit or Loss	552	856	(39)	(80)
Exchange differences	(3)	–	–	–
Balance at end of the year	3,347	2,852	30	72

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Denominated in:				
Great Britain pound	3	–	–	–
United States dollar	61	72	–	–

As at 31 December 2021, 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 \$3,133,000 (2020 : \$2,640,000) and \$27,000 (2020 : \$67,000) respectively.

During the year, the credit impaired financial assets of the Group and the Company written off amounted to \$54,000 (2020 : \$132,000) and \$3,000 (2020 : \$Nil) respectively; and the allowance recognised in Profit or Loss amounted to \$545,000 (2020 : \$858,000) and reversal of \$39,000 (2020 : \$80,000) 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 \$2,000 (2020 : \$91,000) and \$2,000 (2020 : \$1,000) respectively.

## 7 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other receivables	513	570	141	133
Interest receivable	60	64	48	58
Deposits	174	141	7	6
Prepayments	290	263	89	159
Grant receivable	–	726	–	75
Total	1,037	1,764	285	431

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 have not recognised any allowance as the Management assessed the credit risk to be low.

Grant receivable is related 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 was intended to defray certain manpower costs.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 8 SUBSIDIARIES

	The Company	
	2021 \$'000	2020 \$'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	
			2021 %	2020 %	2021 \$'000	2020 \$'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	–	–
					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) SETS Services DMCC was dissolved during the financial year.

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 would not compromise the standard and effectiveness of the audit of the Group.

## 8 SUBSIDIARIES (CONT'D)

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	
		2021	2020
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
		4	5

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2021	2020
Vehicle inspection and other related services	Singapore	1	1

## 9 ASSOCIATE

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'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	Principal activity	Country of incorporation/ operations	Group's effective interest		Cost of investment	
			2021 %	2020 %	2021 \$'000	2020 \$'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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 9 ASSOCIATE (CONT'D)

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

	2021 \$'000	2020 \$'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	-	-

## 10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	<u>The Group and The Company</u>	
	2021 \$'000	2020 \$'000
Investment in unquoted equity shares designated as at FVTOCI		
Balance as at beginning of the year	1,327	1,349
Additions	925	-
Fair value adjustment	1,043	(22)
Balance as at end of the year	3,295	1,327

The investment in unquoted equity instrument represents an investment in research and development activities and/or the commercial application of this knowledge. The recoverability of these investments is uncertain and dependent on the outcome of these activities, which cannot presently be determined.

This investment in equity instrument is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, Management has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in the investment's fair value in Profit or Loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

No investment in equity investments measured at FVTOCI has been disposed of during the current reporting period.

**11 VEHICLES, PREMISES AND EQUIPMENT**

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Vehicles, premises and equipment owned	64,960	56,298	8,849	10,119
(b) Right-of-use assets classified within vehicles, premises and equipment owned	32,474	33,456	25,411	26,470
Total	97,434	89,754	34,260	36,589

## (a) Vehicles, premises and equipment owned

	Leasehold buildings \$'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 2020	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
Additions	565	83	3,645	35	174	11,181	15,683
Disposals	–	(751)	(49)	–	(301)	–	(1,101)
Write-offs	–	–	(1,598)	–	–	–	(1,598)
Transfer from capital projects in progress	25,257	–	–	–	–	(25,257)	–
Exchange differences	(12)	–	(9)	(1)	(1)	–	(23)
At 31 December 2021	91,479	919	45,522	4,167	2,313	–	144,400
Accumulated depreciation:							
At 1 January 2020	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
Depreciation	2,451	106	2,316	315	285	–	5,473
Disposals	–	(738)	(31)	–	(301)	–	(1,070)
Write-offs	–	–	(91)	–	–	–	(91)
Exchange differences	(4)	–	(7)	(2)	–	–	(13)
At 31 December 2021	35,941	669	38,392	2,525	1,913	–	79,440
Carrying amounts:							
At 31 December 2021	55,538	250	7,130	1,642	400	–	64,960
At 31 December 2020	32,175	286	7,328	1,921	512	14,076	56,298

During the year, the Group completed its relocation to its new premises in Bukit Batok. The Group wrote off assets with net book value of \$1,507,000 with respect to workshop machinery, tools and equipment as a result of the relocation. The net impact of the write-offs were offset against provision for relocation costs previously recognised.

The Group acquired vehicles, premises and equipment with an aggregate cost \$15,683,000 (2020 : \$15,001,000) out of which \$3,401,000 (2020 : \$Nil) remains unpaid and included as part of trade and other payables as at December 31, 2021.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 11 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

	Leasehold buildings \$'000	Furniture, fittings and equipment \$'000	Workshop machinery, tools and equipment \$'000	Motor vehicles \$'000	Computers and automated equipment \$'000	Total \$'000
<u>Company</u>						
Cost:						
At 1 January 2020	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
Additions	128	17	–	–	25	170
Disposals	–	(7)	–	–	–	(7)
At 31 December 2021	39,162	399	2,532	231	653	42,977
Accumulated depreciation:						
At 1 January 2020	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
Depreciation	1,228	30	131	12	39	1,440
Disposals	–	(7)	–	–	–	(7)
At 31 December 2021	31,416	333	1,620	163	596	34,128
Carrying amounts:						
At 31 December 2021	7,746	66	912	68	57	8,849
At 31 December 2020	8,846	79	1,043	80	71	10,119

**11 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)**

Details of the Company's and the Group's leasehold land and buildings are as follows:

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
The Company	100%	No. 385 Sin Ming Drive Singapore 575718	10,852.6 sq metre	30 years from January 2011 19 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 5 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 3 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 3 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 21 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 21 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 3 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 86 years 11 months unexpired	Testing, inspection and consultancy services.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2021

### 11 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 2 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, 1 years 2 months unexpired	Inspection services.

(b) Right-of-use assets classified within vehicles, premises and equipment owned

The Group and Company lease several land and buildings and motor vehicles. The average lease term is 25 years (2020 : 25 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 2020	57,701	1,082	–	58,783
Additions	–	–	106	106
Lease modifications	–	521	–	521
At 31 December 2020	57,701	1,603	106	59,410
Additions	720	74	–	794
At 31 December 2021	58,421	1,677	106	60,204
Accumulated depreciation:				
At 1 January 2020	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
Depreciation for the year	1,499	224	53	1,776
At 31 December 2021	26,248	1,417	65	27,730
Carrying amount:				
At 31 December 2021	32,173	260	41	32,474
At 31 December 2020	32,952	410	94	33,456

**11 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)**

	Land \$'000	Building \$'000	Total \$'000
<b>Company</b>			
Cost:			
At 1 January 2020	48,480	19	48,499
Lease modification	–	13	13
At 31 December 2020 and 31 December 2021	48,480	32	48,512
Accumulated depreciation:			
At 1 January 2020	20,966	18	20,984
Depreciation for the year	1,051	7	1,058
At 31 December 2020	22,017	25	22,042
Depreciation for the year	1,053	6	1,059
At 31 December 2021	23,070	31	23,101
Carrying amount:			
At 31 December 2021	25,410	1	25,411
At 31 December 2020	26,463	7	26,470

**12 GOODWILL**

	The Group	
	2021 \$'000	2020 \$'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	
	2021 \$'000	2020 \$'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

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## 13 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Outside parties	5,455	3,907	2,370	1,849
Holding company (Note 4)	462	467	146	301
Related companies (Note 4)	61	96	3	3
Accruals	18,703	14,416	4,410	4,197
Deferred income	1,782	1,569	115	137
Deposits received from customers	1,301	1,096	487	475
Deferred grant income	–	1,232	–	123
Others	2,711	1,592	295	415
<b>Total</b>	<b>30,475</b>	<b>24,375</b>	<b>7,826</b>	<b>7,500</b>
Analysed as:				
Current	29,755	24,375	7,826	7,500
Non-current	720	–	–	–
<b>Total</b>	<b>30,475</b>	<b>24,375</b>	<b>7,826</b>	<b>7,500</b>

The average credit period on purchases of goods and services is 30 days (2020 : 30 days).

Deferred grant income is related 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 was intended to defray certain manpower costs.

## 14 DUE TO SUBSIDIARIES

Included in the payable to subsidiaries is an amount of \$36,538,000 (2020 : \$47,418,000) pertaining to funds held under central pooling which is unsecured and repayable on demand. The non-wholly-owned subsidiary receives interest at the rate of 0.27% to 0.48% (2020 : 0.25% to 0.65%) per annum.

## 15 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. The relocation to the new premise in Bukit Batok has taken place during the year and the remaining balance of the provision for relocation costs relates to calibration of equipment and mechanical and electrical works on the new premises which are expected to be completed within the next financial year.

Movements in provision for relocation costs:

	The Group	
	2021 \$'000	2020 \$'000
Balance at beginning of the year	6,973	6,589
Additions	–	384
Utilisation	(3,004)	–
Write-off of vehicles, premises and equipment owned (Note 11)	(1,507)	–
<b>Balance at end of the year</b>	<b>2,462</b>	<b>6,973</b>

**16 LEASE LIABILITIES**

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Maturity analysis:				
Within one year	1,907	1,963	1,263	1,269
In the second to fifth year inclusive	6,301	6,706	4,855	4,972
After five years	39,432	40,858	31,370	32,515
	47,640	49,527	37,488	38,756
Less: Future finance charges	(15,876)	(16,744)	(12,592)	(13,273)
<b>Total</b>	<b>31,764</b>	<b>32,783</b>	<b>24,896</b>	<b>25,483</b>
Analysed as:				
Current	1,062	1,092	597	587
Non-current	30,702	31,691	24,299	24,896
<b>Total</b>	<b>31,764</b>	<b>32,783</b>	<b>24,896</b>	<b>25,483</b>

The Group does not face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Reconciliation of lease liabilities arising from financing activities

The table below details changes in the Group's lease liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Cash Flow Statement as cash flows from financing activities.

	Non-cash changes			
	January 1, 2021 \$'000	Financing cash flows \$'000	New lease liabilities \$'000	December 31, 2021 \$'000
Lease liabilities	32,783	(1,093)	74	31,764

	Non-cash changes			
	January 1, 2020 \$'000	Financing cash flows \$'000	New lease liabilities \$'000	December 31, 2020 \$'000
Lease liabilities	33,514	(1,358)	627	32,783

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 17 DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities (assets) recognised by the Group and Company, and the movements thereon, during the current and prior reporting period:

	Accelerated tax depreciation \$'000	Provisions \$'000	Total \$'000
<b>Group</b>			
At 1 January 2020	1,522	26	1,548
Charge (Credit) to Profit or Loss for the year (Note 23)	81	(87)	(6)
At 31 December 2020	1,603	(61)	1,542
Credit to Profit or Loss for the year (Note 23)	(30)	(513)	(543)
At 31 December 2021	1,573	(574)	999
<b>Company</b>			
At 1 January 2020	377	(184)	193
Credit to Profit or Loss for the year	(23)	(107)	(130)
At 31 December 2020	354	(291)	63
Credit to Profit or Loss for the year	(26)	(9)	(35)
At 31 December 2021	328	(300)	28

## 18 SHARE CAPITAL

	The Group and the Company			
	2021	2020	2021	2020
	Number of ordinary shares		\$'000	\$'000
Issued and paid up:				
At 1 January	354,568,000	88,642,000	36,284	36,284
Issuance of new shares arising from share split	–	265,926,000	–	–
At 31 December	354,568,000	354,568,000	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").

## 19 OTHER RESERVES

	The Group and the Company		
	Revaluation reserve \$'000	Capital reserve \$'000	Total \$'000
Balance at 1 January 2020	(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
Revaluation changes during the year in other comprehensive income	1,043	–	1,043
Balance at 31 December 2021	1,013	3,073	4,086

**20 REVENUE**

	The Group	
	2021 \$'000	2020 \$'000
Inspection and testing services	96,802	81,797
Rental income	2,214	2,549
Others	1,876	2,106
	100,892	86,452

Majority of the revenue is derived from Singapore.

**21 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 \$2,889,000 (2020 : \$2,570,000).

b)

	The Group	
	2021 \$'000	2020 \$'000
Cost of defined contribution plans (included in staff costs)	3,997	3,607
Government grant income (included in staff costs)	(2,727)	(7,861)

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.

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. Government grant income was 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 was intended to compensate is recognised as expenses. The period impacted by COVID-19 was determined to be 17 months commencing from April 2020. Government grant income related to JSS of \$1,392,000 (2020: \$5,641,000) was recognised during the year.

**22 FINANCE COSTS**

	The Group	
	2021 \$'000	2020 \$'000
Interest on lease liabilities	871	899

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 23 TAXATION

	The Group	
	2021 \$'000	2020 \$'000
Taxation charge in respect of profit for the financial year:		
Current taxation		
Singapore	5,779	4,786
Foreign	2	9
Deferred tax (Note 17)	(561)	(210)
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(100)	(389)
Deferred tax (Note 17)	18	204
	5,138	4,400

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2020 : 17%) to profit before taxation as a result of the following differences:

	The Group	
	2021 \$'000	2020 \$'000
Profit before taxation	30,374	29,376
Taxation at the domestic income tax rate of 17% (2020 : 17%)	5,164	4,994
Non-allowable (taxable) items	143	(343)
Tax-exempt income	(81)	(70)
Overprovision in prior years (net)	(82)	(185)
Effect of different tax rates of subsidiary operating in other jurisdiction	(6)	4
	5,138	4,400

## 24 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	
	2021 \$'000	2020 \$'000
Directors' fees	546	492
Foreign currency exchange adjustment loss (gain)	69	(60)
Gain on disposal of vehicles, premises and equipment	(4)	(30)
Allowance for expected credit losses	552	856
Government grant (COVID-19 related)	1,802	7,717
Audit fees:		
Auditors of the Company	69	61
Other auditors	2	2
Non-audit fees:		
Auditors of the Company	22	24
Other auditors	1	1

Excluding the Government grant (COVID-19 related) of \$1,802,000 (2020 : \$7,717,000), the Group would have recorded Operating Profit of \$29,174,000 (2020 : \$21,610,000).

## 25 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:

	2021	2020
Profit attributable to shareholders of the Company (\$'000)	24,776	24,494
Weighted average number of ordinary shares in issue (thousands)	354,568	354,568
Basic earnings per share (in cents)	6.99	6.91

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 2021 and 31 December 2020.

## 26 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.

## 27 CAPITAL EXPENDITURE COMMITMENTS

The Group has the following capital commitments contracted but not provided for in the Financial Statements:

	The Group	
	2021 \$'000	2020 \$'000
Purchase of vehicles, premises and equipment	4,502	15,443

## 28 OPERATING LEASE ARRANGEMENTS

### The Group as lessee

At 31 December 2021, the Group is committed to \$143,000 (2020 : \$190,000) 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

## 28 OPERATING LEASE ARRANGEMENTS (CONT'D)

### The Group as lessor (cont'd)

Maturity analysis of operating lease payments:

	2021 \$'000	2020 \$'000
Year 1	1,672	1,214
Year 2	1,158	749
Year 3	57	586
Total	2,887	2,549

## 29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

### (a) Categories of financial instruments

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial Assets</b>				
Amortised cost	87,375	105,202	73,199	91,739
Financial assets at FVTOCI	3,295	1,327	3,295	1,327
<b>Financial Liabilities</b>				
Amortised cost	27,392	20,478	46,010	56,753
Lease liabilities	31,764	32,783	24,896	25,483

### (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.

## 29 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### (b) Financial risk management policies and objectives (cont'd)

#### Credit risk management (cont'd)

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables: Lifetime ECL – not credit impaired  Other financial assets: 12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
Non-performing	Amount is > 150 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Cash and deposits are placed with reputable financial institutions.

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.

#### 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 16.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a. quoted prices in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (Level 3).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2021

### 29 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 (cont'd)

*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	
	<u>The Group and The Company</u>	
	2021	2020
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	3,295	1,327

The fair value of the investment is based on the net value of the investment provided by an independent third party. Any significant increase or decrease in the unobservable input relating to the projected share price based on latest round of financing can result in a higher or lower fair value measurement respectively.

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 \$330,000 (2020 : \$133,000).

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.

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 2021 and 2020.

**30 DIVIDENDS**

(a) During the financial year, the Company paid dividends as follows:

	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
Tax-exempt one-tier final dividend in respect of the previous financial year: – 6.22 cents (2020 : 6.07 cents) per ordinary share	22,054	21,531
Tax- exempt one-tier interim dividend in respect of the current financial year: – 3.04 cents (2020 : Nil cents) per ordinary share	10,779	–
<b>Total</b>	<b>32,833</b>	<b>21,531</b>

(b) Subsequent to the end of the reporting period, the Directors of the Company recommended that:

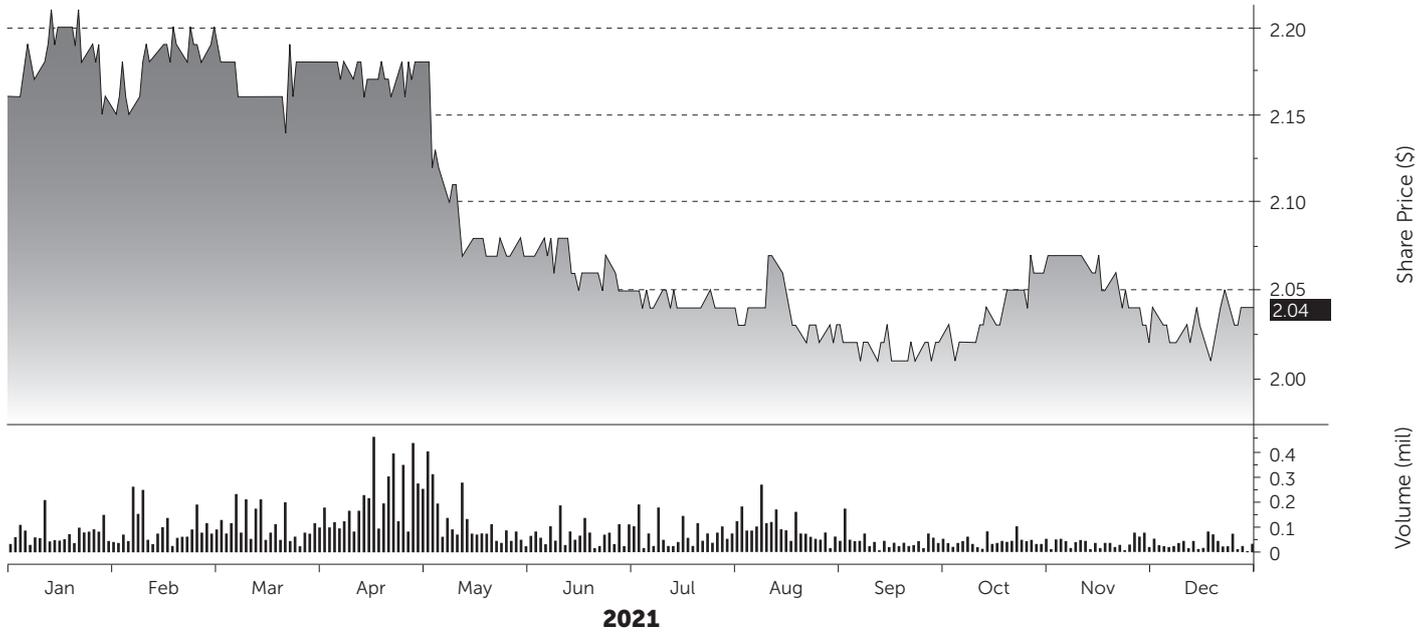
- (i) a tax-exempt one-tier final dividend of 3.24 cents per ordinary share totalling \$11,488,000 be paid for the financial year ended 31 December 2021; and
- (ii) a tax-exempt one-tier special dividend of 2.00 cents per ordinary share totalling \$7,091,000 be paid for the financial year ended 31 December 2021.

The dividends are subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividends have not been accrued as a liability for the current financial year.

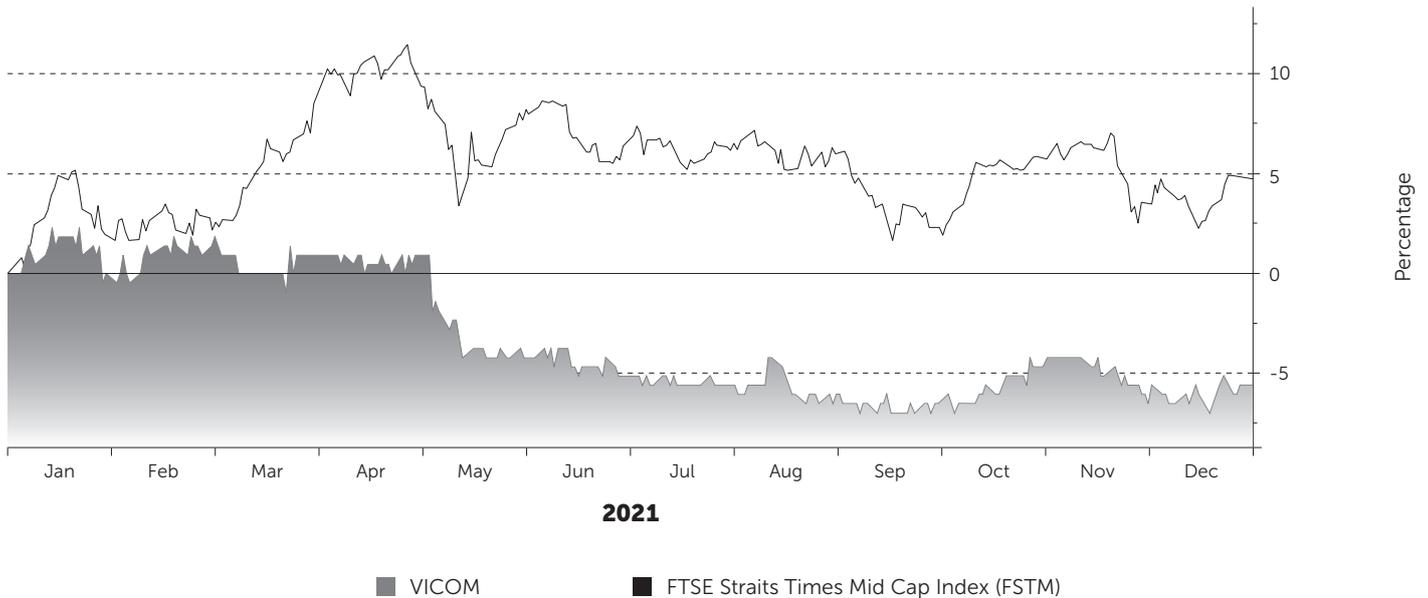
Together with the tax exempt one-tier interim dividend of 3.04 cents per ordinary share (2020 : Nil cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2021 will be 8.28 cents per ordinary share (2020 : 6.22 cents per ordinary share).

# SHARE PRICE MOVEMENT CHART

## VICOM'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



## COMPARISON OF PERFORMANCE OF VICOM'S SHARE PRICE AND THE FTSE STRAITS TIMES MID CAP INDEX (FSTM)



Source: Bloomberg Finance L.P.

## SHAREHOLDING STATISTICS AS AT 1 MARCH 2022

### SHAREHOLDING STATISTICS AS AT 1 MARCH 2022

Issued and Fully Paid-Up Capital	S\$36,284,000
Number of Shares Issued	354,568,000
Class of Shares	Ordinary shares Fully Paid
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 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1-99	3	0.05	96	0.00
100-1,000	943	15.68	632,726	0.18
1,001 – 10,000	3,912	65.05	17,389,448	4.90
10,001 – 1,000,000	1,138	18.92	54,540,155	15.38
1,000,001 & ABOVE	18	0.30	282,005,575	79.54
<b>TOTAL:</b>	<b>6,014</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 2022)

	NAME OF SHAREHOLDER	NO. OF SHARES	% <sup>(1)</sup>
1	COMFORTDELGRO CORPORATION LIMITED	237,760,000	67.06
2	DBS NOMINEES PTE LTD	13,077,900	3.69
3	CHU CHEE LEONG	3,768,000	1.06
4	SZE THIAM SIONG	3,088,000	0.87
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,831,700	0.80
6	OCBC NOMINEES SINGAPORE PTE LTD	2,470,976	0.70
7	RAFFLES NOMINEES (PTE) LIMITED	2,328,500	0.66
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	0.56
10	CITIBANK NOMINEES SINGAPORE PTE LTD	1,708,039	0.48
11	QUAH SIEW ENG EILEEN	1,665,000	0.47
12	EUNICE QUAH SIEW THYE	1,505,000	0.42
13	PHILLIP SECURITIES PTE LTD	1,494,960	0.42
14	TAN KENG SOON HOMER	1,312,000	0.37
15	HSBC (SINGAPORE) NOMINEES PTE LTD	1,243,300	0.35
16	TAN KUANGXU	1,228,000	0.35
17	IFAST FINANCIAL PTE LTD	1,198,200	0.34
18	PANG CHEOW JOW	1,192,000	0.34
19	TAN SIAK HUAN	912,000	0.26
20	LOW LAN ENG	864,400	0.24
<b>TOTAL:</b>		<b>283,781,975</b>	<b>80.04</b>

### SUBSTANTIAL SHAREHOLDER

(As recorded in the Register of Substantial Shareholders as at 1 March 2022)

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:

<sup>(1)</sup> The percentage of shareholding is calculated based on 354,568,000 issued shares of the Company as at 1 March 2022.

### 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 2022, 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 Forty-First Annual General Meeting (the “**AGM**”) of VICOM Ltd (the “**Company**”) will be held on Wednesday, 27 April 2022 at 10.00 a.m. via electronic means and at:

**AUDITORIUM  
SINGAPORE CHINESE CULTURAL CENTRE  
1 STRAITS BOULEVARD  
SINGAPORE 018906**

The AGM is for the purpose of transacting the following businesses:

### 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 2021 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 3.24 Singapore cents (S\$0.0324) per ordinary share in respect of the financial year ended 31 December 2021. **(Resolution 2)**
3. To declare a tax-exempt one-tier special dividend of 2.00 Singapore cents (S\$0.0200) per ordinary share in respect of the financial year ended 31 December 2021. **(Resolution 3)**
4. To approve the payment of Directors’ fees of \$508,502 for the financial year ended 31 December 2021. **(Resolution 4)**
5. To re-elect Mr Yang Ban Seng, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution.  
[Please refer to Explanatory Note (a)] **(Resolution 5)**
6. To re-elect Professor Shim Phyu Wui, Victor, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution.  
[Please refer to Explanatory Note (b)] **(Resolution 6)**
7. To re-elect Ms June Seah Lee Kiang, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution.  
[Please refer to Explanatory Note (c)] **(Resolution 7)**
8. To re-elect Dr Tan Kim Siew, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution.  
[Please refer to Explanatory Note (d)] **(Resolution 8)**
9. To note the retirement of Mr Lim Jit Poh as a Director of the Company upon the conclusion of this AGM.  
[Please refer to Explanatory Note (e)]
10. To note the retirement of Mr Goh Yeow Tin as a Director of the Company upon the conclusion of this AGM.  
[Please refer to Explanatory Note (f)]
11. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

## NOTICE OF RECORD AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on Friday, 6 May 2022 for the purpose of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 3.24 Singapore cents (S\$0.0324) per ordinary share and a tax-exempt one-tier special dividend of 2.00 Singapore cents (S\$0.0200) per ordinary share for the financial year ended 31 December 2021 (the "**Proposed Final and Special Dividends**").

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on Friday, 6 May 2022 will be registered to determine Shareholders' entitlements to the Proposed Final and Special Dividends. 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 Friday, 6 May 2022 will be entitled to such Proposed Final and Special Dividends.

The Proposed Final and Special Dividends, if approved by the Shareholders at the Forty-First AGM of the Company, will be paid on Wednesday, 25 May 2022.

## BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr  
Company Secretary  
Singapore  
29 March 2022

## EXPLANATORY NOTES:

### ORDINARY BUSINESS:

- (a) Mr Yang Ban Seng<sup>(1)</sup> will, upon re-election as a Director of the Company, continue to serve as Deputy Chairman of the Board, and a member of the Technology Committee. Mr Yang will be appointed as a member of the Audit and Risk Committee and the Nominating and Remuneration Committee, and will cease to be a member of the Sustainability Committee. Mr Yang will be considered a Non-Independent Non-Executive Director of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (b) Professor Shim Phiau Wui, Victor<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 join the Sustainability Committee as a member. Professor Shim will also assume the role of Chairman of the Technology Committee, but will step down as the Chairman and a member of the Nominating and Remuneration Committee. If Dr Tan Kim Siew is re-elected as a Director of the Company, Professor Shim will cease to be the Lead Independent Director as Dr Tan Kim Siew will be appointed the Chairman of the Board and he is considered an Independent Non-Executive Director of the Company. Professor Shim will be considered an Independent Non-Executive Director of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (c) Ms June Seah Lee Kiang<sup>(1)</sup> will, upon re-election as a Director of the Company, continue to serve as the Chairman of the Sustainability Committee and a member of the Audit and Risk Committee. Ms Seah will be considered an Independent Non-Executive Director of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (d) Dr Tan Kim Siew<sup>(1)</sup> will, upon re-election as a Director of the Company, be appointed as the Chairman of the Board and the Nominating and Remuneration Committee (of which he is currently a member). He will step down as the Chairman of the Technology Committee, but remain as a member of the Technology Committee and the Sustainability Committee. Dr Tan will be considered an Independent Non-Executive Director of the Company.
- (e) Mr Lim Jit Poh will, upon his retirement as a Director of the Company, cease to be Chairman of the Board and a member of the Nominating and Remuneration Committee and the Sustainability Committee. Mr Lim will be accorded the title of Chairman Emeritus and be appointed Senior Advisor to the Board and Management.

# NOTICE OF ANNUAL GENERAL MEETING

(f) Mr Goh Yeow Tin will, upon his retirement as a Director of the Company, cease to be a member of the Nominating and Remuneration Committee, the Sustainability Committee and the Technology Committee.

<sup>(1)</sup> 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 FY2021 Annual Report of the Company.

## NOTES:

1. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. Where a member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. Investors holding shares under the Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on Friday, 15 April 2022). CPF/SRS Investors should contact their respective agent banks for any queries they may have with regard to the appointment of proxy for the AGM.
  5. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, 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 [agm2022@vicom.com.sg](mailto:agm2022@vicom.com.sg); or
    - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022),

in each case, by 10.00 a.m. on Sunday, 24 April 2022, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

6. In the case of shares entered in the Depository Register, the Company may reject any instrument appointing proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10.00 a.m. on Sunday, 24 April 2022), as certified by The Central Depository (Pte) Limited to the Company.

7. A corporation which is a member of the Company may authorise by resolutions of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting.
8. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

## IMPORTANT INFORMATION

The AGM is being convened and will be held physically pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("**Physical Meeting**") and by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Virtual Meeting**").

Shareholders of the Company ("**Shareholders**") shall take note of the following arrangements for the conduct of the AGM on Wednesday, 27 April 2022 at 10.00 a.m.:

### 1. Attendance

Due to the current COVID-19 situation, the Company will restrict the number of attendees at the Physical Meeting to 100 persons or such other number as the Directors may determine in compliance with the prevailing Ministry of Health ("**MOH**") advisory.

The pre-registration procedures are set out below:

#### Virtual Meeting

Proceedings of the AGM will be broadcasted through live audio visual and audio-only feeds ("**Live Webcast**").

All Shareholders who wish to follow the proceedings of the AGM must pre-register online at the URL: [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022) for verification purposes by 10.00 a.m. on Sunday, 24 April 2022.

Shareholders who are appointing proxy(ies) ("**Proxy(ies)**") to attend the Virtual Meeting should inform his/her Proxy(ies) to pre-register at the URL: [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022) not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on Sunday, 24 April 2022), failing which the appointment shall be invalid.

Following verification, the Company will provide verified Shareholders and Proxy(ies) with a confirmation email by Monday, 25 April 2022 ("**Confirmation Email for Virtual Meeting**") via the email address provided during the pre-registration or as indicated in the Proxy Form to access the Live Webcast to watch the live feed of the AGM proceedings via the log-in credentials created during the pre-registration or log-in with their SingPass account.

#### Physical Meeting

Please pre-register for verification purposes by 10.00 a.m. on Sunday, 24 April 2022 at the URL: [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022) and indicate your interest to attend the AGM physically at the AGM venue.

Due to the restriction on the number of attendees at the AGM venue, the Company reserves the right to select verified Shareholders who have indicated their interest to attend the AGM physically during pre-registration.

Shareholders who are appointing Proxy(ies) to attend the Physical Meeting on his/her behalf should inform his/her Proxy(ies) to pre-register and specify his/her/their intention to attend the Physical Meeting at the URL: [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022) not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on Sunday, 24 April 2022), failing which the appointment shall be invalid.

Verified Shareholders and Proxy(ies) who are successful in the pre-registration to attend the Physical Meeting will receive an email by Monday, 25 April 2022 ("**Confirmation Email for Physical Meeting**") via the email address provided during the pre-registration or as indicated in the Proxy Form.

# NOTICE OF ANNUAL GENERAL MEETING

## Virtual Meeting

Please use the registered identification credentials to access the Live Webcast. Shareholders must not forward the above-mentioned link to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

Shareholders who have registered by 10.00 a.m. on Sunday, 24 April 2022 but have not received the Confirmation Email for Virtual Meeting by Monday, 25 April 2022, please email to [ir@vicom.com.sg](mailto:ir@vicom.com.sg).

If you have any queries on the Live Webcast, please email to [ir@vicom.com.sg](mailto:ir@vicom.com.sg) or [support@conveneagm.com](mailto:support@conveneagm.com) or call the telephone number +65 6856 7330.

## Physical Meeting

Verified Shareholders who are unsuccessful in the pre-registration to attend the Physical Meeting will receive a Confirmation Email for Virtual Meeting by Monday, 25 April 2022 to attend the Virtual Meeting by accessing the Live Webcast to watch the live feed of the AGM proceedings via the log-in credentials created during the pre-registration or log-in with their SingPass accounts.

Shareholders who have registered by 10.00 a.m. on Sunday, 24 April 2022 but have not received the Confirmation Email for Physical Meeting or the Confirmation Email for Virtual Meeting, as the case may be, by Monday, 25 April 2022, please email to [ir@vicom.com.sg](mailto:ir@vicom.com.sg).

If you have any queries on the attendance at the AGM venue, please email to [ir@vicom.com.sg](mailto:ir@vicom.com.sg).

## 2. Submission of Questions

- (a) Submission of questions in advance of the AGM:

Shareholders can submit questions in advance relating to the businesses of the AGM either via:

- (i) electronic mail, to [ir@vicom.com.sg](mailto:ir@vicom.com.sg); or
- (ii) the Company's AGM pre-registration website, [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022).

All questions must be submitted by 10.00 a.m. on Sunday, 24 April 2022, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

The Company will endeavour to respond to substantial and relevant questions received from the Shareholders and Proxy(ies) during the AGM.

- (b) Submission of questions during the AGM:

### Virtual Meeting

Shareholders and Proxy(ies) who have pre-registered and been verified to attend the AGM proceedings via the Live Webcast will be able to ask questions relating to the agenda of the AGM during the AGM by:

- (i) Submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.
- (ii) Clicking the "Ask a Question" feature and then clicking the "Queue for Video Call" via the Live Webcast. The relevant Shareholder or Proxy will be informed once it is appropriate for him/her to speak and can thereafter raise his/her question via audio-visual means during the AGM within a certain prescribed time limit.

### Physical Meeting

Verified Shareholders and Proxy(ies) attending the Physical Meeting will be able to ask questions in person at the AGM venue.

- (c) Where there are substantially similar questions for the Virtual Meeting and Physical Meeting, the Company will consolidate such questions. As a result, the questions received may not be addressed individually.

### 3. **Voting**

Live voting will be conducted during the AGM for Shareholders and Proxy(ies) attending the Physical Meeting or Virtual Meeting. It is important for Shareholders and Proxy(ies) to bring their own web-browser enabled devices for voting at the Physical Meeting or have their own web-browser enabled devices ready for voting during the Virtual Meeting.

Shareholders and Proxy(ies) will be required to log-in via the email address provided during the pre-registration or as indicated in the Proxy Form.

The Proxy Form for the AGM may be accessed at the Company's website at [www.vicom.com.sg/agm2022proxyform](http://www.vicom.com.sg/agm2022proxyform), or on SGXNET. The electronic proxy form is also available on the Company's AGM pre-registration site, [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022).

- (a) Live Voting

Shareholders and Proxy(ies) may cast their votes in real time for each resolution to be tabled during the AGM via the log-in credentials created during the pre-registration or via their SingPass accounts. Shareholders and Proxy(ies) will have the opportunity to cast their votes via the live voting feature. Shareholders and Proxy(ies) must bring a web-browser enabled device in order to cast their votes.

CPF/SRS Investors who have used their CPF/SRS monies to buy the Company's shares should instead approach their respective relevant intermediary as soon as possible to specify voting instructions.

- (b) Voting via appointing the Chairman of the Meeting as proxy:

As an alternative to the above, Shareholders may also vote at the AGM by appointing the Chairman of the Meeting as proxy to vote on their behalf. Duly completed Proxy Forms must be:

- (i) deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
- (ii) sent via electronic mail to [agm2022@vicom.com.sg](mailto:agm2022@vicom.com.sg); or
- (iii) lodged at the Company's AGM pre-registration website, [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022),

and submitted by 10.00 a.m. on Sunday, 24 April 2022, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

- (c) CPF/SRS Investors:

CPF/SRS Investors who have used their CPF/SRS monies to buy the Company's shares should not make use of the Proxy Form and should instead approach their respective intermediary as soon as possible to specify voting instructions. CPF/SRS Investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on Friday, 15 April 2022), to ensure that their votes are submitted.

# NOTICE OF ANNUAL GENERAL MEETING

## **4. Access to documents or information relating to the AGM**

The Annual Report for the financial year ended 31 December 2021 has been uploaded on SGXNET on 29 March 2022 and may be accessed via SGXNET and also the Company's website at [www.vicom.com.sg](http://www.vicom.com.sg).

## **5. Precautionary measures to minimise the risk of COVID-19**

The following steps will be taken for Shareholders and others attending the AGM to help to minimise the risk of community spread of the virus:

- (a) All attendees of the Physical Meeting will be required to check-in using SafeEntry before entering the AGM venue for the Physical Meeting.
- (b) All attendees will be subject to Vaccination-Differentiated Safe Management Measures (VDS), i.e. every attendee must be fully vaccinated, recovered from COVID-19 within the past 180 days, or medically ineligible for vaccines under the National Vaccination Programme.
- (c) All attendees of the Physical Meeting will be required to wear face masks at the AGM venue at all times.
- (d) All attendees must comply with the prevailing guidelines on safe distancing.
- (e) Shareholders and Proxy(ies) who received the Confirmation Email for Physical Meeting but are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting.
- (f) Shareholders and Proxy(ies) who received the Confirmation Email for Physical Meeting are advised to arrive at the Physical Meeting earlier, as the measures mentioned above may cause delay in the registration process.

The Company seeks the understanding and co-operation of all members, Shareholders and Proxy(ies) to safeguard public health and safety and minimise the risk of community spread of COVID-19.

## **6. Filming and Photography**

When a Shareholder or Proxy attends, speaks and votes at the AGM via electronic means or physically, he/she consents to his/her video and/or photographs being taken for the purpose of publication on the Company's website and publicity materials without further notification.

## **FURTHER UPDATES**

Shareholders should note that the manner of conducting the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conducting the AGM will be announced by the Company on SGXNet. Shareholders are advised to check SGXNet and the Company's website regularly for any further updates.

## **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.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr Yang Ban Seng, Professor Shim Phyu Wui, Victor, Ms June Seah Lee Kiang and Dr Tan Kim Siew, all of whom are seeking re-election as Directors of the Company at the 41<sup>st</sup> Annual General Meeting to be held on Wednesday, 27 April 2022, is to be read in conjunction with their respective biographies on pages 21 to 25.

	<p><b>YANG BAN SENG</b> Deputy Chairman (Non-Independent Non-Executive Director)</p>
Country of principal residence	Singapore
The Board's comments on this appointment	<p>Mr Yang's in-depth knowledge and business experience with the Group, will continue to enhance board deliberations and set the direction for growth.</p> <p><i>Please refer to Mr Yang Ban Seng's profile on page 21 of the Annual Report.</i></p>
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* (since 2017)</li> <li>2. SBS Transit Ltd* (since 2017)</li> <li>3. VICOM Ltd* (since 2017)</li> <li>4. Mr Yang's principal directorships in the ComfortDelGro Group can be found under the section entitled 'Directors' Particulars' in the Annual Report on page 59</li> </ol> <p><b><u>Current Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>1. ComfortDelGro Corporation Limited* – Managing Director &amp; Group Chief Executive Officer</li> </ol> <p><b><u>Past 10 years Directorships and Principal Commitments:</u></b></p> <ol style="list-style-type: none"> <li>1. SBS Transit Ltd* – Executive Deputy Chairman and Chief Executive Officer (2019 – 2021)</li> <li>2. Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd – Director (until 2020)</li> <li>3. ComfortDelGro Savico Taxi Company – Director (until 2019)</li> </ol>
Shareholding interest in the listed issuer and its subsidiaries	<p><b>Direct Interest:</b> ComfortDelGro Corporation Limited* – 399,668 ordinary shares</p> <p><b>Deemed Interest:</b> ComfortDelGro Corporation Limited* – 18,185 ordinary shares</p> <p><b>Share Options:</b> CDG ESAS – 362,500 (unvested)</p>
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
Conflict of interest (including any competing business)	No

\* Listed Company

SHIM PHYAU WUI, VICTOR (Lead Independent Non-Executive Director)	JUNE SEAH LEE KIANG (Independent Non-Executive Director)	TAN KIM SIEW (Independent Non-Executive Director)
Singapore	Singapore	Singapore
Professor Shim's vast experience and knowledge in engineering and management will continue to add relevant knowledge, skills, experience and diverse views to the Board.	Ms Seah's extensive experience in the banking and card payment industry will continue to enhance board deliberations and contribute towards the core competencies of the Board.	Dr Tan, a qualified engineer, has vast experience in the Civil Service, which will enhance board deliberations and contribution towards the core competencies of the Board.
<i>Please refer to Professor Shim Phiau Wui, Victor's profile on page 22 of the Annual Report.</i>	<i>Please refer to Ms June Seah Lee Kiang's profile on page 23 of the Annual Report.</i>	<i>Please refer to Dr Tan Kim Siew's profile on page 24 of the Annual Report.</i>
<b><u>Current Directorships:</u></b> 1. VICOM Ltd* (since 2017)	<b><u>Current Directorships:</u></b> 1. VICOM Ltd* (since 2017)	<b><u>Current Directorships:</u></b> 1. VICOM Ltd* (since 2018) 2. SBS Transit Ltd* (since 2019)
<b><u>Current Principal Commitments:</u></b> 1. National University of Singapore – Emeritus Professor (since 2021)	<b><u>Current Principal Commitments:</u></b> 1. Omise Co. – Head of Business Development (since 2017)	<b><u>Current Principal Commitments:</u></b> Nil
<b><u>Past 10 years Directorships and Principal Commitments:</u></b> Nil	<b><u>Past 10 years Directorships and Principal Commitments:</u></b> 1. The Peranakan at Claymore Connect – Partner (2016 – 2021) 2. VISA – Head of Merchant and Acquirer Partnerships (2011 – 2015)	<b><u>Past 10 years Directorships and Principal Commitments:</u></b> 1. Inland Revenue of Singapore – Commissioner of Inland Revenue (2012-2014) 2. Ministry of Defence – Permanent Secretary (Defence Development) (2003 – 2012)
<b>Deemed Interest:</b> ComfortDelGro Corporation Limited* – 19,000 ordinary shares VICOM Ltd* – 24,000 ordinary shares	Nil	Nil
No	No	No
No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>YANG BAN SENG</b> Deputy Chairman (Non-Independent Non-Executive Director)
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
(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
(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
(c) Whether there is any unsatisfied judgment against him?	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
(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
(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
(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
(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
(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



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### YANG BAN SENG

Deputy Chairman

(Non-Independent Non-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 :-
- (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?

No

- (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

**SHIM PHYAU WUI, VICTOR**

(Lead Independent Non-Executive Director)

No

**JUNE SEAH LEE KIANG**

(Independent Non-Executive Director)

No

**TAN KIM SIEW**

(Independent Non-Executive Director)

No

No

No

No

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**VICOM LTD**

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 198100320K)

**PROXY FORM  
ANNUAL GENERAL MEETING****IMPORTANT**

1. The Forty-First Annual General Meeting (the "AGM") of the Company will be held physically pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("Physical Meeting") and by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Virtual Meeting").
2. Due to the current COVID-19 situation, the Company will restrict the number of attendees at the Physical Meeting to 100 persons or such other number as the Directors may determine in compliance with the prevailing Ministry of Health advisory.
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 AGM dated 29 March 2022.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)

of \_\_\_\_\_ (Address)

being a member/members of VICOM Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

or failing the person, or either or both of the persons, referred to above at the commencement of the live voting at the Annual General Meeting ("AGM" or "Meeting"), the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Forty-First AGM to be held at the Auditorium of Singapore Chinese Cultural Centre, 1 Straits Boulevard, Singapore 018906 on Wednesday, 27 April 2022 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions	No. of Votes For <sup>(1)</sup>	No. of Votes Against <sup>(1)</sup>	No. of Votes Abstained <sup>(1)</sup>
<b>Ordinary Business</b>				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2.	Declaration of Final Dividend for the financial year ended 31 December 2021			
3.	Declaration of Special Dividend for the financial year ended 31 December 2021			
4.	Approval of Directors' Fees amounting to S\$508,502 for financial year ended 31 December 2021			
5.	Re-election of Mr Yang Ban Seng as a Director			
6.	Re-election of Professor Shim Phiau Wui, Victor as a Director			
7.	Re-election of Ms June Seah Lee Kiang as a Director			
8.	Re-election of Dr Tan Kim Siew as a Director			
9.	Re-appointment of Auditors and authorising the Directors to fix their remuneration			

<sup>(1)</sup> If you wish to exercise all your votes "For", "Against" or "Abstain", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Total Number of Shares Held in <sup>(Note 4)</sup> :	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) / Common Seal

**IMPORTANT : PLEASE READ NOTES OVERLEAF**

**NOTES**

1. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. Where a member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member, who is a relevant intermediary entitled to attend the meeting and vote, is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.  
"Relevant intermediary" means:
  - (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. 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 shares 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.
5. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, 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 [agm2022@vicom.com.sg](mailto:agm2022@vicom.com.sg); or
  - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, [www.conveneagm.sg/VICOM\\_AGM2022](http://www.conveneagm.sg/VICOM_AGM2022), in each case, **by 10.00 a.m. on Sunday, 24 April 2022**, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.
6. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
7. CPF or SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on Friday, 15 April 2022). CPF/SRS Investors should contact their respective agent banks for any queries they may have with regard to the appointment of proxy for the AGM.
8. The Company shall be entitled to reject an instrument appointing a proxy if it 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 any instrument appointing a proxy which has been lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, 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

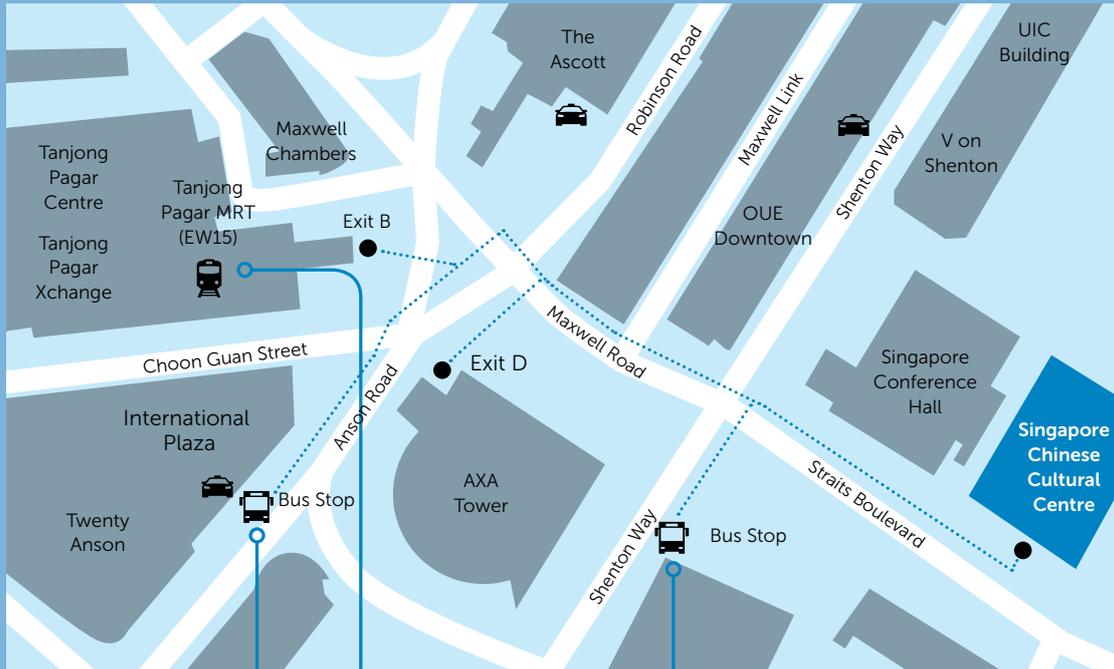
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**BY BUS:**  
**TANJONG PAGAR**  
**STN EXIT C (03223)**

Bus 57, 131, 167, 186,  
 400, 970, 971

About a 10-minute walk  
 from the bus stop

**BY MRT:**  
**Tanjong Pagar (EW15)**

About a 7-minute walk  
 from Exit B or D

**BY BUS:**  
**Opposite AXA Tower (03217)**

Bus 10, 10e, 57, 97, 97e, 100,  
 131, 502, 971, 982E

About a 5-minute walk  
 from the bus stop

**PLEASE NOTE THAT THE FORTY-FIRST  
 ANNUAL GENERAL MEETING OF VICOM LTD  
 WILL BE HELD ON WEDNESDAY, 27 APRIL 2022  
 AT 10.00 A.M. VIA ELECTRONIC MEANS AND AT:**

AUDITORIUM  
 SINGAPORE CHINESE CULTURAL CENTRE  
 1 STRAITS BOULEVARD  
 SINGAPORE 018906

