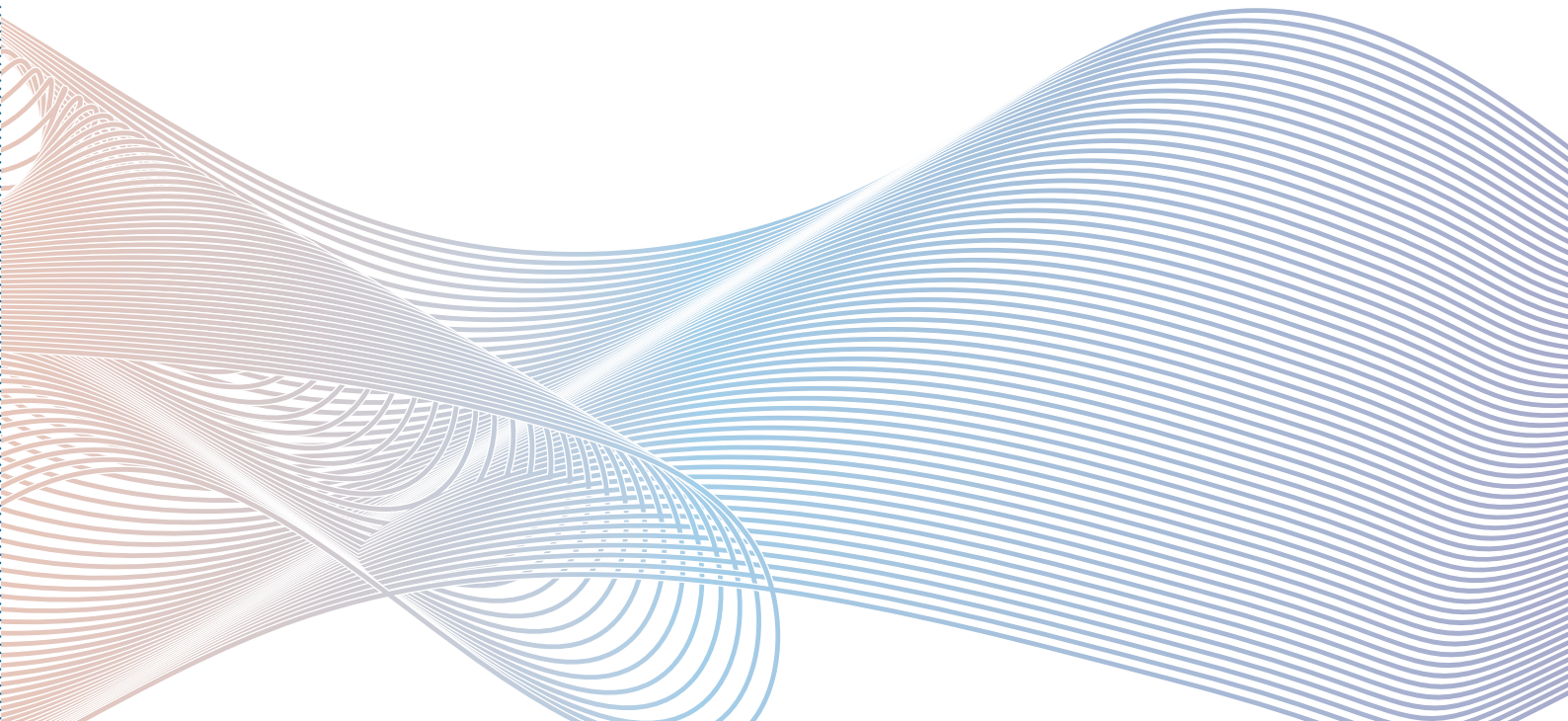
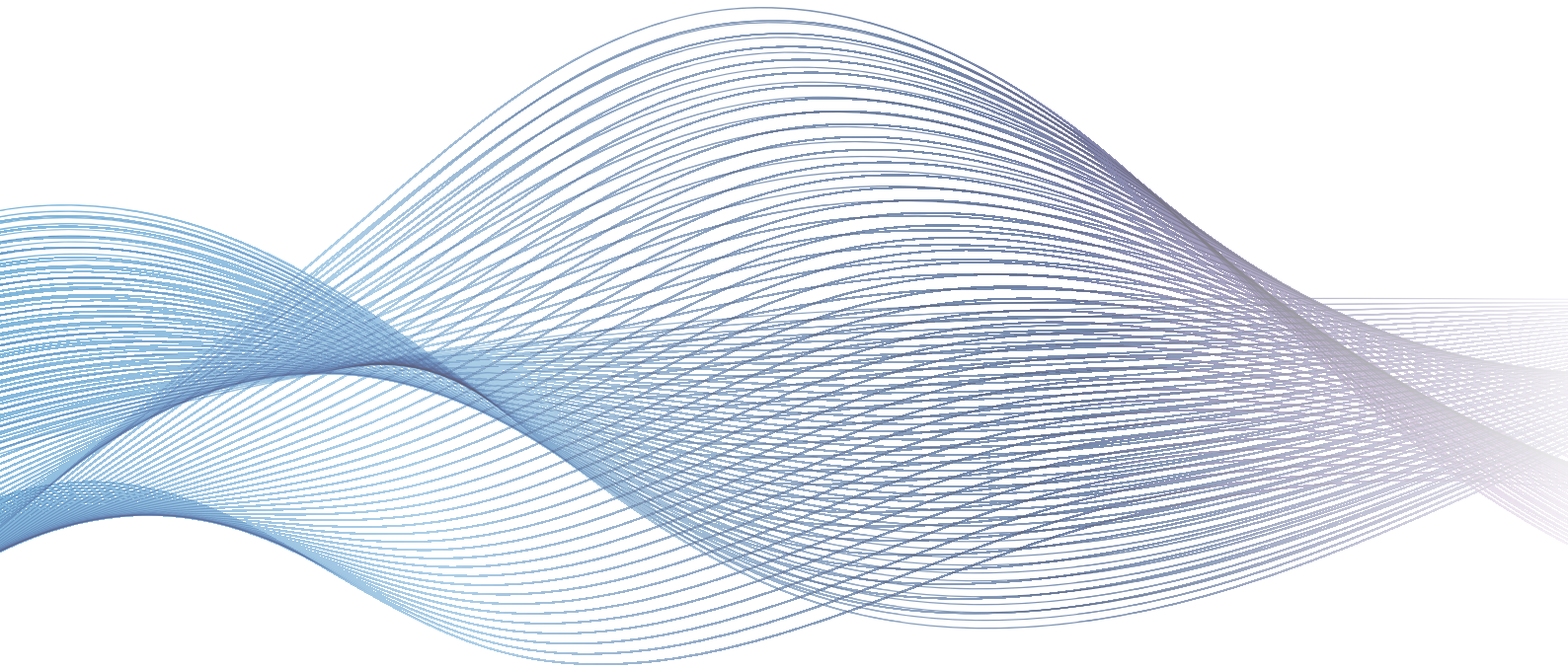


CREATING VALUE EXPANDING CAPABILITIES

ANNUAL
REPORT 2023





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OUR VISION

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

OUR MISSION

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

OUR CORE VALUES

VERSATILITY

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

OWNERSHIP

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

INTEGRITY

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

MERITOCRACY

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

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.

CHAIRMAN'S STATEMENT



THE YEAR

The year 2023 unfolded against economic headwinds. Singapore's economic growth dropped to 1.1%, compared to 3.8% in 2022. The manufacturing sector, one of the key industries that our non-vehicle testing business serves, contracted by 4.3%, affecting our overall business performance.

Our vehicle testing business, however, remained resilient. We inspected a total of 520,895 vehicles, maintaining our market share of over 72%.

We continued to invest in growing our core capabilities, conducting more emission tests through our VICOM Emission Testing Laboratory after a multi-million dollar upgrade to meet

the new Worldwide Harmonised Light Vehicle Test Procedure required by the National Environment Agency.

We continued to implement our strategies mentioned in my Statement last year to grow our non-vehicle testing capabilities.

1 Extending current capabilities.

This year, we further extended our capabilities to support the agri-food industry, having now been accredited to test over 170 types of pesticides and 80 types of drug residues.

We are also now ready to conduct Management System Certification for ISO 27001 (Information Security Management Systems), and have been approved by the

Cybersecurity Agency of Singapore as a certification body for its Cybersecurity Trustmark.

As we see greener infrastructure and buildings coming up as Singapore embarks on its Green Plan 2030, we have expanded our product certification capabilities to cover building-attached photovoltaic systems, in addition to roof-mounted photovoltaic systems.

2 Looking into technological growth areas we are not yet in.

In August 2023, we acquired An Security, a key player in the business of security evaluation and testing services for IT products such as consumer and industrial smart devices. Cybersecurity is a

rapidly expanding industry with almost all aspects of modern industry under constant threat of cyber attacks in this digital era. We now have the means to capture this growth opportunity.

3 Deepening our people's knowledge. We introduced online learning through a digital training platform that features thousands of courses, to help our staff acquire new personal and professional skills at their own pace. We also instituted a policy of protected time to enable our staff to commit time and space from their work schedules towards upskilling and learning.

4. Strengthening customer engagement. We deployed a suite of new E-Systems where our customers can send in their test or certification requests electronically as well as check on the progress of the tests and certifications online anytime without the need to call our technical officers.

As part of our commitments to sustainability, we began harvesting solar energy from six of our premises and initiated the electrification of our own vehicle fleet. We also published our first Task Force on Climate-related Financial Disclosures (TCFD) report, well ahead of the timeline mandated by the Singapore Exchange (SGX).

FINANCIAL RESULTS

Our financial results remain robust. Group revenue increased by \$3.6 million to \$111.9 million, and operating profit grew by 1.2% to \$33.0 million. As a result, Net profit attributable to shareholders increased by 5.4% to \$27.6 million.

The Directors have recommended a final dividend of 2.75 cents per share, in line with the revised Dividend Policy Ratio of 70% of net profit attributable to shareholders as communicated in the SGX Announcement on 11 August 2023. The revision of DPR from 90% to 70% was necessary as the Group will require the cash for the development of the new Jalan Papan site. When developed in 1Q 2026, this new site spanning 12,400 square metres of floor space over 5 storeys, will support the growth of both our vehicle and non-vehicle testing business. The building will also include vehicle workshops, parking space for heavy vehicles, and charging facilities for electric vehicles, thus adding a new revenue stream to our business.

CORPORATE GOVERNANCE

As testament to our commitment to strong corporate governance and transparency, VICOM has been ranked among the top 20 of 474 listed companies in Singapore in the annual Singapore Governance and Transparency Index 2023. We attained an improved score of 104, which surpasses the average score of 74.8 among the listed companies.

THE YEAR AHEAD

2024 will be a busy year for vehicle testing and related services, as VICOM has been appointed by the Land Transport Authority (LTA) as one of the Authorised Partners for the installation of On-Board Units (OBU) in the ERP 2.0 exercise.

We also anticipate increased demand for non-vehicle testing services with the anticipated recovery of the manufacturing sector and possible improvement in the overall economy; barring unforeseen circumstances arising from global geopolitical tensions or headwinds.

APPRECIATION

I wish to sincerely thank the management and all our staff for their dedication, diligence and hard work, and I like to extend my deepest appreciation to the Union for their support and collaboration all these years. A special note of appreciation this year goes to the Board Audit Risk Committee and the Risk Management team, all of whom were instrumental in VICOM's clinching of the Gold award for Best Risk Management.

We appreciate the ongoing support of our shareholders, and we look forward to another successful year ahead.

TAN KIM SIEW

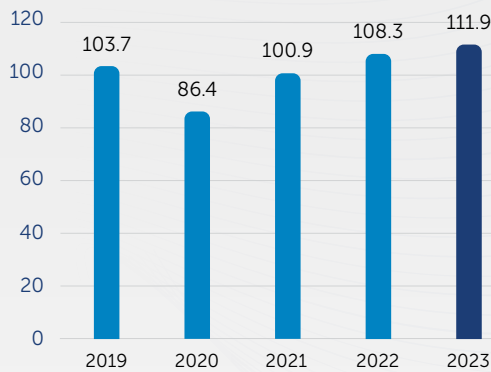
CHAIRMAN

21 FEBRUARY 2024

GROUP FINANCIAL HIGHLIGHTS

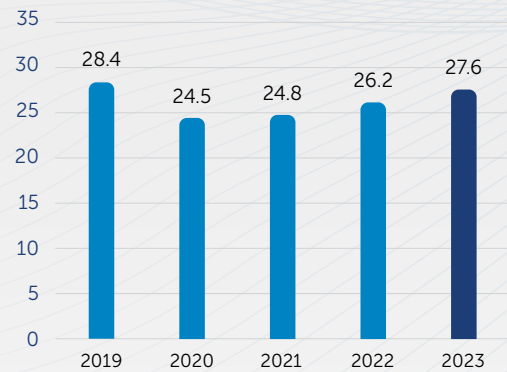
REVENUE

(\$mil)



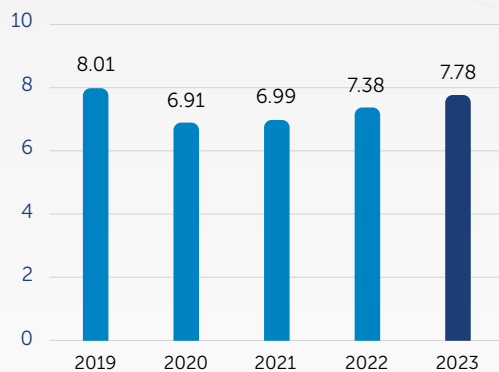
PROFIT ATTRIBUTABLE TO SHAREHOLDERS

(\$mil)



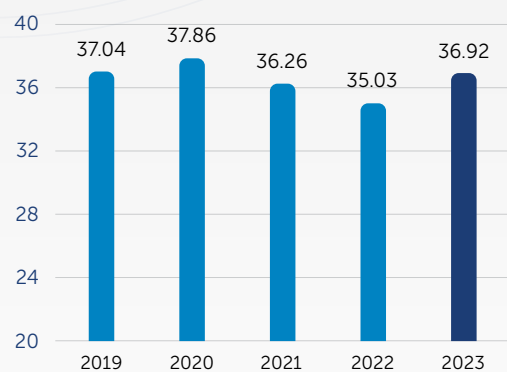
EARNINGS PER ORDINARY SHARE

(cents)



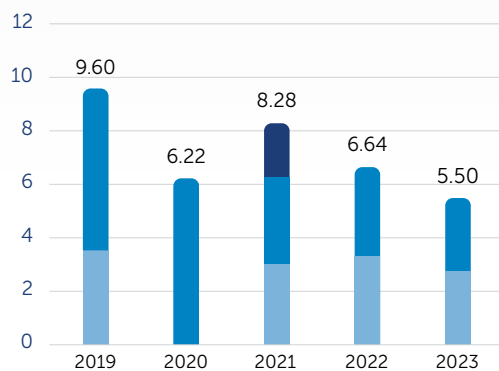
NET ASSET VALUE PER ORDINARY SHARE

(cents)



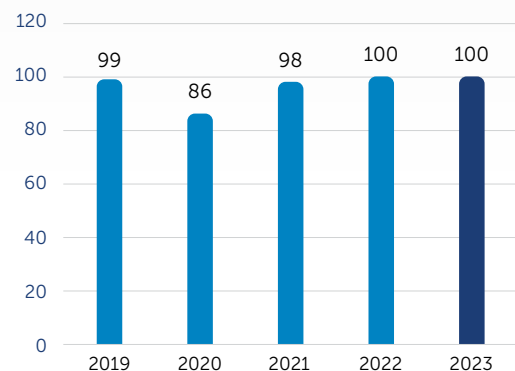
TOTAL DIVIDEND PER ORDINARY SHARE

(cents)



VALUE-ADDED PER EMPLOYEE

(\$'000)



■ INTERIM ■ FINAL ■ SPECIAL

FINANCIAL SUMMARY

	2019	2020	2021	2022	2023
REVENUE (\$'MIL)	103.7	86.4	100.9	108.3	111.9
OPERATING COSTS (\$'MIL)	69.5	57.1	69.9	75.6	78.9
OPERATING PROFIT (\$'MIL)	34.2	29.3	31.0	32.7	33.0
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (\$'MIL)	28.4	24.5	24.8	26.2	27.6
EBITDA (\$'MIL)	41.6	36.7	38.2	39.9	40.9
ISSUED CAPITAL (\$'MIL)	36.3	36.3	36.3	36.3	36.3
CAPITAL AND RESERVES* (\$'MIL)	131.3	134.3	128.6	124.2	130.9
CAPITAL DISBURSEMENT (\$'MIL)	5.4	15.0	12.3	8.9	12.8
RETURN ON SHAREHOLDERS' EQUITY* (%)	20.1	18.4	18.9	20.7	21.6
EARNINGS PER ORDINARY SHARE (CENTS)	8.01	6.91	6.99	7.38	7.78
NET ASSET VALUE PER ORDINARY SHARE* (CENTS)	37.04	37.86	36.26	35.03	36.92
INTERIM DIVIDEND PER ORDINARY SHARE (CENTS)	3.53	–	3.04	3.32	2.75
FINAL DIVIDEND PER ORDINARY SHARE (CENTS)	6.07	6.22	3.24	3.32	2.75
SPECIAL DIVIDEND PER ORDINARY SHARE (CENTS)	–	–	2.00	–	–
TOTAL DIVIDEND PER ORDINARY SHARE (CENTS)	9.60	6.22	8.28	6.64	5.50
DIVIDEND COVER (NUMBER OF TIMES)	0.8	1.1	0.8	1.1	1.4

VALUE-ADDED FOR THE GROUP

	2019		2020		2021		2022		2023	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
SUPPLIERS OF CAPITAL – DIVIDENDS	41,118	46.0	21,777	29.4	33,533	39.4	30,778	34.2	21,522	22.9
TAXATION TO THE GOVERNMENT	6,763	7.5	5,106	6.9	5,851	6.9	6,716	7.5	6,824	7.3
RETAINED EARNINGS	(5,090)	(5.7)	11,283	15.3	354	0.4	2,580	2.9	13,307	14.1
EMPLOYEES – SALARIES AND OTHER STAFF COSTS	46,667	52.2	35,784	48.4	45,362	53.3	49,895	55.4	52,385	55.7
TOTAL VALUE-ADDED	89,458	100.0	73,950	100.0	85,100	100.0	89,969	100.0	94,038	100.0
NUMBER OF EMPLOYEES	901		863		864		899		940	
VALUE-ADDED PER EMPLOYEE (\$'000)	99		86		98		100		100	

* FY2022 and FY2021 numbers have been restated due to a change in accounting policy, the preceding years were not restated.

BOARD OF DIRECTORS

AS AT 1 MARCH 2024



TAN KIM SIEW

CHAIRMAN
(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:

27 APRIL 2022

DR TAN KIM SIEW is the Chairman and an Independent Non-Executive Director of VICOM Ltd. He is the Chairman of the Nominating and Remuneration Committee and a member of both the Technology 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. From 2012 to 2014, Dr Tan served as the 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 Chief Executive Officer 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 a Doctor of Philosophy (Engineering) from the University of Cambridge, United Kingdom.



CHENG SIAK KIAN

DEPUTY CHAIRMAN
(NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

1 JANUARY 2023

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

26 APRIL 2023

MR CHENG SIAK KIAN is the Deputy Chairman of VICOM Ltd. He is a Non-Independent Non-Executive Director of VICOM Ltd and a member of the Nominating and Remuneration Committee and the Technology Committee. Concurrently, he is the Managing Director/Group Chief Executive Officer (MD/Group CEO) of ComfortDelGro Corporation Limited which is VICOM Ltd's parent company, and the Non-Executive Deputy Chairman of SBS Transit Ltd which is a related corporation of VICOM Ltd.

Mr Cheng joined ComfortDelGro in September 2015. Prior to his appointment as the MD/Group CEO of ComfortDelGro on 1 January 2023, he served in various positions within the ComfortDelGro Group. Appointments held include CEO of SBS Transit Ltd from 2020 to 2022 with a concurrent appointment as Group Deputy CEO of ComfortDelGro from March 2022 to December 2022, and CEO of ComfortDelGro Corporation Australia Pty Ltd (New South Wales) from 2016 to 2019.

Mr Cheng holds a Bachelor of Electrical and Electronic Engineering (First Class Honours) from the University of Manchester, United Kingdom and a Master of Business Administration from the Massachusetts Institute of Technology, United States of America.

**SIM WING YEW**

CHIEF EXECUTIVE OFFICER
(NON-INDEPENDENT EXECUTIVE DIRECTOR)

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

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:
26 APRIL 2023

MR SIM WING YEW is the Chief Executive Officer (CEO) and a Non-Independent Executive Director of VICOM Ltd. He is a member of the Sustainability Committee and the Technology Committee.

Prior to this appointment, he was the Chief Operating Officer of ComfortDelGro Engineering Pte Ltd from August 2008 until he assumed the role of CEO 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 the ComfortDelGro Group, he was the General Manager of SGX Catalyst-listed See Hup Seng Limited managing the local as well as overseas projects in China and Hong Kong.

With effect from 17 January 2024, Mr Sim is a Senior Accredited Director under the Singapore Institute of Directors' Director Accreditation Framework.

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.

**SOH CHUNG HIAN, DANIEL**

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

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

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:
26 APRIL 2023

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 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 the International Centre of Management in the United Kingdom.

BOARD OF DIRECTORS

AS AT 1 MARCH 2024



SHIM PHYAU WUI, VICTOR

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

1 JUNE 2017

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

27 APRIL 2022

PROFESSOR SHIM PHYAU WUI, VICTOR is an Independent Non-Executive Director of VICOM Ltd. Professor Shim is the Chairman of the Technology Committee and a member of the Audit and Risk Committee and the Sustainability Committee.

He is an Emeritus Professor with the National University of Singapore (NUS) and was an 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) of 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, a Visiting Scholar at the University of California, San Diego, and a Visiting Professor at Hiroshima University. Professor Shim established the Impact Mechanics Laboratory at NUS for 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. Professor 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 related global developments and emerging areas of interest.

Professor Shim was appointed a Professor at Ningbo University, China, in April 2022, and remains an (honorary) Emeritus Professor at the NUS.

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 NUS, and a PhD 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.



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:

27 APRIL 2022

MS JUNE SEAH LEE KIANG is an Independent Non-Executive Director of VICOM Ltd. She is the Chairperson of the Sustainability Committee and a member of the Audit and Risk Committee.

Ms Seah was formerly the Executive Director/Senior Advisor of Omise Payment SG Pte Ltd, a payment solutions company registered in Singapore with operations in Japan and Southeast Asia.

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.



JACKSON CHIA

(NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

27 APRIL 2022

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

26 APRIL 2023

MR JACKSON CHIA is a Non-Independent Non-Executive Director of VICOM Ltd. He is a member of the Sustainability Committee.

Mr Chia was appointed the Chief Executive Officer (CEO) of the Private Mobility Group of ComfortDelGro Corporation Limited (ComfortDelGro) on 7 June 2021.

Mr Chia joined the ComfortDelGro Group in 2017 as the Deputy Head of Rail in SBS Transit Ltd, where he headed the training, safety and security, and planning functions of the rail business. He was appointed Senior Vice President of the Transformation Office in June 2018, before being made the Group Chief Risk and Sustainability Officer in November 2018. Under his charge, ComfortDelGro established its Sustainability framework and set targets across the Environmental, Social and Governance (ESG) domains. For three years running, ComfortDelGro Corporation Limited was one of the four Singapore companies selected for inclusion into the Dow Jones Sustainability Index (Asia Pacific). Mr Chia was also the CEO of the ComfortDelGro Taxi Business from January 2022 to August 2023.

Prior to joining the private sector, Mr Chia served 28 years with the Republic of Singapore Navy, holding various command and staff appointments including Commander of the Maritime Security Task Force and Head of Naval Operations. His last appointment before retirement was Chief of Staff – Naval Staff.

Mr Chia holds a Bachelor of Social Science (First Class Honours) degree in Economics and Statistics from the University of Birmingham, United Kingdom, and a Master of Arts from the Fletcher School of Law and Diplomacy, Massachusetts, United States of America. Mr Chia also attended the International Executive Programme at INSEAD, France in 2008.

Mr Chia's previous Board experience includes Directorships in Advanced Material Engineering and ST Education and Training, both subsidiaries under the ST Engineering Group. He also served as Chairman of Sembawang Country Club from 2014 to 2017.



OOI BENG CHIN

(NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

1 JANUARY 2023

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

26 APRIL 2023

PROFESSOR OOI BENG CHIN is a Non-Independent Non-Executive Director of VICOM Ltd. He is a member of the Technology Committee. Concurrently, he is an Independent Non-Executive Director of ComfortDelGro Corporation Limited, which is VICOM Ltd's parent company.

Professor Ooi is the Lee Kong Chian Centennial Professor of Computer Science and a Faculty Member of the National University of Singapore (NUS) Graduate School. He is also an Adjunct Chang Jiang Professor at Zhejiang University, and a visiting Distinguished Professor at Tsinghua University, China.

He is a Co-Founder of yzBigData in 2012 for big data management and analytics, and MediLot in 2017 for healthcare data management and analytics. He is also a Director of AIDigi Holdings Pte Ltd.

Professor Ooi's research interests include database, blockchain, distributed processing, machine learning and large-scale analytics, in the aspects of system architectures, performance issues, security, accuracy and correctness. He is also interested in exploiting IT in production and process reengineering (e.g. fintech innovation, healthcare innovation, food analysis, metaverse and smart city).

He is a Fellow of the Association for Computing Machinery (ACM), the Institute of Electrical and Electronic Engineers (IEEE), the Singapore National Academy of Science, and the Singapore Academy of Engineering, and a foreign member of Academia Europaea and Chinese Academy of Sciences. He has received numerous awards in the field of computer science, including the 2011 Singapore President's Science Award.

Professor Ooi was awarded the Public Administration Medal (Silver) in 2013 and the Long Service Medal in 2018 by the President of the Republic of Singapore.

Professor Ooi holds a Bachelor of Science (First Class Honours) and a Doctor of Philosophy from Monash University, Australia.

BOARD OF DIRECTORS

AS AT 1 MARCH 2024



TAN POH HONG

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

25 APRIL 2019

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

26 APRIL 2023

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 Limited. She is also a Board Member of Jilin Food Zone Pte Ltd and Vanguard Healthcare Pte Ltd. She is Singapore's Non-Resident Ambassador to the Kingdom of Denmark.

Ms Tan was the Chief Executive Officer (CEO) 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 & Development Board (HDB) from 2004 to 2009. She played a key role in the restructuring of HDB in 2003 and helped to stabilise the organisation after restructuring through various internal communications and engagement processes. 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 Bachelor of Science (Honours) in Estate Management from the National University of Singapore, and a Master of Business Administration (with distinction) from New York University, United States of America. She was awarded the Public Administration Medal (Gold) in 2013, and the Public Service Medal in 1999 by the Singapore Government and the National Trades Union Congress Medal of Commendation in 2001.



WONG YOKE WOON

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

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 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 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.

Ms Wong previously held the position of Deputy Chief Executive Officer (DY CEO) of the Outreach and Operations Group of the Employment and Employability Institute (e2i). 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

CHUNG TYING CHUN

CHIEF EXECUTIVE OFFICER
SETSCO SERVICES PTE LTD

Mr Chung Tying Chun 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 the Deputy Chief Executive Officer and was managing the Biological & Chemical Technology Division from October 2017 to December 2022. Mr Chung first joined VICOM Ltd in 2013 and is responsible for the Ancillary Operations Division comprising the VICOM Vehicle Emission Test Laboratory (VETL), VICOM Assessment Centre (VAC), as well as motor insurance and advertising. 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.

MARY LEE PECK KIM

CHIEF FINANCIAL OFFICER
VICOM LTD

Ms Mary Lee Peck Kim 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.

LIM KOK SENG

CHIEF TECHNOLOGY OFFICER
INFORMATION TECHNOLOGY
VICOM LTD

Mr Lim Kok Seng is the Chief Technology Officer of VICOM Ltd. He joined the Company in February 2022 and is responsible for the overall management of the Group's technology capabilities buildup, such as identifying new technology trends and opportunities for the company's business growth. He also oversees VICOM Group's information technology functions, digitalisation programme and process improvement projects. Mr Lim started his career with Defence Science Technology Agency where he held several senior key appointments. He holds a Bachelor of Electrical Engineering (First Class Honours) from the Nanyang Technological University and a Master of Science in Electrical Engineering from the Naval Postgraduate School, California.

ZAIDEE BIN BAKEE

VICE PRESIDENT
RISK & SUSTAINABILITY OFFICER
VICOM LTD

Mr Zaidee Bin Bakee joined Setsco Services Pte Ltd in 1996 and holds a Master of Business Administration from the University of Leicester, United Kingdom, 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. Mr 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, Mr Zaidee was the Risk & Sustainability Lead for the Group since 2019.

SIK WE SEONG

ASSISTANT VICE PRESIDENT
HUMAN RESOURCES
VICOM LTD

Mr Siak Wee Seong joined VICOM Ltd in September 2022 and is responsible for the overall management of the Group's Human Resources functions. He held several human resource management positions across different industries in the marine and telecommunication sectors in Asia-Pacific and Europe before joining VICOM. Mr Siak graduated from the University of London with a Bachelor of Science in Economics and holds a Master of Business Administration from the University of Manchester, United Kingdom.

KEY MANAGEMENT

TEO TENG KANG, ANTHONY

VICE PRESIDENT
OPERATIONS
VICOM LTD

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.

YUSOOF AYNUDDIN

SENIOR VICE PRESIDENT
MECHANICAL TECHNOLOGY DIVISION
SETSCO SERVICES PTE LTD

Mr Yusooof 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.

PRATHIPA DEVI SUNDRAJU

DIVISIONAL DIRECTOR
CONSTRUCTION TECHNOLOGY DIVISION
SETSCO SERVICES PTE LTD

Ms Prathipa Devi Sundraju joined Setsco Services Pte Ltd in 2004 and is responsible for the overall management of the Construction Technology Division. She is specialised and experienced in geotechnical, pavement and geophysical testing. She started her career in SETSCO in 2000 as an Engineer and left the organisation to join Australian Road Research Board in Brisbane. Ms Prathipa then re-joined SETSCO in 2004 as a Head of Department. She holds a Bachelor of Engineering (Honours) in Civil Engineering from Heriot Watt University, Edinburgh.

YIP CHUN WAH

VICE PRESIDENT
OPERATIONS SUPPORT
VICOM LTD

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.

SNG MUI TIANG

DIVISIONAL DIRECTOR
BIOLOGICAL & CHEMICAL TECHNOLOGY DIVISION
SETSCO SERVICES PTE LTD

Ms Sng Mui Tiang joined Setsco Services Pte Ltd in September 2021. She is responsible for the development of new test capabilities and the management of the Biological & Chemical Technology Division. Her experience spans from analytical chemistry, sampling, environmental testing to program management. She holds a Bachelor of Science in Chemistry and a Master in the Management of Technology from the National University of Singapore.

KOH ENG HAUR, DARYL

GENERAL MANAGER
SETSCO-AN SECURITY PTE LTD

Mr Daryl Koh is the General Manager of Setsco-An Security Ptd Ltd. He is the founder of An Security, the first local formal cybersecurity testing lab in Singapore, having gained experience from working in multiple internationally recognised security labs worldwide. Daryl is a pioneer in the formal assurance cybersecurity testing field and played a key role in assisting the Cybersecurity Agency of Singapore in establishing the internationally recognised Common Criteria cybersecurity testing scheme. He holds a Bachelor of Engineering from Nanyang Technological University.

ALANCIA WINNIE NEO

GROUP CHIEF BRANDING AND COMMUNICATIONS OFFICER
COMFORTDELGRO GROUP

Ms Alancia Winnie Neo is the Group Chief Branding and Communications Officer, responsible for driving the Group's strategic communications and brand awareness. She has 20 years of experience in communications and marketing across various industries. Prior to joining the Group, she was the Head of Group Integrated Communications at Sembcorp Industries.

Ms Neo has a Master of Business Administration, as well as a Bachelor of Architecture from the National University of Singapore. She also completed programmes at the London School of Economics and Political Science, Yale and IMD.

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 in 2017, Mr Chong served several operational roles heading the Procurement, Commercial and Contracts Functions in Hyflux Ltd. He has considerable experience in the audit profession in listed companies such as ECS Holdings Ltd and Solectron Corporation. Mr Chong holds a Bachelor of Commerce (Accounting and Finance) from Murdoch University and is a member of CPA Australia. He is a Certified Information Systems Auditor and Certified Information Security Manager under ISACA.

CHRISTOPHER DAVID WHITE

HEAD, GROUP INVESTOR RELATIONS
COMFORTDELGRO GROUP

Mr Christopher David White is Head of Group Investor Relations of ComfortDelGro Corporation Limited, including VICOM Ltd. He serves as the Group's liaison to the investor community including investment analysts and investors worldwide. Mr White holds a Bachelor of Business Studies (Honours) from the University of Liverpool, United Kingdom, and is a Fellow of the Association of Chartered Certified Accountants.

ANGELINE JOYCE LEE

GROUP GENERAL COUNSEL & COMPANY
SECRETARY
COMFORTDELGRO GROUP

Ms Angeline Joyce Lee joined the ComfortDelGro Group on 7 September 2020 as Group General Counsel and Company Secretary to oversee the Group's legal and corporate secretariat matters, as well as compliance and corporate governance to facilitate business processes and organisational efficiency. Ms Lee holds a Master in Business Law from the University of Westminster in the United Kingdom and is a Chartered Secretary and Certified Risk-based Auditor.

CHER YA LI, SHERYL

ASSISTANT GENERAL COUNSEL & COMPANY SECRETARY
COMFORTDELGRO GROUP

Ms Cher Ya Li, Sheryl joined the ComfortDelGro Group on 1 November 2021 as Assistant General Counsel and was appointed Company Secretary of VICOM Ltd on 27 April 2022. Ms Cher provides legal and corporate secretarial support to the Group. Ms Cher was formerly a Company Secretary of SPH REIT. She holds a Bachelor of Laws from the National University of Singapore and was admitted to the Singapore Bar.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN KIM SIEW

CHAIRMAN

CHENG SIAK KIAN

DEPUTY CHAIRMAN
(Appointed on 1 January 2023)

SIM WING YEW

CHIEF EXECUTIVE OFFICER

JACKSON CHIA

OOI BENG CHIN (Appointed on 1 January 2023)

JUNE SEAH LEE KIANG

SHIM PHYAU WUI, VICTOR
SOH CHUNG HIAN, DANIEL
TAN POH HONG
WONG YOKE WOON

AUDIT AND RISK COMMITTEE

SOH CHUNG HIAN, DANIEL

CHAIRMAN

JUNE SEAH LEE KIANG
SHIM PHYAU WUI, VICTOR
TAN POH HONG
WONG YOKE WOON

NOMINATING AND REMUNERATION COMMITTEE

TAN KIM SIEW

CHAIRMAN

CHENG SIAK KIAN (Appointed on 1 January 2023)

SOH CHUNG HIAN, DANIEL
TAN POH HONG
WONG YOKE WOON

SUSTAINABILITY COMMITTEE

JUNE SEAH LEE KIANG

CHAIRMAN

JACKSON CHIA
SIM WING YEW
SHIM PHYAU WUI, VICTOR
TAN KIM SIEW

TECHNOLOGY COMMITTEE

SHIM PHYAU WUI, VICTOR

CHAIRMAN

CHENG SIAK KIAN (Appointed on 1 January 2023)

OOI BENG CHIN (Appointed on 1 January 2023)
SIM WING YEW
TAN KIM SIEW
TAN POH HONG

CORPORATE DIRECTORY

REGISTERED OFFICE

205 Braddell Road
Singapore 579701
Mainline: (65) 6383 8833
Facsimile: (65) 6287 0311
Website: www.vicom.com.sg

Company Registration Number:
198100320K

COMPANY SECRETARIES

Angeline Joyce Lee Siang Pohr
Cher Ya Li, Sheryl

SHARE REGISTRAR

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

AUDITORS

Ernst & Young LLP
(UEN: T08LL0859H)
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-Charge:
Lim Huijing Amanda

Date of Appointment:
26 April 2023

OPERATIONS REVIEW

111.9

REVENUE
(\$'MILLION)

940

TOTAL NUMBER OF
EMPLOYEES

OVERVIEW

In 2023, despite a slowdown in Singapore's economy, the business performance of the Group remained resilient.

The vehicle inspection business performed satisfactorily, with a successful upgrade of the Vehicle Emission Testing Laboratory (VETL) to the Worldwide Harmonised Light Vehicles Test Procedures (WLTP), as well as the piloting of the installation of On-Board Unit (OBU) in the Electronic Road Pricing (ERP) 2.0 installation exercise.

The Group also implemented various elements of the strategy to grow the non-vehicle testing business, by expanding our testing capabilities to existing and adjacent areas, and also venturing into the new business area of providing security evaluation and testing services for IT products by acquiring An Security, a leader in this field.

During the year, the Group has rolled out several initiatives to improve the customer experience and also invested resources to deepen the knowledge of our staff. Plans are also underway to develop the site at Jalan Papan to support the growth of the business in the future.

Furthermore, the Group remains committed to integrating sustainability, both into our businesses as well as an enabler through our testing, inspection, and certification capabilities, ultimately delivering value to all our stakeholders.

VEHICLE TESTING BUSINESS

We continued to experience strong demand in 2023, with 520,895 vehicles passing through our inspection lanes, thereby maintaining our leadership position with a market share of over 72%.

With the Government's push for clean energy vehicle adoption, a total of 3,389 EVs and 38,781 hybrids were inspected during the year, compared to 1,661 and 37,371 in 2022.

The Vehicle Emission Testing Laboratory (VETL) was closed for 2 months in the first quarter of the year for the upgrade to the Worldwide Harmonised Light Vehicles Test Procedures (WLTP). For the upgrading exercise, teams of engineers from Germany, Japan, Thailand, and Indonesia flew in to be part of this project which included the decommissioning of the existing equipment, as well as the installation and commissioning of the new ones.

The upgrade represented a major and near-total conversion of the laboratory built in 2009. Besides the change in equipment for running and testing of vehicle emissions, the entire Heating, Ventilation, and Air Conditioning (HVAC) system of the laboratory was replaced to meet the new WLTP standard.

The test laboratory was finally re-opened on 17 March 2023 as scheduled and it was accredited by the assessment team from the Singapore Accreditation Council (SAC) to conduct WLTP tests as well as the World Motorcycle Test Cycle (WMTC). The WMTC is an added feature



On-Board Unit (OBU) Installation Lounge.



Worldwide Harmonised Light Vehicles Test Procedures (WLTP).



Inspectors installing OBU on motorcycle.

“
VICOM was appointed as one of the Appointed Partners (AP) of LTA for the OBU installation in the ERP 2.0 exercise.
”

for this upgrading project allowing us to extend emission testing to motorcycles, and beyond vehicles of less than 3.5 tons.

With the upgrading, VETL conducted more tests for the year than in 2022. The better performance was a result of regulatory changes by NEA to impose stricter emission control via adjustments of rebates to the Vehicular Emissions Scheme (VES), as well as the extension of the EV Early Adoption Incentive (EEAI), and it can also be attributed to the release of more COEs in the last quarter of the year.

VICOM was named as one of the Appointed Partners (AP) of LTA for the OBU installation in the ERP 2.0 exercise. To enable LTA to test-run both the operational and technical aspects of this large-scale exercise, VICOM was selected to conduct a pilot trial between 10 August 2023 and 11 September 2023. The pilot concluded successfully with 479 vehicles installed with the OBU.

After the pilot run, VICOM started the Small-Scale Implementation (SSI) phase in December 2023 and completed the OBU installations for 3,300 vehicles.

The VExpress priority booking service at Sin Ming VICOM was soft-launched in late December 2022 and went into full swing from April 2023 onwards. This new service has made it more convenient for customers to inspect their vehicles at

our centre. Customers can choose their preferred date and time for inspection through our website, for just a small charge of \$10 on top of the periodic inspection fees.

To create a better experience, we added a VExpress Waiting Lounge for customers to relax during their inspection. The air-conditioned lounge provides complimentary drinks, light refreshments, magazines, and also a monitor showing real-time updates on the vehicle inspection.

After the successful implementation at Sin Ming VICOM, we expanded this offer to Yishun VICOM in November 2023. A total of 1,302 VExpress customers have used our VExpress service last year.

We have also added a new “E-cert” feature on our VICOM website. It was launched in September 2023 and allows customers to conveniently download their certificate after completing their periodic inspection. More than 2,200 motorists had downloaded their E-cert from our website in 2023.

2023 also saw the launch of an upgraded VSIR 2.0 for corporate customers. The main product features include a modernised dashboard that provides customers a clear overview of due dates for their fleet’s inspection in the month, the number of vehicles that completed inspection, and a forecast

of the number of vehicles that are due in the next 3 months allowing for better planning and utilisation of the fleet. Customers are also able to know the failure rate and retrieve failure reports to improve their maintenance regime. Users can view their E-certs, receive notifications via SMS or email and opt for electronic payment which reduces administrative paperwork, minimises the use of paper and promotes sustainability.

NON-VEHICLE TESTING BUSINESS

Our non-vehicle testing services, operated by Setsco Services Pte Ltd (SETSCO), witnessed robust demand in some sectors, but felt the contraction in the manufacturing sector.

SETSCO cemented its leadership in environmental testing with several key contracts in 2023: a renewed three-year contract with the Public Utilities Board for water quality testing in the east of Singapore, comprising Changi Water Reclamation Plant, Kranji Reclamation Plant, and Bedok NEWater Factory, as well as a sampling and water quality testing service for the Cross-Island MRT Line project and a few indoor air quality and industrial hygiene projects.

SETSCO enjoyed a successful year in Food & Microbiological Testing, securing several notable contracts such as a two-year deal with a hospital for microbiological testing. The Singapore Food Agency also exercised its option to extend its existing food safety testing contract for an additional two years, further solidifying SETSCO's position as a trusted partner in food safety assurance.

Singapore-based multinational news network CNA highlighted SETSCO in two informative features in its Talking Point programme. The first, aired on 1 June 2023, delved into the safety of ready-to-eat salmon, for which CNA commissioned SETSCO to conduct tests on fifteen raw salmon samples. The segment, spanning 3 minutes, showcased an interview with Ms Agnes Ye, Head of Microbiology, discussing the test results and the health risks associated with potential pathogens.

In another feature, aired on 7 September 2023, CNA explored the nutritional value of durians and commissioned SETSCO to test four types of durian samples.

The segment included an interview with Mr Toh Say Yong, Head of Food Chemistry, providing insights into the test results and their interpretation.

SETSCO's expertise in nutri-grade testing led to increased testing requests from many beverage outlets to analyse the saturated fat and sugar content of freshly prepared beverages, contributing to informed consumer choices.

In the area of non-destructive testing (NDT) and inspection, SETSCO won multiple contracts in 2023. We clinched a two-year NDT commitment with a major oil company. This comprehensive agreement involves Ultrasonic Thickness Gauging (UTG) teams, Digital Radiography Teams, and on-call NDT services, encompassing Ultrasonic Testing (UT), Long Range Ultrasonic Testing (LRUT), Remote Video Inspection (RVI), and Positive Material Identification (PMI).

Further expanding our portfolio, PSA Corporation awarded SETSCO a three-year contract to supply NDT services for maintenance work across multiple locations under PSA management. We also secured a contract for lamp post inspections across the east and

west zones of Singapore, employing ultrasonic-guided waves to assess the air-soil interface.

In addition, SETSCO closed deals for Construction Material Testing and Structural Integrity Testing from the Housing and Development Board (HDB).

In the construction material testing sector, SETSCO secured a laboratory and on-site testing contract for 3 stations under the Jurong Region Line. SETSCO was further entrusted with the material testing contract for the Deep Tunnel Sewerage System Phase 2 project.

In the field of Geotechnical Testing, SETSCO was engaged in various projects, including testing for Road Maintenance at Highways, testing of pavement works for the Singapore F1 Grand Prix 2023, and lab and on-site testing for the Changi East project.

NEW TESTING CAPABILITIES

To remain competitive, SETSCO continued to exploit new opportunities and expand into new and adjacent testing areas.

We achieved accreditation for drug residue analysis in January 2024, which enables us to conduct tests for 15 classes of drugs, covering a total of 80 compounds. This accreditation extends



Measuring traces of pesticide in vegetables and fruits.

“

We achieved accreditation for drug residue analysis in Jan 2024, which enables us to conduct tests for 15 classes of drugs, covering a total of 80 compounds. This accreditation extends to various food categories, including beef, pork, chicken, seafood, milk, and eggs.

”

to various food categories, including beef, pork, chicken, seafood, milk, and eggs. SETSCO also conducts drug tests for diverse range of products such as animal feed, luncheon meat, and prawns.

SETSCO obtained accreditation for pesticide residue testing in fruits and vegetables, covering an extensive range of 170 pesticides with plans to reach the full 370 varieties listed by the Singapore Food Agency (SFA). Our expertise extends beyond fresh produce, encompassing food matrices like coffee, tea, and other dried products. This comprehensive service has attracted new business from established clients solidifying our position as a reliable partner in food safety testing.

In 2023, SETSCO bolstered its expertise by adding relaxation testing for wire strands to its portfolio. This technique evaluates the long-term behaviour of pre-stressed seven-wire strands, a crucial component in bridges and buildings. The test involves subjecting the strands to a sustained load, and meticulously measuring the gradual stress loss. Accurate relaxation data is pivotal to engineers in optimising design parameters, and ensuring the safety of pre-stressed concrete elements.

SETSCO also expanded its materials testing expertise with the new capability to measure the resilient modulus of soil and aggregate materials. By simulating dynamic traffic loading, this new testing capability provides an accurate measure of material stiffness, incorporating relevant non-linear characteristics. These resilient modulus values are crucial for pavement structural response analysis under wheel loads and are directly applicable to pavement design procedures. Leveraging this new ability, SETSCO secured a key infrastructure project for Changi East.

In 2023, SETSCO's Certification Department gained ISO 27001 accreditation from the Singapore Accreditation Council. This

accreditation empowers us to certify other companies and organisations for compliance with ISO 27001, complementing our existing Management System certification service for ISO 9001.

We also expanded our influence in the cybersecurity domain by becoming an accredited issuer of the Cyber Trust Mark. This prestigious programme, developed by the Cyber Security Agency of Singapore, recognises and rewards organisations with exemplary cybersecurity practices.

ACQUIRING NEW EXPERTISE

In July, SETSCO made its foray into cybersecurity testing with the strategic acquisition of a 70% stake in An Security, a cybersecurity specialist that provides cybersecurity evaluation and testing services. It's a deal that further strengthens our pursuit of the growing technology sector.

The takeover allows us to leverage on An Security's specialised expertise, establishing a strong foothold in the burgeoning field of cybersecurity. It aligns seamlessly with SETSCO's core identity as a traditional testing company, presenting an opportunity to offer complementary services in this domain. Since the acquisition, we have been proactively promoting An Security's services to our existing partners and clients. Simultaneously, we are dedicated to enhancing our capabilities in security evaluation, information assurance services, and consultancy for IT products.

As part of our strategic commitment to enhance the expertise of our workforce, we also continue to invest in training and retraining programmes to upskill and cross-train our staff, broadening their skill sets.

SETSCO is set to establish a new capability in fatigue testing, which provides an in-depth understanding of the fatigue performance of steel reinforcement bars and couplers in concrete structures. Evaluating the fatigue performance of products and



materials under cyclic or dynamic loading addresses vital requirements in building and infrastructure design, particularly in regions susceptible to ground tremors and stronger wind loads. It is set to benefit various industries, standard bodies, and regulators.

With the support from NTUC under the Company Training Committee Grant, SETSCO acquired a new fatigue testing machine. Staff were trained by equipment specialists in both theoretical and practical aspects, providing a distinctive opportunity for hands-on experience and knowledge in conducting fatigue testing and analysis. This enabled our staff to upskill and improve their career progression.

DEEPENING OUR KNOWLEDGE

To emphasise the importance of continuous learning and development for its employees, the Group has embarked on the online LinkedIn Learning Programme which contains thousands of courses covering a wide range of technical, business, management, and creative topics. Learning paths based on the McKinsey Future Skills framework equip employees with critical skills in the cognitive, interpersonal, self-leadership, and digital realm. Senior executives and above can already enrol in these courses.

We have also come up with different programmes around the building of engaged teams, situational leadership and foundations of relational leadership,

which specially look at skill sets for team managers. The courses are tailored for staff in supervisory positions as part of their personal development to be effective managers.

To further promote a learning culture, the Group has designated 2 hours of protected learning time, from 1530 hrs to 1730 hrs on the last Friday of every month. There will be no internal meetings scheduled during these hours and staff is strongly encouraged to use it for learning unless there are work exigencies.

IMPROVING CUSTOMER EXPERIENCE AND ENGAGEMENT

Customer experience shapes the entire perception of a business, influenced by every touchpoint, ranging from advertising, customer service, and website engagement to even the smallest detail like payment methods.

In 2023, VICOM received 10,269 compliments, 22.6% more than the 8,377 in 2022. We achieved this by monitoring and making improvements based on our customer feedback, by developing our customer service culture through training and positive reinforcements such as rewards and recognitions.

To enhance branding and improve engagement with customers, SETSCO launched its LinkedIn channel on 16 May 2023. LinkedIn provides a powerful platform to establish industry leadership, connecting with potential

clients and partners, attracting talent, and building a strong professional network. By leveraging LinkedIn's diverse features, we aim to strengthen our brand image, expand our reach, and engage with our target audience in the digital landscape, cementing our industry expertise. During the year, we published 16 posts, ranging from the launch of new capabilities, and CSR activities, to our CNA coverage for publicity.

DEVELOPMENT OF NEW JALAN PAPAN SITE

The plan to develop the new Jalan Papan site is progressing well. When developed in 1Q 2026, this new site spanning 12,400 square metres of floor space over 5 storeys, will support the growth of both our vehicle and non-vehicle testing business. The building will also include vehicle workshops, parking space for heavy vehicles, and charging facilities for electric vehicles, thus adding a new revenue stream to our business.

SUSTAINABILITY

The Group continues to demonstrate its commitment to sustainability, as expressed in our inaugural standalone Taskforce for Climate-related Financial Disclosure (TCFD) report in 2023, ahead of the mandated timeline imposed by the Singapore Exchange (SGX).

In addition, we implemented several green initiatives which are highlighted below. For more information on all our ESG initiatives, please refer to <https://www.vicom.com.sg/Financials/Sustainability-Report>.

GREEN INITIATIVES

The Group installed solar panels at its 6 sites in 2023. The panels generated over 456,338 kWh of electricity during the year, equivalent to the yearly consumption of 103 four-room flats.

SETSCO also installed a heat recovery unit for its chiller plant resulting in savings of 229,410 kWh per month on average — compared to the pre-installation month — which is equivalent to the monthly energy consumption of 637 four-room flats.

OPERATIONS REVIEW

We further installed a water recycling unit for the chiller plant that led to savings of 711,000 litres — a 22% reduction in water consumption — on average every month, which amounts to over 3 Olympic-sized swimming pools a year.

SETSCO also kicked off its fleet electrification effort by converting 2 of its vehicles to Electric Vehicles (EVs). It aims to achieve 100% conversion of all its vehicles to EVs by 2040.

SAFETY

The VICOM Group improved its Lost Time Injury Rate (LTIR) from 2.4 in 2022 to 0.92 incidents per one million man-hours in 2023. This feat was achieved thanks to the strong commitment from the top management and also the strong support from staff at every level of the company.

In addition, SETSCO has successfully been re-certified to ISO 45001 for Occupational Health and Safety Management System and achieved zero safety incidents during the year. It also received the ExxonMobil Zero Recordable Injury for 8 Continuous Years and the Petrochemical Corporation of Singapore (PCS) Pte Ltd Safety Excellence award.

Moving forward and building on its achievements, VICOM plans to expand its current practice of holding toolbox meetings, monthly workplace safety inspections, WSH meetings, and regular management safety walkabouts, to highlight near-miss incidents in order to further raise safety awareness amongst staff.

RECOGNITIONS

- a) VICOM won the Friends of Community Care (FOCC) Award 2023 by the Agency for Integrated Care on 13 June 2023.
- b) VICOM won two Singapore Corporate Awards – Gold Award for “Best Risk Management Award 2023” and Silver Award for “Best Annual Report Award 2023” for companies with \$300 million to less than \$1 billion in market capitalisation on 7 September 2023.
- c) VICOM bagged the Securities Investors Association (SIAS) Investors’ Choice Awards 2023 – “Winner for Shareholder Communications Excellence Award (Mid Cap)” on 8 November 2023.
- d) VICOM has been ranked among the top 20 of 474 listed companies in Singapore in the annual Singapore Governance and Transparency Index 2023. We attained an improved score of 104, which surpasses the average score of 74.8 among the listed companies.
- e) SETSCO obtained the ISO 14001 – Environmental Management System certification in demonstration of its commitment in incorporating sustainability in its business strategy and processes.
- f) SETSCO received the ExxonMobil Zero Recordable Injury for 8 Continuous Years and Petrochemical Corporation of Singapore (PCS) Pte Ltd Safety Excellence award.



VICOM also won two Singapore Corporate Awards – Gold Award for “Best Risk Management Award 2023” and Silver Award for “Best Annual Report Award 2023” for companies with \$300 million to less than \$1 billion in market capitalisation on 7 September 2023.



INVESTOR RELATIONS

We are committed to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance. Our Investor Relations (IR) programme balances regular, effective and fair communications with Shareholders and the investment community with the need to safeguard commercial sensitivities. The IR team works closely with Senior Management to proactively carry out this engagement programme. Feedback and views gathered are regularly reported to Senior Management and the Board of Directors.

PROACTIVE COMMUNICATIONS

During the year, the IR team addressed queries from investors through emails, telephone calls and the online enquiry form.

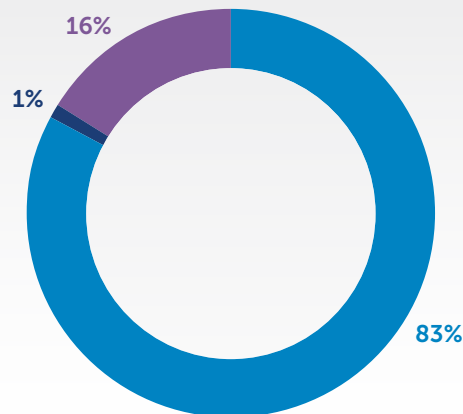
Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Voting is by way of electronic polling for greater transparency in the voting process and the detailed results are announced immediately at the Meeting and subsequently released to the Singapore Exchange.

All material announcements are posted in the IR section of the corporate website to ensure equal and timely access to information.

SINGAPORE-CENTRIC SHAREHOLDER BASE

Our shareholder base consists mainly of institutional and retail investors based in Singapore and Asia with ComfortDelGro Corporation holding a majority stake.

2023 SHAREHOLDING



- Singapore
- Asia (ex Singapore)
- Unanalysed

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 and maintaining long-term shareholder value.

We will continue to:

- Focus unreservedly on our customers;
- Make sound corporate decisions to generate long-term shareholder value rather than for short-term benefits;
- Maintain our lean culture through cost efficiencies to drive value creation without compromising our service quality;
- Build a sustainable talent pool to address the evolving and complex demands of the industry in this highly competitive market;
- Commit to sustainability to make a positive impact on society and the environment; and
- Promote a culture of diversity and inclusivity in the workplace.

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 and business partners, the authorities, labour unions and professional bodies and other stakeholders can trust and be proud of.

The Group is committed to ensuring compliance with the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 and amended on 11 January 2023 (the “Code”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual” or “SGX-ST Listing Rules”). It has put in place policies, structures and mechanisms to ensure compliance with the relevant legislative and regulatory requirements to establish a high-performing organisational culture with strong moral standards. 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 maintaining confidentiality of the identity of whistleblowers and protecting them 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 2023 (“FY2023”), with specific references to the Code. For FY2023, we are pleased to report that the Group complied in all 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 be aware of their legal responsibilities, act in good faith and exercise independent judgement in the best interests of the Company which include them having to exercise due care and diligence to avoid any conflicts of interest.

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 Company is headed by an effective Board which is led by its Independent Non-Executive Chairman, Dr Tan Kim Siew (“Dr Tan”). The Board is collectively responsible and works with the Management for the long-term success of the Company by:

- (i) 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;
- (ii) 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;
- (iii) Challenging the Management constructively and reviewing its performance;

- (iv) 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;
- (v) Instilling an ethical corporate culture and ensuring the Group's values, standards, policies and practices are consistent with the Group's culture; and
- (vi) Considering Environmental, Social and Governance ("**ESG**") issues as an integral part of its strategy for sustainability.

1.1 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. In the event that a Director has a conflict of interest, or it appears that he/she may have a conflict of interest in relation to any matter, the Director must immediately declare his/her interest at a meeting of the Board or send a written notice to the Board and 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. In the case of any matter where the Chairman is conflicted, such as his remuneration or re-election as a Director, he will similarly recuse himself from participating in the discussion, and the other Directors will elect someone among themselves to preside over the discussion and lead the Directors in decision making.

1.2 DIRECTORS' COMPETENCIES, INDUCTION, TRAINING AND DEVELOPMENT

Upon appointment, the Director will be issued an official letter of appointment, which clearly sets out his/her roles, duties and responsibilities and the Company's expectations of him/her as a Director of the Company. The new Director will also receive a copy of the Company's Constitution, the Company's current and previous 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 ("**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 Manual, a newly appointed 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. In this respect, all our newly appointed Directors who are required to undergo such training conscientiously commit their time and effort to complete the training within the first 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 Chairman and the Nominating and Remuneration Committee ("**NRC**") review each Director's training and professional development needs on a yearly basis.

The Company Secretaries update and brief the Board on corporate governance practices and changes in or updates to the relevant legal and regulatory requirements pertaining to the Group's businesses. External consultants are also invited to conduct seminars on specific topics as and when necessary. In FY2023, Rajah and Tann Singapore LLP conducted several seminars including seminars on the Approved Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health ("**WSH**") Duties ("**COP**") and the Strategic Role of Directors of Holding Companies and Subsidiaries. In addition, the Company constantly encourages and sponsors Directors to attend training conducted externally, particularly with regards to new developments. One such programme was the Singapore Exchange ("**SGX**") training on Climate Reporting Fundamentals held in 2023.

CORPORATE GOVERNANCE

In FY2023, the Directors attended the courses/seminars listed below:

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY
9 Jan 2023	Rajah and Tann Singapore LLP	Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health Duties	(1) Tan Kim Siew (2) Cheng Siak Kian (3) Sim Wing Yew (4) Jackson Chia (5) Ooi Beng Chin (6) Shim Phiau Wui, Victor (7) Tan Poh Hong
11 Jan 2023	Singapore Institute of Directors	Audit and Risk Committee Seminar 2023	(1) June Seah Lee Kiang (2) Tan Poh Hong
10 Feb 2023	Setsco Services Food Chemistry Laboratory	Analysis of pesticides and drug residues using LCMS/MS and GCMS/MS	(1) Tan Kim Siew (2) Cheng Siak Kian (3) Sim Wing Yew (4) Ooi Beng Chin (5) Shim Phiau Wui, Victor (6) Tan Poh Hong
8 May 2023	Setsco Services Mechanical Testing Laboratory	New geometrical measurements capability using optical technology	(1) Tan Kim Siew (2) Cheng Siak Kian (3) Sim Wing Yew (4) Ooi Beng Chin (5) Shim Phiau Wui, Victor (6) Tan Poh Hong
11 May 2023	Setsco Services	Tutorial on Testing Technologies	(1) Tan Kim Siew (2) Cheng Siak Kian (3) Sim Wing Yew (4) June Seah Lee Kiang (5) Soh Chung Hian, Daniel (6) Tan Poh Hong (7) Wong Yoke Woon
6 Jul 2023	Rajah and Tann Singapore LLP	Strategic Role of Directors of Holding Companies and Subsidiaries	(1) Tan Kim Siew (2) Cheng Siak Kian (3) Sim Wing Yew (4) Jackson Chia (5) Ooi Beng Chin (6) June Seah Lee Kiang (7) Tan Poh Hong
28 Jul 2023	Setsco Services Construction Technology Division	Demonstration on drone capability for facade inspection	(1) Tan Kim Siew (2) Cheng Siak Kian (3) Sim Wing Yew (4) Ooi Beng Chin (5) Shim Phiau Wui, Victor (6) Tan Poh Hong
1 Nov 2023	Singapore Exchange (SGX)	Training on Climate Reporting Fundamentals	(1) Sim Wing Yew (2) June Seah Lee Kiang (3) Tan Poh Hong

Regular presentations are made by Management to the Board to enable the Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are also organised from time to time to enable the Directors to learn more about the Group's operations. During such visits, the Directors spend time with Management to discuss new developments in the market, key strategies and policies pertaining to, not

just Company-specific operations, but also the Group's businesses in general. Such meetings help the 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 collaborate with Management in developing the Group's future plans and proposals for new business opportunities, with the latest strategy meeting held on 21 November 2023.

In 2023, SID launched the SID Director Accreditation framework which establishes standards for director competencies by, amongst other things, providing directors with structured development pathways to acquire essential knowledge, skills and attributes and enabling directors to stay relevant over time through continuous professional development. VICOM's CEO Mr Sim Wing Yew received accreditation as a Senior Accredited Director under the framework in January 2024.

1.3 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 and empowerment, there are sufficient checks and balances in place to monitor compliance with delegated limits.

1.4 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 have been established, namely, the Audit and Risk Committee ("**ARC**"), the NRC, the Sustainability Committee ("**SC**"), and the Technology Committee ("**TC**") (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 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 31 to 41.

SUSTAINABILITY COMMITTEE

The SC 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 seeks to integrate sustainability considerations in the business strategies of the Group in order to deliver steady and sustainable outcomes. For 2023 till present, the SC comprises five Directors, including the Chairman Dr Tan and Mr Sim Wing Yew who is 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 the Management's commitment and allocation of resources to achieving the desired outcomes of the Group's sustainability strategy;
- (iii) Establish sustainability 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.

TECHNOLOGY COMMITTEE

The Board established the TC on 1 January 2022 to oversee harnessing of technology to enhance the Group's strategic and business initiatives and new business areas. This includes Group-wide digitalisation and automation.

For 2023 till present, the TC comprises six Directors, including the Chairman and the CEO. The Chairperson of the TC is Professor Shim Phiau Wui, Victor. The terms of reference of the TC include the following:

- (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 innovation across the Group; and
- (iii) Monitor technology trends and identify new opportunities in testing, inspection and certification 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.

CORPORATE GOVERNANCE

1.5 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-year 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, can 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 and Board Committees.

ATTENDANCE OF DIRECTORS AT ANNUAL GENERAL MEETING, BOARD AND BOARD COMMITTEE MEETINGS IN 2023

Names	DIRECTORS' MEETING ATTENDANCE REPORT						
	No. of meetings held in FY2023						
	Annual General Meeting	Board	Audit & Risk Committee (ARC)	Nominating & Remuneration Committee (NRC)	Technology Committee (TC)	Sustainability Committee (SC)	Board Retreat
	1	4	4	3	4	2	1
TAN KIM SIEW (Board Chairman) (NRC Chairman)	1/1	4/4	–	3/3	4/4	2/2	1/1
CHENG SIAK KIAN ⁽¹⁾ (Deputy Chairman)	1/1	4/4	–	3/3	4/4	–	1/1
SIM WING YEW (Chief Executive Officer)	1/1	4/4	4/4 ⁽²⁾	3/3 ⁽²⁾	4/4	2/2	1/1
JACKSON CHIA	1/1	4/4	–	–	–	2/2	1/1
OOI BENG CHIN ⁽³⁾	1/1	4/4	–	–	4/4	–	1/1
JUNE SEAH LEE KIANG (SC Chairperson)	1/1	4/4	4/4	–	–	2/2	1/1
SHIM PHYAU WUI, VICTOR (TC Chairman)	1/1	4/4	4/4	–	4/4	2/2	1/1
SOH CHUNG HIAN, DANIEL (ARC Chairman)	1/1	4/4	4/4	3/3	–	–	1/1
TAN POH HONG	1/1	4/4	4/4	3/3	4/4	–	1/1
WONG YOKE WOON	1/1	4/4	4/4	3/3	–	–	1/1

Legend:

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

Notes:

- (1) Mr Cheng Siak Kian was appointed Non-Independent Non-Executive Director on 1 January 2023. Mr Cheng was also appointed the Deputy Chairman and a member of the NRC and the TC on the same date.
- (2) Not a member but attended meetings by invitation of the Committee.
- (3) Professor Ooi Beng Chin was appointed Non-Independent Non-Executive Director and a member of the TC on 1 January 2023.

1.6 ACCESS TO INFORMATION

Prior to each Board and Board Committee Meeting, and where needed, Management provides Directors with complete, adequate and timely information to enable them to make informed decisions and discharge their duties and responsibilities. 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.

Directors can request for additional information and have full access to the Management. The Management provides information requested by Directors for their meetings and decision making in a timely manner.

1.7 INDEPENDENT PROFESSIONAL ADVICE

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.

1.8 COMPANY SECRETARIES

The Company Secretaries assist in organising the Board and Board Committee Meetings, and prepare the agenda in consultation with the Chairman, the CEO and the chairpersons of the respective Board Committees. At least one of the Company Secretaries attends all Board and Board Committee Meetings.

The Company Secretaries keep the Directors informed of any significant developments or events relating to the Group, including updates on all relevant rules and regulations. The Directors have separate and independent access to the Company Secretaries. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

BOARD COMPOSITION

For 2023 till present, the Board comprises ten Directors with 60% of them being independent Directors. Except for Mr Sim Wing Yew, the CEO who is a Non-Independent Executive Director, as well as Mr Cheng Siak Kian, the Deputy Chairman, and Mr Jackson Chia and Professor Ooi Beng Chin who are Non-Independent Non-Executive Directors (Mr Cheng, Mr Chia and Professor Ooi are deemed non-independent as they are nominees of ComfortDelGro Corporation Limited ("**ComfortDelGro**") which is a substantial shareholder of the Company), all the remaining six Non-Executive Directors ("**NED**") are considered by the NRC to be independent.

2.1 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. Each Director makes it a point to declare to the Board should he/she have any interest in the subject matter before any discussion or decision-

making process and recuse himself/herself therefrom to avoid any compromise in the Board's objectivity in its judgement or decision-making.

The Board's practices in relation to conflicts of interest are set out in the section 'Conflicts of Interest' on page 23 above.

2.2 INDEPENDENT DIRECTORS

For 2023 till present, the Board comprises ten Directors with 60% of them being Independent Non-Executive Directors. There is a strong level of independence in the Board, and the Board composition exceeds the requirement under the SGX-ST Listing Rules and the Code that at least one-third of the Board must be independent Directors. It is also noted that the Chairman, Deputy Chairman and CEO are different persons and are not immediate family members, and the Chairman and Deputy Chairman are not part of the Management team. No person will be able to influence the decisions of the Board as Independent Non-Executive Directors continue to be the majority.

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.

In the case of Chairman Dr Tan, the NRC noted that he is an Independent Non-Executive Director of SBS Transit Ltd ("**SBST**") which is a principal subsidiary of ComfortDelGro. The value of transactions between the Group on the one hand and SBST and its subsidiaries ("**SBST Group**") on the other was in excess of S\$200,000 for FY2023. All transactions were on an arm's length basis.

Notwithstanding the foregoing, the Board concurred with the view and recommendation of the NRC that Dr Tan remains an Independent Director of the Company for the following reasons:

- (i) the value of transactions in FY2023 between the Group and the SBST Group was not substantial in relation to the total revenue of the Group or the SBST Group. Further, the transactions were on an arm's length basis;
- (ii) Dr Tan is not a member of the Company's ARC which reviews and approves interested person transactions exceeding S\$100,000;

- (iii) Dr Tan would declare any conflict of interest and recuse himself from deliberating and voting on any matter that involves the SBST Group;
- (iv) Dr Tan's independence is reviewed annually or as and when necessary; and
- (v) Dr Tan is and has been acting in the best interest of the Company.

Mr Cheng Siak Kian is deemed non-independent as he is both a nominee and the Managing Director/Group CEO (MD/Group CEO) of ComfortDelGro. Mr Sim Wing Yew is deemed non-independent as he is the Executive Director and CEO of the Company. Mr Jackson Chia is also deemed to be a non-independent Director as he is a nominee and staff of ComfortDelGro and the CEO of the ComfortDelGro private mobility group. Professor Ooi Beng Chin is deemed non-independent as he is a nominee and Director of ComfortDelGro.

Except for the CEO, none of the Directors had served on the Board for more than nine years as at 31 December 2023. In determining the independence of a Director with less than nine years of service, the NRC's approach has been a holistic one, taking into consideration various factors such as whether the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could compromise or 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. Other than the CEO who is in any event the Executive Director and hence non-independent, SGX-ST Listing Rule 210(5)(d)(iv) does not apply to any of the Directors in office as at 31 December 2023.

The NRC will continue to review the independence of the Directors of the Company on an annual basis and as and when material circumstances change.

2.3 NON-EXECUTIVE DIRECTORS

For 2023 till present, the Board comprises ten Directors with 90% of them being Non-Executive Directors. The Independent NEDs are led by the Independent Non-Executive Chairman of the Board.

2.4 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, experience, 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 has adopted a Board Diversity Policy since 2019, which focusses on ensuring an appropriate balance and mix of skills, knowledge, experience, age, 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. Under the Board Diversity Policy, the NRC will discuss and agree annually the relevant measurable targets for promoting and achieving diversity in the composition of the Board and Board Committees and make its recommendations for consideration and approval by the Board.

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, age, 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 each Board Committee including the NRC. For 2023 till present, out of ten Directors on the Board, three Directors (or 30%) are females, with three female Directors sitting on the ARC, two female Directors sitting on the NRC and one female Director sitting on the SC and the TC. The number of female Directors on the ARC and the NRC exceeds the number in the guideline in the Company's Board Diversity Policy while the number of female Directors on the SC and the TC meets the guideline. With three females (or 30% female Directors) on the Board, the Board has achieved its target in respect of Board gender composition. The Company has also exceeded the target of the Council for Board Diversity to have at least 25% of Board seats held by females by 2025.

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 and business management, which are important to the Group as the Group is in the vehicle and non-vehicle testing business and has to deal with various stakeholders including members of the public (being its customers), trade associations and professional bodies and regulators. 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 current 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 Board has noted that two of the current Independent Directors would cease to be considered independent at the 2027 Annual General Meeting (“AGM”) pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Rules which came into effect on 11 January 2023. In order to allow sufficient time to find suitable replacement candidates, the Board will, prior to the 2027 AGM and in a timely manner, commence its search for suitable replacement candidates with competencies and characteristics of diversity in the areas of gaps identified by the Board. The NRC and the Board shall review the size and composition of the Board annually to determine the optimal Board size and composition, having regards to the business and governance needs of the Group.

The Company sources for suitable candidates through the recommendations of the existing Directors, other contacts, and a variety of independent sources, which may include external consultants, to find the right match of potential candidates with the Company.

Nonetheless, the ultimate decision on selection of Directors will be based on merit against a set of objective criteria that complements and expands the skills, knowledge, industry and business experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board to serve the needs of the Group.

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 6 to 10 and pages 47 to 50 of this Annual Report.

BOARD INDEPENDENCE (As at 31 December 2023)

INDEPENDENT
NON-EXECUTIVE DIRECTOR



60%

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR



30%

NON-INDEPENDENT
EXECUTIVE DIRECTOR



10%

BOARD GENDER DIVERSITY (As at 31 December 2023)

FEMALE



30%

MALE



70%

DIRECTORS’ LENGTH OF SERVICE (As at 31 December 2023)

SERVED LESS THAN 9 YEARS



90%

SERVED MORE THAN 9 YEARS



10%

CORPORATE GOVERNANCE

2.5 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 the Management and help develop proposals on business strategy and other business and governance issues. They also review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

For 2023 till present, all the members of the ARC and NRC are NEDs. There is no Executive Director on these Board Committees. However, the CEO is invited to attend the ARC and NRC meetings to provide feedback and emphasise the responsibilities placed on the Management.

From time to time when required, the NEDs led by the independent Chairman or other independent NED as appropriate, meet without the presence of the 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

3.1 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.

3.2 ROLES AND RESPONSIBILITIES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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.

Roles and responsibilities of Chairman

The Chairman:

- (i) Leads the Board, facilitates effective contribution of all Directors, sets the agenda and promotes comprehensive, rigorous and open discussions at Board meetings among the Directors, as well as between the Board and Management;
- (ii) Oversees the translation of the Board's decisions into executive action;

- (iii) Ensures adequacy and timeliness of information flow between the Board and Management and effective communications with shareholders and other stakeholders;
- (iv) 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.

Roles and responsibilities of CEO

The CEO is the highest-ranking executive in the Group. He is given full executive responsibility in the Group. His primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group, and acting as the main point of communication between the Board and corporate operations. He is responsible for implementing the corporate strategy and is accountable to the Board for the Group's performance and ensuring efficient allocation of capital across the Group. The CEO is also responsible for setting an example of leadership and creating a conducive environment towards a sustainable work culture that builds teams to succeed and attract talent. The CEO also serves as the public face of the Group, engaging in media and public relations.

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.

3.3 LEAD INDEPENDENT DIRECTOR

The appointment of a Lead Independent Director is not required, as the majority of the Board (including the Chairman) are independent Directors and none of them is part of the Management or has a relationship with the CEO and his immediate family members. Moreover, the ARC Chairman is readily available to shareholders if they have concerns for which contact through the normal channels of communication with the Chairman or Management may be inappropriate or inadequate.

The Board's practices in relation to conflicts of interest are set out in the section 'Conflicts of Interest' on page 23 above.

3.4 INTERNAL AND EXTERNAL STAKEHOLDERS COMMUNICATION

The Chairman, Deputy Chairman and the CEO represent the Board at official functions and meetings with shareholders and other stakeholders such as employees, regulators and customers, according to appropriateness and availability. A detailed description of our engagements with stakeholders can be found in our Sustainability Report.

PRINCIPLE 4: BOARD MEMBERSHIP

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

4.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE

In 2021, the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) were merged to streamline their respective functions for greater efficiency in reviewing the appointment, performance and remuneration of Directors and Key Management Personnel (“**KMP**”). Notwithstanding that the NC and RC were merged, the roles and responsibilities of the respective functions were not compromised and the Company continues to adhere to the principles of the Code in relation to the NC and the RC.

The NRC is responsible for (i) regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place for Directors and KMP (the “**NC Role**”); and (ii) setting the framework for Directors’ Fees and the Group’s remuneration policies and framework for KMP (the “**RC Role**”). Details of the RC Role are found on pages 33 to 37 of this Annual Report.

NC ROLE

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 structure, size and composition of the Board;
- (ii) Review the succession plans for Directors and the talent management and succession plans for KMP, and make recommendations to the Board on the appointment, replacement and re-appointment of Directors and KMP, including the appointment and/or replacement of the Chairman and CEO;
- (iii) Develop and maintain a formal performance evaluation framework to assess and evaluate the effectiveness of the Board, its Board Committees and individual Director’s performance;
- (iv) Assess the effectiveness of the Board and Board Committees and contributions by each individual Director to the effectiveness of the Board;
- (v) Determine annually, and as and when circumstances require, if a Director is independent; and

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

4.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE

For 2023 till present, the NRC comprises five NEDs, of whom four including the NRC Chairman are independent. The composition of the NRC therefore complies with the requirement under the Code that the NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent.

4.3 PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As part of the Board succession plan, potential candidates 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 as well as the need for diversity on the Board.
- (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 competencies, commitment, 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.

CORPORATE GOVERNANCE

At the forthcoming AGM, Dr Tan Kim Siew, Professor Shim Phiau Wui, Victor, Ms June Seah Lee Kiang and Ms Wong Yoke Woon are due for re-election pursuant to Regulation 98(b) of the Constitution.

ALTERNATE DIRECTOR

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

4.4 REVIEW OF INDEPENDENCE

The process undertaken by the NRC to review the independence of the Directors is set out on page 27 above.

4.5 MULTIPLE DIRECTORSHIPS AND PRINCIPAL COMMITMENTS

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

Listed companies within a group should be considered as one entity.

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 five directorships in listed companies if he is not in full-time employment and not more than two 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 the Directors' attendance at the 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.

As a policy, the CEO, being an Executive Director 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 2023 and currently, all Directors (except Ms Tan Poh Hong) comply with the guidelines on multiple board representations. Ms Tan Poh Hong has six listed company directorships (including the Company) but she had accepted the invitation for the sixth appointment before the number of board representations was revised by the NRC in November 2023 from six to five and had obtained the previous Chairman's approval before accepting the sixth appointment. Further, the NRC is satisfied that Ms Tan had attended all designated Board and Board Committee meetings in FY2023 and had also contributed actively during discussions with the other Directors and Management. Accordingly, the NRC is satisfied of Ms Tan's ability to diligently discharge her duties as a Director of the Company.

4.6 BOARD SUCCESSION PLANNING

The NRC makes recommendations to the Board on the review of succession planning for Directors, in particular the Chairman and the CEO, as well as KMP, as follows:

- (i) Long-term planning, to identify competencies needed for the Company's strategy and objectives;
- (ii) Medium-term planning, for the orderly replacement of Board members and KMP; and
- (iii) Contingency planning, for preparedness against sudden and unforeseen changes.

In relation to Directors, the NRC aims to maintain an optimal Board composition by considering the trends and factors affecting the long-term success of the Company, reviewing the skills needed, and identifying gaps, which includes considering whether there is an appropriate level of diversity of thought.

In relation to KMP succession, the NRC takes an active interest in the performance and management of key talent within the Group, including identifying strong candidates and developing them to take on senior positions in the future.

4.7 KEY INFORMATION ON DIRECTORS

The profiles of the Directors and key information are set out in this Annual Report from pages 6 to 10. The Notice of AGM sets out the Directors proposed for re-election or re-appointment at the forthcoming AGM. Key information on Directors is 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.

5.1 BOARD PERFORMANCE EVALUATION

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.

5.2 ANNUAL BOARD PERFORMANCE EVALUATION PROCESS

The FY2023 annual evaluation process for the Board, Board Committees and individual Directors involves the following:

- (i) Each Director completes an individual director self-assessment form.
- (ii) The NRC Chairman completes a Board performance evaluation questionnaire.
- (iii) Each Board Committee Chairperson completes the relevant Board Committee performance evaluation questionnaire.
- (iv) The completed Board performance evaluation questionnaire and the responses to the individual director self-assessment forms are reviewed by the NRC, while each completed Board Committee performance evaluation questionnaire is reviewed by the respective Board Committees.
- (v) The reviewed Board and Board Committee performance evaluation questionnaires and responses to the individual self-assessment forms (collectively, the **"Reviewed Responses"**) are collated by the Company Secretaries and sent to the Chairman for approval to table at the next NRC meeting.
- (vi) The Reviewed Responses are tabled at the NRC meeting for review, and also tabled at the Board meeting 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.

The Board has a formal and transparent process for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and KMP. No Director is involved in deciding his or her own remuneration.

6.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE RC ROLE

In relation to the RC Role, the NRC plays an important role in setting the Group's remuneration framework and strategy for the compensation of both Directors and KMP. As per the terms of reference, the NRC makes recommendations to the Board on the specific remuneration package for each Director, appropriate to the level of contributions from them. In respect of the KMP, it reviews their remuneration with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success and the enhancement of shareholder value.

6.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE

For 2023 till present, the NRC comprises five NEDs, of whom four including the NRC Chairman are independent. The composition of the NRC therefore complies with the requirement under the Code that specifies that the RC comprises at least three Directors, all of whom are non-executive and the majority of whom, including the Chairman of the RC, are independent.

6.3 REMUNERATION MATTERS

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

CORPORATE GOVERNANCE

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 other KMP 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 fix the remuneration packages of individual Directors and KMP, 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 KMP to ensure that they are aligned with the long-term interests of the Group and to ensure that the overall remuneration package is appropriate to attract, retain and motivate KMP to provide good stewardship of the Group and to successfully manage the Group for the long term; and
- (iv) Review the Group's obligations arising in the event of termination of Directors' and KMP'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.

6.4 ACCESS TO COMFORTDELGRO GROUP CHIEF HUMAN RESOURCE OFFICER AND APPOINTMENT OF EXTERNAL REMUNERATION CONSULTANTS

The NRC has unrestricted access to the ComfortDelGro Group Chief Human Resource Officer who 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 FY2023, 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 KMP 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 KMP to successfully manage the Group for the long term.

7.1 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 KMP 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 components would ensure greater alignment of interests of the employees with those of shareholders and contribute to sustainable performance and value creation in the long term.

SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES

Eligible employees of the Group are eligible to participate in the ComfortDelGro Executive Share Award Scheme ("**CDG ESAS**" or the "**Scheme**").

ComfortDelGro in 2018 implemented the CDG ESAS for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the ComfortDelGro Group. Key executives of the Group are eligible to participate in the Scheme.

The share awards would be granted conditionally upon performance targets being met and would have a vesting schedule whereby only a portion of the benefits would be vested each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the ComfortDelGro Group.

The aggregate number of shares which may be issued pursuant to the Scheme and any other share-based schemes (if applicable) shall not exceed in aggregate (for the entire duration of the Scheme) two per centum (2%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.

Total share awards granted to the Executive Director of the Company in FY2023 under the Scheme are as follows:

NAME OF PARTICIPANT	SHARE AWARDS GRANTED DURING FY2023 (SHARES AWARDED TO BE VESTED OVER 4-YEAR PERIOD)	AGGREGATE SHARE AWARDS GRANTED SINCE COMMENCEMENT OF SCHEME TO END OF FY2023	AGGREGATE SHARE AWARDS VESTED SINCE COMMENCEMENT OF SCHEME TO END OF FY2023	AGGREGATE SHARE AWARDS OUTSTANDING AS AT END OF FY2023 (UNVESTED SHARES)
SIM WING YEW	60,000	190,000	77,500	112,500

7.2 REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

The CEO, being the Executive Director of the Company, does not receive any fees paid by the Company's subsidiaries for his directorships with the subsidiaries and such fees are instead paid directly by the subsidiaries to the Company. The CEO does not receive Directors' fees for his directorship with the Company.

The Directors' fee structure for FY2023 is set out below:

BOARD	BASIC FEE (PER ANNUM)	
CHAIRMAN	S\$64,000	
DEPUTY CHAIRMAN	S\$48,000	
MEMBER	S\$32,000	
ADDITIONAL FEES (PER ANNUM) AS		
BOARD COMMITTEE	CHAIRMAN	MEMBER
AUDIT AND RISK COMMITTEE	S\$21,333	S\$14,933
NOMINATING AND REMUNERATION COMMITTEE	S\$12,800	S\$8,960
SUSTAINABILITY COMMITTEE	S\$10,667	S\$7,468
TECHNOLOGY COMMITTEE	S\$10,667	S\$7,468

The attendance fees payable to the NEDs for attendance at each Board and Board Committee meeting and the AGM for FY2023 are set out below. The attendance fees for FY2023 have reverted to the pre-COVID-19 rates.

MEETING	ATTENDANCE FEE (PER MEETING)
	IN-PERSON/DIAL-IN
BOARD / BOARD COMMITTEE MEETING HELD LOCALLY AND ANNUAL GENERAL MEETING	S\$2,000 / S\$1,000
BOARD / BOARD COMMITTEE MEETING HELD OVERSEAS	US\$2,000 / US\$1,000

For FY2023, Directors were only paid one attendance fee per day irrespective of the number of meetings held on that day. However, with effect from 1 January 2024, following market practice, Directors will be paid for each Board, Board Committee and other ad-hoc Directors' meeting as well as the AGM.

CORPORATE GOVERNANCE

7.3 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The NRC and the Board have reviewed and are satisfied that the framework for remuneration and specific remuneration package for each Director as well as for the KMP are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP to successfully manage the Company for the long term.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

8.1 REMUNERATION OF DIRECTORS AND EXECUTIVES

CEO'S REMUNERATION

CEO's remuneration for FY2023 is as follows:

REMUNERATION FY2023	THE GROUP				TOTAL COMPENSATION S\$
	SALARY	BONUS	CDG ESAS ⁽¹⁾	OTHERS	
	S\$	S\$	S\$	S\$	
SIM WING YEW	375,600	313,000	71,400	15,887	775,887

Notes

(1) This is the value of the shares granted in FY2023 in respect of his performance in FY2022. The vesting of these grants will be subject to the achievement of performance targets over a 4-year performance period.

DIRECTORS' FEES

Directors' fees are for services rendered by the NEDs on the Board as well as the various Board Committees and where applicable, for additional services provided to the Group. The amount includes Directors' attendance fees for scheduled Board and Board Committee meetings held throughout the year.

The total Directors' Fees of the NEDs in FY2023 payable by the Group are as follows:

	DIRECTORS' FEES FY2023 S\$
TAN KIM SIEW	111,735.00
CHENG SIAK KIAN ⁽¹⁾	98,428.00
JACKSON CHIA ⁽²⁾	55,468.00
OOI BENG CHIN ⁽³⁾	59,468.00
JUNE SEAH LEE KIANG	81,600.00
SHIM PHYAU WUI, VICTOR	93,068.00
SOH CHUNG HIAN, DANIEL	82,293.00
TAN POH HONG	91,361.00
WONG YOKE WOON	75,893.00
TOTAL	749,314.00

Notes

(1) Mr Cheng was appointed Non-Independent Non-Executive Director of the Company on 1 January 2023. He was concurrently appointed the Deputy Chairman of the Board and a member of the Nominating and Remuneration Committee and the Technology Committee. Amount includes the Directors' Fees payable by the Company's subsidiaries. Mr Cheng's Directors' Fees are paid to the Company's holding company, ComfortDelGro.

(2) Mr Chia's Directors' Fees are paid to the Company's holding company, ComfortDelGro.

(3) Professor Ooi Beng Chin was appointed Non-Independent Non-Executive Director of the Company on 1 January 2023. He was concurrently appointed a member of the Technology Committee.

KEY MANAGEMENT PERSONNEL'S REMUNERATION

The remuneration of the top five KMP having regard to the performance of the individuals and the Group, are as follows:

REMUNERATION BAND	THE GROUP					TOTAL COMPENSATION
	SALARY	BONUS	CDG ESAS ⁽¹⁾	OTHER EMOLUMENTS		
	%	%	%	%	%	%
FY2023						
S\$250,000 to S\$499,999						
CHUNG TYING CHUN	55.2	34.5	6.5	3.8		100
LEE PECK KIM, MARY	58.3	34.0	0	7.7		100
YUSOOF AYNUDDIN	61.1	35.6	0	3.3		100
BELOW S\$250,000						
LIM KOK SENG	68.4	24.3	0	7.3		100
YIP CHUN WAH	62.3	30.0	0	7.7		100

Notes

(1) This is the value of the shares granted in FY2023 in respect of the KMP's performance in FY2022. The vesting of these grants will be subject to the achievement of performance targets over a 4-year performance period.

The total remuneration paid to these five KMP holding the key portfolios (who are not Directors or the CEO) amounted to S\$1,631,699 in FY2023.

8.2 REMUNERATION OF CERTAIN RELATED EMPLOYEES

During FY2023, 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.

8.3 REMUNERATION AND OTHER PAYMENTS AND BENEFITS FROM THE COMPANY AND ITS SUBSIDIARIES TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

During FY2023, no other forms of remuneration and other payments and benefits, were paid by the Company and its subsidiaries to the Directors and KMP of the Company, except as disclosed in Sections 8.1 and 8.2 above.

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 a formal Policy on Securities – Restrictions Against Dealings to provide Directors and executives of the Group with guidance in relation to dealings in the securities of the Company, ComfortDelGro and SBST. Directors and executives of the Group are prohibited from dealing in the securities of the Company, ComfortDelGro and SBST during the period commencing one month before the announcement of the Company's, ComfortDelGro's and SBST's semi-annual results and full-year results (as the case may be) 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 SBST 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.

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.

CORPORATE GOVERNANCE

9.1 DETERMINATION OF THE NATURE AND EXTENT OF SIGNIFICANT RISKS

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 the 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 control) 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 51 to 56 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 respective 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.

9.2 ASSURANCE FROM THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND THE KEY MANAGEMENT PERSONNEL

For FY2023, 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 control systems (including financial, operational, compliance and information technology control) and risk management systems are adequate and effective.

PRINCIPLE 10: AUDIT AND RISK COMMITTEE

For 2023 till present, the ARC comprises five Independent NEDs. None of the ARC members are previous partners or directors of the External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the External Auditors. The Chairman and members of the ARC are rotated periodically. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

10.1 ROLES AND RESPONSIBILITIES OF THE AUDIT AND RISK COMMITTEE

The terms of reference of the ARC are aligned with the provisions of Section 201B(5) of the Companies Act 1967 (the "**Companies Act**") and include the following:

- (i) Review the half-year and full-year financial statements including 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;
- (ii) 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 control) and risk management systems;
- (iii) Review the assurance from the CEO and the CFO on the financial records and financial statements;
- (iv) Make recommendations to the Board on: (i) the proposals to the shareholders on the appointment, re-appointment and removal of the External Auditors; and (ii) the fees and terms of engagement of the External Auditors;
- (v) Review the effectiveness, adequacy, independence, scope and results of the Group's external audit and internal audit functions;
- (vi) 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;
- (vii) Review and approve the annual audit plans of the External Auditors;
- (viii) Review and approve the Internal Auditors' annual and three-year rolling work plans;

- (ix) 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 page 41 of this Annual Report;
- (x) Review interested person transactions; and
- (xi) Assist the Board in fulfilling its corporate governance responsibilities and legal obligations in relation to the Group's performance, practices, strategies and policies for workplace safety and health of its employees, contractors, customers, and others affected by its activities, including its obligations under the Workplace Safety and Health Act 2006, the COP and other relevant legislation and regulations.

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

10.2 COMPOSITION OF THE AUDIT AND RISK COMMITTEE

For 2023 till present, the ARC comprises five Independent NEDs. 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 University of Singapore and a Master of Business Administration from the 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 was formerly the Executive Director/Senior Advisor of Omise Payment SG Pte Ltd, a payment solutions company registered in Singapore with operations in Japan and Southeast Asia. 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 Phyu Wui, Victor is an Independent Non-Executive Director of VICOM. He is also the Chairman of the TC and a member of the ARC and the SC. 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 (Honours) 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 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 6 to 10 of this Annual Report.

CORPORATE GOVERNANCE

10.3 CONFIRMATION OF NO FORMER PARTNERS OR FINANCIAL INTEREST

None of the ARC members are previous partners or directors of the Company's existing External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the Company's existing External Auditors.

10.4 INTERNAL AUDIT

The Internal Audit function of the Group is performed by the ComfortDelGro Group Internal Audit Division comprising suitably qualified and experienced Internal Audit staff including the ComfortDelGro Group Chief Internal Audit Officer ("**G CIAO**"). 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 G CIAO reports functionally to the Chairman of the ARC and administratively to the MD/Group CEO of ComfortDelGro. The ARC participates in the hiring, removal and evaluation of the G CIAO and reviews his performance with the MD/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 control. 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 G CIAO 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 G CIAO, and meets with the G CIAO 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 2023 by Protiviti and continues to meet or exceed the IIA Standards in all key aspects. The Quality Assurance Review is conducted every 5 years.

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

10.5 AUDIT AND RISK COMMITTEE'S ACTIVITIES

The ARC held four meetings during FY2023. The CEO, CFO and G CIAO 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;
- (iii) Group Internal Audit Goals in response to Internal Audit Quality Assurance Review;
- (iv) Half-year and full-year results announcements and the financial statements and recommendation to the Board;
- (v) Adoption of the Singapore Financial Reporting Standards (International);
- (vi) Interested person transactions;
- (vii) Corporate service charges;
- (viii) Risk management and adequacy and effectiveness of internal controls;
- (ix) Independence of the External Auditors;
- (x) Recommendation to the Board of the appointment or re-appointment of External Auditors and its remuneration; and
- (xi) Significant matters (if any) raised through the whistle-blowing channel.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation

from Management, discretion to invite any Director or executive officer to attend its meetings and reasonable resources to enable it to discharge its duties properly.

The ARC meets with the Internal and External Auditors annually in the absence of Management. During these meetings, the Internal Auditors and External Auditors

may raise issues encountered in the course of their work directly to the ARC.

10.6 SIGNIFICANT FINANCIAL REPORTING MATTERS

In the review of the financial statements of the Group for FY2023, the ARC considered the following key audit matters:

SIGNIFICANT MATTERS	REVIEW OF SIGNIFICANT MATTERS BY THE ARC
Allowance for expected credit losses for trade receivables	<p>The ARC has considered the basis and judgement by the Management in estimating the allowance for expected credit losses of trade receivables.</p> <p>Following the review with Management and the External Auditors, the ARC is satisfied with the reasonableness in the estimate of the allowance for expected credit losses for trade receivables.</p>
Goodwill impairment review	<p>The ARC has considered the approach and methodology applied to the valuation model for goodwill impairment assessment.</p> <p>Following the review with Management and the External Auditors, the ARC is satisfied that the key assumptions used in the impairment assessment of goodwill are 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 FY2023.

10.7 REVIEW OF INDEPENDENCE OF EXTERNAL AUDITORS

The ARC assesses the independence of the External Auditors based on the guidelines set by the Accounting and Corporate Regulatory Authority (“ACRA”) and the Accountants Act 2004 of Singapore. The ARC is satisfied that the independence of the existing External Auditors, Ernst & Young LLP (“EY”), 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 EY be nominated for re-appointment as the Company’s External Auditors at the next AGM.

The partner in charge of auditing the Company is changed every five years as a further safeguard of EY’s independence.

10.8 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.

The contact information is as follows:

- Group Chief Internal Audit Officer at DID: +65 6383 7010 or by email to gcao@comfortdelgro.com or via the intranet.
- Chairman of the ARC via this email: arc_chairman@vicom.com.sg

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 ensuring the 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

11.1 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 (if appropriate) after the announcement of the financial results together with its presentation materials, as well as the posting of announcements and

CORPORATE GOVERNANCE

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 (<https://www.vicom.com.sg/Financials/Investor-Relations>). 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.

11.2 RESOLUTIONS AND VOTING AT GENERAL MEETINGS

Each issue or matter requiring shareholders' approval is tabled as a separate and distinct resolution. All the resolutions at general meetings are single item resolutions. The Company does not practice bundling of 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 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 general 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,

and speak and vote at general 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.

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 shareholder participation at the Company's general meetings and demonstrates VICOM's commitment to high standards of corporate governance and transparency.

11.3 CONDUCT OF SHAREHOLDER MEETINGS INCLUDING DIRECTORS' ATTENDANCE

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 at the AGM and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed resolutions.

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

The Board had since 2009 removed and stopped seeking the general authority to issue shares, to address concerns from the shareholders that this would dilute their shareholding percentages and affect their voting rights.

11.4 VOTING AT GENERAL MEETING OF SHAREHOLDERS

Similar to the Company's AGM for the Financial Year ended 31 December 2022 held on 26 April 2023, the Company's FY2023 AGM scheduled to be held on 24 April 2024 will also be held both physically ("**Physical Meeting**") and by way of electronic means ("**Virtual Meeting**"). This is to facilitate high levels of shareholder engagement, with real-time communication and real-time live voting to be conducted during the AGM for shareholders and proxies attending the Physical Meeting and the Virtual Meeting. 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 FY2023 AGM of the Company for more information.

11.5 MINUTES OF GENERAL MEETINGS

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 the responses from the Board and Management. The minutes are available to shareholders on the Company's website and SGXNET within one (1) month after the date of the AGM.

11.6 DIVIDEND POLICY

With effect from 11 August 2023, the Company's dividend policy has been revised to pay out at least 70% (decrease from 90%) of profit attributable to shareholders of the Company. The decrease in dividend payout ratio is due to the capital expenditure requirements for the Group's expansion plans, which includes a major investment in a new testing and inspection centre at Jalan Papan. 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 dividends 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.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

12.1 REGULAR, EFFECTIVE AND FAIR COMMUNICATIONS WITH SHAREHOLDERS

The Company is committed to ensuring that accurate and pertinent information is disseminated to the market in a timely and transparent manner as part of good corporate governance. Shareholders can access the corporate website at www.vicom.com.sg. The Group's Investor Relations Policy ("**IR Policy**") is available on the corporate website.

Communications with the SGX-ST are handled by the Company Secretaries, while communications with shareholders, analysts and fund managers are 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.

12.2 INVESTOR RELATIONS POLICY

The IR Policy sets out the process and mechanism 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 the IR engagement programme.

12.3 INVESTOR RELATIONS POLICY AND AVENUES FOR COMMUNICATION

The Company is committed to treating all shareholders fairly and equitably, and engaging with shareholders and the investment community through various platforms including (where appropriate):

- (i) The Company's general meetings, namely AGMs and as and when necessary, Extraordinary General Meetings;
- (ii) Media briefings and analyst briefings;
- (iii) Announcements via SGXNET in compliance with the SGX-ST Listing Rules;

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- (iv) Investor meetings, roadshows and conferences;
- (v) Annual reports and sustainability reports;
- (vi) Media releases and statements; and
- (vii) Corporate website (www.vicom.com.sg).

5. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company adopts an inclusive approach by 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.

13.1 IDENTIFICATION OF AND ENGAGEMENT WITH MATERIAL STAKEHOLDERS

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. Since the COVID-19 pandemic, the Company has been taking every opportunity to make use of digital means to communicate with shareholders. We were one of the first companies in Singapore to hold hybrid meetings for its shareholders, with real-time communication and real-time live voting.

13.2 MANAGEMENT OF STAKEHOLDER RELATIONSHIPS

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 governance, 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 including Rules 711A and 711B. As part of the Company's sustainability efforts and to ensure more efficient engagement, the Company encourages all shareholders to give their express consent to receive communications to shareholders, including statutory notices for general meetings and other circulars, via email and digital platforms.

13.3 CORPORATE WEBSITE

The Company's corporate website is regularly updated to communicate and engage with stakeholders.

6. 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. It 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. Safety is the top priority for the Group's operations. The Group complies with applicable statutory requirements and regulations in respect of health and safety, and has put in place procedures to guide proper safe work practices for the well-being of all employees and customers.

In 2022, following the issuance of the COP, the Group reviewed its work procedures and processes to ensure that its safety policies, standards and practices comply with the Workplace Safety and Health Act 2006 and the COP. The Group's current safety policies, standards and practices adhere to the core principles and measures set out in the COP.

Employees are sent for training to equip them with greater awareness and knowledge of good WSH practices.

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. They are also strongly encouraged to surface safety issues to improve safety standards at the workplace.

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 strictly confidential, confidential-sensitive, 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.

CYBERSECURITY POLICY

The Group has adopted the international Information Security Standard ISO 27000 in assessing and formulating the Group's cybersecurity framework. The Group regularly reviews its cybersecurity 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 cybersecurity authorities and regulators to develop appropriate countermeasures.

The Group will continue to strengthen its capabilities in light of the way cybersecurity 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.

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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.

7. 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 CORPORATION LIMITED	ComfortDelGro is the majority shareholder of the Company	\$2,844,000	Nil
SBS TRANSIT LTD	SBS Transit is an associate of the Company	\$813,000	Nil

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

DIRECTORS' PARTICULARS

AS AT 1 MARCH 2024

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
TAN KIM SIEW Chairman (Independent Non-Executive Director)	70	(1) VICOM Ltd* (2) SBS Transit Ltd*	Nil	Nil	Nil
CHENG SIAK KIAN Deputy Chairman (Non-Independent Non-Executive Director)	54	<p>Directorships in the VICOM Group</p> <p>(1) VICOM Ltd* (2) Setsco Services Pte Ltd (3) JIC Inspection Services Pte Ltd (4) VICOM Inspection Centre Pte Ltd</p> <p>Principal Directorships in the ComfortDelGro Group</p> <p>(1) ComfortDelGro Corporation Limited* (2) Comfort Transportation Pte Ltd (3) CityCab Pte Ltd (4) ComfortDelGro Engineering Pte. Ltd. (5) ComfortDelGro Corporation Australia Pty Ltd (6) Braddell Limited (7) Metroline Limited (8) CityFleet Networks Limited (9) ComfortDelGro (China) Pte. Ltd.</p> <p>Directorships in the SBS Transit Group</p> <p>(1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd.</p>	<p>(1) CDC Travel Pty Ltd (2) Hillsbus Co Pty Ltd (3) Hunter Valley Buses Pty Ltd (4) Westbus Region 1 Pty Ltd (5) CDC NSW Pty Ltd (6) CDC Victoria Pty Ltd (7) CDC Geelong Pty Ltd (8) CDC Sunshine Pty Ltd (9) CDC Oakleigh Pty Ltd (10) CDC Altona Pty Ltd (11) CDC Wyndham Pty Ltd (12) CDC Ballarat Pty Ltd (13) Baypalm Pty Limited (14) Qcity Transit Pty Ltd (15) CDC Eastrans Pty Ltd (16) Western Sydney Repair Centre Pty Ltd (17) Blue Mountains Transit Pty Ltd (18) National Patient Transport Pty Ltd (19) National Patient Transport NSW Pty Ltd (20) National Patient Transport QLD Pty Ltd (21) National Patient Transport WA Pty Ltd (22) National Patient Transport SA Pty Ltd (23) NPT Heart Pty Ltd (24) Platinum Healthcare Pty Ltd (25) National Patient Transport VIC Pty Ltd (26) CDC Tullamarine Pty Ltd (27) Terrey Hills Depot Holdings Pty Limited (28) FCL Holdings Pty Limited (29) FCL Finance Pty Limited (30) Forest Coach Lines Pty Limited (31) Buslink Pty Ltd (32) Buslink Southern Pty Ltd (33) Buslink Gladstone Pty Ltd (34) Buslink Sunshine Coast Pty Ltd (35) Buslink Broken Hill Pty Ltd (36) Buslink Sunraysia Pty Ltd (37) Tropic Sun Pty Ltd (38) Buslink NT Pty Ltd (39) Buslink Alice Spring Pty Ltd (40) CDC Commercial Bus Company Pty Ltd (41) ComfortDelGro Swan Pty Ltd (42) Swan Taxis Pty Ltd (43) SBS Transit Mobility Pte. Ltd.</p>	<p>(1) ComfortDelGro Corporation Limited* (Managing Director/Group Chief Executive Officer)</p>	<p>(1) SBS Transit Ltd* (Chief Executive Officer) and concurrently in 2022, ComfortDelGro Corporation Limited* (Group Deputy Chief Executive Officer) (2) ComfortDelGro Corporation Australia Pty Ltd (NSW) (Chief Executive Officer)</p>

* Listed company

DIRECTORS' PARTICULARS

AS AT 1 MARCH 2024

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
SIM WING YEW Chief Executive Officer (Non-Independent Executive Director)	56	Directorships in the VICOM Group (1) VICOM Ltd* (2) VICOM Inspection Centre Pte Ltd (3) Setsco Services Pte Ltd (4) JIC Inspection Services Pte Ltd (5) Setsco Consultancy International Pte Ltd (6) Setsco-An Security Pte. Ltd. (7) Setsco Services (M) Sdn Bhd (8) Setsco Middle East Laboratory LLC Directorship in the ComfortDelGro Group (1) ComfortDelGro Engineering Pte. Ltd.	Nil	(1) VICOM Ltd* (Chief Executive Officer)	Nil
JACKSON CHIA (Non-Independent Non-Executive Director)	54	Directorships in the VICOM Group (1) VICOM Ltd* Directorships in the ComfortDelGro Group (1) Cabcharge Asia Pte Ltd (2) CDG Zig Holdings Pte. Ltd. (3) CDG Zig Pte. Ltd. (4) CityCab Pte Ltd (5) Comfort Transportation Pte Ltd (6) ComfortDelGro Bus Pte Ltd (7) ComfortDelGro Engineering Pte. Ltd. (8) ComfortDelGro Rent-A-Car Pte Ltd (9) ComfortDelGro MedCare Pte Ltd (10) Ming Chuan Transportation Pte. Ltd. (11) Citylimo Leasing (M) Sdn Bhd	(1) ComfortDelGro Swan Pty Ltd (2) Swan Taxis Pty Ltd	(1) ComfortDelGro Corporation Limited* (Chief Executive Officer of Private Mobility Group)	(1) ComfortDelGro Corporation Limited* (Chief Executive Officer of ComfortDelGro Taxi) (2) ComfortDelGro Corporation Limited* (Group Chief Sustainability Officer) (3) ComfortDelGro Corporation Limited* (Group Chief Risk and Sustainability Officer) (4) ComfortDelGro Corporation Limited* (Senior Vice President of the Transformation Office) (5) SBS Transit Ltd* (Deputy Head of Rail)

* Listed company

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
OOI BENG CHIN (Non-Independent Non-Executive Director)	62	(1) VICOM Ltd* (2) ComfortDelGro Corporation Limited* (3) Bestpeer Pte Ltd (4) AIDigi Holdings Pte Ltd (5) Medilot Technologies Pte Ltd	Nil	(1) National University of Singapore (Lee Kong Chian Centennial Professor) (2) National University of Singapore (Professor, School of Computing) (3) Zhejiang University China (Adjunct Chang Jiang Professor) (4) Tsinghua University (Distinguished Visiting Chair Professor)	(1) National University of Singapore (Distinguished Professor) (2) National University of Singapore (Director of Smart Systems Institute)
JUNE SEAH LEE KIANG (Independent Non-Executive Director)	70	(1) VICOM Ltd*	(1) Omise Payment SG Pte Ltd	Nil	(1) Visa (Head of Merchant and Acquirer Partnerships) (2) The Peranakan at Claymore Connect (Partner) (3) Omise Payment SG Pte Ltd (Executive Director/ Senior Advisor)
SHIM PHYAU WUI, VICTOR (Independent Non-Executive Director)	70	(1) VICOM Ltd*	Nil	(1) National University of Singapore (Emeritus Professor) (2) Ningbo University (China) (Professor)	Nil

* Listed company

DIRECTORS' PARTICULARS

AS AT 1 MARCH 2024

NAME	AGE	PRESENT DIRECTORSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
SOH CHUNG HIAN, DANIEL (Independent Non-Executive Director)	70	(1) VICOM Ltd* (2) Sunright Limited*	(1) Lum Chang Holdings Limited* (2) British and Malayan Trustees Limited (3) Agency for Integrated Care Pte Ltd (4) JDJ Investment Pte Ltd (5) British and Malayan Holdings Limited*	Nil	Nil
TAN POH HONG (Independent Non-Executive Director)	65	(1) VICOM Ltd* (2) Sheng Siong Group Ltd* (3) Centurion Corporation Limited* (4) AnnAik Limited* (5) APAC Realty Ltd* (6) OTS Holdings Limited* (7) Jilin Food Zone Pte Ltd (8) Vanguard Healthcare Pte. Ltd.	(1) Barramundi Asia Pte Ltd	Nil	Nil
WONG YOKE WOON (Independent Non-Executive Director)	50	(1) VICOM Ltd*	Nil	(1) National Trades Union Congress (NTUC) Operations Department (Director)	(1) Employment and Employability Institute (e2i) (Deputy CEO) (2) Healthcare Services Employees' Union (HSEU) (Deputy Executive Secretary)

* Listed company

RISK MANAGEMENT

RISK MANAGEMENT CHAPTER IN ANNUAL REPORT 2023

The VICOM Group's Risk Management Framework provides a systematic process for the Group and its Business Units (BUs) 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 enhancing 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 are clearly defined and assigned to the 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.

2023 saw no changes to the Group's Tier-1 Risk Registers. However, climate-related risk was added to the Group's risk universe after the first Taskforce for Climate-Related Financial Disclosure (TCFD) report was completed that year. According to the report, the risk was rated "Low".

In line with the current dynamics in the global and local economies, the Group also reviewed its risk management policies and processes and refreshed the risk registers for the Group and its BUs. These refreshed

risk registers reflect the current risk portfolios of the Group in mitigating business and operational risks while exploiting opportunities in the present technology-driven economy.

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 ensure 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 are in place to identify and manage risks enterprise-wide.

RISK MANAGEMENT

SHARING RISK MANAGEMENT RESPONSIBILITIES THROUGH THE "FOUR LINES OF DEFENCE" (LOD)

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 and Non-Executive Directors who hold their Board meetings on a quarterly basis.



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 Management as an independent assurance. The whistleblowing and results of investigated issues will be reported 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

The 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.

The VICOM RSC consists of CEO and Senior Management staff who will be responsible for the risk in their functional area.

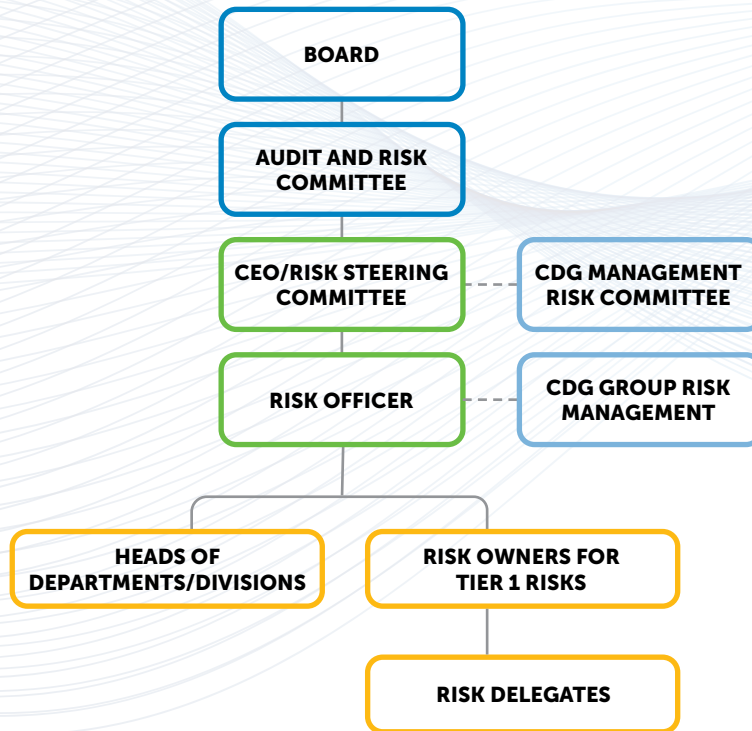


1ST LINE

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 factors when designing their operational process and procedures.

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 ComfortDelGro's Management Risk Committee and has appointed a Risk Officer to work closely with 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 ARC 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 into Operational, Financial, Compliance, and Information Technology risks.

OPERATIONAL RISKS

SAFETY RISK

The safety of our customers and employees has 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 with these policies. We also carry out risk

assessment and safety inspections on our premises and conduct fire drills as part of our preventive measures.

The Group will continue to comply with the latest requirements imposed by the Ministry of Manpower (MOM).

COMPETITION RISK

Competition remains keen in the Testing, Inspection, and Certification (TIC) industry, as evidenced by the 466 accredited laboratories, 127 accredited Inspection Bodies, and 142 accredited Certification Bodies. To remain relevant, the Group and its BUs will have to improve our offerings and services, enhance efficiency and productivity through digitalisation and automation, and leverage on partnerships and collaborations to enhance our value propositions. The Group must also continue to exploit technology to diversify its revenue stream and venture into a business that is still in its infancy.

RISK MANAGEMENT

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 reducing 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 aim 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 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 BCP 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 industry practices, 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.

MANPOWER RISK

The Group's ability to develop and grow the business depends on the quality of its people, and it is committed to investing 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.

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 the sufficiency of insurance coverage and maintain an optimal balance between risks that are internal 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 of manpower is exercised through the headcount budget.

FINANCIAL MANAGEMENT RISK

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

FRAUD RISK

Committed to shareholder value and strategic growth, the Group prioritises proactive fraud prevention through comprehensive internal controls and audits, ensuring compliance and transparency. Vigilant risk awareness and ethical conduct are ingrained in our culture, securing our future through unwavering vigilance and integrity.

Our key deterrent and mitigation actions include:

- Commitment, Oversight, and Tone from Top: The Management sets the tone from the top in promoting ethical culture and having zero tolerance to fraud. Our employees are required to declare any conflicts of interest annually. They undergo frequent trainings on Anti-corruption, Anti-bribery, Ethics, and Competition Law. To ensure our supply chain partners maintain the same level of rigour we set internally, our suppliers are required to comply with our Supplier Code of Conduct.

- The Group has established a Whistle Blowing Policy that provides a whistleblowing alert line that empowers our employees to report any misconduct or fraud directly to the Chairman of ARC and/or the Group Chief Internal Audit Officer. The policy is communicated to all employees twice yearly through Electronic Distribution Mails (EDMs) with their acknowledgment. The ARC provides independent oversight on the investigations conducted by the Group Internal Audit. Reported incidents will be dealt with promptly and thoroughly.
- Proactive Risk Identification and Mitigation: Our commitment in preventing and detecting fraud extends beyond robust internal controls, including checks and balances and multi-step approvals. We leverage our comprehensive Minimum Acceptable Controls Questionnaire (MACQ) to establish consistent baseline controls across the Group, enhancing the effectiveness of our finance and business processes.
- The Group has successfully attained the ISO37001:2016 Anti-Bribery Management System (ABMS) certification to further attest and strengthen its policies, internal processes, and procedures in preventing and mitigating the risk of fraud and bribery. Such certification demonstrates the Group's uncompromising commitment to combating fraud and bribery and its policy of zero tolerance for corruption.

COMPLIANCE RISKS

COMPLIANCE & REGULATORY RISK

The Group is committed to ensuring that all BUs comply with the laws and regulations in the country they operate in. These laws and regulations include, but are 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 engage the regulatory authorities for any updated policies. As and where necessary, our BUs will also provide feedback on proposed regulatory changes during industry or public consultation exercises.

INFORMATION TECHNOLOGY RISKS

CYBERSECURITY RISK

Cybersecurity remains a key risk for the Group, given the trend of increasing cyber attacks globally, and that our digital footprint has grown with increased digitalisation. The Group has put in place a comprehensive and robust security framework, with regular reviews to ensure continuing relevance in the 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 this 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 to the adequacy and effectiveness of its policies, internal processes, and procedures in preventing personal data breach.

AUDIT PROCESS

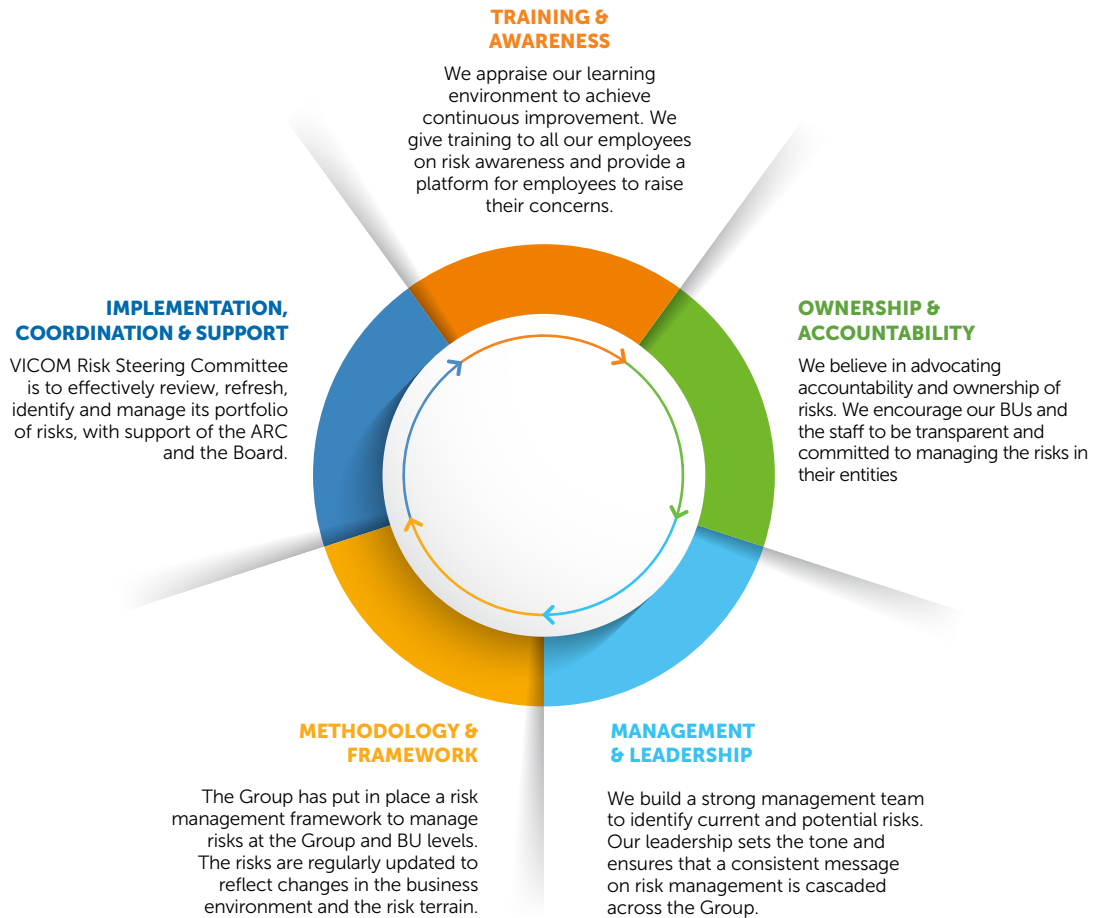
The internal audit function of the Group is performed by ComfortDelGro's group internal audit division. The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. A risk-based approach has been adopted in developing the annual audit plan, and in identifying the audit universe of the Group. In the course of their audits, the Internal and External Auditors will highlight to the Management and the ARC the areas where there are material deficiencies, non-compliance, weaknesses, or where there are occurrences or potential occurrences 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 ARC.

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. The Group Internal Audit successfully completed its external Quality Assurance Review in 2023 by Protiviti and continues to meet or exceed the IIA Standards in all key aspects. The Quality Assurance Review is conducted every 5 years.

RISK MANAGEMENT

RISK CULTURE

The Group believes in setting a robust risk management culture by ensuring good awareness, attitudes and behaviour toward 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 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 anti-corruption and anti-bribery policies that stress on zero tolerance for fraud, and improper use of monetary favours, 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.

FINANCIAL CALENDAR

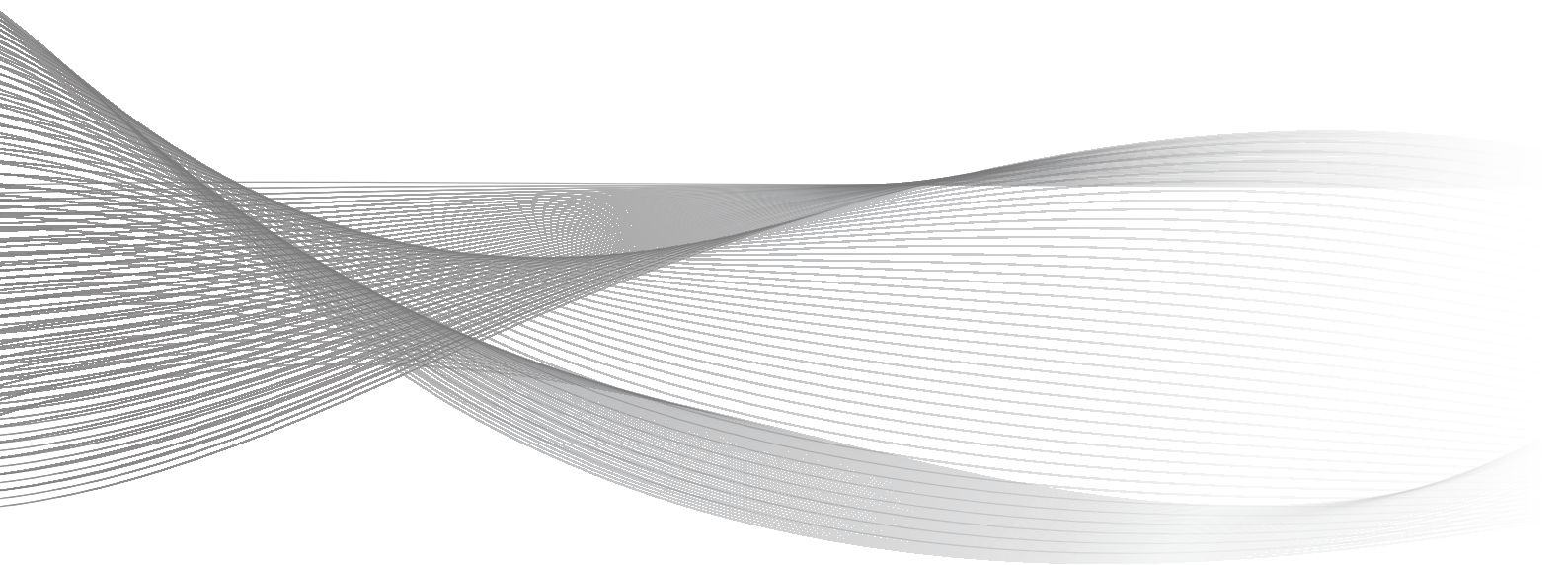
2023

Announcement of 2022 Full-Year Results	21 February 2023
Annual General Meeting	26 April 2023
Payment of 2022 Final Dividend (3.32 cents/share)	15 May 2023
Announcement of 2023 Half-Year Results	11 August 2023
Payment of 2023 Interim Dividend (2.75 cents/share)	29 August 2023

2024

Announcement of 2023 Full-Year Results	21 February 2024
Annual General Meeting	24 April 2024
Payment of 2023 Final Dividend (2.75 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	13 May 2024
Announcement of 2024 Half-Year Results	7 August 2024*

* Provisional – Updates will be posted on www.vicom.com.sg



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DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited consolidated financial statements of the VICOM Ltd (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the company 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 2023 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

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

Tan Kim Siew	(Chairman)
Cheng Siak Kian	(Deputy Chairman) (Appointed on 1 January 2023)
Sim Wing Yew	(Chief Executive Officer)
Shim Phiau Wui, Victor	
Jackson Chia	
Ooi Beng Chin	(Appointed on 1 January 2023)
June Seah Lee Kiang	
Soh Chung Hian, Daniel	
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 mentioned in paragraphs 3 of the Directors' Statement.

DIRECTORS' STATEMENT

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 except as follows:

	Shareholdings registered in the name of Director		
	At 1 January 2023	At 31 December 2023	At 21 January 2024

Interest in the Company

(a) Ordinary shares			
Sim Wing Yew	40,000	40,000	40,000
Shim Phiau Wui, Victor (Deemed Interest)	24,000	24,000	24,000

Interest in related company, SBS Transit Ltd

(a) Ordinary shares			
Cheng Siak Kian	–	7,500	7,500
Sim Wing Yew	70,000	30,000	30,000

(b) Unvested performance share awards under the SBS Executive Share Award Scheme

	Number of unvested share held by Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	30,000	102,500	102,500

	Shareholdings registered in the name of Director		
	At 1 January 2023	At 31 December 2023	At 21 January 2024

Interest in ultimate holding company, ComfortDelGro Corporation Limited

(a) Ordinary shares			
Cheng Siak Kian	37,500	78,750	78,750
Sim Wing Yew	495,000	527,500	527,500
Shim Phiau Wui, Victor (Deemed Interest)	19,000	19,000	19,000
Jackson Chia	18,750	38,750	38,750

DIRECTORS' STATEMENT

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

(b) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme

	Number of unvested share held by Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	127,500	236,250	236,250
Sim Wing Yew	85,000	112,500	112,500
Jackson Chia	66,250	121,250	121,250

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.

DIRECTORS' STATEMENT

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, Ernst & Young LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

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

In addition, the Audit and Risk Committee reviewed the financial statements of the Group 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.

8. AUDITORS

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Tan Kim Siew

Chairman

Sim Wing Yew

Chief Executive Officer

Singapore
21 February 2024

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 (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, 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)") 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 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for expected credit losses for trade receivables

The Group makes allowances for expected credit losses ("ECL") based on an assessment of the expected recovery of trade receivables. The carrying value of trade receivables and allowance for expected credit losses are disclosed in Note 6 to the consolidated financial statements. The Group determines the ECL of trade receivables by making debtor-specific assessment of expected impairment loss for overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, debtors' ability to pay and forward-looking information specific to the debtors and economic environment that the debtors' operation is in. This assessment requires management to exercise significant judgement and involves estimation uncertainty. Accordingly, we considered this to be a key audit matter.

Our audit procedures included, amongst others, obtaining an understanding of the Group's processes and key controls relating to the monitoring of trade receivables and monitoring of trade receivables ageing process to identify collection risks. We reviewed the reasonableness of the judgement used by the management in assessing the recoverability of long outstanding trade receivables. We tested the reasonableness of management's assumptions and inputs used in the ECL model by comparing to historical credit loss rates, and reviewed data and information that management has used, including consideration of forward-looking information based on specific economic data. We checked the arithmetic accuracy of management's computation of ECL. In addition, we reviewed the disclosures relating to impairment of trade receivables and credit risk in Notes 3, 6 and Note 30(b) to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VICOM LTD

Key audit matters (cont'd)

Goodwill impairment review

The Group is required to test goodwill for impairment annually, or when an indicator of impairment is identified. The carrying value of goodwill is disclosed in Note 13 to the consolidated financial statements. The impairment assessment requires determination of the recoverable amount of the assets based on the higher of value in use and fair value less costs of disposal that are determined by applying valuation techniques such as the discounted cash flow method. This assessment requires the exercise of significant judgement about forecast of future cash flows that are affected by management's plans for sales growth, operational development and capital expenditures, the future economic and market conditions, and the suitable discount rates that reflect the risks associated with the forecasts. These key assumptions and inputs are subject to estimation uncertainty and they can significantly impact the results of the impairment review. As such, we have considered this to be a key audit matter.

We obtained the discounted cash flow workings which were prepared based on financial and operating budgets approved by management and evaluated the reasonableness of key assumptions and inputs used, including but not limited to profit margins, growth and discount rates by comparing to historical information, external market data and observed trends. We evaluated the robustness of management's budgeting process by comparing the actual results to previously forecasted results. We performed sensitivity analysis on certain key assumptions for alternative reasonably possible scenarios. We assessed the reasonableness of the discount rates applied with the assistance of our internal valuation specialist. We also reviewed the disclosures in relation to the Group's goodwill in Notes 3 and Note 13 to the consolidated financial statements.

Other matters

The financial statements of the Group and Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 21 February 2023.

Other information

Other information consists of the information included in the Group's 2023 Annual Report other than the financial statements and our auditor's report thereon. We obtained the Directors' Statement prior to the date of our auditor's report, and we expect to obtain the remaining other information included in the annual report after the date of our auditor's report. Management is responsible for the other information.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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), 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VICOM LTD

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VICOM LTD

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those 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 Lim Huijing Amanda.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

21 February 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group			Company		
		31 Dec 2023 \$'000	31 Dec 2022 \$'000 (restated)	1 Jan 2022* \$'000 (restated)	31 Dec 2023 \$'000	31 Dec 2022 \$'000 (restated)	1 Jan 2022* \$'000 (restated)
ASSETS							
Current assets							
Cash and cash equivalents	5	55,066	60,491	75,360	52,071	56,374	71,057
Trade receivables	6	14,378	12,161	11,268	2,645	2,264	1,946
Other receivables and prepayments	7	2,315	1,522	1,037	968	542	285
Due from subsidiary	8	–	–	–	3,416	–	–
Inventories		28	10	21	–	–	–
Total current assets		71,787	74,184	87,686	59,100	59,180	73,288
Non-current assets							
Prepayments	7	–	1,955	–	–	–	–
Subsidiaries	9	–	–	–	25,941	25,941	25,941
Associate	10	25	25	25	–	–	–
Financial assets at fair value through other comprehensive income	11	6,262	3,217	3,295	6,262	3,217	3,295
Vehicles, premises and equipment	12	105,515	96,259	97,434	33,039	32,722	34,260
Goodwill	13	11,588	11,325	11,325	–	–	–
Intangible assets		16	–	–	–	–	–
Deferred tax assets	18	1,178	1,276	1,174	1,131	1,260	1,212
Total non-current assets		124,584	114,057	113,253	66,373	63,140	64,708
Total assets		196,371	188,241	200,939	125,473	122,320	137,996
LIABILITIES AND EQUITY							
Current liabilities							
Trade and other payables	14	24,024	24,130	29,755	7,992	6,951	7,826
Due to subsidiaries	15	–	–	–	24,760	30,595	38,786
Provision for relocation costs	16	–	306	2,462	–	–	–
Lease liabilities	17	1,444	944	1,062	650	624	597
Income tax payable		5,851	5,425	5,851	3,335	3,113	3,074
Total current liabilities		31,319	30,805	39,130	36,737	41,283	50,283
Non-current liabilities							
Other payables	14	720	720	720	–	–	–
Deferred tax liabilities	18	2,053	1,369	870	–	–	–
Lease liabilities	17	29,977	30,216	30,702	23,774	23,929	24,299
Total non-current liabilities		32,750	32,305	32,292	23,774	23,929	24,299
Total liabilities		64,069	63,110	71,422	60,511	65,212	74,582
Capital, reserves and non-controlling interests							
Share capital	19	36,284	36,284	36,284	36,284	36,284	36,284
Other reserves	20	4,698	4,008	4,086	4,698	4,008	4,086
Foreign currency translation reserve		(180)	(91)	–	–	–	–
Accumulated profits		90,095	84,016	88,183	23,980	16,816	23,044
Equity attributable to shareholders of the Company		130,897	124,217	128,553	64,962	57,108	63,414
Non-controlling interests		1,405	914	964	–	–	–
Total equity		132,302	125,131	129,517	64,962	57,108	63,414
Total liabilities and equity		196,371	188,241	200,939	125,473	122,320	137,996

* Certain comparative figures have been restated. Please refer to Note 2.2 for further details.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GROUP INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Revenue	21	111,903	108,304
Staff costs	22	(52,385)	(49,895)
Depreciation and amortisation		(7,894)	(7,268)
Utilities and communication costs		(3,074)	(3,227)
Materials and consumables		(3,598)	(3,168)
Contract services		(2,367)	(2,851)
Premises costs		(2,002)	(1,894)
Repairs and maintenance costs		(1,985)	(1,787)
Other operating costs		(5,548)	(5,564)
Total operating costs		(78,853)	(75,654)
Operating profit		33,050	32,650
Finance costs	23	(866)	(848)
Interest income		1,886	749
Profit before taxation		34,070	32,551
Taxation	24	(6,056)	(5,990)
Profit after taxation		28,014	26,561
Profit attributable to:			
Shareholders of the Company		27,601	26,184
Non-controlling interests		413	377
		28,014	26,561
Earnings per share (in cents):			
Basic	26	7.78	7.38
Diluted	26	7.78	7.38

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GROUP COMPREHENSIVE INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Profit after taxation		28,014	26,561
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(89)	(91)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value adjustment on equity investments	11	690	(78)
Other comprehensive income for the year		601	(169)
Total comprehensive income for the year		28,615	26,392
Total comprehensive income attributable to:			
Shareholders of the Company		28,202	26,015
Non-controlling interests		413	377
		28,615	26,392

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to shareholders of the Company						Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other reserves \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000			
Group								
At 1 January 2023 (restated)	36,284	4,008	(91)	84,016	124,217	914	125,131	
Profit for the year	–	–	–	27,601	27,601	413	28,014	
Other comprehensive income	–	690	(89)	–	601	–	601	
Total comprehensive income for the year	–	690	(89)	27,601	28,202	413	28,615	
<u>Contribution by and distributions to shareholders</u>								
Payment of dividends (Note 31)	–	–	–	(21,522)	(21,522)	–	(21,522)	
Total contributions by shareholders	–	–	–	(21,522)	(21,522)	–	(21,522)	
Acquisitions of subsidiary	–	–	–	–	–	78	78	
At 31 December 2023	36,284	4,698	(180)	90,095	130,897	1,405	132,302	
At 1 January 2022 (as previously reported)								
Restatement on amendment to SFRS(I) 1-12	–	–	–	1,300	1,300	3	1,303	
At 1 January 2022	36,284	4,086	–	88,183	128,553	964	129,517	
Profit for the year	–	–	–	26,184	26,184	377	26,561	
Other comprehensive income	–	(78)	(91)	–	(169)	–	(169)	
Total comprehensive income for the year	–	(78)	(91)	26,184	26,015	377	26,392	
<u>Contribution by and distributions to shareholders</u>								
Payment of dividends (Note 31)	–	–	–	(30,351)	(30,351)	–	(30,351)	
Total contributions by shareholders	–	–	–	(30,351)	(30,351)	–	(30,351)	
Payments to non-controlling interests	–	–	–	–	–	(427)	(427)	
At 31 December 2022 (restated)	36,284	4,008	(91)	84,016	124,217	914	125,131	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
Company				
At 1 January 2023 (restated)	36,284	4,008	16,816	57,108
Profit for the year	–	–	28,686	28,686
Other comprehensive income	–	690	–	690
Total comprehensive income for the year	–	690	28,686	29,376
<u>Contribution by and distributions to shareholders</u>				
Payment of dividends (Note 31)	–	–	(21,522)	(21,522)
Total contributions by shareholders	–	–	(21,522)	(21,522)
At 31 December 2023	36,284	4,698	23,980	64,962
At 1 January 2022 (as previously reported)				
Restatement on amendment to SFRS(I) 1-12	–	–	1,240	1,240
At 1 January 2022	36,284	4,086	23,044	63,414
Profit for the year	–	–	24,123	24,123
Other comprehensive income	–	(78)	–	(78)
Total comprehensive income for the year	–	(78)	24,123	24,045
<u>Contribution by and distributions to shareholders</u>				
Payment of dividends (Note 31)	–	–	(30,351)	(30,351)
Total contributions by shareholders	–	–	(30,351)	(30,351)
At 31 December 2022 (restated)	36,284	4,008	16,816	57,108

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GROUP CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Operating activities			
Profit before taxation		34,070	32,551
Adjustments for:			
Depreciation and amortisation		7,894	7,268
Interest expense		866	848
Interest income		(1,886)	(749)
(Gain)/loss on disposal of vehicles, premises and equipment		(24)	846
Writeback of allowance for expected credit losses		(163)	(664)
Operating cash flows before changes in working capital		40,757	40,100
<u>Changes in working capital</u>			
Trade receivables		(1,831)	(229)
Other receivables and prepayments		(286)	(2,210)
Inventories		(18)	11
Trade and other payables and provision for relocation costs		(1,243)	(5,414)
Cash flows generated from operations		37,379	32,258
Interest paid		(866)	(848)
Income tax paid		(4,851)	(6,019)
Net cash flows generated from operating activities		31,662	25,391
Investing activities			
Purchase of vehicles, premises and equipment		(12,793)	(8,909)
Interest received		1,388	519
Proceeds from disposal of vehicles and equipment		40	46
Purchase of unquoted equity instruments (Note 11)		(2,355)	–
Acquisition of subsidiary, net of cash acquired (Note 13)		(492)	–
Net cash flows used in investing activities		(14,212)	(8,344)
Financing activities			
Payments to non-controlling interests		–	(427)
Repayments of lease liabilities		(1,301)	(1,087)
Dividends paid (Note 31)		(21,522)	(30,351)
Net cash flows used in financing activities		(22,823)	(31,865)
Net effect of foreign exchange rates in consolidating subsidiaries			
		(52)	(51)
Net decrease in cash and cash equivalents		(5,425)	(14,869)
Cash and cash equivalents at beginning of the year		60,491	75,360
Cash and cash equivalents at end of the year	5	55,066	60,491

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

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 9.

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 2023 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2023 were authorised for issue by the Board of Directors on 21 February 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 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 1967 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(I) 1-36 *Impairment of Assets*.

2.2 Adoption of new and revised standards

On 1 January 2023, 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) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings on that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Adoption of new and revised standards (cont'd)

Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (cont'd)

The Group previously did not recognise deferred tax on leases. Following the amendment, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. This resulted in adjustments to the Statements of Financial Position of the Group and Company as at 1 January 2022. The differences from the Statements of Financial Position as previously reported at 31 December 2021 are as follows.

	31 December 2021 \$'000	SFRS(I) 1-12 adjustments \$'000	1 January 2022 \$'000
			(Restated)
Group			
Deferred tax assets	–	1,174	1,174
Deferred tax liabilities	(999)	129	(870)
Accumulated profits	(86,883)	(1,300)	(88,183)
Non-controlling interests	(961)	(3)	(964)
	<u>(88,843)</u>	<u>–</u>	<u>(88,843)</u>
Company			
Deferred tax assets	–	1,212	1,212
Deferred tax liabilities	(28)	28	–
Accumulated profits	(21,804)	(1,240)	(23,044)
	<u>(21,832)</u>	<u>–</u>	<u>(21,832)</u>

International Tax Reform—Pillar Two Model Rules – Amendments to SFRS(I) 1-12

The amendments to SFRS(I) 1-12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The Group is a subsidiary of ComfortDelGro Corporation Limited ("CDG Group") and CDG Group is in scope of the Pillar Two model rules which is disclosed in their financial statements in more detail. Following the announcement in Budget 2023, the legislation is expected to be effective in Singapore for the Group's financial year beginning on or after 1 January 2025. The Group does not expect a material exposure to Pillar Two income taxes as the effective tax rates in the jurisdictions in which the Group operates are above 15% where the transitional safe harbour relief would apply.

2.3 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) 1-1 *Classification of Liabilities as Current or Non-Current*⁽¹⁾
- Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*⁽¹⁾

⁽¹⁾ Applies to annual periods beginning on or after 1 January 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 New/revised standards and improvements to the standards not yet adopted (cont'd)

SFRS(I) 1-1 was amended to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. Management anticipates that the adoption of the above SFRS(I) pronouncements in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- 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 Company 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 Company obtains control over the subsidiary and ceases when the Company 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 Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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 the subsidiary to bring its accounting policies in line with those consistently used by 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 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.

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.

2.6 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

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:

- the 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 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 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 (see Note 11).

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

Impairment of financial assets

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, the 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

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

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

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

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

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Financial instruments (cont'd)

Financial liabilities and equity instruments (cont'd)

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.

2.7 Leases

The Group as lessor

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 an 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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Leases (cont'd)

The Group as lessee (cont'd)

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.

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.

2.8 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Vehicles, premises and equipment

Vehicles, premises and equipment are stated at cost 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 available for use.

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

	Number of years
Leasehold land, buildings and other assets	Over the remaining lease period
Furniture, fittings and equipment	5
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 the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of vehicles, premises and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated vehicles, premises and equipment are retained in the financial statements until they are no longer in use.

2.10 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.

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 at year end, or more frequently when there is an indication that the unit may be impaired.

2.11 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, if any, to determine whether there is any indication of impairment.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Staff costs

These comprise the following:

(a) Defined contribution plans

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.

(b) 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.

2.14 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 grants 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.

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.

2.15 Revenue recognition

The Group recognises revenue from the following major sources:

- Vehicle inspection services; and
- Testing and inspection testing

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.

Rental income

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

2.16 Interest income

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 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 are 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 from investment in subsidiaries 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.

2.18 Foreign currency transactions

The individual financial statements of each Group entity are measured and 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.

Transactions in currencies other than each Group entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. 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.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities 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.

2.19 Cash and cash equivalents in the cash flow statement of the Group

Cash and cash equivalents in the cash flow statement of the Group 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

3.1 Critical judgements in applying the Group's accounting policies

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.

3.2 Key sources of estimation uncertainty

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 of the revision and future periods if the revision affects both current and future periods.

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:

(a) 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 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 next four years based on a range of estimated growth rates of approximately 1.2% to 10.1% (2022: 2.3% to 4.0%). Cash flows for the terminal year have been extrapolated using 2.1% (2022: 2.3%) per annum growth rate. The estimated terminal growth rate does not exceed the average long-term growth rate for the relevant markets in which the CGUs operates. The discount rate applied to the forecast is 7.36% (2022: 7.36%).

The carrying amount of goodwill at the end of the reporting period is disclosed in Note 13.

(b) 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 by reference to past default experience and different loss patterns for different customer segments, and incorporate forward looking estimates specific to the debtors and economic environment that the debtors' operation is in. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the relevant sectors in which the customers operate in, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The identification of loss allowance requires use of judgement and estimates. The carrying amount of trade receivables is disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS

The Company's immediate and ultimate holding company is ComfortDelGro Corporation Limited, incorporated in 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.

Related company transactions are as follows:

	Group	
	2023 \$'000	2022 \$'000
Inspection and testing services charged to related companies	1,769	1,745
Refuelling outlet (variable rental) income charged to related company	261	242
Rental income charged to related companies	274	215
Assessment fee charged to related companies	120	101
Other fees charged to related companies	58	67
Shared services charged by holding company	(1,253)	(1,267)
Corporate services charged by holding company	(348)	(333)
Others charged by related companies	(402)	(348)
Lease expense charged by related companies	(237)	(192)

No guarantees have been given or received. No expense has been recognised in the period for bad debts allowance in respect of the amounts owed by related companies.

5. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and bank balances	3,865	4,662	1,259	1,324
Money market funds	1,400	–	1,400	–
Fixed deposits with financial institutions	49,801	55,829	49,412	55,050
	55,066	60,491	52,071	56,374

Fixed deposits and money market funds are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 3.43% to 4.55% (2022: 3.46% to 4.35%) per annum. The money market fund invests in high quality short-term debt securities, deposits with credit institutions and other diverse financial instruments to achieve a return in line with prevailing money market rates whilst preserving capital and maintaining high degree of liquidity. These deposits and money market fund are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. TRADE RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Third parties	16,655	15,022	657	640
Allowance for expected credit losses	(2,376)	(2,591)	(19)	(43)
Allowance for discount allowed	(229)	(711)	–	–
Net	14,050	11,720	638	597
Subsidiaries	–	–	1,945	1,516
Related companies	328	441	62	151
	328	441	2,007	1,667
Total	14,378	12,161	2,645	2,264

The average credit period on sale of goods and provision of services is 30 days (2022: 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 third parties of the Group of \$2,376,000 (2022: \$2,591,000) and of the Company of \$19,000 (2022: \$43,000). The expected credit losses on trade receivables are estimated by reference to past default experience and different loss patterns for different customer segments, ranging from 9.6% to 33.4% (2022: 9.8% to 38.6%). The expected credit losses incorporate forward looking estimates.

Movement in allowance for expected credit losses:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of the year	2,591	3,347	43	30
Allowance (written back)/recognised in profit or loss (Note 25)	(163)	(664)	(24)	13
Amounts written off during the year	(38)	(77)	–	–
Exchange differences	(14)	(15)	–	–
Balance at end of the year	2,376	2,591	19	43

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Great Britain pound	19	–	–	–
United States dollar	51	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other receivables	974	508	166	223
Interest receivable	788	290	711	276
Deposits	97	353	6	7
Prepayments	456	2,326	85	36
	<u>2,315</u>	<u>3,477</u>	<u>968</u>	<u>542</u>
Analysed as:				
Current	2,315	1,522	968	542
Non-current	–	1,955	–	–
	<u>2,315</u>	<u>3,477</u>	<u>968</u>	<u>542</u>

In prior financial year, the non-current portion of the other receivables and prepayments pertains to prepayment for a lease of a land parcel awarded by a third party.

The Group's and Company's other receivables and interest receivable are due from third 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.

8. DUE FROM SUBSIDIARY

The amount due from subsidiary is non-trade, unsecured, interest-free and repayable on demand.

9. SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	25,941	25,941

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. SUBSIDIARIES (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operation	Company's effective interest	
			2023 %	2022 %
VICOM Inspection Centre Pte Ltd ⁽¹⁾	Provision of vehicle inspection services	Singapore	100	100
JIC Inspection Services Pte Ltd ⁽¹⁾	Vehicle inspection and other related services	Singapore	78	78
Setsco Services Pte Ltd ⁽¹⁾	Provision of testing, inspection and consultancy services	Singapore	100	100
<u>Subsidiaries of Setsco Services Pte Ltd</u>				
Setsco Consultancy International Pte Ltd ⁽¹⁾	Provision of professional inspection and engineering services	Singapore	100	100
Setsco Services (M) Sdn Bhd ⁽²⁾	Provision of testing, inspection and consultancy services	Malaysia	100	100
Setsco-An Security Pte Ltd ⁽¹⁾	Provision of IT security consultancy services	Singapore	70	–

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by WT Ng & Co, Malaysia

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. ASSOCIATES

	Group	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	50	50
Less: Share of post- acquisition reserves	(25)	(25)
	25	25

(a) Details of the associate is as follows:

Associate of Setsco Consultancy International Pte Ltd	Principal activity	Country of incorporation/ operation	Group's effective interest	
			2023 %	2022 %
Setsco Middle East Laboratory LLC	Provision of testing, inspection, training, certification and consultancy services	Abu Dhabi, United Arab Emirates/ Dormant	49	49

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

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

	2023 \$'000	2022 \$'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, representing comprehensive income for the year	-	-
Group's share of associate's loss for the year	-	-

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	Group and Company	
	2023 \$'000	2022 \$'000
Investment in unquoted equity shares designated as at FVTOCI		
Balance as at beginning of the year	3,217	3,295
Additions during the year	2,355	-
Fair value adjustment	690	(78)
Balance as at end of the year	6,262	3,217

This investment in equity instrument is not held for trading and 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 management 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.

During the current financial year, the Group has subscribed to a new round of shares through the latest round of fund raising at the investment for an amount of S\$2,355,000 which was fully paid in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. VEHICLES, PREMISES AND EQUIPMENT

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Vehicles, premises and equipment	67,793	65,054	9,005	8,111
Right-of-use assets classified within vehicles, premises and equipment	37,722	31,205	24,034	24,611
	105,515	96,259	33,039	32,722

(a) Vehicles, premises and equipment

	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
Group							
Cost:							
At 1 January 2022	95,721	919	45,522	4,796	2,313	–	149,271
Additions	946	145	3,566	242	316	1,327	6,542
Disposals	(264)	(15)	(4,079)	(71)	(115)	–	(4,544)
Exchange differences	(48)	(1)	(40)	(13)	(1)	–	(103)
At 31 December 2022	96,355	1,048	44,969	4,954	2,513	1,327	151,166
Additions	1,708	138	5,238	616	447	175	8,322
Disposals	(51)	(64)	(1,015)	(408)	(225)	–	(1,763)
Reclassification from right-of-use assets	–	–	–	–	–	301	301
Transfer from capital projects in progress	–	–	1,286	–	41	(1,327)	–
Exchange differences	(46)	(2)	(34)	(12)	(1)	–	(95)
At 31 December 2023	97,966	1,120	50,444	5,150	2,775	476	157,931
Accumulated depreciation:							
At 1 January 2022	40,183	669	38,392	3,154	1,913	–	84,311
Depreciation	2,910	109	1,861	321	315	–	5,516
Disposals	(221)	(15)	(3,268)	(35)	(113)	–	(3,652)
Exchange differences	(17)	(1)	(33)	(11)	(1)	–	(63)
At 31 December 2022	42,855	762	36,952	3,429	2,114	–	86,112
Depreciation	2,944	117	2,215	316	239	–	5,831
Disposals	(51)	(64)	(1,003)	(404)	(225)	–	(1,747)
Exchange differences	(17)	(1)	(28)	(11)	(1)	–	(58)
At 31 December 2023	45,731	814	38,136	3,330	2,127	–	90,138
Carrying amount:							
At 31 December 2023	52,235	306	12,308	1,820	648	476	67,793
At 31 December 2022	53,500	286	8,017	1,525	399	1,327	65,054

The Group acquired vehicles, premises and equipment with an aggregate cost \$8,322,000 (2022: \$6,542,000) out of which \$1,827,000 (2022: \$1,034,000) remains unpaid and included as part of trade and other payables as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) 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	Capital projects in progress \$'000	Total \$'000
Company							
Cost:							
At 1 January 2022	39,162	399	2,532	231	653	–	42,977
Additions	11	25	71	–	125	1,302	1,534
Disposals	(264)	(8)	(2,382)	–	(32)	–	(2,686)
At 31 December 2022	38,909	416	221	231	746	1,302	41,825
Additions	405	28	1,782	–	121	–	2,336
Transfer from capital projects in progress	–	–	1,286	–	16	(1,302)	–
Disposals	(51)	(30)	(40)	(81)	(26)	–	(228)
At 31 December 2023	39,263	414	3,249	150	857	–	43,933
Accumulated depreciation:							
At 1 January 2022	31,416	333	1,620	163	596	–	34,128
Depreciation	1,242	31	132	12	45	–	1,462
Disposals	(221)	(8)	(1,615)	–	(32)	–	(1,876)
At 31 December 2022	32,437	356	137	175	609	–	33,714
Depreciation	1,235	25	103	12	57	–	1,432
Disposals	(51)	(29)	(31)	(81)	(26)	–	(218)
At 31 December 2023	33,621	352	209	106	640	–	34,928
Carrying amount:							
At 31 December 2023	5,642	62	3,040	44	217	–	9,005
At 31 December 2022	6,472	60	84	56	137	1,302	8,111

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment (cont'd)

Details of the leases by the Group and the Company are as follows:

Location	Approximate land area	Tenure	Usage	Group's effective interest
Held by the Company				
No. 385 Sin Ming Drive Singapore 575718	10,852.6 sq m	30 years from January 2011 (17 years unexpired)	Inspection and assessment services	100%
No. 23 Kaki Bukit Avenue 4 Singapore 415933	9,796.9 sq m	30 years from January 1997 with option to renew another 30 years (3 years unexpired)	Inspection and assessment services	100%
No. 511 Bukit Batok Street 23 Singapore 659545	9,625.0 sq m	30 years from October 1995 with option to renew another 30 years (1 years 9 months unexpired)	Inspection, testing and assessment services	100%
No. 20 Changi North Crescent Singapore 499613	6,015.0 sq m	30 years from May 1995 (1 years 4 months unexpired)	Inspection services	100%
501 Yishun Industrial Park A Singapore 768732	5,190.3 sq m	60 years from July 1983 (19 years 6 months unexpired)	Inspection services	100%
501 Yishun Industrial Park A Singapore 768732	1,104.9 sq m	30 years from July 2013 (19 years 6 months unexpired)	Inspection services	100%
Held by Setsco Services Pte Ltd				
No. 531 Bukit Batok Street 23 Singapore 659547	7,554.5 sq m	7 years from October 2018 with option to renew another 30 years (1 years 9 months unexpired)	Testing, inspection and consultancy services	100%
Jalan Papan Plot 2 Singapore	12,400.4 sq m	20 years from March 2023 (19 years 2 months unexpired)	Testing, inspection and consultancy services	100%
Held by Setsco Services (M) Sdn Bhd				
31 Jln Industri Mas 12 Taman Mas 47100 Puchong Selangor Darul Ehsan West Malaysia	791.5 sq m	99 years from December 2009 (84 years 11 months unexpired)	Testing, inspection and consultancy services	100%
Held by JIC Inspection Services Pte Ltd				
No. 53 Pioneer Road Singapore 628505	9,190.0 sq m	30 years from December 1994 (11 months unexpired)	Inspection services	78%
No. 15 Ang Mo Kio Street 63 Singapore 569117	2,145.0 sq m	1 year 9 months from March 2023 (11 months unexpired)	Inspection services	78%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

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

The average lease term is 21 years (2022: 30 years), where the Group make periodic payments which are used for its day to day operations.

	Land \$'000	Motor vehicles \$'000	Other assets# \$'000	Total \$'000
Group				
Cost:				
At 1 January 2022	58,421	106	1,677	60,204
Additions	–	13	–	13
Lease modification	–	26	12	38
Disposal	–	–	(464)	(464)
Remeasurement	432	–	–	432
At 31 December 2022	58,853	145	1,225	60,223
Additions	7,219	30	568	7,817
Lease modifications	–	152	299	451
Remeasurement	513	–	–	513
At 31 December 2023	66,585	327	2,092	69,004
Accumulated depreciation:				
At 1 January 2022	26,248	65	1,417	27,730
Depreciation	1,502	58	192	1,752
Disposal	–	–	(464)	(464)
At 31 December 2022	27,750	123	1,145	29,018
Depreciation	1,532	89	342	1,963
Reclassification to vehicles, premises and equipment	301	–	–	301
At 31 December 2023	29,583	212	1,487	31,282
Carrying amount:				
At 31 December 2023	37,002	115	605	37,722
At 31 December 2022	31,103	22	80	31,205

Other assets comprise of office, inspection centre and employees' accommodation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(b) Right-of-use assets classified within vehicles, premises and equipment (cont'd)

	Land \$'000	Other assets# \$'000	Total \$'000
Company			
Cost:			
At 1 January 2022	48,480	32	48,512
Lease modification	–	13	13
Remeasurement	248	–	248
At 31 December 2022	48,728	45	48,773
Remeasurement	506	–	506
At 31 December 2023	49,234	45	49,279
Accumulated depreciation:			
At 1 January 2022	23,070	31	23,101
Depreciation	1,054	7	1,061
At 31 December 2022	24,124	38	24,162
Depreciation	1,077	6	1,083
At 31 December 2023	25,201	44	25,245
Carrying amount:			
At 31 December 2023	24,033	1	24,034
At 31 December 2022	24,604	7	24,611

Other assets comprise of office.

13. GOODWILL

	Group	
	2023 \$'000	2022 \$'000
Carrying amount:		
At beginning of the year	11,325	11,325
Arising from acquisition of subsidiary	263	–
At end of the year	11,588	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:

	Group	
	2023 \$'000	2022 \$'000
Testing and inspection services	9,531	9,268
Vehicle inspection services	2,057	2,057
At end of the year	11,588	11,325

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. GOODWILL (CONT'D)

Business combination

On 1 August 2023, the Group completed the acquisition of 70% stake in Setsco-An Security Pte. Ltd. The Company is in the business of providing Information Technology security evaluation and testing services for cybersecurity products such as smart devices, as well as consultancy services in this domain. The acquisition will allow the Group to expand its testing service offerings in this new growth sector.

Assets acquired and liabilities assumed at the date of acquisition:

	2023 \$'000
Fair value of assets and liabilities	
<u>Assets</u>	
Cash and cash equivalents	40
Trade and other receivables	231
Intangible assets	116
<u>Liabilities</u>	
Trade and other payables	(9)
Income tax payable	(3)
Less: Non-controlling interest	(78)
Total identifiable net assets at fair value	297
Goodwill arising from acquisition	263
	560
Consideration transferred for the acquisition	
Cash consideration	560
Less: Unpaid purchase consideration as at end of year	(28)
Less: Cash and cash equivalents acquired	(40)
Net cash outflow on acquisition of subsidiary	492

Assets acquired and liabilities assumed

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$231,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

Goodwill arising from acquisition

Goodwill of \$263,000 represents the synergies expected to be achieved from potential for future growth, access to new markets, expanded product offerings, and the ability to leverage complementary strengths.

Transaction costs

Total transaction costs related to all acquisitions of \$64,000 have been recognised in the 'Other operating costs' line item in the Group's profit and loss account for the financial year from 1 January 2023 to 31 December 2023.

Impact of the acquisitions on profit and loss

From acquisition date, the revenue and profit or loss contribution by the subsidiary acquired during the financial year is not material to the Group. Had the acquisitions taken place at the beginning of the financial year, the revenue and profit or loss contribution is not expected to be material as well.

Non-controlling interest

The Group has elected to measure the non-controlling interest at the non-controlling interest's proportionate share of Setsco-An Security's net identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Third parties	6,359	5,075	2,800	2,176
Holding company	521	116	240	34
Related companies	153	89	41	2
Accruals	14,300	15,767	3,920	3,776
Deferred income	242	204	19	109
Deposits received from customers	954	1,490	548	526
Others	2,215	2,109	424	328
	24,744	24,850	7,992	6,951
Analysed as:				
Current	24,024	24,130	7,992	6,951
Non-current	720	720	–	–
	24,744	24,850	7,992	6,951

The average credit period on purchases of goods and services is 30 days (2022: 30 days).

The non-current portion of the trade and other payables pertains to provision for restoration cost in relation to a leasehold land and building and it is expected to be utilised in 2026.

15. DUE TO SUBSIDIARIES

Included in amount due to subsidiaries is an amount of \$6,815,000 (2022: \$4,473,000) that relates to a non wholly-owned subsidiary that receives interest at the rate of 3.91% to 4.06% (2022: 3.46% to 4.23%) per annum. This balance is non-trade, unsecured and repayable on demand.

The remaining balances are non-trade, unsecured, interest-free and repayable on demand.

16. PROVISION FOR RELOCATION COSTS

This pertains to provision for 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 been completed and the remaining balance was utilised during the year.

Movements in provision for relocation costs:

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of the year	306	2,462
Utilisation	(306)	(2,156)
Balance at end of the year	–	306

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
		(restated)		(restated)
Deferred tax assets	1,178	1,276	1,131	1,260
Deferred tax liabilities	(2,053)	(1,369)	–	–
Net	(875)	(93)	1,131	1,260
At beginning of year	(93)	304	1,260	1,212
(Charge)/credit to income statement (Note 24)	(679)	(818)	(123)	66
(Under)/over provision in prior years (Note 24)	(103)	421	(6)	(18)
	(875)	(93)	1,131	1,260

The balances in the account comprise the tax effects of:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
		(restated)		(restated)
Lease liabilities	5,342	5,297	4,152	4,174
Provisions	554	644	163	213
Accelerated tax depreciation	(6,771)	(6,034)	(3,184)	(3,127)
	(875)	(93)	1,131	1,260

19. SHARE CAPITAL

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares ('000)		\$'000	
Issued and paid up:				
At beginning and end of the year	354,568	354,568	36,284	36,284

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company. The ordinary shares have no par value.

20. OTHER RESERVES

	Group and Company		
	Revaluation reserve \$'000	Capital reserve \$'000	Total \$'000
At 1 January 2022	1,013	3,073	4,086
Revaluation changes during the year in other comprehensive income	(78)	–	(78)
At 31 December 2022	935	3,073	4,008
Revaluation changes during the year in other comprehensive income	690	–	690
At 31 December 2023	1,625	3,073	4,698

The capital reserve relates to one-off revaluation reserve for the leasehold land valued in March 1995 and is not available for distribution to the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. REVENUE

	Group	
	2023 \$'000	2022 \$'000
Inspection and testing services	107,843	104,226
Rental income	2,356	2,260
Others	1,704	1,818
	<u>111,903</u>	<u>108,304</u>

Majority of the revenue is derived from Singapore.

Rental income relates to income arising from subleasing right-of-use assets.

22. STAFF COSTS

Included in staff costs are:

- (a) The remuneration of the Directors (executive and non-executive) and key executives comprised mainly short term benefits amounting to \$3,142,000 (2022: \$3,272,000).

(b)

	Group	
	2023 \$'000	2022 \$'000
Cost of contribution to Central Provident Fund	4,168	4,161
Government grant income (included in staff costs)	(512)	(1,034)

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.

23. FINANCE COSTS

	Group	
	2023 \$'000	2022 \$'000
Interest expense on lease liabilities (Note 17)	866	848

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. TAXATION

	Group	
	2023 \$'000	2022 \$'000
Tax charge in respect of profit for the financial year:		
Current taxation		
Singapore	5,649	5,355
Foreign	11	13
Deferred tax (Note 18)	679	818
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(386)	225
Deferred tax (Note 18)	103	(421)
Overprovision in prior years (net)	(283)	(196)
	6,056	5,990

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before taxation as a result of the following differences:

	Group	
	2023 \$'000	2022 \$'000
Profit before taxation	34,070	32,551
Taxation charge at Singapore statutory rate 17% (2022: 17%)	5,792	5,534
Non-deductible items	631	734
Tax-exempt income	(87)	(86)
Overprovision in prior years (net)	(283)	(196)
Effect of different tax rates of other countries	3	4
	6,056	5,990

25. PROFIT AFTER TAXATION

Profit after taxation is arrived at after charging/(crediting):

	Group	
	2023 \$'000	2022 \$'000
Directors' fees	781	778
Foreign currency exchange adjustment loss	75	47
Net (gain)/loss on disposal of vehicles, premises and equipment	(24)	846
Writeback of allowance for expected credit losses (net) (Note 6)	(163)	(664)
Government grant (COVID-19 related)	-	239
Audit fees:		
Auditors of the Company	95	92
Other auditors	3	2
Non-audit fees:		
Auditors of the Company	-	24

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2023	2022
Profit attributable to shareholders of the Company (\$'000)	27,601	26,184
Weighted average number of ordinary shares in issue ('000)	354,568	354,568
Basic earnings per share (in cents)	7.78	7.38

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 years ended 31 December 2023 and 31 December 2022.

27. BUSINESS SEGMENT INFORMATION

The Group operates predominantly in Singapore. All vehicle inspection and non-vehicle testing services are managed and reported together as one segment in order to improve productivity and efficiency as these services have similar economic characteristics and processes. Hence there are no other reportable segments to be presented.

28. COMMITMENTS

As at 31 December 2023, the Group has capital expenditure commitments contracted for but not provided for in the financial statements:

	Group	
	2023 \$'000	2022 \$'000
Purchase of vehicles, premises and equipment	2,646	5,687
Lease of land	–	5,250
	2,646	10,937

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At 31 December 2023, the Group is committed to \$51,000 (2022: \$197,000) for short-term leases.

The Group as intermediate lessor

Operating leases, in which the Group is the intermediate lessor, relate to lettable space in Singapore with lease terms of between 1 to 4 years, with no extension option. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	Group	
	2023 \$'000	2022 \$'000
Year 1	1,279	1,226
Year 2	922	103
Year 3	613	73
Total	2,814	1,402

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets				
Amortised cost	71,303	73,803	59,015	59,144
Financial assets at FVTOCI	6,262	3,217	6,262	3,217
Financial liabilities				
Amortised cost	22,828	22,436	32,185	36,911
Lease liabilities	31,421	31,160	24,424	24,553

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

(b) Financial risk, management policies and objectives

The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Foreign exchange rate 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 primary interest rate risk relates to fixed deposits 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.

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 > 60 to 150 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired Trade receivables are determined to be credit impaired when they are past due for more than 60 to 150 days based on different customer segments and the customer exhibits slow payment trends.
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. (i.e. when it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation).	Amount is written off

The Group's and Company's exposure to credit risk arises primarily from trade and other receivables, and amounts due from subsidiaries. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

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

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.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayments obligations.

	One year or less \$'000	One to five years \$'000	Beyond five years \$'000	Total \$'000
Group				
Financial liabilities:				
2023				
Trade and other payables	22,828	–	–	22,828
Lease liabilities	2,284	6,103	37,702	46,089
Total undiscounted financial liabilities	25,112	6,103	37,702	68,917
2022				
Trade and other payables	22,436	–	–	22,436
Lease liabilities	1,775	6,081	38,550	46,406
Total undiscounted financial liabilities	24,211	6,081	38,550	68,842
Company				
Financial liabilities:				
2023				
Trade and other payables	7,425	–	–	7,425
Due to subsidiaries	24,760	–	–	24,760
Lease liabilities	1,302	4,766	29,977	36,045
Total undiscounted financial liabilities	33,487	4,766	29,977	68,230
2022				
Trade and other payables	6,316	–	–	6,316
Due to subsidiaries	30,595	–	–	30,595
Lease liabilities	1,281	4,785	30,535	36,601
Total undiscounted financial liabilities	38,192	4,785	30,535	73,512

Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other liabilities approximate the respective fair values due to the relatively short-term maturity of these financial instruments.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONT'D)

(b) Financial risk, management policies and objectives (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.

	Group and Company	
	2023	2022
	\$'000	\$'000
Financial assets at fair value through other comprehensive income		
– Level 2	6,262	–
– Level 3	–	3,217

The fair value of the investment is determined by reference to the price per share in relation to fund-raising exercise in the current financial year by the underlying investee. Due to the availability of market information, the amounts have been transferred from Level 3 to Level 2.

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 \$626,000 (2022: \$322,000).

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 risk management policies and objectives

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent.

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 debt and 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 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. DIVIDENDS

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

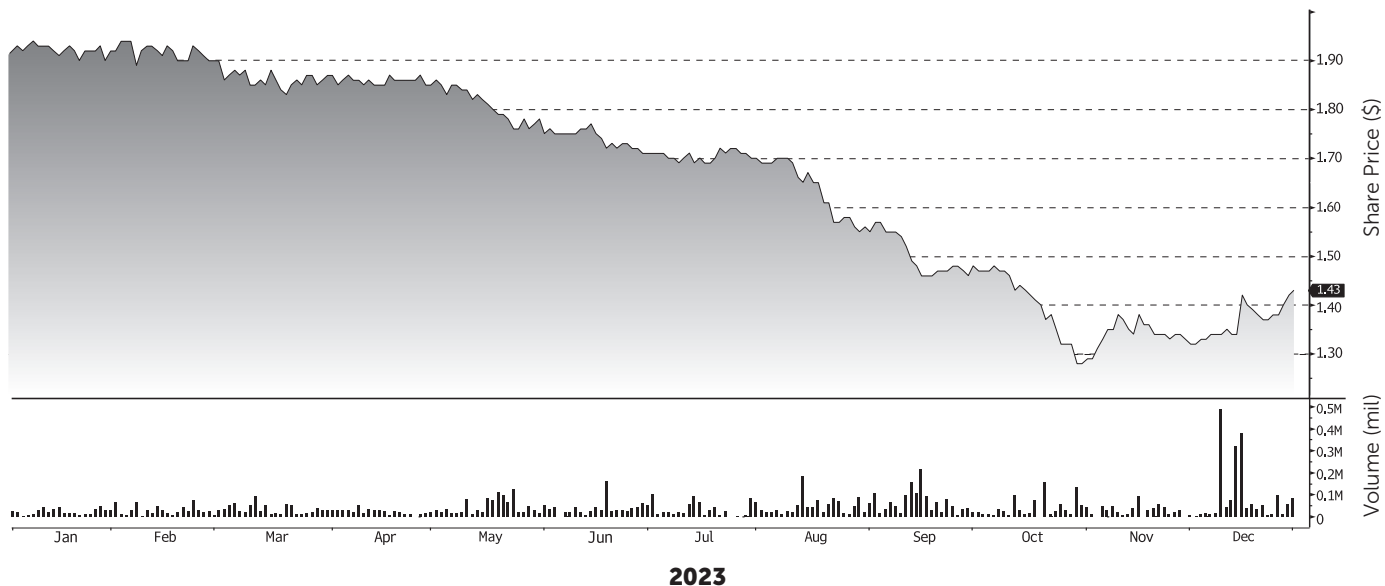
	2023 \$'000	2022 \$'000
Tax-exempt one-tier final dividend in respect of the previous financial year: 3.32 cents (2022: 3.24 cents) per ordinary share	11,772	11,488
Tax-exempt one-tier special dividend in respect of the previous financial year: Nil cents (2022: 2.00 cents) per ordinary shares	–	7,091
Tax-exempt one-tier interim dividend in respect of the current financial year: 2.75 cents (2022: 3.32 cents) per ordinary share	9,750	11,772
	<u>21,522</u>	<u>30,351</u>

(b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 2.75 cents per ordinary share totalling \$9,750,000 be paid for the financial year ended 31 December 2023. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

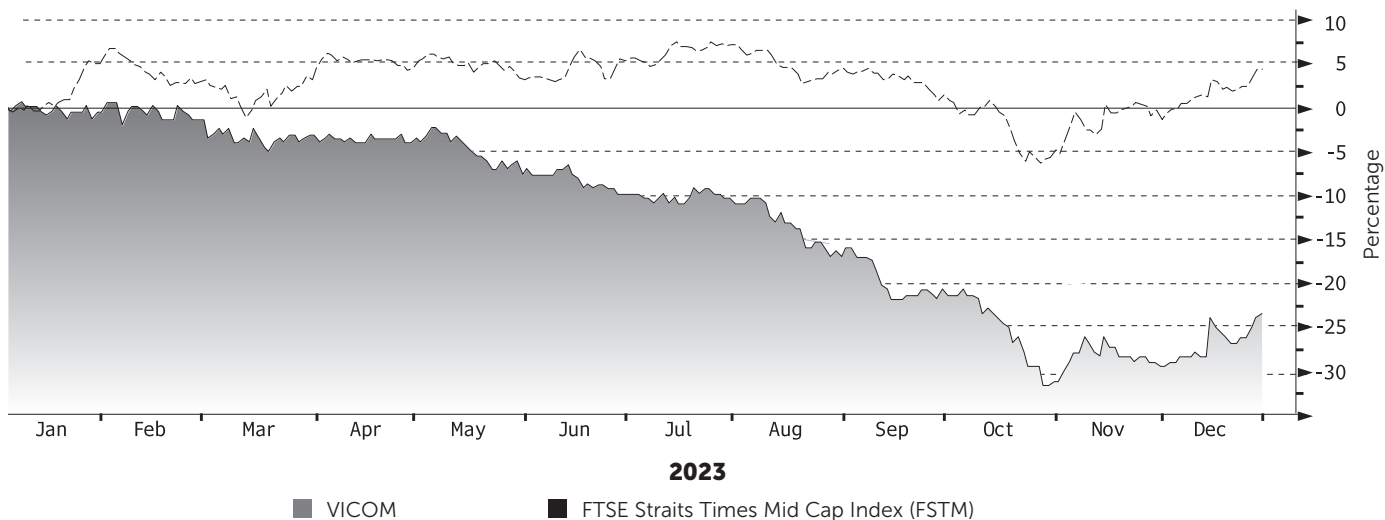
Together with the tax exempt one-tier interim dividend of 2.75 cents per ordinary share (2022: 3.32 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2023 will be 5.50 cents per ordinary share (2022: 6.64 cents per ordinary share).

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 2024

SHAREHOLDING STATISTICS AS AT 1 MARCH 2024

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 (1) 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 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	5	0.08	197	0.00
100 – 1,000	933	15.81	623,185	0.18
1,001 – 10,000	3,829	64.88	17,186,288	4.85
10,001 – 1,000,000	1,118	18.94	52,528,305	14.81
1,000,001 & ABOVE	17	0.29	284,230,025	80.16
TOTAL	5,902	100.00	354,568,000	100.00

LIST OF TWENTY (20) LARGEST SHAREHOLDERS

(As recorded in the Depository Register as at 1 March 2024)

	NAME OF SHAREHOLDER	NO. OF SHARES	% ⁽¹⁾
1	COMFORTDELGRO CORPORATION LIMITED	237,760,000	67.06
2	DBS NOMINEES PTE LTD	13,805,450	3.89
3	CHU CHEE LEONG	3,768,000	1.06
4	RAFFLES NOMINEES (PTE) LIMITED	3,302,700	0.93
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,098,750	0.87
6	SZE THIAM SIONG	3,088,000	0.87
7	CITIBANK NOMINEES SINGAPORE PTE LTD	2,866,039	0.81
8	OCBC NOMINEES SINGAPORE PTE LTD	2,488,728	0.70
9	MRS HELEN ONG YONG KHEE NEE TANG HELEN @HELEN TAN SIOK WAN	2,128,000	0.60
10	QUAH SIEW KWEE	2,006,000	0.57
11	PHILLIP SECURITIES PTE LTD	1,979,058	0.56
12	QUAH SIEW ENG EILEEN	1,660,000	0.47
13	EUNICE QUAH SIEW THYE	1,505,000	0.42
14	TAN KUANGXU	1,228,000	0.35
15	PANG CHEOW JOW	1,192,000	0.34
16	HSBC (SINGAPORE) NOMINEES PTE LTD	1,188,300	0.33
17	IFAST FINANCIAL PTE LTD	1,166,000	0.33
18	TAN SIAK HUAN	832,900	0.23
19	HONG LEONG FINANCE NOMINEES PTE LTD	768,800	0.22
20	LOW LAN ENG	744,400	0.21
TOTAL:		286,576,125	80.82

Notes:

⁽¹⁾ The percentage of shareholding is calculated based on 354,568,000 issued shares of the Company as at 1 March 2024.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 1 March 2024)

SUBSTANTIAL SHAREHOLDER	Direct Interest		Deemed Interest	
	NO. OF SHARES	% ⁽¹⁾	NO. OF SHARES	% ⁽¹⁾
COMFORTDELGRO CORPORATION LIMITED	237,760,000	67.06	–	–

Notes:

⁽¹⁾ The percentage of shareholding is calculated based on 354,568,000 issued shares of the Company as at 1 March 2024.

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 2024, approximately 32.92% 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-Third Annual General Meeting (the “**AGM**”) of VICOM Ltd (the “**Company**”) will be held on Wednesday, 24 April 2024 at 10.00 a.m. via electronic means and in person at:

AUDITORIUM

COMFORTDELGRO HEADQUARTERS
205 BRADDELL ROAD
SINGAPORE 579701

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 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 2.75 Singapore cents (S\$0.0275) per ordinary share in respect of the financial year ended 31 December 2023. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$734,314 for the financial year ended 31 December 2023. (FY2022: S\$723,943) **(Resolution 3)**
4. To approve Directors’ fees of up to S\$745,315 for the financial year ending 31 December 2024. [Please refer to Explanatory Note (a)] **(Resolution 4)**
5. 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 (b)] **(Resolution 5)**
6. To re-elect Professor Shim Phiau Wui, Victor, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution. [Please refer to Explanatory Note (c)] **(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 (d)] **(Resolution 7)**
8. To re-elect Ms Wong Yoke Woon, a Director retiring pursuant to Regulation 98(b) of the Company’s Constitution. [Please refer to Explanatory Note (e)] **(Resolution 8)**
9. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING

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, 3 May 2024 for the purpose of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 2.75 Singapore cents (S\$0.0275) per ordinary share for the financial year ended 31 December 2023 (the "**Proposed Final Dividend**").

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on Friday, 3 May 2024 will be registered to determine Shareholders' entitlements to the Proposed Final Dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on Friday, 3 May 2024 will be entitled to such Proposed Final Dividend.

The Proposed Final Dividend, if approved by the Shareholders at the Forty-Third AGM of the Company, will be paid on Monday, 13 May 2024.

BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr
Cher Ya Li Sheryl
Company Secretaries
Singapore
26 March 2024

EXPLANATORY NOTES:

ORDINARY BUSINESS:

- (a) Resolution 4 is to approve the payment of Directors' fees for the Non-Executive Directors of the Company during the financial year ending 31 December 2024 ("**FY2024**"). If the Resolution is passed, the Non-Executive Directors can be paid during the financial year in which the fees are incurred. The proposed Directors' fees are computed based on the anticipated number of Directors on the Board and composition of the Board Committees, as well as the anticipated number of Board and Board Committee meetings for FY2024. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting before any payments are made to the Non-Executive Directors for the shortfall.
- (b) Dr Tan Kim Siew⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as the Chairman of the Board and the Nominating and Remuneration Committee, and a member of the Sustainability Committee and the Technology Committee. Dr Tan will be considered an Independent Non-Executive Director of the Company.
- (c) Professor Shim Phiau Wui, Victor⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as the Chairman of the Technology Committee and a member of the Audit and Risk Committee and the Sustainability Committee. 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.
- (d) Ms June Seah Lee Kiang⁽¹⁾ 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.
- (e) Ms Wong Yoke Woon⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as a member of the Audit and Risk Committee and the Nominating and Remuneration Committee. Ms Wong will be considered an Independent Non-Executive Director of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

⁽¹⁾ Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled "**Board of Directors**", "**Directors' Particulars**" and "**Additional Information on Directors Seeking Re-election**" in the FY2023 Annual Report of the Company.

NOTICE OF ANNUAL GENERAL MEETING

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, 12 April 2024). 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 **agm2024@vicom.com.sg**; or
 - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/VICOM_AGM2024**,

in each case, by 10.00 a.m. on Sunday, 21 April 2024, 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, 21 April 2024), 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.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT INFORMATION

The AGM is being convened and will be held physically (“**Physical Meeting**”) and by electronic means (“**Virtual Meeting**”).

Shareholders of the Company (“**Shareholders**”) shall take note of the following arrangements for the conduct of the AGM on Wednesday, 24 April 2024 at 10.00 a.m.:

1. Attendance

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_AGM2024 for verification purposes by 10.00 a.m. on Sunday, 21 April 2024.

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_AGM2024 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, 21 April 2024), failing which the appointment shall be invalid.

Following verification, the Company will provide verified Shareholders and Proxy(ies) with a confirmation email by Monday, 22 April 2024 (“**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.

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, 21 April 2024 but have not received the Confirmation Email for Virtual Meeting by Monday, 22 April 2024, please email to ir@vicom.com.sg.

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

Physical Meeting

Please pre-register for verification purposes by 10.00 a.m. on Sunday, 21 April 2024 at the URL: www.conveneagm.sg/VICOM_AGM2024 and indicate your interest to attend the AGM physically at the AGM venue.

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_AGM2024 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, 21 April 2024), 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, 22 April 2024 (“**Confirmation Email for Physical Meeting**”) via the email address provided during the pre-registration or as indicated in the Proxy Form.

Shareholders who have registered by 10.00 a.m. on Sunday, 21 April 2024 but have not received the Confirmation Email for Physical Meeting, by Monday, 22 April 2024, please email to ir@vicom.com.sg.

If you have any queries on the attendance at the AGM venue, please email to ir@vicom.com.sg.

NOTICE OF ANNUAL GENERAL MEETING

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**; or
- (ii) the Company's AGM pre-registration website, **www.conveneagm.sg/VICOM_AGM2024**.

All questions must be submitted by 10.00 a.m. on Thursday, 11 April 2024.

The Company will endeavour to address questions which are substantial and relevant by 10.00 a.m. on Thursday, 18 April 2024, which is seventy-two (72) hours prior to the closing date and time for the lodgement of the proxy forms (i.e. 10.00 a.m. on Sunday, 21 April 2024).

- (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/agm2024proxyform**, or on SGXNET. The electronic proxy form is also available on the Company's AGM pre-registration site, **www.conveneagm.sg/VICOM_AGM2024**.

NOTICE OF ANNUAL GENERAL MEETING

(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 **agm2024@vicom.com.sg**; or

(iii) lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/VICOM_AGM2024**,

and submitted by 10.00 a.m. on Sunday, 21 April 2024, 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, 12 April 2024), to ensure that their votes are submitted.

4. Access to documents or information relating to the AGM

The Annual Report for the financial year ended 31 December 2023 has been uploaded on SGXNET on 26 March 2024 and may be accessed via SGXNET and also the Company's website at **www.vicom.com.sg**.

5. 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.

NOTICE OF ANNUAL GENERAL MEETING

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 Dr Tan Kim Siew, Professor Shim Phiau Wui, Victor, Ms June Seah Lee Kiang and Ms Wong Yoke Woon, all of whom are seeking re-election as Directors of the Company at the 43rd Annual General Meeting to be held on Wednesday, 24 April 2024, is to be read in conjunction with their respective biographies on pages 6 to 10.

	TAN KIM SIEW Chairman (Independent Non-Executive Director)
Country of principal residence	Singapore
The Board's comments on this appointment	<p>Dr Tan, an engineer, has vast experience in the Civil Service, which will enhance board deliberations and contribution towards the core competencies of the Board. He has strong leadership skills and led the Board in driving the Company's strategic plans.</p> <p><i>Please refer to Dr Tan's profile on page 6 of the Annual Report 2023.</i></p>
Working experience and occupation(s) during the past 10 years	<p><u>Current Directorships:</u></p> <ol style="list-style-type: none"> 1. VICOM Ltd* – Chairman (Appointed as Director on 1 May 2018 and Chairman on 27 April 2022) 2. SBS Transit Ltd* – Director (Appointed on 1 June 2019) <p><u>Current Principal Commitments:</u> NIL</p> <p><u>Past 10 years Directorships and Principal Commitments:</u> NIL</p>
Shareholding interest in the listed issuer and its subsidiaries	NIL
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
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

* Listed Company

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

SHIM PHYAU WUI, VICTOR (Independent Non-Executive Director)	JUNE SEAH LEE KIANG (Independent Non-Executive Director)	WONG YOKE WOON (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.	Ms Wong's extensive experience in supporting the labour movement including facilitating strategic growth programmes to help workers and companies develop better relations will be an asset to the Board in their deliberations on strategy and development of core competencies.
<i>Please refer to Professor Shim's profile on page 8 of the Annual Report 2023.</i>	<i>Please refer to Ms Seah's profile on page 8 of the Annual Report 2023.</i>	<i>Please refer to Ms Wong's profile on page 10 of the Annual Report 2023.</i>
<u>Current Directorships:</u> 1. VICOM Ltd* – Director (Appointed on 1 June 2017)	<u>Current Directorships:</u> 1. VICOM Ltd* – Director (Appointed on 1 October 2017)	<u>Current Directorships:</u> 1. VICOM Ltd* - Director (Appointed on 21 May 2020)
<u>Current Principal Commitments:</u> 1. National University of Singapore – Emeritus Professor (Appointed on 1 July 2021) 2. Ningbo University (China) – Professor (Appointed on 20 April 2022)	<u>Current Principal Commitments:</u> NIL <u>Past 10 years Directorships and Principal Commitments:</u> 1. VISA – Head of Merchant and Acquirer Partnerships (2011 to 2015) 2. The Peranakan at Claymore Connect – Partner (2016 to 2021) 3. Omise Payment SG Pte Ltd – Executive Director/Senior Advisor (2022 to 2024)	<u>Current Principal Commitments:</u> 1. National Trades Union Congress (NTUC) Operations Department – Director (Appointed on 1 May 2022) <u>Past 10 years Directorships and Principal Commitments:</u> 1. Employment and Employability Institute (e2i) – Deputy CEO (2012 to 2022) 2. Healthcare Services Employees' Union – Deputy Executive Secretary (2022)
<u>Past 10 years Directorships and Principal Commitments:</u> NIL		
<u>Deemed Interest:</u> ComfortDelGro Corporation Limited* – 19,000 ordinary shares VICOM Ltd* – 24,000 ordinary shares	NIL	NIL
No	No	No
No	No	No
Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	TAN KIM SIEW Chairman (Independent Non-Executive Director)
(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

SHIM PHYAU WUI, VICTOR

(Independent Non-Executive Director)

No

No

No

No

No

No

No

No

No

JUNE SEAH LEE KIANG

(Independent Non-Executive Director)

No

No

No

No

No

No

No

No

No

WONG YOKE WOON

(Independent Non-Executive Director)

No

No

No

No

No

No

No

No

No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

TAN KIM SIEW

Chairman

(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,

No

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

SHIM PHYAU WUI, VICTOR

(Independent Non-Executive Director)

No

JUNE SEAH LEE KIANG

(Independent Non-Executive Director)

No

WONG YOKE WOON

(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-Third Annual General Meeting (the "AGM") of the Company will be held physically ("Physical Meeting") and by electronic means ("Virtual Meeting").
2. 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.
3. 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 26 March 2024.
4. 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-Third AGM to be held at the Auditorium of ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Wednesday, 24 April 2024 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 ⁽¹⁾	No. of Votes Against ⁽¹⁾	No. of Votes Abstained ⁽¹⁾
Ordinary Business				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2.	Declaration of Final Dividend for the financial year ended 31 December 2023			
3.	Approval of Directors' Fees amounting to S\$734,314 for financial year ended 31 December 2023			
4.	Approval of Directors' Fees of up to S\$745,315 for financial year ending 31 December 2024			
5.	Re-election of Dr Tan Kim Siew 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 Ms Wong Yoke Woon as a Director			
9.	Re-appointment of Auditors and authorising the Directors to fix their remuneration			

⁽¹⁾ 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 _____ 2024

Total Number of Shares Held in ^(Note 4) :	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 **agm2024@vicom.com.sg**; or
 - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/VICOM_AGM2024**, in each case, by **10.00 a.m. on Sunday, 21 April 2024**, 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, 12 April 2024). 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 seventy-two (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

This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.



BY BUS
BCA Academy
(52061)

Bus 13, 28, 73, 93, 105,
 129, 153, 155, 159

About a four-minute
 walk from the bus stop

BY BUS
ComfortDelGro Corporation
(52069)

Bus 13, 28, 73, 93, 105,
 129, 153, 155, 159

About a two-minute
 walk from the bus stop

**PLEASE NOTE THAT THE FORTY-THIRD ANNUAL GENERAL MEETING
 OF VICOM LTD WILL BE HELD ON WEDNESDAY, 24 APRIL 2024,
 AT 10.00 A.M. VIA ELECTRONIC MEANS AND IN PERSON AT:**

**AUDITORIUM
 COMFORTDELGRO HEADQUARTERS
 205 BRADDELL ROAD
 SINGAPORE 579701**



VICOM Ltd

385 Sin Ming Drive
Singapore 575718
Mainline (65) 6458 4555
Facsimile (65) 6458 1040
www.vicom.com.sg
Company Registration No. 198100320K

