

OPERATIONS REVIEW



167.4
Revenue
(\$'million)



955
Total
Number of
Employees

With the launch of the Jalan Papan Integrated Hub, the Group remains focused on leveraging this new infrastructure to enhance service delivery and operational efficiency.

Overview

In 2025, the Group demonstrated strong operational capabilities and agility across our vehicle and non-vehicle testing businesses.

Driven by the execution of the Land Transport Authority's (LTA) Electronic Road Pricing (ERP) 2.0 migration exercise and a robust performance in the non-vehicle testing business, the year was marked by high activity levels and new growth opportunities.

Beyond operational volume, the Group deepened its digital transformation and strengthened its regional footprint through a new joint venture in Malaysia. Strategic investments in advanced testing capabilities for high-growth sectors like medical technology and electronics have further diversified the Group's portfolio.

With the launch of the Jalan Papan Integrated Hub, the Group remains focused on leveraging this new infrastructure to enhance service delivery and operational efficiency.



Artist impression of the new Jalan Papan Intergrated Hub.

OPERATIONS REVIEW



VICOM Inspector installing the new ERP 2.0 On-Board Units (OBUs).

The vehicle testing business remained a cornerstone of the Group's operations, completing 519,088 inspections during the year.

Vehicle Testing Business

The vehicle testing business remained a cornerstone of the Group's operations, completing 519,088 inspections during the year. Despite the closure of the Ang Mo Kio Inspection Centre in early 2025, the Group successfully maintained a dominant market share of 72.3%.

A major operational focus was the OBU migration project under the ERP 2.0 exercise. As one of four Authorised Partners, VICOM installed 251,000 units during the year, the highest among the four appointed partners. This achievement underscores the strong brand equity and trust that motorists place in VICOM's technical expertise.

Customer convenience was further enhanced through digital initiatives such as the launch of the VICOM-Visa (V2) co-brand card and the implementation of a unique company QR Code & PIN system for corporate clients, which streamlined the vehicle check-in process and replaced traditional purchase orders.

In response to the evolving automotive landscape, the Group continued to adapt to the increasing adoption of electric vehicles (EVs), which accounted for nearly half of Singapore's new car registrations in 2025. While this shift led to lower volumes for the Vehicle Emission Testing Laboratory, the Group proactively engaged with the EV sector, which resulted in a new advertising partnership with an authorised EV distributor. The motor insurance partnership with DirectAsia also continued to see steady growth in premiums, with gross written premiums rising by more than 10% from the previous year. These activities reflect the success of the Group's cross-selling strategies. They ensure that the vehicle testing business remains relevant and diversified in an ever-evolving automotive ecosystem.



Heavy vehicles undergoing checks at the new JIC Inspection Centre @ Jalan Papan.

A major operational focus was the OBU migration project under the ERP 2.0 exercise. As one of four Authorised Partners, VICOM installed **251,000 units** during the year, the highest among the four appointed partners.





The Construction Technology Division had a strong year, buoyed by peak activity in the construction of the Changi East and Changi Airport Terminal 5 projects

Non-Vehicle Testing Business

SETSCO, our non-vehicle testing business, delivered a strong performance in 2025 despite greater economic uncertainty. Growth in Singapore’s manufacturing and construction sectors remained strong, resulting in increased demand for our testing services. Demand was also particularly buoyant in the electronics cluster, driven by customers in Artificial Intelligence-related semiconductors, servers, and server-related products. Additionally, many businesses accelerated supply chain de-risking activities in response to global tariff uncertainties, further boosting testing demand.



With advanced instrumentation and automation, SETSCO is able to churn out water testing results efficiently.

The Construction Technology Division had a strong year, buoyed by peak activity in the construction of the Changi East and Changi Airport Terminal 5 projects. In addition, it secured several new contracts secured amidst the high level of construction activities in the market.

The Biological & Chemical Technology Division also saw high demand, fuelled by a surge in testing requirements from the National Environment Agency’s COVID wastewater monitoring, the Public Utilities Board’s trade effluent testing, and increased regulatory enforcement in environmental monitoring. The recovery in selected chemical sectors further boosted demand. The Division also secured two multi-million dollar contracts from two government agencies during the year.

The Mechanical Technology Division continued to perform well in the traditional Testing and Inspection field, serving customers from the Marine & Offshore, Aerospace, Manufacturing,



SETSCO has developed the capability to identify micro-organisms with greater speed, precision, and at a lower cost.

and Petrochemical industries. During the year, the Division focused on growing the Certification business, driven by rising demand for accreditation aligned with assessment frameworks like the Data Protection Trustmark, Information Security Management System, and more. A notable achievement also included completing its first sustainability audit, which involved the evaluation of Suntec Singapore’s Convention and Exhibition Centre against ISO 20121 standards.

SETSCO-AN Security, SETSCO’s cybersecurity arm, secured several major contracts pertaining to Common Criteria Certification, National IT Evaluation Scheme, and Vulnerability Analysis and Penetration Testing. These wins will further build up its track record and credentials in the cybersecurity community and open opportunities for more cybersecurity testing in the years to come.

New Testing Capabilities

SETSCO has developed the capability to identify micro-organisms, such as bacteria and fungi, with greater speed, precision, and at a lower cost through the Matrix Assisted Laser Desorption Ionisation – Time of Flight mass spectrometry system. This capability enables SETSCO to market micro-organism identification to the pharmaceutical and

SETSCO has developed the capability to identify micro-organisms, such as bacteria and fungi, with greater speed, precision, and at a lower cost through the Matrix Assisted Laser Desorption Ionisation – Time of Flight mass spectrometry system.



OPERATIONS

REVIEW



SUNTEC Singapore 's Convention and Exhibition Centre receiving the ISO120121 certification from SETSCO CEO, Mr Chung Tying Chun.

healthcare sectors, where environment monitoring and the identification of microbiological contaminants are crucial to their operations.

In response to the growing demand for reliable wearable technologies, SETSCO developed a comprehensive Rough Handling and Performance Testing protocol tailored for fitness and wellness watches. It secured a significant multi-year contract with the nation's regulator for wearable device testing, marking a successful expansion into the Medical Technology (MedTech) sector. Further development in MedTech is anchored by a strategic partnership with the Singapore General Hospital's Alice Lee Innovation Centre of Excellence, giving the company a foothold at the heart of healthcare innovation and paving the way into medical device testing.

SETSCO further strengthened its testing capabilities by introducing Climatic Simulating and Testing to evaluate product durability under extreme conditions, as well as attaining IPX8 accreditation for water immersion testing. The IPX8 accreditation allows the business to customise testing parameters for water resistance and product durability, helping manufacturers achieve compliance with international product standards.

SETSCO also expanded into electrical and electronics product testing via a joint venture, SETSCO QAV Technologies, based in Penang, Malaysia. The newly set-up facility offers a comprehensive suite of capabilities, including Electromagnetic Compatibility and Radio Frequency testing.

Deepening Our Knowledge & Staff Engagement

Investing in human capital remained a priority, with the Group recording over 10,000 training places during the year. Training programmes spanned essential domains such as safety, cybersecurity, and technical skills, with a significant new emphasis on building literacy in Artificial Intelligence to keep pace with transformative new technologies.



SETSCO developed a comprehensive Rough Handling and Performance Testing protocol tailored for fitness and wellness watches. It secured a significant multi-year contract with the nation's regulator for wearable device testing, marking a successful expansion into the Medical Technology (MedTech) sector.

To mark Singapore's 60th year of independence, the Group distributed supermarket vouchers worth \$600 to all staff members as a gesture of appreciation. Furthermore, employee well-being was supported through on-site health screenings and the introduction of a dedicated lactation room for working mothers.

This commitment to staff development and welfare was reflected in the 2025 Employee Engagement Survey, which saw participation rates rise to 88% and the overall engagement rate improve to 83%.



Investing in human capital remained a priority, with the Group recording over 10,000 training places during the year.



Opening ceremony of Jalan Papan on 4 February 2026.

Improving Customer Experience and Engagement

The Group’s focus on service excellence resulted in 11,691 customer compliments in 2025, demonstrating the success of its customer-centric initiatives and the reinforcement of customer confidence. To further refine the feedback process, personalised QR code cards featuring the name and photograph of attending staff members were issued to all inspectors and cashiers. This system enables customers to provide immediate, real-time feedback through a digital portal, ensuring that service standards are consistently upheld and that staff excellence is recognised. These digital touchpoints have proven instrumental in fostering enduring value and reinforcing the trust Singaporean motorists place in the VICOM brand.

Completion of Jalan Papan Integrated Hub

In February 2026, the Group unveiled its \$60 million, purpose-built Jalan Papan facility that consolidates vehicle inspection and non-vehicle testing services under one roof. The five-story facility strengthens the Group’s capability to serve the testing, inspection, and certification (TIC) industry.

VICOM’s subsidiary, JIC Inspection, has begun operations in the expanded space, and the final phase of the facility’s Temporary Occupation Permit is anticipated in Q2 2026. Thereafter, SETSCO looks forward to installing specialised equipment that will expand its portfolio of advanced testing to meet rising industrial demands.

Corporate Social Responsibility

The Group’s commitment to corporate social responsibility was highlighted through the establishment of the “Journey of Care” fund with HCA Hospice (HCA) as part of SG60 celebrations. The fund will support the transportation needs of patients. Separately, the Group continued its long-standing tradition of supporting seniors under the care of Thye Hua Kwan.



In celebration of SG60, VICOM established the Journey of Care fund to support safe and comfortable travel for HCA patients.

OPERATIONS REVIEW

Safety

Workplace Safety and Health remain a critical focus for the Group.

SETSCO's dedication to safety was once again recognised by its clients, receiving two awards from ExxonMobil for achieving five consecutive injury-free years and a Zero Lost Time Injury award from the Petrochemical Corporation of Singapore.

Overall, the Lost Time Injury Rate was 2.16 incidents per million hours for the Group in 2025. While the incidents were of low severity, Management took swift action to implement corrective measures, such as improving workplace demarcation and enhancing supervision.

Sustainability

The Group's commitment to environmental stewardship extends to the new hub at Jalan Papan. The building incorporates sustainable features like high energy efficiency with the installation of solar panels, good water efficiency, adequate environmental protection, and good indoor environmental quality. These



VICOM receives the Singapore Corporate Sustainability Award at the SIAS Investors' Choice Awards 2025.

features, together with a climatic responsive design, have qualified the building for the Green Mark Platinum Super Low Energy Award with Whole Life Carbon and Maintainability badge by the Building and Construction Authority. This award affirms the Group's commitment to integrating sustainability into our operations. The installation of high-capacity EV chargers within the building's premises further reinforces our role as an enabler of sustainability, supporting the electrification of vehicles.

For information on our ESG initiatives, please refer to our Sustainability Report 2025.

Recognitions

The Group's excellence in governance and operations was recognised with several prestigious awards in 2025.



Team VICOM at the Singapore Corporate Awards, receiving the Silver Award for Best Investor Relations.

- At the Singapore Corporate Awards, VICOM secured a Silver Award for "Best Investor Relations".
- At the Securities Investors Association Singapore, VICOM was honoured with the "Singapore Corporate Sustainability Award".
- VICOM was recognised at The Edge Singapore Centurion Club Awards 2025, achieving the "Highest weighted return on equity over three years".
- VICOM received the "Plaque of Commendation" from the National Trades Union Congress at the May Day Awards for its commitment to employee welfare.
- VICOM was recognised as a "Company of Good" by the National Volunteer and Philanthropy Centre.