

OPERATIONS REVIEW



119.5

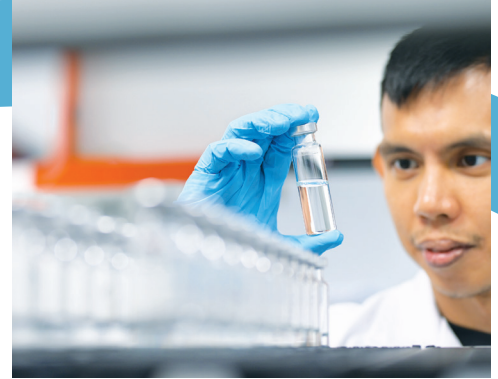
Revenue (\$'Million)



959

Total Number of Employees

The non-vehicle testing business continued expanding its capabilities in existing and adjacent areas, serving diverse sectors including environmental, food, soil, cybersecurity testing and certification services.



VICOM inspector inserting a probe to measure emissions.

Overview

In 2024, the Group demonstrated steady growth and expansion across its vehicle and non-vehicle testing businesses.

The vehicle inspection business saw a slight increase in market share while the Vehicle Emission Testing Laboratory also saw increased activity due to new testing procedures for private cars. Several digital initiatives, including a new Vehicle Inspection & Type Approval System and an In-Vehicle Unit Inspection Queue System, were launched to enhance customer experience.

The non-vehicle testing business continued expanding its capabilities in existing and adjacent

areas, serving diverse sectors including environmental, food, soil, cybersecurity testing and certification services. The planned development of the Jalan Papan site is also progressing well, with more new testing capabilities planned when the building is ready in the first half of 2026.

The Group made strides in sustainability during the year, acquiring more electric vans to replace the internal combustion engine vans, and generating significant renewable energy from solar panels across multiple premises. Additionally, the Group's commitment to resource conservation also led to energy savings across operations.

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Vehicle Testing Business

In 2024, VICOM inspected 525,108 vehicles, an increase from 520,895 in 2023, reflecting the core business's continued steady growth. The company's overall market share in the vehicle inspection business rose slightly to 72.9%, up from 72.6% the previous year.

The installation of the new ERP 2.0 On-Board Units (OBUs) began with a small-scale rollout in December 2023, followed by a transition to full-scale deployment in November 2024. By the end of 2024, VICOM had installed 77,000 vehicles with the new OBUs.

Demand for emissions testing at the Vehicle Emission Testing Laboratory in 2024 has been strong, with the Worldwide Harmonised Light Vehicles Test Procedures being expanded to include passenger vehicles.

Several new digital initiatives were introduced to improve client satisfaction. The company launched a new Vehicle Inspection & Type Approval System, making online booking for the service at inspection centres more convenient for customers. Additionally, a new prepayment feature was added to make the process from booking to payment seamless.

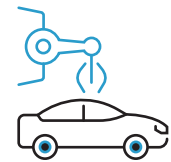
A new In-Vehicle Unit Inspection Queue System was introduced at VICOM Bukit Batok and VICOM Kaki Bukit which displays real-time queue status and alerts motorists to prepare for their turn. User feedback has been positive, and a rollout across all centres is planned for 2025.

Non-Vehicle Testing Business

The non-vehicle testing business experienced varied performance across the different sectors, with increased job volume in the robust construction sector in 2024 but impacted by subdued sentiment in the manufacturing sector during the first half of 2024.

Environmental Testing, including both field sampling and laboratory analysis, remained a strong part of SETSCO. Notable wins included a long-term contract to conduct seawater and sediment analysis for coastal development at Pulau Sudong, along with contracts with major electronics clients for water and air emissions testing, as well as wastewater analysis at the Kranji Water Reclamation Plant.

Additionally, SETSCO also supported environmental testing after the Pasir Panjang oil spill, conducting water quality tests to assess the impact on surrounding offshore fish farms.



Implemented a new In-Vehicle Unit Inspection Queue System that displays real-time queue status.

In 2024, VICOM inspected **525,108** vehicles, an increase from 520,895 in 2023



Inspecting the undercarriage of a vehicle to detect any unauthorised modifications.



Air sampling with impinger for ion chromatography test.

In Food & Microbiological Testing, SETSCO secured several key projects from the Singapore Food Agency, including contracts for testing of flour, seafood, and ready-to-eat food for bromate or microbiological parameters. A few existing contracts for food safety and sampling services were also extended.

Another major achievement was the award of a contract to provide real-time molecular testing for up to 30,000 environmental samples for the National Environment Agency, enabling the detection of SARS-CoV-2 and other targets. This large-scale undertaking required substantial laboratory capacity and meticulous execution to ensure accurate and timely results.

In Chemical Testing, key achievements included securing a two-year contract with a major client for advanced degradation studies and reaction mixture analysis using various special techniques and specialised equipment.

During the year, SETSCO was featured in three episodes of Talking Point on Singapore-based multinational news network CNA. The programmes showcased SETSCO's microbiological and chemical testing abilities, discussing topics such as the presence of heavy metals in chocolates, the caloric values of hotpot ingredients, and the risks associated with bird droppings.

SETSCO is involved in the testing of flour, seafood, and ready-to-eat food for bromate and microbiological parameters.

SETSCO successfully added fatigue testing to its accreditation scope, enabling it to win a tender from the Housing & Development Board (HDB).

In support of the government's goal to deploy 60,000 Electric Vehicle Charging Systems (EVCS) nationwide by 2030, SETSCO partnered with key stakeholders to establish new capabilities for inspecting and maintaining EVCS, unlocking a new business opportunity.

Other key collaborations continued with oil majors, including the renewal of a major non-destructive testing (NDT) contract through February 2029, and additional short-term projects for its facilities and repair, maintenance and pre-turnaround projects at parts of Jurong Island.

Other highlights included the successful execution of multiple NDT services for key aviation companies, radiographic testing on engine blades, and securing a contract with PSA Corporation for load testing on over-height gears.

SETSCO further strengthened its position in the certification sector, securing several notable contracts that showcased its audit expertise across diverse domains. These included data protection trustmark contracts with



SETSCO secured significant contracts in the construction sector, including major wins for the Changi East project and long-term core and shell works at Changi Airport to connect Terminal 2 with the broader airport infrastructure

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Highly-trained technician carrying out dimensional calibration on complex artifacts.



Deployment of heavyweight deflectometer in pavement testing.



Accredited mass calibration ensures traceability to national and international standards.

prominent companies in the banking sector and management system audits such as ISO 27001. The company also received several certification audits requests from overseas clients.

SETSCO secured significant contracts in the construction sector, including major wins for the Changi East project and long-term core and shell works at Changi Airport to connect Terminal 2 with the broader airport infrastructure. The construction materials testing team also expanded its footprint, securing sand and aggregate testing contracts for HDB projects and proactively acquiring water tightness testing contracts for windows.

SETSCO's expertise in advanced testing methods led to multiple contracts for ground-penetrating radar services at prominent sites like NUH Medical Centre and Marina Bay Sands. The polymer testing team secured contracts for long-term flexural creep tests, essential for assessing sewage pipe durability. Other notable achievements included paint quality testing for HDB, pavement integrity evaluations at Changi and Seletar airports, surface friction surveys of runways at Paya Lebar, Tengah, and Changi airbases, and soil investigation work for new HDB developments.

Setsco-AN Security (SANS), SETSCO's cybersecurity arm, further expanded its accreditation scope in 2024 to include the Network Security Assurance Scheme for telecommunication devices, becoming the first test laboratory in Southeast Asia to achieve this.

During the year, SANS also secured ISO 17025 accreditation for Common Criteria evaluations at SETSCO Malaysia and received approval from Cybersecurity Malaysia to certify IT products in the country.

Other notable projects included several Cybersecurity Labelling Scheme evaluations for new router products and medical devices. Additionally, SANS obtained the Cybersecurity Services Provider's License from the Cyber Security Agency of Singapore, bolstering its recognition in Solution Security Acceptance Test and Vulnerability Assessment and Penetration Testing.

New Testing Capabilities

SETSCO introduced a new testing service to measure the electrical resistivity of soil and rock, adhering to IEEE-81 and BS1377 standards, which is critical for assessing the safety and effectiveness of electrical grounding systems and protecting underground structures like pipelines from corrosion. The service was well sought in major projects, including the Loyang North Substation, Keppel Sakra Cogen JEL on Jurong Island, and the Tuas Water Reclamation Plant.

During the year, SETSCO also launched a testing service for Per- and Polyfluoroalkyl Substances (PFAS) in fire-fighting foam, addressing growing demand following the National Environment Agency's announced ban on PFAS-containing foams. The service was subsequently expanded to include PFAS analysis in drinking water and food products.

As part of its growth strategy, SETSCO also leveraged on the NTUC Company Training Committee grants to develop new capabilities. With the acquiring of a MALDI-TOF mass spectrometer which is able to efficiently and accurately identify micro-organisms, SETSCO was able to expand into new sectors such as pharmaceuticals and healthcare.



Deepening Our Knowledge

The Group continues to prioritise the importance of continuous learning and development of its staff. To enhance learning experience, the "VICOM Supplementary Learning Modules" were introduced to its online LinkedIn Learning programme, adding more than four hours of curated content to the existing learning pathway. These modules focus on building resilience, adapting to change, fostering positive psychology, promoting effective teamwork, and managing difficult conversations. This initiative aims to strengthen employees' soft skills and mental resilience, enabling them to thrive in a dynamic environment.

To further strengthen the capabilities and skill sets of VICOM's current and future potential Chief Inspectors and Assistant Centre Managers, VICOM partnered with the Singapore Institute of Management and implemented a "Skills for Supervisory Management" course, a three-day programme which equips current and future leaders with essential people management skills to improve teamwork, performance, and motivation.

Improving Customer Experience and Engagement

The Group places a high value on customer experience, recognising its crucial role in shaping customer perceptions of the brand through every interaction. To enhance this experience, several digital initiatives were implemented during the year, including a new Vehicle Inspection & Type Approval System and an In-Vehicle Unit Inspection Queue System, streamlining online booking and adding a convenient prepayment feature for customers. As a testament to VICOM's ongoing commitment to customer experience, the company received 10,372 compliments, compared to 10,269 in the preceding year.

To enhance branding, strengthen customer engagement, and further distinguish the SETSCO brand from competitors, a year-long branding initiative was undertaken which led to the development of a new brand essence and refresh of the SETSCO corporate logo.

"VICOM Supplementary Learning Modules"

were introduced to its online LinkedIn Learning programme, adding more than four hours of curated content to the existing learning pathway



Constant engagement with our customers to know their needs and expectations for improved customer satisfaction.

As part of the rebranding, SETSCO introduced updated marketing collaterals and a corporate video showcasing the new brand narrative. A redesigned website was launched, featuring interactive elements and an AI chatbot named "Ask Laura." The chatbot enables faster connections with sales personnel and provides swift responses to customer enquiries, enhancing the overall user experience.

Progress on the Jalan Papan development

The plan to develop the new Jalan Papan site is progressing as planned with piling works completed in the third quarter of 2024 and the building is expected to obtain the temporary occupation permit in first half of 2026.

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Upon completion, the site will accommodate a larger vehicle inspection centre to meet the growing demand expected in the western part of Singapore, and also bring on stream new testing capabilities for the non-vehicle testing business. Additionally, the site will house one of Southeast Asia’s largest ultrafast EV charging hubs, featuring up to 70 direct-current charging points with 360kW and 120kW capabilities.

Sustainability

The Group is committed to reducing its environmental impact through the adoption of sustainable technologies.

During the year, the Group added another three EV vans, bringing the total EV fleet to five. This is part of a larger strategy of the Group to progressively electrify its vehicle fleet, with the ambitious goals of electrifying 50% by 2030 and 100% by 2040.

During the year, the Group generated 1.79MWh of electricity from solar panels installed across six of our premises, equivalent to the annual electricity consumption of 400 four-room flats. This renewable energy contributed up to 40% of the total electricity consumed by some of our premises. The surplus electricity generated was sold back to the grid, further supporting sustainability efforts and contributing to the local energy supply.

For more information on our ESG initiatives, please refer to our Sustainability Report 2024.

Safety

Safety is of paramount importance to the Group.

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Through the collective effort of both Management and staff, the Group further improved its Lost Time Injury Rate (LTIR) to 0.44 incidents per million hours in 2024, down from the 0.92 achieved in 2023. This marks the second consecutive year of improvement, from a LTIR of 2.4 in 2022.

SETSCO’s steadfast commitment to workplace safety, was further underscored by receiving four safety awards during the year. ExxonMobil recognised SETSCO with an award for achieving “Zero recordable injuries over consecutive years” and another for “Exemplary safety performance in maintaining an injury-free record”. Similarly, the Petrochemical Corporation of Singapore (PCS) honoured SETSCO with two accolades: one for achieving “Zero lost-time injuries” and a “Safety Excellence Award”, acknowledging its contributions toward a combined milestone of 60 million hours worked by employees and contractors without a lost-time injury.

Recognitions

- At the Singapore Corporate Awards (SCA), VICOM secured a Gold Award for “Best Annual Report” in the mid-cap category. Additionally, VICOM received two Bronze Awards at the SCA, one for “Best Managed Board” and another for “Best Investor Relations.”
- At the Securities Investors Association Singapore Investors’ Choice Awards, VICOM was honoured with two prestigious titles: Winner of the Shareholder Communications Excellence Award 2024 and the Singapore Corporate Sustainability Award (Mid-cap category).
- VICOM was recognised at The Edge Singapore Centurion Club Awards 2024, receiving an award for achieving to the “Highest weighted return on equity over three years” among holding companies in the industrial & commercial services and industrial goods sector.



Certified IRATA rope access inspectors equipped with safety gears during inspection of storage tanks.