VICPLAS INTERNATIONAL LTD
(Incorporated in the Republic of Singapore)
(Registration No. 199805362R)

RESPONSE TO SGX QUERIES ON ANNUAL REPORT 2014

The Board of Directors of Vicplas International Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to respond to the queries raised by the Singapore Exchange Limited ("**SGX**") in its email dated 20 November 2014 on the Annual Report of Vicplas International Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") for the financial year ended July 31, 2014 ("**Annual Report 2014**") as follows:

Question (1): Paragraph 9.2 of the Code states that the Company should fully disclose the remuneration of each individual director and the CEO on a named basis. For administrative convenience, the Company may round off the disclosed figures to the nearest thousand dollars. There should be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. As the Company did not fully disclose the remuneration of each individual director and the CEO as required under Listing Rule 1207(12), please make the disclosure as recommended in the Code or otherwise explain any deviation from the recommendation.

Response: Due to competitive reasons and confidentiality and sensitivity of remuneration matters, the Company has disclosed only the remuneration mix and remuneration band of each individual director and the Group CEO on a named basis on page 17 of the Annual Report 2014 and the annual aggregate remuneration (i.e. directors' fees) to be paid to all directors on page 90 of the Annual Report 2014.

The Company is of the view that the information disclosed in the Annual Report 2014 should be sufficient for shareholders of the Company to form an adequate understanding of the Company's remuneration policies and practice. The Company believes that full disclosure of remuneration of each individual director and the Group CEO on a named basis could be disadvantageous to the Group's business interests, given the highly competitive industry conditions.

Question (2): Paragraph 9.3 of the Code states that the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.3 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Response: The Company has complied with paragraph 9.3 of the Code in disclosing the remuneration of the top five key management personnel (who are not directors) in bands on page 17 of the Annual Report 2014. However, their aggregate remuneration which was S$2,021,000 should have been provided. It is noted that as the Group CEO is not a member of the Board, the Group CEO is included as one of the Group's top five key management personnel.

Question 3: Paragraph 9.4 of the Code states that the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000. Please make disclosures as recommended in paragraph 9.4 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Response: The Company has disclosed on page 17 of the Annual Report 2014 the immediate family member of Mr Cheng Liang, the Acting Group CEO. However, the remuneration of his son, Mr Cheng Hsheng@ Zhang Zixian, Director of Business Development & Operations of Vicplas Holding Pte Ltd should have been provided as follows:

Remuneration band: S$150,000 to S$199,999

	Salary (%)	Bonus (%)	Other benefits (%)	Total remuneration (%)
Mr Cheng Hsheng@ Zhang Zixian	48	27	25	100

He holds 1,000,000 options under the Vicplas International Share Option Plan.

Question 4: Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board's comments on the adequacy and effectiveness of the Company's information technology and risk management systems or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Response: During the financial year under review, the AC has reviewed the adequacy and effectiveness of the Group's internal controls and risk management systems. Based on reviews conducted by the management, work performed by the internal auditors and external auditors, assurances from the Group CEO and the Chief Financial Officer on the financial records and effectiveness of the Company's internal controls and risk management systems, the Board, with the concurrence of the AC, is of the opinion that the internal controls and risk management systems in place are adequate and effective in addressing the Group's financial, operational, compliance and information technology risks as at July 31, 2014.

BY ORDER OF THE BOARD

Cheng Liang
Acting Group Chief Executive Officer
Singapore, 21 November 2014