

1(a) An income statement for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	S\$'000		%
	31 Jan 2019	31 Jan 2018 (Restated*)	Increase/(Decrease)
Revenue	37,098	35,316	5.0
Other income	1,482	1,369	8.3
Changes in inventories of finished goods and work-in progress	413	(1,081)	nm
Raw materials and consumables used	(16,104)	(14,083)	14.4
Purchase of finished goods for resale	(1,333)	(1,270)	5.0
Employee benefit expense	(11,646)	(10,246)	13.7
Depreciation and amortisation expenses	(1,960)	(1,764)	11.1
Other operating expenses	(7,598)	(6,869)	10.6
Finance costs	(120)	(68)	76.5
Profit before tax	232	1,304	
Income tax	78	141	(44.7)
Profit after tax	310	1,445	(78.5)
Other comprehensive (loss) income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(87)	30	nm
Other comprehensive (loss)/income for the period, net of tax	(87)	30	nm
Total comprehensive income for the period	223	1,475	(84.9)
Profit attributable to:			
Owners of the Company	331	1,444	(77.1)
Non-controlling interests	(21)	1	nm
	310	1,445	(78.5)
Total comprehensive income attributable to:			
Owners of the Company	244	1,474	(83.4)
Non-controlling interests	(21)	1	nm
	223	1,475	(84.9)

* The income statement for the six months ended 31 Jan 2018 have been restated to take into account the restrospective adjustments relating to Singapore Financial Reporting Standards (International) ("SFRS(I)") 15 *Revenue from Contracts with Customers* . Please refer to Item 4 of this announcement.

1(b)(i) A statement of financial position for the issuer and Group, together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company		
	31 Jan 2019 S\$'000	31 Jul 2018 S\$'000 (Restated*)	01 Aug 2017 S\$'000 (Restated*)	31 Jan 2019 S\$'000	31 Jul 2018 S\$'000	01 Aug 2017 S\$'000
ASSETS						
Current assets:						
Cash and cash equivalents	5,653	7,892	16,313	69	235	2,035
Trade receivables	22,677	19,376	19,038	-	-	-
Other receivables	3,016	2,116	2,567	37,027	38,148	37,047
Contract assets	2,670	4,037	2,020	-	-	-
Inventories	8,899	8,357	4,122	-	-	-
Total current assets	42,915	41,778	44,060	37,096	38,383	39,082
Non-current assets:						
Property, plant and equipment	20,807	20,166	17,488	-	-	-
Investment property	6,502	6,502	6,020	-	-	-
Joint venture	1,785	1,168	-	-	-	-
Associate	176	-	-	-	-	-
Intangible assets	1,181	1,201	1,181	-	-	-
Deferred tax asset	2,500	2,500	1,500	-	-	-
Subsidiaries	-	-	-	40,498	40,469	40,222
Total non-current assets	32,951	31,537	26,189	40,498	40,469	40,222
Total assets	75,866	73,315	70,249	77,594	78,852	79,304
LIABILITIES AND EQUITY						
Current liabilities:						
Bank borrowings	8,754	2,810	1,331	-	-	-
Trade payables	3,557	4,490	2,795	-	-	-
Other payables	5,687	5,979	5,202	1,753	1,547	1,294
Current portion of finance leases	222	172	254	-	-	-
Income tax payable	76	15	576	-	-	41
Total current liabilities	18,296	13,466	10,158	1,753	1,547	1,335
Non-current liabilities:						
Finance leases	113	142	314	-	-	-
Bank borrowings	-	-	15	-	-	-
Deferred tax liabilities	1,522	1,522	1,534	-	-	-
Total non-current liabilities	1,635	1,664	1,863	-	-	-
Capital and reserves:						
Share capital	50,407	50,407	50,053	50,407	50,407	50,053
Treasury shares	(37)	(37)	(37)	(37)	(37)	(37)
Share option reserve	1,426	1,372	1,169	1,426	1,372	1,169
Currency translation reserve	(1,037)	(950)	(1,013)	-	-	-
Revaluation reserve	2,965	2,965	2,965	-	-	-
Retained earnings	2,277	4,473	5,114	24,045	25,563	26,784
Equity attributable to owners of the Company	56,001	58,230	58,251	75,841	77,305	77,969
Non-controlling interests	(66)	(45)	(23)	-	-	-
Total equity	55,935	58,185	58,228	75,841	77,305	77,969
Total liabilities and equity	75,866	73,315	70,249	77,594	78,852	79,304

* The statement of financial position as at 31 Jul 2018 and 1 Aug 2017 have been restated to take into account the restrospective adjustments relating to SFRS(I) 15 *Revenue from Contracts with Customers* . Please refer to Item 4 of this announcement.

Notes : -

1 Revenue comprises:

	31 Jan 2019 S\$'000	31 Jan 2018 S\$'000
Medical devices	17,766	15,632
Pipes and pipe fittings	19,332	19,684
Total	37,098	35,316

2 Other income comprises:

	31 Jan 2019 S\$'000	31 Jan 2018 S\$'000
Gain on disposal of property, plant and equipment	-	10
Interest income from outside parties	3	6
Income from tooling, mould and maintenance services	1,178	872
Miscellaneous income, net:		
-Outside parties	227	286
Foreign exchange gain, net	-	96
Rental income:		
-Subsidiaries of the ultimate holding company	36	36
-Outside parties	6	6
Government grant	32	57
Total	1,482	1,369

3 Other operating expenses comprises:

Advertisement and marketing expenses
Audit fees
Computer expenses
Factory consumables
Foreign exchange loss, net
Insurance
Laboratory and testing
Professional fees
Packaging materials
Property tax
Rental of premises and equipment
Repair and maintenance
Sterilisation and decontamination
Tooling expenses
Transportation and freight
Travelling and entertainment
Upkeep of factory premises
Upkeep of vehicles
Water and electricity
Others
Total

31 Jan 2019 S\$'000	31 Jan 2018 S\$'000
(633)	(497)
(112)	(112)
(46)	(43)
(233)	(196)
(233)	-
(256)	(239)
(111)	(58)
(333)	(361)
(257)	(222)
(88)	(77)
(568)	(667)
(626)	(430)
(17)	(49)
(419)	(449)
(598)	(627)
(309)	(313)
(260)	(276)
(169)	(183)
(1,062)	(1,072)
(1,268)	(998)
(7,598)	(6,869)

4 Income tax comprises:

Current tax
Adjustment in respect of over provision of current tax in prior year
Withholding tax
Income tax for the year

31 Jan 2019 S\$'000	31 Jan 2018 S\$'000
(139)	(89)
224	238
(7)	(8)
78	141

Withholding tax arises from interests, management consultancy fees and rental charges to subsidiaries.

5 nm – not meaningful

1(b)(ii) Aggregate amount of Group’s borrowings and debt securities together with comparative figures as at the end of the immediate preceding financial year

Amount repayable in one year or less, or on demand

As at 31 Jan 2019		As at 31 Jul 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,976	-	2,982	-

Amount repayable after one year

As at 31 Jan 2019		As at 31 Jul 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
113	-	142	-

Details of any collateral

The Group’s bank borrowings are secured by way of legal mortgages over its leasehold land property and investment property of carrying value of approximately \$4,721,000 (31 Jul 2018: \$4,856,000) and investment property \$6,502,000 (31 Jul 2018: \$6,502,000) and a corporate guarantee by the Company of \$15,985,000 and US\$2,000,000 (31 Jul 2018: \$15,985,000). The Group’s obligations under finance leases are secured by the lessors’ title to the leased assets with carrying value of approximately \$363,000 (31 Jul 2018: \$463,000).

1(c) A statement of cash flows for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	1 Aug 2018 to 31 Jan 2019 S\$'000	1 Aug 2017 to 31 Jan 2018 S\$'000 (Restated*)
Operating activities:		
Profit before income tax	232	1,304
Adjustments for:		
Amortisation of intangible assets	20	16
Depreciation of property, plant and equipment	1,940	1,748
Gain on disposal of property, plant and equipment	-	(10)
Interest income	(3)	(6)
Interest expense	120	68
Share-based payment expenses	54	101
Operating cash flows before movements in working capital	2,363	3,221
Trade receivables	(3,353)	623
Other receivables	(393)	(4)
Contract assets	1,367	(1,356)
Inventories	(516)	(751)
Trade payables	(913)	1,061
Other payables	(567)	(1,339)
Cash generated (use in) from operations	(2,012)	1,455
Interest paid	(120)	(68)
Interest received	3	6
Income taxes (net)	139	(148)
Net cash (used in) from operating activities	(1,990)	1,245
Investing activities:		
Purchase of property, plant and equipment (see (a))	(2,145)	(1,755)
Prepayment for plant and equipment	(500)	(1,845)
Proceeds on disposal of property, plant and equipment	-	10
Investment in a joint venture	(617)	(1,168)
Investment in an associate	(176)	-
Net cash used in investing activities	(3,438)	(4,758)
Financing activities:		
Proceed from bank borrowings (net)	5,944	924
Repayments under finance leases	(106)	(157)
Proceeds from exercise of share options	-	160
Dividend paid	(2,526)	(2,516)
Net cash from (used in) financing activities	3,312	(1,589)
Net decrease in cash and cash equivalents	(2,116)	(5,102)
Cash and cash equivalents at beginning of period	7,892	16,313
Effect of foreign exchange rate changes	(123)	(37)
Cash and cash equivalents at end of period	5,653	11,174
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	5,653	11,174

Note (a):

During the period, the Group acquired property, plant and equipment with an aggregate cost of \$2,547,000 (31 Jan 2018: \$1,656,000) of which the outstanding amount of \$392,000 (31 Jan 2018: \$8,000) was acquired and remain unpaid at the end of the period under review and \$127,000 (31 Jan 2018: Nil) was acquired under finance lease. Cash payments of \$2,145,000 (31 Jan 2018: S\$1,755,000) were made to purchase property, plant and equipment of which \$117,000 (31 Jan 2018: \$107,000) pertain to payment of prior year outstanding balance.

1(d)(i) A statement for the issuer and Group showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Treasury shares	Share option reserve	Currency translation reserve	Revaluation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2019									
Group									
Balance at 31 Jul 2018	50,407	(37)	1,372	(950)	2,965	4,071	57,828	(45)	57,783
* Effects of change in accounting policies	-	-	-	-	-	401	401	-	401
Balance at 31 Jul 2018 (Restated)	50,407	(37)	1,372	(950)	2,965	4,472	58,229	(45)	58,184
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	331	331	(21)	310
Other comprehensive loss for the period	-	-	-	(87)	-	-	(87)	-	(87)
Total	-	-	-	(87)	-	331	244	(21)	223
Transactions with owners, recognised directly in equity:									
Dividends	-	-	-	-	-	(2,526)	(2,526)	-	(2,526)
Recognition of share-based payment	-	-	54	-	-	-	54	-	54
Total	-	-	54	-	-	(2,526)	(2,472)	-	(2,472)
Balance at 31 Jan 2019	50,407	(37)	1,426	(1,037)	2,965	2,277	56,001	(66)	55,935
Company									
Balance at 31 Jul 2018	50,407	(37)	1,372	-	-	25,563	77,305		
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	1,008	1,008		
Transactions with owners, recognised directly in equity:									
Dividends	-	-	-	-	-	(2,526)	(2,526)		
Issue of shares under scrip dividend scheme	-	-	-	-	-	-	-		
Recognition of share-based payment	-	-	54	-	-	-	54		
Total	-	-	54	-	-	(2,526)	(2,472)		
Balance at 31 Jan 2019	50,407	(37)	1,426	-	-	24,045	75,841		
FY 2018									
Group									
Balance at 31 Jul 2017	50,053	(37)	1,169	(1,013)	2,965	4,900	58,037	(23)	58,014
* Effects of change in accounting policies	-	-	-	-	-	214	214	-	214
Balance at 31 Jul 2017 (Restated)	50,053	(37)	1,169	(1,013)	2,965	5,114	58,251	(23)	58,228
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	1,445	1,445	1	1,446
Other comprehensive income for the period	-	-	-	30	-	-	30	-	30
Total	-	-	-	30	-	1,445	1,475	1	1,476
Transactions with owners, recognised directly in equity:									
Issue of share capital	160	-	-	-	-	-	160	-	160
Dividends	-	-	-	-	-	(2,516)	(2,516)	-	(2,516)
Recognition of share-based payment	-	-	101	-	-	-	101	-	101
Total	160	-	101	-	-	(2,516)	(2,255)	-	(2,255)
Balance at 31 Jan 2018	50,213	(37)	1,270	(983)	2,965	4,043	57,471	(22)	57,449
Company									
Balance at 31 Jul 2017	50,053	(37)	1,169	-	-	26,784	77,969		
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	2,142	2,142		
Transactions with owners, recognised directly in equity:									
Issue of share capital	160	-	-	-	-	-	160		
Dividends	-	-	-	-	-	(2,516)	(2,516)		
Recognition of share-based payment	-	-	101	-	-	-	101		
Total	160	-	101	-	-	(2,516)	(2,255)		
Balance at 31 Jan 2018	50,213	(37)	1,270	-	-	26,410	77,856		

1(d)(ii) Details of any changes in the Company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in share capital

	Number of shares			
	As at 31 Jan 2019		As at 31 Jan 2018	
	Number of shares	\$'000	Number of shares	\$'000
Balance at the beginning of the financial period	505,677,699	50,407	501,427,699	50,053
Issue of shares pursuant to the exercise of share options	-	-	2,250,000	160
Balance at the end of the financial period	505,677,699	50,407	503,677,699	50,213

As at 31 Jan 2019, there were 26,250,000 share options outstanding under the Vicplas International Share Option Plan (31 Jan 2018: 28,250,000 share options).

Treasury shares

	As at 31 Jan 2019	As at 31 Jan 2018
Treasury shares	461,000	461,000
Number of issued shares excluding treasury shares	505,216,699	503,216,699
Percentage of treasury shares against total number of issued shares (excluding treasury shares)	0.1%	0.1%

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares:

	As at 31 Jan 2019	As at 31 Jul 2018
Number of issued shares	505,677,699	505,677,699
Treasury shares	(461,000)	(461,000)
Number of issued shares excluding treasury shares	505,216,699	505,216,699

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	As at 31 Jan 2019		As at 31 Jan 2018	
	Number of treasury shares	S\$'000	Number of treasury shares	S\$'000
Balance at the beginning of the financial period	461,000	37	461,000	37
Balance at the end of the financial period	461,000	37	461,000	37

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during, and at the end of, the current financial period reported on.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

In December 2017, the Accounting Standards Council (“ASC”) issued the Singapore Financial Reporting Standards (International) (“SFRS(I)”). SFRS(I) comprises standards and interpretation that are equivalent to International Financial Reporting Standards as issued by the International Accounting Standards Board. SFRS(I) is the applicable financial reporting framework for the preparation and presentation of financial statements for Singapore incorporated companies listed on Singapore Exchange Securities Trading Limited.

The Group has applied the same accounting policies and methods of computations for the current reporting period consistent with those of the most recent audited financial statement as at 31 July 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 August 2018 as follows:

SFRS(I) 1	First-time Adoption of Singapore Financial Reporting Standards (International)
SFRS(I) 9	Financial Instruments
SFRS(I) 15	Revenue from Contracts with Customers

The results in this current announcement are not comparable to the results in previous announcements because of retrospective adjustments and restatement of comparative figures in this announcement.

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

SFRS(I) requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group’s financial statements.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for recognition, classification and measurement of financial assets, impairment of financial assets and hedge accounting from 1 January 2018. In relation to the impairment of financial assets, SFRS(I) 9 requires credit loss model and replaces the FRS39 incurred loss model. The adoption of SFRS(I) 9 does not have significant impact on the Group's financial statements.

SFRS(I) 15 Revenue from Contracts with Customers

In the current year, the Group has applied SFRS(I) 15 which is effective for an annual period that begins on or after 1 January 2018. SFRS(I) 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios.

Previously all sales of inventories were recognised as revenue at a point in time when the Group transferred significant risks and rewards of ownership of the goods to the buyer. Under SFRS(I) 15, the Group is required to assess its contracts with customers to determine whether the revenue should be recognised over time or at a point in time. Under the terms of the contracts with certain customers, the Group is contractually restricted from redirecting the goods to another customer and has an enforceable right to payment for work done. Under the requirements of SFRS(I) 15, revenue from such contracts is now required to be recognised over time. Such revenue is recognised on commencement of the production of goods based on the proportion of contract costs incurred for work performed to date. Revenue from other contracts are recognised at a point in time when the Group's performance obligations under the contracts have been fulfilled, which generally coincides when the goods are delivered and control of such goods have been passed to the customers. Under SFRS(I) 15, revenue recognised prior to the date on which it is invoiced to the customer is recognised as a contract asset. SFRS(I) 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue'.

As a result of the application of SFRS(I) 15, a portion of the Group's revenue (which would have been recognised in 1H FY2019 previously) had to be retrospectively adjusted to be recognised in the year ended 31 Jul 2018 instead. The impact on revenue for each of the reporting period is dependent on the amount of inventories in production and post-production at the end of each reporting period for contracts whereby the revenue is to be recognised over time. As the level of such inventories was lower as at 31 Jan 2019 when compared to 31 Jul 2018, the incremental revenue recognised in 1H FY2019 was lower than the revenue adjusted retrospectively to FY2018. However, on a cumulative basis, higher revenue, profit after tax and retained earnings were recognised as at 31 Jan 2019.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Item 4 of this announcement.

6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on the profit after tax attributable to shareholders

(a) Based on weighted average number of ordinary shares in issue
- Weighted average number of shares

(b) On a fully diluted basis
- Adjusted weighted average number of shares

31 Jan 2019 (in cents)	31 Jan 2018 (in cents) (Restated*)
0.07	0.29
505,216,699	501,851,210
0.07	0.29
505,665,885	502,113,459

7 Net asset value for the issuer and Group per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year.

Group

Net asset value per ordinary share

31 Jan 2019 (in cents)	31 Jul 2018 (in cents) (Restated*)
11.07	11.52

Company

Net asset value per ordinary share

31 Jan 2019 (in cents)	31 Jul 2018 (in cents)
15.01	15.30

The calculation of net asset value per ordinary share is based on 505,216,699 ordinary shares in issue excluding treasury shares as at 31 Jan 2019 (31 Jul 2018: 505,216,699 ordinary shares).

8 A review of the performance of the Group to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: -

(a) Any significant factors that affected the turnover, costs and earnings of the Group for the current period reported on, including (where applicable) seasonal or cyclical factors; and

(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

Income statement

Revenue for the Group increased to \$37.1 million for the six months ended 31 January 2019 ("1H FY2019") as compared to \$35.3 million for the six months ended 31 January 2018 ("1H FY2018"), driven by higher revenue from medical devices segment. The revenue for the medical devices segment was \$17.8 million in 1H FY2019, an increase of 13.7% from 1H FY2018 due to increased orders from its customers. The pipes and pipe fittings segment recorded revenue of \$19.3 million in 1H FY2019, a slight decrease of 1.8% from 1H FY2018.

Raw materials and consumables used increased by 14.4% due to increased revenue in the medical devices segment and margin squeeze in the pipes and pipe fittings segment. With the continued slowdown in residential construction projects in Singapore, the pipes and pipe fittings segment is facing price competition across all its products.

Employee benefit expenses were higher in 1H FY2019 due to increase in headcount and overtime in the medical devices segment to meet the higher revenue.

Depreciation and amortisation expenses increased due to higher machinery requirement in the medical devices segment.

Other operating expenses increased in order to support the increase in revenue in the medical devices segment.

The current year tax expense in 1H FY2019 is a credit of \$0.1 million due to a refund from IRAS in relation to prior year's tax amounting to \$0.2 million in the pipes and pipe fittings segment, partially offset by the tax expense of \$0.1 million in the Malaysian operations of the pipes and pipe fittings segment.

Overall, the Group recorded a net profit after tax of \$0.3 million for 1H FY2019 as compared to \$1.4 million for 1H FY2018.

Statement of financial position

Trade receivables increased due to higher sales in the medical devices segment.

Other receivables increased due to deposit placed for acquisition of new plant and equipment.

The decrease in contract assets were due to less amount of inventories in production and post-production for contracts whereby the revenue is to be recognised over time as at 31 Jan 2019.

Joint venture increased due to the partial capital injection made in Cambodia under the pipes and pipe fittings segment.

Associate increased due to the investment made for a 20% stake in a company based in UK.

Bank borrowings increased due to a bank loan of \$5 million for the medical devices segment to finance its business expansion and higher trust receipts utilised in the purchase of raw materials for the pipes and pipe fittings segment.

Cash flow

The operating cash flows before movements in working capital decreased to \$2.4 million in 1H FY2019 from \$3.2 million in 1H FY2018 due to the lower profit before income tax. Coupled with higher working capital requirement to support the increase in sales in 1H FY2019, especially in trade receivables, the net cash used in operating activities was negative \$2.0 million in 1H FY2019 as compared to positive net cash from operating activities of \$1.2 million in 1H FY2018.

Net cash used in investing activities was \$3.4 million in 1H FY2019 as compared to \$4.8 million in 1H FY2018 due to lower payments for plant and equipment and less investments made.

There was net cash from financing activities of \$3.3 million in 1H FY2019 due to increased bank borrowings with dividend paid remaining relatively constant.

Overall, the Group has a cash balance of \$5.7 million as at 31 January 2019.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statement disclosed to shareholders previously.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Medical devices segment

The medical devices segment continues to show encouraging signs of growth with an increase in revenue by 13.7% in 1H FY2019 as compared to 1H FY2018. This segment will continue to broaden and deepen its customer base to increase revenue as well as improve margins. In addition, it will continue to make further efficiency improvements in its manufacturing plants. In general, the segment has gained traction on its path to regain profitability but is mindful of the prevailing uncertainties in international trading conditions.

Pipes and pipe fittings segment

The segment expects the second half of the financial year ending 31 July 2019 to continue to be challenging due to lower margins from higher costs and increased competition. The segment will continue to focus on civil engineering projects, regional growth and product expansion. As announced, the segment's joint venture had acquired a piece of land in Cambodia. The segment will continue monitoring the market conditions in Cambodia before proceeding with the next phase of development.

Group

Overall, the Group expects to face challenges amidst uncertainties in the economy and will continue to exercise prudent cost management while developing new business opportunities and strengthening the base for its future growth.

11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period?

No dividend was declared or recommended for the current period reported on.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceeding financial period?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	S\$0.0025 per ordinary share
Tax Rate	One-tier tax exempt

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

There was no dividend declared or recommended for the period under review. As stated in the annual report for the year ended 31 July 2018, in order to provide greater flexibility for managing the Group's capital needs throughout the year, dividends (if any) will be paid as a lump sum final dividend rather than through a combination of interim and final dividends.

13 Interested person transactions.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
Sales of goods to subsidiaries and associates of Venner Capital S.A.	-	1,297

14 Negative confirmation on interim financial results under Rule 705(5) of the Listing Manual.

The Chairman of the Board and Chairman of the Audit Committee on behalf of the Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention which may render the unaudited consolidated half year financial results for the period ended 31 January 2019 to be false or misleading in any material respect.

15 Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1).

The Company has procured undertakings from all of its Directors and relevant Executive Officers (in the format set out in Rule 720(1) and appendix 7.7) in compliance with Listing Rule 720(1).

BY ORDER OF THE BOARD

Cheng Liang
Group Chief Executive Officer
14 March 2019