VICPLAS INTERNATIONAL LTD
(COMPANY REGISTRATION NO. 199805362R)
HALF-YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 JANUARY 2016

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 2016	31 Jan 2015	Increase/(Decrease)
1	Revenue	40,166	37,599	6.8
2	Other income	573	467	22.7
3	Changes in inventories of finished goods and work-in progress	52	868	(94.0)
4	Raw materials and consumables used	(14,982)	(14,231)	5.3
5	Purchase of finished goods for resale	(2,244)	(2,943)	(23.8)
6	Employee benefit expenses	(10,324)	(9,666)	6.8
7	Depreciation and amortisation expenses	(2,087)	(1,783)	17.0
8	Other operating expenses	(7,638)	(7,493)	1.9
9	Finance cost	(100)	(1)	9,900.0
10	Profit before income tax	3,416	2,817	21.3
11	Income tax expense	(1,402)	(1,202)	16.7
12	Profit for the period attributable to owners of the Company	2,014	1,615	24.7
	Other comprehensive loss, net of tax:			
	Items that may be reclassified subsequently to profit or loss:			
	Exchange differences on translation of foreign operations	(539)	(153)	252
	Other comprehensive loss for the period	(539)	(153)	252
	Total comprehensive income for the period attributable to owners of the Company	1,475	1,462	0.9

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 2016 S$'000	31 Jul 2015 S$'000	31 Jan 2016 S$'000	31 Jul 2015 S$'000
ASSETS				
Current assets:				
Cash and cash equivalents	13,707	14,001	553	281
Trade receivables	18,660	18,554	-	-
Other receivables	4,399	3,976	40,905	42,997
Inventories	8,383	7,332	-	-
Income tax receivable	-	113	-	-
Total current assets	45,149	43,976	41,458	43,278
Non-current assets:				
Property, plant and equipment	18,801	18,914	-	-
Investment property	6,137	6,137	-	-
Intangible assets	147	163	-	-
Deferred tax assets	1,522	1,540	-	-
Other receivables	-	351	-	-
Subsidiaries	-	-	37,152	37,150
Total non-current assets	26,607	27,105	37,152	37,150
Total assets	**71,756**	**71,081**	**78,610**	**80,428**
LIABILITIES AND EQUITY				
Current liabilities:				
Amount owing to banks	3,481	2,027	-	-
Trade payables	2,907	3,800	-	-
Other payables	4,178	5,165	639	889
Current portion of finance leases	423	221	-	-
Income tax payable	2,263	1,684	-	-
Total current liabilities	13,252	12,897	639	889
Non-current liabilities:				
Finance leases	631	531	-	-
Deferred tax liability	1,781	1,793	-	-
Total non-current liabilities	2,412	2,324	-	-
Capital and reserves:				
Share capital	49,807	47,436	49,807	47,436
Treasury shares	(37)	(37)	(37)	(37)
Share option reserve	845	810	845	810
Currency translation reserve	(880)	(341)	-	-
Revaluation reserve	3,062	3,062	-	-
Retained earnings	3,295	4,930	27,356	31,330
Total equity	56,092	55,860	77,971	79,539
Total liabilities and equity	**71,756**	**71,081**	**78,610**	**80,428**

Notes:

1 Revenue comprises:

	31 Jan 2016 S$'000	31 Jan 2015 S$'000
Medical devices	16,357	12,151
Pipes and pipe fittings	23,809	25,448
Total	40,166	37,599

2 Other income comprises:

	31 Jan 2016 S$'000	31 Jan 2015 S$'000
Foreign exchange gain	-	1
Interest income from outside parties	8	9
Gain on disposal of property, plant and equipment	47	10
Miscellaneous income from outside parties	449	411
Rental income from related parties	69	36
Total	573	467

3 Other operating expenses comprises:

	31 Jan 2016 S$'000	31 Jan 2015 S$'000
Foreign exchange loss	(134)	-
Building related expenses	(272)	(338)
Insurance	(251)	(206)
Legal, license and professional fees	(257)	(276)
Packaging materials	(450)	(288)
Repair and maintenance	(341)	(362)
Sterilisation and decontamination	(227)	(279)
Transportation and freight	(1,406)	(1,086)
Travelling expenses	(345)	(396)
Upkeep of motor vehicles	(108)	(178)
Water and electricity	(1,331)	(1,339)
Others	(2,516)	(2,745)
Total	(7,638)	(7,493)

Others comprise of administration expenses and marketing expenses.

4 Income tax expense comprises:

	31 Jan 2016 S$'000	31 Jan 2015 S$'000
Current tax	(1,326)	(1,109)
Adjustment in respect of underprovision of taxation in prior year	(57)	(77)
Withholding tax	(19)	(16)
Total	(1,402)	(1,202)

Withholding tax was paid to the Malaysian authority in respect of management consultancy fee and machinery rental charges from a subsidiary.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Jan 2016		As at 31 Jul 2015	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
3,904	-	2,248	-

Amount repayable after one year

As at 31 Jan 2016		As at 31 Jul 2015	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
631	-	531	-

Details of any collateral

The Group's bank borrowings are secured by way of legal mortgages over its leasehold land and buildings of carrying value of approximately S$5,530,000 (31 Jul 2015: S$5,668,000) and a corporate guarantee by the Company of S$15,985,000 (31 Jul 2015: S$9,685,000). The Group's obligations under finance leases are secured by the lessors' title to the leased assets with carrying value of approximately S$1,113,000 (31 Jul 2015: S$816,000).

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 2015 to 31 Jan 2016	1 Aug 2014 to 31 Jan 2015
	S$'000	S$'000
Operating activities:		
Profit before income tax	3,416	2,817
Adjustments for:		
Write back for doubtful debt	-	(50)
Depreciation of property, plant and equipment	2,071	1,767
Amortisation of intangible assets	16	16
Gain (loss) on disposal of property, plant and equipment	53	(10)
Share-based payment expenses	35	63
Interest income	(8)	(9)
Interest expense	100	1
Operating cash flows before movements in working capital	5,683	4,595
Trade receivables	(32)	477
Other receivables	(27)	9
Inventories	(1,433)	(1,058)
Trade payables	(1,041)	(1,368)
Other payables	(1,059)	(1,102)
Cash generated from operations	2,091	1,553
Interest paid	(100)	(1)
Interest received	8	9
Income tax paid	(737)	(979)
Net cash from operating activities	1,262	582
Investing activities:		
Purchase of property, plant and equipment (see (a))	(1,693)	(2,361)
Proceeds on disposal of plant and equipment	54	178
Net cash used in investing activities	(1,639)	(2,183)
Financing activities:		
Proceeds from exercise of share options	752	169
Increase in amount owing to banks	1,454	1,312
Repayment of obligations under finance leases	(201)	(1)
Dividend paid	(2,002)	-
Net cash from financing activities	3	1,480
Net decrease in cash and cash equivalents	(374)	(121)
Cash and cash equivalents at beginning of period	14,001	8,079
Effect of foreign exchange rate changes	80	(139)
Cash and cash equivalents at end of period	13,707	7,819
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	13,707	7,819

Note (a):
During the period, the Group acquired property, plant and equipment with an aggregate cost of S$2,220,000 (31 Jan 2015: S$2,306,000) of which S$43,000 (31 Jan 2015: S$Nil) was acquired and remain unpaid as at the end of the period and S$502,000 (31 Jan 2015: S$104,000) was acquired under finance lease arrangements. Cash payments of S$1,693,000 (31 Jan 2015: S$2,361,000) were made to purchase property, plant and equipment.

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	Accumulated profit	Attributable to owners of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
FY 2016							
Group							
Balance at 31 Jul 2015	47,436	(37)	810	(341)	3,062	4,930	55,860
Issues of shares on share option	753	-	-	-	-	-	753
Dividend paid to shareholders							
-Cash	-	-	-	-	-	(2,031)	(2,031)
-Share	1,618	-	-	-	-	(1,618)	-
Recognition of share-based payment	-	-	35	-	-	-	35
Total comprehensive income for the period	-	-	-	(539)	-	2,014	1,475
Balance at 31 Jan 2016	49,807	(37)	845	(880)	3,062	3,295	56,092
Company							
Balance at 31 Jul 2015	47,436	(37)	810	-	-	31,330	79,539
Issues of shares on share option	753	-	-	-	-	-	753
Dividend paid to shareholders							
-Cash	-	-	-	-	-	(2,031)	(2,031)
-Share	1,618	-	-	-	-	(1,618)	-
Recognition of share-based payment	-	-	35	-	-	-	35
Total comprehensive loss for the period	-	-	-	-	-	(325)	(325)
Balance at 31 Jan 2016	49,807	(37)	845	-	-	27,356	77,971
FY 2015							
Group							
Balance at 31 Jul 2014	46,767	(37)	693	(93)	3,062	(842)	49,550
Issues of shares	169	-	-	-	-	-	169
Recognition of share-based payment	-	-	63	-	-	-	63
Total comprehensive income for the period	-	-	-	(153)	-	1,615	1,462
Balance at 31 Jan 2015	46,936	(37)	756	(246)	3,062	773	51,244
Company							
Balance at 31 Jul 2014	46,767	(37)	693	-	-	9,112	56,535
Issues of shares	169	-	-	-	-	-	169
Recognition of share-based payment	-	-	54	-	-	-	54
Total comprehensive loss for the period	-	-	-	-	-	(40)	(40)
Balance at 31 Jan 2015	46,936	(37)	747	-	-	9,072	56,718

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.

Issued and fully paid ordinary shares	**Number of shares**			
	As at 31 Jan 2016		**As at 31 Jan 2015**	
	Number of shares	S$'000	Number of shares	S$'000
Balance at the beginning of the financial period	473,044,829	47,436	464,044,829	46,767
Issues of shares in pursuant to exercise of share options	10,050,000	753	2,250,000	169
Issues of shares in pursuant to the application of the Vicplas International Ltd Scrip Dividend Scheme to the final dividend of S$0.005 per share and special dividend of S$0.0025 per share for the financial year ended 31 Jul 2015	15,632,870	1,618	-	-
Balance at the end of the financial period	498,727,699	49,807	466,294,829	46,936

As at 31 Jan 2016, there were 20,700,000 share options outstanding under the Vicplas International Share Option Plan (31 Jan 2015: 27,500,000 share options).

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 2016	As at 31 Jul 2015
Number of issued shares	498,727,699	473,044,829
Treasury shares	(461,000)	(461,000)
Number of issued shares excluding treasury shares	498,266,699	472,583,829

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 2016		As at 31 Jan 2015	
	Number of shares	S$'000	Number of shares	S$'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.

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.

The same accounting policies and methods of computation are followed in the financial statement as compared with the most recent audited annual financial statements except for the adoption of new and revised accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 Aug 2015.

The adoption of these new/revised accounting standards (including its consequential amendments) and interpretations does not result in changes to the Group's and Company's accounting policies and has no material effect on the first half year announcement.

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.

Not applicable.

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.

	31 Jan 2016	31 Jan 2015
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 (in cents)	0.42	0.35
- Weighted average number of shares	476,856,361	465,010,862
(b) On a fully diluted basis (in cents)	0.42	0.35
- Adjusted weighted average number of shares	480,514,295	467,734,706

7 Net asset value for the issuer and group per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on and the immediately preceding financial year.

Group	**31 Jan 2016 (in cents)**	**31 Jul 2015 (in cents)**
Net asset value per ordinary share	11.26	11.82

Company	**31 Jan 2016 (in cents)**	**31 Jul 2015 (in cents)**
Net asset value per ordinary share	15.65	16.83

The calculation of net asset value per ordinary share is based on 498,266,699 ordinary shares in issue excluding treasury shares as at 31 Jan 2016 (31 Jul 2015: 472,583,829 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 S$40.2 million for the six months ended 31 Jan 2016 ("1H FY2016") from S$37.6 million for the six months ended 31 Jan 2015 ("1H FY2015"). As compared to the previous corresponding period, revenue of the medical devices segment increased by S$4.2 million due to an increase in orders from customers. Revenue for the pipes and pipe fittings segment decreased by S$1.6 million due to the slowdown in the construction industry in Singapore.

Other income increased by 22.7% as there was a gain on disposal of equipment and an increase in rental income for 1H FY2016 as compared to 1H FY2015.

Raw material and consumables used increased by 5.3% due to the increase in revenue.

Purchase of finished goods for resale decreased as a result of the lower revenue in the pipes and pipe fittings segment.

Employee benefit expenses increased due to general wage pressures.

The taxation expense for 1H FY2016 mainly relates to the pipes and pipe fittings segment which was profitable.

Overall, the Group has recorded a higher net profit after tax of S$2.0 million due primarily to the reduced losses of the medical devices segment.

Statement of financial position

Trade receivables increased slightly due to the increase in revenue.

Inventories increased as a result of the increase in production volume in the medical devices segment.

Trade payables and Other payables decreased due to more prompt payments made to creditors offset by the increase in bills payable.

Amount owing to bank relates to bills payable for the purchase of raw material for the pipes and pipe fittings segment. The increase in bills payable as at 31 Jan 2016 was due to the timing of purchase of raw material.

Cash flow

Net cash from operating activities for 1H FY2016 is an inflow of S$1.3 million which is S$0.7 million higher than the previous corresponding period mainly due to the improved performance of the Group. Net cash used in investing activities decreased to S$1.6 million for 1H FY2016 due to lower capital expenditures and the increase utilisation of finance lease arrangement. Net cash from financing activities decreased due to the payment of dividend to shareholders of S$2.0 million and the repayment of the finance leases.

Overall the Group has cash and bank balances of S$13.7 million as at 31 Jan 2016.

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

Although the Medical Device segment is not expected to turn profitable for the financial year ending 31 July 2016 ("FY2016"), this segment is expected to perform better in FY2016 than the financial year ended 31 July 2015 ("FY2015") with increasing revenue and higher utilisation of its manufacturing facilities.

Pipes and pipe fittings segment

While the construction industry in Singapore is expected to continue slowing down in FY2016, this could be mitigated by a potential increase in activity in the civil engineering sector. The pipes and pipe fittings segment will continue its strategy of expanding its current product range so as to attract new customers and provide better service to existing customers. The key risk in this segment remains the collectability of receivables. Management will continue to exercise prudence in managing this risk.

Overall, based on current expectation of better performance from the medical devices segment and potential regional and product expansion to limit the impact of a construction slow down on the pipes and pipe fittings segment, the Group is cautiously optimistic that it will remain profitable in FY2016.

11 Dividend

(a) Current financial period reported on

Interim dividend - S$0.0025 per ordinary share (one-tier tax exempt).

(b) Corresponding period of the immediately preceding financial year

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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$100,000 and transaction under shareholders' mandate pursuant to Rule 920) S$'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.	-	1,339
Income from mould and maintenance services received from subsidiaries and associates of Venner Capital S.A.	-	-

14 Negative assurance 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 their attention which may render the unaudited consolidated half year financial results ended 31 Jan 2016 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Cheng Liang
Acting Group Chief Executive Officer
8 March 2016