

**VICPLAS INTERNATIONAL LTD  
AND ITS SUBSIDIARIES**  
(Registration No. 199805362R)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED**

**31 JANUARY 2023**

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**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**
**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Period ended 31 January 2023**

	Note	Group		
		S\$'000		%
		6 months ended 31 January 2023	6 months ended 31 January 2022	Increase/ (Decrease)
<b>Revenue</b>		<b>66,413</b>	<b>63,246</b>	<b>5.0</b>
Other income		1,553	2,669	(41.8)
Changes in inventories of finished goods and work-in-progress		2,052	1,874	9.5
Raw materials and consumables used		(33,681)	(30,997)	8.7
Purchase of finished goods for resale		(566)	(384)	47.4
Employee benefits expense		(20,614)	(19,928)	3.4
Depreciation and amortisation expenses		(2,932)	(3,000)	(2.3)
Impairment loss recognised on financial assets		-	(83)	nm
Other operating expenses		(8,354)	(7,095)	17.7
Finance costs		(577)	(314)	83.8
<b>Profit before tax</b>	5	<b>3,294</b>	<b>5,988</b>	<b>(45.0)</b>
Income tax expense	6	(791)	(971)	(18.5)
<b>Profit after tax</b>		<b>2,503</b>	<b>5,017</b>	<b>(50.1)</b>
Other comprehensive (loss) income, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		(804)	282	nm
Other comprehensive (loss) income, net of tax		(804)	282	nm
<b>Total comprehensive income</b>		<b>1,699</b>	<b>5,299</b>	<b>(67.9)</b>
Profit attributable to:				
Owners of the Company		2,503	5,017	(50.1)
Total comprehensive income attributable to:				
Owners of the Company		1,699	5,299	(67.9)
<u>Other information</u>				
Adjusted EBITDA		7,380	9,581	(23.0)

Adjusted EBITDA refers to earnings before interest, tax, depreciation and amortisation; and excludes unrealised foreign exchange by adding back unrealised foreign exchange loss and deducting unrealised foreign exchange gain.

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**
**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**
**31 January 2023**

		<b>Group</b>		<b>Company</b>	
		<b>31 January 2023</b>	<b>31 July 2022</b>	<b>31 January 2023</b>	<b>31 July 2022</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	Note				
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents		6,656	8,888	212	71
Trade receivables		30,150	33,589	-	-
Other receivables		3,666	3,070	27,414	33,032
Contract assets		8,848	7,749	-	-
Income tax receivable		382	323	-	-
Inventories		22,576	23,640	-	-
Total current assets		72,278	77,259	27,626	33,103
<b>Non-current assets:</b>					
Property, plant and equipment	11	40,948	40,806	-	-
Right-of-use assets		7,973	8,801	-	-
Joint venture		1,795	1,795	-	-
Intangible assets	10	1,564	1,539	-	-
Deferred tax assets		111	143	-	-
Subsidiaries		-	-	49,979	49,846
Total non-current assets		52,391	53,084	49,979	49,846
<b>Total assets</b>		<b>124,669</b>	<b>130,343</b>	<b>77,605</b>	<b>82,949</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Bank borrowings	12	13,832	12,956	-	-
Contract liabilities		715	658	-	-
Trade payables		9,279	10,442	-	-
Other payables		6,011	8,881	981	4,322
Lease liabilities	13	1,375	1,311	-	-
Income tax payable		677	1,263	-	-
Total current liabilities		31,889	35,511	981	4,322
<b>Non-current liabilities:</b>					
Bank borrowings	12	5,277	6,393	-	-
Other payables		201	208	-	-
Lease liabilities	13	6,594	7,353	-	-
Deferred tax liabilities		2,817	2,566	-	-
Total non-current liabilities		14,889	16,520	-	-
<b>Capital and reserves:</b>					
Share capital	14	51,034	51,034	51,034	51,034
Treasury shares		(37)	(37)	(37)	(37)
Share option reserve		2,051	1,871	2,051	1,871
Currency translation reserve		(1,198)	(394)	-	-
Capital reserve		(169)	(169)	-	-
Statutory reserve		655	655	-	-
Revaluation reserve		2,965	2,965	-	-
Retained earnings		22,590	22,387	23,576	25,759
Total equity		77,891	78,312	76,624	78,627
<b>Total liabilities and equity</b>		<b>124,669</b>	<b>130,343</b>	<b>77,605</b>	<b>82,949</b>

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

**31 January 2023**

	Share capital	Treasury shares	Share option reserve	Currency translation reserve	Capital reserve	Statutory reserve	Revaluation reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>FY 2023</b>									
<b>Group</b>									
Balance at 1 August 2022	51,034	(37)	1,871	(394)	(169)	655	2,965	22,387	78,312
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	2,503	2,503
Other comprehensive loss for the period	-	-	-	(804)	-	-	-	-	(804)
Total	-	-	-	(804)	-	-	-	2,503	1,699
Transactions with owners, recognised directly in equity:									
Dividends	-	-	-	-	-	-	-	(2,300)	(2,300)
Recognition of share-based payment	-	-	180	-	-	-	-	-	180
Total	-	-	180	-	-	-	-	(2,300)	(2,120)
Balance at 31 January 2023	51,034	(37)	2,051	(1,198)	(169)	655	2,965	22,590	77,891
<b>FY 2022</b>									
<b>Group</b>									
Balance at 1 August 2021	50,984	(37)	1,584	(187)	(169)	460.00	2,965	16,043	71,643
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	5,017	5,017
Other comprehensive income for the period	-	-	-	282	-	-	-	-	282
Total	-	-	-	282	-	-	-	5,017	5,299
Transactions with owners, recognised directly in equity:									
Issue of share capital	50	-	-	-	-	-	-	-	50
Dividends	-	-	-	-	-	-	-	(2,300)	(2,300)
Recognition of share-based payment	-	-	11	-	-	-	-	-	11
Transfer to statutory reserve	-	-	-	-	-	6	-	(6)	-
Total	50	-	11	-	-	-	-	(2,300)	(2,239)
Balance at 31 January 2022	51,034	(37)	1,595	95	(169)	460	2,965	18,760	74,703

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

**31 January 2023**

		<b>Share capital</b>	<b>Treasury shares</b>	<b>Share option reserve</b>	<b>Retained earnings</b>	<b>Total</b>
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>FY 2023</b>						
<b>Company</b>						
Balance at 1 August 2022		51,034	(37)	1,871	25,759	78,627
Total comprehensive income for the period:						
Profit for the period		-	-	-	117	117
Transactions with owners, recognised directly in equity:						
Dividends	15	-	-	-	(2,300)	(2,300)
Recognition of share-based payment		-	-	180	-	180
Total		-	-	180	(2,300)	(2,120)
Balance at 31 January 2023		51,034	(37)	2,051	23,576	76,624
<b>FY 2022</b>						
<b>Company</b>						
Balance at 1 August 2021		50,984	(37)	1,584	27,545	80,076
Total comprehensive income for the period:						
Profit for the period		-	-	-	112	112
Transactions with owners, recognised directly in equity:						
Issue of share capital	14	50	-	-	-	50
Dividends	15	-	-	-	(2,300)	(2,300)
Recognition of share-based payment		-	-	11	-	11
Total		50	-	11	(2,300)	(2,239)
Balance at 31 January 2022		51,034	(37)	1,595	25,357	77,949

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

**31 January 2023**

	<b>Group</b>	
	<b>6 months ended 31 January 2023 S\$'000</b>	<b>6 months ended 31 January 2022 S\$'000</b>
<b>Operating activities:</b>		
Profit before income tax	3,294	5,988
Adjustments for:		
Impairment loss recognised on financial assets	-	83
Reversal of allowance for inventory obsolescence	-	(246)
Amortisation of intangible assets	29	35
Depreciation of property, plant and equipment	2,359	2,400
Depreciation of right-of-use assets	544	565
Gain on disposal of property, plant and equipment	(1)	(6)
Interest expense	577	314
Write off of property, plant and equipment	3	-
Share-based payment expenses	180	11
Operating cash flows before movements in working capital	<u>6,985</u>	<u>9,144</u>
Trade receivables	3,367	(6,825)
Other receivables	(418)	(1,340)
Inventories	349	(3,033)
Contract assets	(1,099)	528
Trade payables	(1,801)	2,063
Other payables	(3,000)	(469)
Contract liabilities	57	285
Cash generated from operations	<u>4,440</u>	<u>353</u>
Interest paid	(379)	(193)
Income taxes paid	(1,436)	(609)
Net cash from (used in) operating activities	<u>2,625</u>	<u>(449)</u>
<b>Investing activities:</b>		
Purchase of property, plant and equipment (see (a))	(2,462)	(4,747)
Deposit for purchase of property, plant and equipment	(216)	(1,172)
Proceeds on disposal of property, plant and equipment	437	6
Addition to intangible assets	(54)	(5)
Net cash used in investing activities	<u>(2,295)</u>	<u>(5,918)</u>

# **VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

## **D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

**31 January 2023**

	<b>Group</b>	
	<b>6 months ended 31 January 2023</b>	<b>6 months ended 31 January 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financing activities:</b>		
Proceeds from bank borrowings	2,000	5,449
Repayment of bank borrowings	(2,240)	(586)
Repayments of lease liabilities	(711)	(584)
Proceeds from exercise of share options	-	50
Dividends paid	(2,300)	(2,300)
Net cash (used in) from financing activities	(3,251)	2,029
Net decrease in cash and cash equivalents	(2,921)	(4,338)
Cash and cash equivalents at beginning of period	8,888	9,869
Effect of foreign exchange rate changes	689	(3)
Cash and cash equivalents at end of period	6,656	5,528
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	6,656	5,528

Note (a):

During the period, the Group acquired property, plant and equipment with an aggregate cost of S\$3,701,000 (31 January 2022: S\$3,828,000) of which S\$1,641,000 (31 January 2022: S\$807,000) remain unpaid at the end of the period. Cash payments of S\$2,462,000 (31 January 2022: S\$4,747,000) were made to purchase property, plant and equipment of which S\$402,000 (31 January 2022: S\$1,726,000) pertains to payment of prior period outstanding balance.



## **VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

### **E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

#### **1 Corporate information**

The Company is incorporated and domiciled in Singapore whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six month ended 31 January 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- a) Sale, developing, manufacturing and assembly of medical devices;
- b) Project design and engineering services; and
- c) Manufacturing, trading and distributing of pipes and pipe fittings

#### **2 Basis of Preparation**

The condensed interim financial statements for the six months ended 31 January 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 July 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

##### **2.1 New and amended standards adopted by the Group**

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 except for the adoption of new and revised accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 August 2022.

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 half year announcement.

##### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgement, estimates and assumptions that affect the actual application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## **VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

### **E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

#### **2.2 Use of judgements and estimates (cont'd)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- (i) Impairment test of property, plant and equipment and goodwill used in Medical devices segment: key assumption underlying recoverable amounts
- (ii) Calculation of expected credit loss: forward looking information that is based on assumptions for the future movement of different economic drivers and how these drivers will affect each others
- (iii) Allowances for inventories: write down of inventories to net realisable value and costing of inventories to be based on normal production capacity and unallocated fixed overheads should be expensed off
- (iv) Income tax: subject to numerous tax jurisdictions where judgement is involved in determining the Group-wide provision for income taxes
- (v) Impairment of investments in subsidiaries: reviews the investments in the subsidiaries periodically with the view of assessing whether there is any indication of impairment.

#### **3 Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**
**E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**
**4 Segment information**

For management purposes, the Group is currently organised into two main business activities. The business activities are the basis on which the Group reports to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The two main business activities are as follows:

- (a) Medical devices segment - Manufacturing and developing medical devices.
- (b) Pipes and pipe fittings segment - Manufacturing, trading and distributing of pipes and pipe fittings.

Segmented revenue and results for business or geographical segments of the Group in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediately preceding period.

**4.1 Reportable segments**

	Medical devices		Pipes & pipe fittings		Eliminations		Total	
	6 months ended 31 January 2023	6 months ended 31 January 2022	6 months ended 31 January 2023	6 months ended 31 January 2022	6 months ended 31 January 2023	6 months ended 31 January 2022	6 months ended 31 January 2023	6 months ended 31 January 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>								
External sales	47,368	44,969	19,045	18,277	-	-	66,413	63,246
<b>Results</b>								
Segment result	2,557	5,698	3,135	1,778	(385)	(201)	5,307	7,275
Unallocated expenses							(1,436)	(973)
Interest expense	(383)	(174)	(196)	(140)	2	-	(577)	(314)
Profit before income tax							3,294	5,988
Income tax expense							(791)	(971)
Profit for the period							2,503	5,017
<b>Other information</b>								
Capital expenditure	3,327	3,687	374	141	-	-	3,701	3,828
Depreciation and amortisation	1,969	2,144	963	856	-	-	2,932	3,000
<b>Balance Sheet</b>								
<b>Assets</b>								
Segment assets	87,876	85,335	36,448	38,606	-	-	124,324	123,941
Unallocated corporate assets							345	266
Consolidated total assets							124,669	124,207
<b>Liabilities</b>								
Segment liabilities	27,771	32,139	18,027	16,687	-	-	45,798	48,826
Unallocated corporate liabilities							980	674
Consolidated total liabilities							46,778	49,500

**Geographical segments**

	Revenue		Segment Assets		Capital Expenditure	
	6 months ended 31 January 2023	6 months ended 31 January 2022	6 months ended 31 January 2023	6 months ended 31 January 2022	6 months ended 31 January 2023	6 months ended 31 January 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	61,888	59,895	60,817	68,886	635	505
Malaysia	1,442	1,302	5,582	5,358	27	43
China	473	74	55,086	47,075	2,987	3,143
United Kingdom	2,610	1,975	3,184	2,888	52	137
	66,413	63,246	124,669	124,207	3,701	3,828

## VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

### E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 4 Segment information (cont'd)

##### 4.2 Disaggregation of revenue

	6 months ended 31 January 2023	6 months ended 31 January 2022
	S\$'000	S\$'000
<u>Segment revenue - Sales of goods</u>		
Medical devices segment	47,368	44,969
Pipes and pipe fittings segment	19,045	18,277
	<u>66,413</u>	<u>63,246</u>
 <u>Timing of revenue recognition</u>		
At a point in time:		
Medical devices segment	6,463	5,939
Pipes and pipe fittings segment	19,045	18,277
	<u>25,508</u>	<u>24,216</u>
 Over time:		
Medical devices segment	40,905	39,030
	<u>66,413</u>	<u>63,246</u>

#### 5 Profit for the period

Profit for the period has been arrived at after crediting/(charging):

	6 months ended 31 January 2023	6 months ended 31 January 2022
	S\$'000	S\$'000
Income from tooling, mould and maintenance services	807	1,558
Foreign exchange		
- realised foreign exchange (loss) gain, net	(395)	135
- unrealised foreign exchange loss, net	(628)	(206)
Government grant	14	51
Advertisement and marketing expenses	(408)	(309)
Reversal of allowance for inventory obsolescence	-	246
Factory consumables	(409)	(357)
Laboratory and testing	(201)	(209)
Professional fees	(446)	(411)
Repair and maintenance	(777)	(828)
Sterilisation and decontamination	(36)	(38)
Tooling expenses	(320)	(473)
Transportation and freight	(421)	(435)
Travelling and entertainment	(158)	(47)
Water and electricity	<u>(1,515)</u>	<u>(1,619)</u>

#### 6 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 31 January 2023	6 months ended 31 January 2022
	S\$'000	S\$'000
<u>Current tax:</u>		
Current tax expense	(625)	(852)
Adjustment in respect of prior period	(142)	-
 <u>Deferred tax:</u>		
Deferred tax expense relating to the origination and reversal of temporary difference	3	(91)
Adjustment in respect of prior years	(3)	
Withholding tax *	(24)	(28)
Total	<u>(791)</u>	<u>(971)</u>

\* Withholding tax arises from interests and rental charges to subsidiaries.

## VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

### E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 7 Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 January 2023 and 31 July 2022:

	Group		Company	
	31 January 2023	31 July 2022	31 January 2023	31 July 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
Loans and receivables (including cash and cash equivalents), at amortised cost:				
- Cash and cash equivalents	6,656	8,888	212	71
- Trade receivables	30,150	33,589	-	-
- Other receivables (excluding prepayments and VAT input)	2,035	1,735	27,414	33,032
At amortised cost	38,841	44,212	27,626	33,103
<b>Financial liabilities</b>				
Amortised cost:				
- Bank borrowings	19,109	19,349	-	-
- Trade payables	9,279	10,442	-	-
- Other payables	6,212	9,089	981	4,322
At amortised cost	34,600	38,880	981	4,322
Lease liabilities	7,969	8,664	-	-

#### 8 Holding company and related party transactions

The Company is a subsidiary of Venner Capital S.A., incorporated in the Republic of Panama, which is also its ultimate holding company. Mrs. Jane Rose Philomene Gaines-Cooper is a protector of Bird Island Trust ("BIT"), a fully discretionary trust under Liechtenstein law, the trustee of which is CTX Treuhand AG, a trust company based in Liechtenstein. Since December 5, 2019, she was named as the sole appointed beneficiary of the BIT by a deed of appointment. Mrs. Jane Rose Philomene Gaines-Cooper is deemed to be interested in the shares of Venner owned by BIT.

Some of the Company's transactions and arrangements are with the subsidiaries in the Group and of the ultimate holding company and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are therefore not disclosed in this note.

During the period, Group entities entered into the following transactions with group companies of the ultimate holding company:

	Group	
	31 January 2023	31 January 2022
	S\$'000	S\$'000
Sale of goods	428	748
Rental income	36	36
	464	784

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Subsidiaries and associates of Venner Capital S.A.	Venner Capital S.A. is a controlling shareholder of the Company	-	428

#### 9 Related party transaction

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the period, the Group entities entered into the following transactions with related parties as follows:

	Group	
	31 January 2023	31 January 2022
	S\$'000	S\$'000
<u>Entity in which a director is a partner</u>		
Legal fees expense	(120)	(146)

## VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

### E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 10 Intangible assets

	Group						
6 months ended 31 January 2023	Intellectual properties	Development costs	Customer relationships	Development rights	Software	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>							
At 1 August 2022	413	623	2,775	800	233	1,084	5,928
Additions	-	-	-	-	54	-	54
At 31 January 2023	413	623	2,775	800	287	1,084	5,982
<b>Accumulated amortisation:</b>							
At 1 August 2022	413	-	1,097	253	113	-	1,876
Amortisation charge	-	-	-	-	29	-	29
At 31 January 2023	413	-	1,097	253	142	-	1,905
<b>Impairment:</b>							
At 31 July 2022 and 31 January 2023	-	289	1,677	547	-	-	2,513
<b>Carrying amount:</b>							
At 31 July 2022	-	334	1	-	120	1,084	1,539
At 31 January 2023	-	334	1	-	145	1,084	1,564

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. During the six months ended 31 January 2023, the Group is of the view that no impairment on goodwill is necessary as there are no indications that goodwill might be impaired.

#### 11 Property, plant and equipment

During the six months ended 31 January 2023, the Group acquired assets amounting to S\$3,701,000 (31 January 2022: S\$3,828,000).

# **VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

## **E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **12 Bank borrowings**

Amount repayable in one year or less, or on demand

As at 31 January 2023		As at 31 July 2022	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
13,832	-	12,956	-

Amount repayable after one year

As at 31 January 2023		As at 31 July 2022	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,277	-	6,393	-

#### **Details of any collateral**

The Group's bank borrowings are secured by way of legal mortgages over its leasehold land property of carrying value of approximately S\$9,441,000 (31 July 2022: S\$9,689,000) and corporate guarantee by the Company of S\$26,985,000 and US\$2,000,000 (31 July 2022: S\$26,985,000 and US\$2,000,000).

### **13 Lease liabilities**

Amount repayable in one year or less, or on demand

Amount repayable after one year

As at 31 January 2023 S\$'000	As at 31 July 2022 S\$'000
1,375	1,311
6,594	7,353

### **14 Share capital**

#### **14.1 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.**

#### **Changes in share capital**

	Number of shares			
	As at 31 January 2023		As at 31 January 2022	
	Number of shares	S\$'000	Number of shares	S\$'000
Balance at the beginning of the financial period	511,537,699	51,034	511,087,699	50,984
Issue of shares pursuant to the exercise of share options	-	-	450,000	50
Balance at the end of the financial period	511,537,699	51,034	511,537,699	51,034

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

**E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

**14 Share capital (cont'd)**

**14.1 Outstanding share options**

Grant date	Exercise price per share	Number of share options							Exercise period
		As at 31 January 2022	Issued	Exercised	As at 31 July 2022	Issued	Exercised	As at 31 January 2023	
18 January 2016	S\$ 0.115	9,490,000	-	-	9,490,000	-	-	9,490,000	19 January 2017 to 18 January 2026
23 January 2017	0.108	7,900,000	-	-	7,900,000	-	-	7,900,000	24 January 2018 to 23 January 2027
11 January 2022	0.227	5,600,000	-	-	5,600,000	-	-	5,600,000	12 January 2023 to 11 January 2032
		22,990,000		-	22,990,000	-	-	22,990,000	

**14.2 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 January 2023	As at 31 January 2022
Number of issued shares	511,537,699	511,537,699
Treasury shares	461,000	461,000
Number of issued shares excluding treasury shares	511,076,699	511,076,699

**14.3 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 January 2023		As at 31 January 2022	
	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.

**15 Dividends**

**(a) Current financial period reported on**

Any dividend recommend for the current financial period reported on?

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

As mentioned in the Annual Report of the financial year ended 31 July 2019, in order to provide greater flexibility for managing the Group's capital needs throughout the year, dividend will be determined and declared at year end rather than half yearly. This flexibility will also place the Group in a stronger position to manage uncertainties in the macro environment as well as the Group's working capital, cashflow and capital expenditure requirements.

**(b) Corresponding period of the immediately preceding financial year**

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

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

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

Please refer to paragraph 15(a).



**E. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)****16 Net asset value**

**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 January 2023 (in cents)	31 July 2022 (in cents)
15.24	15.32

**Company**

Net asset value per ordinary share

31 January 2023 (in cents)	31 July 2022 (in cents)
14.99	15.38

The calculation of net asset value per ordinary share is based on 511,076,699 ordinary shares in issue excluding treasury shares as at 31 January 2023 (31 July 2022: 511,076,699 ordinary shares).

**17 Earnings per share**

**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 January 2023 (in cents)	31 January 2022 (in cents)
0.49	0.98
511,076,699	510,269,090
0.48	0.97
519,300,574	518,851,917

## **Other Information Required by Listing Rule Appendix 7.2**

## Other information

### 1 Review

The condensed consolidated statement of financial position of Vicplas International Ltd and its subsidiaries as at 31 January 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2 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 Company and its subsidiaries (the "Group") increased to S\$66.4 million for the six months ended 31 January 2023 ("1H FY2023") as compared to S\$63.2 million for the six months ended 31 January 2022 ("1H FY2022") driven by higher revenue from both medical devices and pipes and pipe fittings segments.

The revenue for the medical devices segment was S\$47.4 million in 1H FY2023, an increase of 5.3% from 1H FY2022 due to increased orders from its customers. The pipes and pipe fittings segment also recorded an increase of 4.2% in revenue from 1H FY2022 to S\$19.0 million in 1H FY2023 as construction activities in Singapore increased.

Other income decreased by 41.8% to S\$1.6 million in 1H FY2023 mainly due to lower tooling income as customers in the medical devices segment postponed or delayed commercialisation of some new projects due to uncertain macroeconomic conditions.

Raw materials and consumables used increased by 8.7% in 1H FY2023 due to the increase in revenue as well as inflationary pressures causing the prices of certain raw materials to increase.

Employee benefits expense (including salary) increased by 3.4% in 1H FY2023 due to increased headcount and overtime to meet the higher revenue.

Other operating expenses increased by 17.7% in 1H FY2023 mainly due to costs associated with the new Changzhou plant extension and the potential new plant in Mexico as well as higher marketing and travelling costs as markets reopened post-Covid and the Group took steps to source for new business opportunities. Foreign exchange losses of S\$1.0 million (of which S\$0.6 million was unrealised) was significantly higher in 1H FY2023 as compared to the same period last year of S\$0.1 million.

Finance costs increased by 83.8% to S\$0.6 million in 1H FY2023 reflecting both higher borrowings to fund business growth and the increase in interest rates as compared to the same period last year.

Income tax expense decreased by 18.5% in 1H FY2023 due to lower profitability.

Overall, the Group recorded a profit before tax of S\$3.3 million in 1H FY2023, a decrease of 45.0% from S\$6.0 million in 1H FY2022, and a profit after tax of S\$2.5 million for 1H FY2023, a decrease of 50.1% as compared to 1H FY2022.

The Group, in particular the medical devices segment continues to invest as it builds scale in its global manufacturing footprint to meet both current and future customer demand as indicated by the continuing high level of depreciation and amortisation. As previously announced, the Group had initiated the disclosure of Adjusted EBITDA as it could serve as an additional metric for evaluating the Group's operating performance. The Group's Adjusted EBITDA for 1H FY2023 was S\$7.4 million as compared to S\$9.6 million in 1H FY2022, a decrease of 23.0%.

#### Statement of financial position

Trade receivables decreased due to the improvement in collection as the gradual recovery in the global logistics situation relating to the medical devices segment resulted in the lower receivables turnover days.

Contract assets increased due to higher inventories in production and post-production in the medical devices segment for contracts whereby the revenue is to be recognised over time as at 31 January 2023 as compared to 31 July 2022.

Inventories decreased mainly due to improvement in inventory turnover days in the medical devices segment in light of the gradual recovery in the global logistics situation.

Right-of-use assets and Lease liabilities (total of current and non-current) decreased mainly due to the depreciation of existing facilities (including the Changzhou plant extension which commenced in 1H FY2023) and the corresponding amortisation of rental contracts for the facilities.

Trade payables and other payables decreased mainly due to payment of accruals, such as bonuses and lower payables turnover days related to the gradual recovery in the global logistics situation.

## Other information (cont'd)

### Cash flow

Net cash from operating activities for 1H FY2023 was S\$2.6 million, as compared to net cash used in operating activities of S\$0.4 million in 1H FY2022, as the improvement in trade receivables and inventories turnover days more than offset the decrease in profitability and increase in trade and other payables as mentioned above.

Net cash used in investing activities decreased to S\$2.3 million in 1H FY2023 due to lower capital expenditure incurred as compared to 1H FY2022 when the Changzhou plant extension was renovated and more plant and machineries were purchased for the medical devices segment.

Net cash used in financing activities for 1H FY2023 was S\$3.3 million as compared to net cash from financing activities of S\$2.0 million in 1H FY2022 due to lower proceeds from bank borrowings and higher repayment of bank borrowings.

### **3 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.

### **4 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 revenue of the medical devices segment grew to S\$47.4 million, a 5.3% increase over 1H FY2022. The segmental result however decreased to S\$2.6 million, a decrease of 55.1% over the same period last year. During 1H FY2023, the medical devices segment was impacted mainly by various factors.

Firstly, the Lunar New Year festival fell into the first half of the financial year ending 31 July 2023 ("FY2023") rather than the second half of FY2023, as was the case in the preceding financial year ending 31 July 2022. The customary slowdown during this festive period as well as planned plant closures and maintenance meant that there were approximately ten less working days in 1H FY2023 than the same period last year. In addition, during the relaxation of China's zero Covid-19 policy, there was increased staff absenteeism in production and indirect staff. The combined effect led to significant loss of production output and efficiency during 1H FY2023 as compared to the same period last year. Secondly, the medical devices segment faced rising production costs such as raw materials, labour and electricity brought about by the continued constraints in logistics and labour shortages as well as additional operating costs for its Changzhou plant extension which opened in 1H FY2023. Thirdly, higher finance costs were borne by the segment as interest rates increased on its existing loans used to fund its business growth. Foreign exchange losses (mainly unrealised) also increased significantly over the same period last year.

Notwithstanding that there has been a slight slowdown by customers in the rate of new products going to market due to the uncertain global macroeconomic conditions, this segment has continued to commercialise new projects and further expanded its global customer base over 1H FY2022. It continues to prioritise building strong capabilities to provide attractive solutions to its customers as well as improving its global manufacturing footprint to offer customers more choice and risk mitigation in their supply chain. To this end, the segment has identified a potential site in Juarez, Mexico and is actively negotiating the lease terms in order to set up its fifth manufacturing location.

Segmental performance may continue to be impacted by the cost factors discussed above as well as customers requiring changes to their currently established global supply chains. The segment is cautious about the rate of growth given the current international trading conditions and geopolitical uncertainties but will continue its strong focus on improvements in manufacturing capabilities, product mix, new plant utilisation and additional investments in sales and marketing to further underpin its growth.

#### Pipes and pipe fittings segment

The revenue of the pipes and pipe fittings segment in 1H FY2023 increased by 4.2% to S\$19.0 million from the same period last year as the construction industry in Singapore improved. It posted a segmental result of S\$3.1 million in 1H FY2023, a 76.3% increase from the same period last year due to supply improvements as well as the implementation of cost savings initiatives.

Although this segment is well-positioned to cater to the increase in demand for its products that is expected from the announced increase in public housing units to be launched over the next two years and accordingly it expects to continue growing its revenue for the rest of FY2023, there remain challenges in the current operating environment including, but not limited to, inflationary pressures, credit exposures and price competition. The segment will continue its focus on civil engineering projects and product expansion.

(Note: The segmental results of the medical devices segment and pipes and pipe fittings segment are before corporate, interest and tax expenses as set out in Note 4 of the Condensed Interim Financial Statements.)

#### Group

The Group grew its revenue in 1H FY2023 by 5.0% to S\$66.4 million as compared to S\$63.2 million in 1H FY2022 and its profit after tax decreased by 50.1% to S\$2.5 million in 1H FY2023 as compared to S\$5.0 million in 1H FY2022.

The Group remains extremely vigilant on its performance given the state of the current global economy with uncertain global macroeconomic conditions, inflationary pressures, rising interest rates and geopolitical tensions. The Group, faced with these challenges, adopts a dual approach of continuous improvement initiatives to drive down current operating costs whilst investing in development and expansion initiatives that will reap new business opportunities and strengthen its base for future growth with a wider geographical footprint.

**5 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 2023 to be false or misleading in any material respect.

**6 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**

Walter Tarca  
Group Chief Executive Officer

14 March 2023