

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

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

31 JANUARY 2022

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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 2022

	Note	Group		
		S\$'000		%
		6 months ended 31 January 2022	6 months ended 31 January 2021	Increase/ (Decrease)
Revenue		63,246	56,515	11.9
Other income		2,669	2,779	(4.0)
Changes in inventories of finished goods and work-in-progress		1,874	427	338.9
Raw materials and consumables used		(30,997)	(26,206)	18.3
Purchase of finished goods for resale		(384)	(615)	(37.6)
Employee benefits expense		(19,928)	(17,247)	15.5
Depreciation and amortisation expenses		(3,000)	(3,085)	(2.8)
Impairment loss recognised on financial assets		(83)	-	100.0
Other operating expenses		(7,095)	(6,111)	16.1
Finance costs		(314)	(241)	30.3
Profit before tax	5	5,988	6,216	(3.7)
Income tax expense	6	(971)	(1,228)	(20.9)
Profit after tax		5,017	4,988	0.6
Other comprehensive income, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		282	756	(62.7)
Other comprehensive income, net of tax		282	756	(62.7)
Total comprehensive income		5,299	5,744	(7.7)
Profit attributable to:				
Owners of the Company		5,017	4,988	0.6
Total comprehensive income attributable to:				
Owners of the Company		5,299	5,744	(7.7)

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES
B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
31 January 2022

		Group		Company	
		31 January 2022	31 July 2021	31 January 2022	31 July 2021
		S\$'000	S\$'000	S\$'000	S\$'000
	Note				
ASSETS					
Current assets:					
Cash and cash equivalents		5,528	9,869	230	69
Trade receivables		34,809	28,091	-	-
Other receivables		5,670	3,087	32,175	34,237
Contract assets		8,935	9,463	-	-
Income tax receivable		243	192	-	-
Inventories		20,178	16,693	-	-
Total current assets		75,363	67,395	32,405	34,306
Non-current assets:					
Property, plant and equipment	11	36,241	34,634	-	-
Right-of-use assets		9,272	6,014	-	-
Joint venture		1,795	1,795	-	-
Intangible assets	10	1,210	1,240	-	-
Deferred tax assets		326	577	-	-
Subsidiaries		-	-	49,364	49,354
Total non-current assets		48,844	44,260	49,364	49,354
Total assets		124,207	111,655	81,769	83,660
LIABILITIES AND EQUITY					
Current liabilities:					
Bank borrowings	12	10,995	5,038	-	-
Contract liabilities		1,275	990	-	-
Trade payables		11,584	8,637	-	-
Other payables		5,675	7,785	3,805	3,584
Lease liabilities	13	1,254	848	-	-
Income tax payable		672	350	15	-
Total current liabilities		31,455	23,648	3,820	3,584
Non-current liabilities:					
Bank borrowings	12	7,501	8,595	-	-
Other payables		224	234	-	-
Lease liabilities	13	8,034	5,085	-	-
Deferred tax liabilities		2,290	2,450	-	-
Total non-current liabilities		18,049	16,364	-	-
Capital and reserves:					
Share capital	14	51,034	50,984	51,034	50,984
Treasury shares		(37)	(37)	(37)	(37)
Share option reserve		1,595	1,584	1,595	1,584
Currency translation reserve		95	(187)	-	-
Capital reserve		(169)	(169)	-	-
Statutory reserve		466	460	-	-
Revaluation reserve		2,965	2,965	-	-
Retained earnings		18,754	16,043	25,357	27,545
Total equity		74,703	71,643	77,949	80,076
Total liabilities and equity		124,207	111,655	81,769	83,660

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

31 January 2022

		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
FY 2022										
Group										
Balance at 1 August 2021		50,984	(37)	1,584	(187)	(169)	460	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	14	50	-	-	-	-	-	-	-	50
Dividends	15	-	-	-	-	-	-	-	(2,300)	(2,300)
Recognition of share-based payment		-	-	11	-	-	-	-	-	11
Transfer to statutory reserve		-	-	-	-	-	6	-	(6)	-
Total		50	-	11	-	-	6	-	(2,306)	(2,239)
Balance at 31 January 2022		51,034	(37)	1,595	95	(169)	466	2,965	18,754	74,703
FY 2021										
Group										
Balance at 1 August 2020		50,605	(37)	1,546	(1,198)	(169)	-	2,965	8,012	61,724
Total comprehensive income for the period:										
Profit for the period		-	-	-	-	-	-	-	4,988	4,988
Other comprehensive income for the period		-	-	-	756	-	-	-	-	756
Total		-	-	-	756	-	-	-	4,988	5,744
Transactions with owners, recognised directly in equity:										
Issue of share capital	14	303	-	-	-	-	-	-	-	303
Dividends	15	-	-	-	-	-	-	-	(1,912)	(1,912)
Recognition of share-based payment		-	-	18	-	-	-	-	-	18
Total		303	-	18	-	-	-	-	(1,912)	(1,591)
Balance at 31 January 2021		50,908	(37)	1,564	(442)	(169)	-	2,965	11,088	65,877

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

31 January 2022

		Share capital	Treasury shares	Share option reserve	Retained earnings	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2022						
Company						
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
FY 2021						
Company						
Balance at 1 August 2020		50,605	(37)	1,546	21,059	73,173
Total comprehensive income for the period:						
Profit for the period		-	-	-	195	195
Transactions with owners, recognised directly in equity:						
Issue of share capital	14	303	-	-	-	303
Dividends	15	-	-	-	(1,912)	(1,912)
Recognition of share-based payment		-	-	18	-	18
Total		303	-	18	(1,912)	(1,591)
Balance at 31 January 2021		50,908	(37)	1,564	19,342	71,777

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

31 January 2022

	Group	
	6 months ended 31 January 2022 S\$'000	6 months ended 31 January 2021 S\$'000
Operating activities:		
Profit before income tax	5,988	6,216
Adjustments for:		
Impairment loss recognised on financial assets	83	-
Reversal of allowance for inventory obsolescence	(246)	-
Amortisation of intangible assets	35	31
Depreciation of property, plant and equipment	2,400	2,229
Depreciation of right-of-use assets	565	825
Gain on disposal of property, plant and equipment	(6)	(2)
Interest expense	314	241
Write off of property, plant and equipment	-	6
Share-based payment expenses	11	18
Operating cash flows before movements in working capital	9,144	9,564
Trade receivables	(6,825)	(10,131)
Other receivables	(1,340)	(198)
Inventories	(3,033)	3,030
Contract assets	528	(1,154)
Trade payables	2,063	2,058
Other payables	(469)	(839)
Contract liabilities	285	126
Cash generated from operations	353	2,456
Interest paid	(193)	(91)
Income taxes paid	(609)	(181)
Net cash (used in) from operating activities	(449)	2,184
Investing activities:		
Purchase of property, plant and equipment (see (a))	(4,747)	(2,814)
Deposit for purchase of property, plant and equipment	(1,172)	(144)
Proceeds on disposal of property, plant and equipment	6	2
Addition to intangible assets	(5)	-
Net cash used in investing activities	(5,918)	(2,956)

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

31 January 2022

	Group	
	6 months ended 31 January 2022	6 months ended 31 January 2021
	S\$'000	S\$'000
Financing activities:		
Proceeds from bank borrowings (net)	4,863	3,825
Repayments of lease liabilities	(584)	(657)
Proceeds from exercise of share options	50	303
Dividends paid	(2,300)	(1,912)
Net cash from financing activities	<u>2,029</u>	<u>1,559</u>
Net (decrease) increase in cash and cash equivalents	(4,338)	787
Cash and cash equivalents at beginning of period	9,869	4,481
Effect of foreign exchange rate changes	(3)	(65)
Cash and cash equivalents at end of period	<u>5,528</u>	<u>5,203</u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u>5,528</u>	<u>5,203</u>

Note (a):

During the period, the Group acquired property, plant and equipment with an aggregate cost of S\$3,828,000 (31 January 2021: S\$3,333,000) of which S\$807,000 (31 January 2021: S\$895,000) remain unpaid at the end of the period. Cash payments of S\$4,747,000 (31 January 2021: S\$2,814,000) were made to purchase property, plant and equipment of which S\$1,726,000 (31 January 2021: S\$376,000) 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 2022 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 2022 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 2021.

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 2021.

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 2021.

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 2022	6 months ended 31 January 2021	6 months ended 31 January 2022	6 months ended 31 January 2021	6 months ended 31 January 2022	6 months ended 31 January 2021	6 months ended 31 January 2022	6 months ended 31 January 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue								
External sales	44,969	40,495	18,277	16,020	-	-	63,246	56,515
Results								
Segment result	5,698	5,370	1,778	2,226	(201)	(265)	7,275	7,331
Unallocated expenses							(973)	(874)
Interest expense	(174)	(116)	(140)	(125)	-	-	(314)	(241)
Profit before income tax							5,988	6,216
Income tax expense							(971)	(1,228)
Profit for the period							5,017	4,988
Other information								
Capital expenditure	3,688	3,135	141	198	-	-	3,829	3,333
Depreciation and amortisation	2,144	2,150	856	935	-	-	3,000	3,085
Balance Sheet								
Assets								
Segment assets	85,335	63,511	38,606	37,474	-	-	123,941	100,985
Unallocated corporate assets							266	205
Consolidated total assets							124,207	101,190
Liabilities								
Segment liabilities	32,139	20,567	16,687	13,980	-	-	48,826	34,547
Unallocated corporate liabilities							674	766
Consolidated total liabilities							49,500	35,313

Geographical segments

	Revenue		Segment Assets		Capital Expenditure	
	6 months ended 31 January 2022	6 months ended 31 January 2021	6 months ended 31 January 2022	6 months ended 31 January 2021	6 months ended 31 January 2022	6 months ended 31 January 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	59,895	53,173	68,886	59,515	506	1,063
Malaysia	1,302	1,500	5,358	5,059	43	3
China	74	108	47,075	33,771	3,143	2,065
United Kingdom	1,975	1,734	2,888	2,845	137	202
	63,246	56,515	124,207	101,190	3,829	3,333

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 2022 S\$'000	6 months ended 31 January 2021 S\$'000
<u>Segment revenue - Sales of goods</u>		
Medical devices segment	44,969	40,495
Pipes and pipe fittings segment	18,277	16,020
	<u>63,246</u>	<u>56,515</u>
 <u>Timing of revenue recognition</u>		
At a point in time:		
Medical devices segment	5,939	9,013
Pipes and pipe fittings segment	18,277	16,020
	<u>24,216</u>	<u>25,033</u>
 Over time:		
Medical devices segment	39,030	31,482
	<u>63,246</u>	<u>56,515</u>

5 Profit for the period

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

	6 months ended 31 January 2022 S\$'000	6 months ended 31 January 2021 S\$'000
Income from tooling, mould and maintenance services	1,558	1,522
Foreign exchange loss, net	(71)	(94)
Government grant	51	38
Covid-19 related government subsidies	-	490
Advertisement and marketing expenses	(309)	(366)
Reversal of allowance for inventory obsolescence	246	-
Factory consumables	(357)	(349)
Laboratory and testing	(209)	(133)
Professional fees	(411)	(329)
Repair and maintenance	(828)	(494)
Sterilisation and decontamination	(38)	(101)
Tooling expenses	(473)	(252)
Transportation and freight	(435)	(471)
Travelling and entertainment	(47)	(131)
Water and electricity	<u>(1,619)</u>	<u>(1,039)</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 2022 S\$'000	6 months ended 31 January 2021 S\$'000
Current tax	(852)	(495)
Deferred tax	(91)	(705)
Withholding tax *	(28)	(28)
Total	<u>(971)</u>	<u>(1,228)</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 2022 and 31 July 2021:

	Group		Company	
	31 January 2022	31 July 2021	31 January 2022	31 July 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Loans and receivables (including cash and cash equivalents), at amortised cost:				
- Cash and cash equivalents	5,528	9,869	230	69
- Trade receivables	34,809	28,091	-	-
- Other receivables (excluding prepayments and VAT input)	4,048	1,578	32,175	34,202
At amortised cost	44,385	39,538	32,405	34,271
Financial liabilities				
Amortised cost:				
- Bank borrowings	18,496	13,633	-	-
- Trade payables	11,584	8,637	-	-
- Other payables	5,899	7,403	3,805	3,548
At amortised cost	35,979	29,673	3,805	3,548
Lease liabilities	9,288	5,933	-	-

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 2022	31 January 2021
	S\$'000	S\$'000
Sale of goods	748	855
Rental income	36	29
	784	884

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	-	748

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 2022	31 January 2021
	S\$'000	S\$'000
<u>Entity in which a director is a partner</u>		
Legal fees expense	(146)	(64)

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

10 Intangible assets

6 months ended 31 January 2022	Group						Total \$'000
	Intellectual properties \$'000	Development costs \$'000	Customer relationships \$'000	Development rights \$'000	Software \$'000	Goodwill \$'000	
Cost							
At 1 August 2021	413	289	2,775	800	193	1,084	5,554
Additions	-	-	-	-	5	-	5
At 31 January 2022	413	289	2,775	800	198	1,084	5,559
Accumulated amortisation:							
At 1 August 2021	387	-	1,097	253	64	-	1,801
Amortisation charge	-	-	-	-	35	-	35
At 31 January 2022	387	-	1,097	253	99	-	1,836
Impairment:							
At 31 July 2021 and 31 January 2022	-	289	1,677	547	-	-	2,513
Carrying amount:							
At 31 July 2021	26	-	1	-	129	1,084	1,240
At 31 January 2022	26	-	1	-	99	1,084	1,210

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 2022, 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 2022, the Group acquired assets amounting to S\$3,828,000 (31 January 2021: S\$3,333,000).

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 2022		As at 31 July 2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10,995	-	5,038	-

Amount repayable after one year

As at 31 January 2022		As at 31 July 2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,501	-	8,595	-

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\$10,026,000 (31 July 2021: S\$10,557,000) and corporate guarantee by the Company of S\$26,985,000 and US\$2,000,000 (31 July 2021: 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 2021 S\$'000	As at 31 July 2021 S\$'000
1,254	848
8,034	5,085

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 2022		As at 31 July 2021	
	Number of shares	S\$'000	Number of shares	S\$'000
Balance at the beginning of the financial period	511,087,699	50,984	507,677,699	50,605
Issue of shares pursuant to the exercise of share options	450,000	50	3,410,000	379
Balance at the end of the financial period	511,537,699	51,034	511,087,699	50,984

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 July 2021	Issued	Exercised	As at 31 January 2022	
18 January 2016	S\$ 0.115	9,740,000	-	(250,000)	9,490,000	19 January 2017 to 18 January 2026
23 January 2017	0.108	8,100,000	-	(200,000)	7,900,000	24 January 2018 to 23 January 2027
11 January 2022	0.227	-	5,600,000	-	5,600,000	11 January 2023 to 10 January 2032
		17,840,000	5,600,000	(450,000)	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 2022	As at 31 July 2021
Number of issued shares	511,537,699	511,087,699
Treasury shares	461,000	461,000
Number of issued shares excluding treasury shares	511,076,699	510,626,699

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 2022		As at 31 July 2021	
	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 or unforeseen events, such as the Covid-19 situation and the military conflict in Ukraine.

(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).

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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 2022 (in cents)	31 July 2021 (in cents)
14.62	14.03

Company

Net asset value per ordinary share

31 January 2022 (in cents)	31 July 2021 (in cents)
15.25	15.68

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 2022 (31 July 2021: 510,626,699 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 2022 (in cents)	31 January 2021 (in cents)
0.98	0.98
510,269,090	508,539,960
0.97	0.96
518,851,917	521,754,337

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 2022 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\$63.2 million for the six months ended 31 January 2022 ("1H FY2022") as compared to S\$56.5 million for the six months ended 31 January 2021 ("1H FY2021") driven by higher revenue from both medical devices and pipes and pipe fittings segments.

The revenue for the medical devices segment was S\$45.0 million in 1H FY2022, an increase of 11.0% from 1H FY2021 due to increased orders from its customers. The pipes and pipe fittings segment also recorded an increase of 14.1% in revenue from 1H FY2021 to S\$18.3 million in 1H FY2022, due to the higher revenue from gradual recovery in the construction industry in Singapore from Covid-19 related disruptions and slowdown.

Other income decreased by 4.0% in 1H FY2022 mainly due to no receipt of Covid-19 related government subsidies in 1H FY2022 as compared to \$0.5 million of such subsidies that were received in 1H FY2021.

Raw materials and consumables used increased by 18.3% in 1H FY2022, which was greater than the rate of increase in revenue, mainly due to the increase in raw materials cost.

Employee benefits expense (including salary) increased by 15.5% in 1H FY2022 due to increased headcount and overtime, especially in the medical devices segment, to meet the higher revenue.

Impairment of financial assets of S\$0.1 million relates to a loss allowance for expected credit losses on trade receivables.

Other operating expenses increased by 16.1% in 1H FY2022 mainly due to the rise in electricity tariff by S\$0.6 million as compared to 1H FY2021, as well as higher tooling expenses and repairs and maintenance to support the increase in revenue.

Income tax expense decreased by 20.9% in 1H FY2022 as the decrease in deferred tax was higher than the increase in current tax. Current tax was lower in 1H FY2021 due to higher utilisation of past years' tax losses brought forward as compared to 1H FY2022. Deferred tax was higher in 1H FY2021 because it included the effects of utilising the deferred tax assets related to the subsidiaries in China.

Overall, the Group recorded a profit before tax of S\$6.0 million in 1H FY2022, a decrease of 3.7% from S\$6.2 million in 1H FY2021, and a profit after tax of S\$5.0 million for 1H FY2022, which was marginally higher than the profit after tax for 1H FY2021 by 0.6%.

Statement of financial position

Trade receivables increased due to higher revenue in both segments for 1H FY2022 and slower collection due to the longer time needed for goods to be delivered to their destination because of constraints in global logistics, thus increasing the receivables turnover days.

Other receivables increased mainly due to deposit placed for new plant and equipment for the Changzhou plant extension.

Contract assets decreased due to lower 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 2022 as compared to 31 July 2021.

Property, plant and equipment increased due to capital expenditure.

Inventories increased mainly due to higher inventory level in the medical devices segment in order to fulfil the increase in orders from the customers and higher buffer stock in light of the uncertainties in global logistics.

Right-of-use ("ROU") asset and Lease liabilities increased due to the renewal of rental contract for an existing facility and the addition of a new rental contract for the Changzhou plant extension.

Deferred tax assets decreased due to the de-recognition of deferred tax assets at the subsidiaries in China as their tax losses were utilised.

Trade payables increased mainly due to higher level of activities in the medical devices segment.

Other payables decreased mainly due to payment of accruals, such as bonuses.

Other information (cont'd)

Cash flow

Net cash used in operating activities for 1H FY2022 was S\$0.5 million, as compared to net cash from operating activities of S\$2.2 million in 1H FY2021 due to slightly lower profits and higher working capital requirements, especially in Trade receivables and Inventories as mentioned above.

Net cash used in investing activities increased to S\$5.9 million in 1H FY2022 due to the renovation of the Changzhou plant extension and increase in purchase of plant and machinery for the medical devices segment.

Net cash from financing activities increased by S\$0.5 million in 1H FY2022 as compared to 1H FY2021 due to the increase in proceeds from bank borrowings, partially offset by higher dividend paid.

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 medical devices segment continued to improve on its performance in 1H FY2022 by growing its revenue to S\$45.0 million, an increase of 11.0% over 1H FY2021. This resulted in a segmental result of S\$5.7 million, an increase of 6.1% over the same period last year. During 1H FY2022, the medical devices segment was impacted by rising production costs such as raw materials and electricity brought about by the constraints in logistics, labour shortages leading up to Chinese New Year period as well as start-up costs in preparation for its Changzhou plant extension which will open towards the end of the financial year ending 31 July 2022 ("FY2022") with production to soon follow. 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 meet increasing demand.

The current expectation for the medical devices segment is for its positive revenue momentum to continue although segmental result may continue to be impacted by the cost factors discussed above relating to ongoing constraints in logistics and start-up costs relating to the plant extension. It continues its strong focus on improvements in product mix, plant efficiency and utilisation and to further underpin its growth with new projects moving from commercialisation to manufacturing phase. Nonetheless, this optimism must be tempered by caution in the face of current international trading conditions and geopolitical uncertainties.

Pipes and pipe fittings segment

The revenue of the pipes and pipe fittings segment in 1H FY2022 increased by 14.1% to S\$18.3 million from the same period last year as the construction industry in Singapore gradually recovers from the disruptions and slowdown related to Covid-19. It posted a segmental result of S\$1.8 million in 1H FY2022, a 20.1% decrease from the same period last year due mainly to higher raw materials and energy costs.

Notwithstanding challenges in the current operating environment, this segment is well-positioned to cater to increase in demand for its products that is expected from the announced increase in public housing units to be launched over the next 2 years. The segment will also continue its focus on civil engineering projects and product expansion. Overall, this segment expects to continue growing its revenue for the rest of FY2022, although the costs pressure is also expected to continue.

(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 FY2022 by 11.9% as compared to 1H FY2021 and its profit after tax increased marginally by 0.6% in 1H FY2022 as compared to 1H FY2021.

The Group expects its revenue to continue growing into the rest of FY2022, although it is noted that over time its rate of growth can be expected to moderate given the effect of an increasingly higher base.

While the Group remains cautiously optimistic about its revenue growth over the remainder of FY2022, the Group is vigilant about being impacted by increasing operating costs, disruptions or slowdown in logistics or supply chain and higher development and expansion costs. The Group will continue to watch out for challenges and uncertainties that may arise in the wider macro environment and exercise prudent cost management while developing new business opportunities and strengthening its base for future growth.

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 2022 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

Cheng Liang
Group Chief Executive Officer

Walter Tarca
Deputy Group Chief Executive Officer

11 March 2022