

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

FURTHER UPDATE ON COVID-19 SITUATION

The Board of Directors of Vicplas International Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide a further update on the impact of the recent Covid-19 situation in relation to the Group focusing, in particular, on the extension of the circuit breaker to 1 June 2020 by the Singapore Government.

Medical devices segment (“**MDS**”)

The Singapore manufacturing facility of MDS continues to have permission to operate subject to safe distancing requirements during this extended circuit breaker period because of the essential service it provides in the manufacturing of components and medical devices for the global medical supply chain and more directly for the fight against Covid-19. MDS has received a number of requests to fulfil immediate demand for Covid-19-related products and is currently discussing them with the product owners. MDS continues to monitor closely the constantly evolving situation that exists in international markets especially with regard to changing demand/forecasts from its customers due to the Covid-19 situation and take necessary mitigating actions to the extent practicable. MDS remains cautiously optimistic about its performance for the second half of the financial year ending 31 July 2020 (“**2H FY2020**”).

Pipes and pipe fittings segment

Both the Singapore and Malaysia manufacturing facilities of the pipes and pipe fittings segment continue to have permission from the authorities to operate as the segment’s manufactured products are essential to support critical construction works and public infrastructure, albeit at a reduced scale with substantially fewer employees to abide with safe distancing requirements. The extension of the circuit breaker period to 1 June 2020 is expected to have a significantly larger adverse impact on the revenue of the segment than was initially expected prior to this extension. This is caused by most of its customers having shut-down their operations with the remaining customers which are still operating being limited to carrying out works for essential/critical construction works and public infrastructure. The duration of this downturn in business activity for this segment is dependent on when and how quickly the construction activities in Singapore will pick up with the easing of circuit breaker measures over time. During this difficult period, the segment is focused on cost management and currently expects its performance for 2H FY2020 to be substantially worse than the corresponding period in the preceding year.

Group

The Group is compliant with Covid-19 restrictions imposed by governments and committed to support the global and national fight against Covid-19. Given the unprecedented nature of the Covid-19 situation, there is uncertainty over how it will further develop as well as measures or steps that governments may take in response. The Group will continue to monitor the situation and take mitigating steps where practicable.

BY ORDER OF THE BOARD

Cheng Liang
Group Chief Executive Officer
30 April 2020