

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

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED**

31 JULY 2024

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VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 July 2024

		Group					
		S\$'000		%	S\$'000		%
Note		6 months ended 31 July 2024	6 months ended 31 July 2023	Increase/ (Decrease) 6 months ended	12 months ended 31 July 2024	12 months ended 31 July 2023	Increase/ (Decrease) 12 months ended
	Revenue	51,331	62,803	(18.3)	102,388	129,216	(20.8)
	Other income	3,144	2,872	9.5	5,091	4,425	15.1
	Changes in inventories of finished goods and work-in-progress	470	(449)	nm	2,896	1,603	80.7
	Raw materials and consumables used	(23,762)	(29,005)	(18.1)	(50,209)	(62,686)	(19.9)
	Purchase of finished goods for resale	(1,174)	(728)	61.3	(2,180)	(1,294)	68.5
	Employee benefits expense	(17,808)	(19,954)	(10.8)	(35,519)	(40,568)	(12.4)
	Depreciation and amortisation expenses	(3,580)	(3,482)	2.8	(7,000)	(6,414)	9.1
	Impairment loss on financial assets	(224)	(208)	7.7	(224)	(208)	7.7
	Other operating expenses	(9,156)	(8,953)	2.3	(15,313)	(17,307)	(11.5)
	Finance costs	(643)	(581)	10.7	(1,055)	(1,158)	(8.9)
	(Loss) Profit before tax	(1,402)	2,315	nm	(1,125)	5,609	nm
	Income tax expense	(184)	(580)	(68.3)	(237)	(1,371)	(82.7)
	(Loss) Profit after tax	(1,586)	1,735	nm	(1,362)	4,238	nm
	Other comprehensive loss, net of tax:						
	<i>Items that may be reclassified subsequently to profit or loss:</i>						
	Exchange differences on translation of foreign operations	(585)	(1,249)	(53.2)	(453)	(2,053)	(77.9)
	Other comprehensive loss, net of tax	(585)	(1,249)	(53.2)	(453)	(2,053)	(77.9)
	Total comprehensive (loss) income	(2,171)	486	nm	(1,815)	2,185	nm
	<u>Other information</u>						
	Adjusted EBITDA	3,333	7,282	(54.2)	7,322	14,662	(50.1)

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 July 2024

	Note	Group		Company	
		31 July 2024 S\$'000	31 July 2023 S\$'000	31 July 2024 S\$'000	31 July 2023 S\$'000
ASSETS					
Current assets:					
Cash and cash equivalents		4,974	8,566	93	33
Trade receivables		25,392	24,875	-	-
Other receivables		3,539	2,306	5,019	5,119
Contract assets		14,986	13,803	-	-
Income tax receivable		406	517	-	-
Inventories		18,072	19,342	-	-
Total current assets		67,369	69,409	5,112	5,152
Non-current assets:					
Other receivables		149	132	21,021	23,013
Property, plant and equipment	11	47,355	39,074	-	-
Right-of-use assets	10	13,221	7,022	-	-
Joint venture		1,736	1,795	-	-
Intangible assets		1,662	1,537	-	-
Deferred tax assets		-	52	-	-
Subsidiaries		-	-	50,739	50,374
Total non-current assets		64,123	49,612	71,760	73,387
Total assets		131,492	119,021	76,872	78,539
LIABILITIES AND EQUITY					
Current liabilities:					
Bank borrowings	12	18,206	6,354	-	-
Contract liabilities		358	466	-	-
Trade payables		12,445	9,870	-	-
Other payables		8,469	8,957	1,247	1,388
Lease liabilities	13	1,706	1,320	-	-
Income tax payable		135	284	-	13
Total current liabilities		41,319	27,251	1,247	1,401
Non-current liabilities:					
Bank borrowings	12	782	4,148	-	-
Other payables		214	212	-	-
Lease liabilities	13	11,774	5,731	-	-
Deferred tax liabilities		2,837	3,121	-	-
Total non-current liabilities		15,607	13,212	-	-
Capital and reserves:					
Share capital	14	51,034	51,034	51,034	51,034
Treasury shares		(37)	(37)	(37)	(37)
Share option reserve		2,355	2,232	2,355	2,232
Currency translation reserve		(2,838)	(2,396)	-	-
Capital reserve		(169)	(169)	-	-
Statutory reserve		710	705	-	-
Revaluation reserve		2,965	2,965	-	-
Retained earnings		20,546	24,224	22,273	23,909
Total equity		74,566	78,558	75,625	77,138
Total liabilities and equity		131,492	119,021	76,872	78,539

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Treasury shares	Share option reserve	Currency translation reserve	Capital reserve	Statutory reserve	Revaluation reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2024									
Group									
Balance at 1 August 2023	51,034	(37)	2,232	(2,396)	(169)	705	2,965	24,224	78,558
Total comprehensive loss for the period:									
Loss for the period	-	-	-	-	-	-	-	(1,362)	(1,362)
Other comprehensive loss for the period	-	-	-	(442)	-	(11)	-	-	(453)
Total	-	-	-	(442)	-	(11)	-	(1,362)	(1,815)
Transactions with owners, recognised directly in equity:									
Dividends	15	-	-	-	-	-	-	(2,300)	(2,300)
Recognition of share-based payment	-	-	123	-	-	-	-	-	123
Transfer to statutory reserve	-	-	-	-	-	16	-	(16)	-
Total	-	-	123	-	-	16	-	(2,316)	(2,177)
Balance at 31 July 2024	51,034	(37)	2,355	(2,838)	(169)	710	2,965	20,546	74,566
FY 2023									
Group									
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	-	-	-	-	-	-	-	4,238	4,238
Other comprehensive loss for the period	-	-	-	(2,002)	-	(51)	-	-	(2,053)
Total	-	-	-	(2,002)	-	(51)	-	4,238	2,185
Transactions with owners, recognised directly in equity:									
Dividends	15	-	-	-	-	-	-	(2,300)	(2,300)
Recognition of share-based payment	-	-	361	-	-	-	-	-	361
Transfer to statutory reserve	-	-	-	-	-	101	-	(101)	-
Total	-	-	361	-	-	101	-	(2,401)	(1,939)
Balance at 31 July 2023	51,034	(37)	2,232	(2,396)	(169)	705	2,965	24,224	78,558

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)

	Share capital	Treasury shares	Share option reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2024					
Company					
Balance at 1 August 2023	51,034	(37)	2,232	23,909	77,138
Total comprehensive income for the period:					
Profit for the period	-	-	-	664	664
Transactions with owners, recognised directly in equity:					
Dividends	-	-	-	(2,300)	(2,300)
Recognition of share-based payment	-	-	123	-	123
Total	-	-	123	(2,300)	(2,177)
Balance at 31 July 2024	51,034	(37)	2,355	22,273	75,625
FY 2023					
Company					
Balance at 1 August 2022	51,034	(37)	1,871	25,759	78,627
Total comprehensive income for the period:					
Profit for the period	-	-	-	450	450
Transactions with owners, recognised directly in equity:					
Dividends	-	-	-	(2,300)	(2,300)
Recognition of share-based payment	-	-	361	-	361
Total	-	-	361	(2,300)	(1,939)
Balance at 31 July 2023	51,034	(37)	2,232	23,909	77,138

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000
Operating activities:		
(Loss) Profit before income tax	(1,125)	5,609
Adjustments for:		
Impairment loss recognised on financial assets	224	208
Write back of inventories written down to net realisable value, net	-	(287)
Amortisation of intangible assets	77	57
Depreciation of property, plant and equipment	5,496	5,113
Depreciation of right-of-use assets	1,427	1,244
Gain on disposal of property, plant and equipment	(8)	(102)
Interest expense	1,055	1,158
Write off of property, plant and equipment	5	18
Write off of bad debts	74	-
Share-based payment expenses	123	361
Foreign exchange (gain) loss	(271)	1,098
Operating cash flows before movements in working capital	7,077	14,477
Trade receivables	(836)	8,298
Other receivables	(626)	559
Inventories	964	3,138
Contract assets	(1,183)	(6,054)
Trade payables	2,823	82
Other payables	(466)	316
Contract liabilities	(108)	(192)
Cash generated from operations	7,645	20,624
Interest paid	(422)	(797)
Income taxes paid	(504)	(1,784)
Net cash from operating activities	6,719	18,043
Investing activities:		
Purchase of property, plant and equipment (see (a))	(13,871)	(5,430)
Deposit for purchase of property, plant and equipment	(466)	(23)
Proceeds on disposal of property, plant and equipment	14	248
Addition to intangible assets	(202)	(56)
Net cash used in investing activities	(14,525)	(5,261)

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000
Financing activities:		
Proceeds from bank borrowings	13,131	2,000
Repayment of bank borrowings	(4,586)	(10,847)
Repayment of lease liabilities	(2,006)	(1,617)
Dividends paid	(2,300)	(2,300)
Net cash from (used in) financing activities	<u>4,239</u>	<u>(12,764)</u>
Net (decrease) increase in cash and cash equivalents	(3,567)	18
Cash and cash equivalents at beginning of year	8,566	8,888
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(25)	(340)
Cash and cash equivalents at end of year	<u>4,974</u>	<u>8,566</u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u>4,974</u>	<u>8,566</u>

Note (a):

During the year, the Group acquired property, plant and equipment with an aggregate cost of S\$13,758,000 (31 July 2023: S\$5,408,000) of which S\$267,000 (31 July 2023: S\$380,000) remain unpaid at year end. Cash payments of S\$13,871,000 (31 July 2023: S\$5,430,000) were made to purchase property, plant and equipment of which S\$380,000 (31 July 2023: S\$402,000) pertains to payment of prior year 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 31 July 2024 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 year ended 31 July 2024 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 2023.

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 2023.

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 full 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 2023.

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 (cont'd)

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, right-of-use assets 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 year.

4.1 Reportable segments

	Medical devices		Pipes & pipe fittings		Eliminations		Total	
	12 months ended 31 July 2024	12 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue								
External sales	63,146	90,558	39,242	38,658	-	-	102,388	129,216
Results								
Segment result	(4,219)	3,401	7,737	7,199	(1,040)	(998)	2,478	9,602
Unallocated expenses							(2,548)	(2,835)
Interest expense	(787)	(779)	(287)	(396)	19	17	(1,055)	(1,158)
(Loss) Profit before income tax							(1,125)	5,609
Income tax expense							(237)	(1,371)
(Loss) Profit for the year							(1,362)	4,238
Other information								
Capital expenditure	12,821	4,440	1,139	968	-	-	13,960	5,408
Depreciation and amortisation	5,120	4,510	1,880	1,904	-	-	7,000	6,414
Balance Sheet								
Assets								
Segment assets	94,661	82,527	36,719	36,443	-	-	131,380	118,970
Unallocated corporate assets							112	51
Consolidated total assets							131,492	119,021
Liabilities								
Segment liabilities	41,491	26,199	14,188	12,862	-	-	55,679	39,061
Unallocated corporate liabilities							1,247	1,402
Consolidated total liabilities							56,926	40,463

Geographical segments

Revenue is analysed by the location of incorporation of the billing entity. Segment assets and capital expenditure are analysed by the geographical area in which the assets are located.

	Revenue		Segment Assets		Capital Expenditure	
	12 months ended 31 July 2024	12 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	90,075	120,337	55,583	58,342	1,199	1,051
Malaysia	4,614	3,118	5,972	5,725	382	364
China	3,029	953	45,059	51,158	1,130	3,790
United Kingdom	4,670	4,808	3,334	3,796	103	203
Mexico	-	-	21,544	-	11,146	-
	102,388	129,216	131,492	119,021	13,960	5,408

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

4 Segment information (cont'd)

4.1 Reportable segments (cont'd)

	Medical devices		Pipes & pipe fittings		Eliminations		Total	
	6 months ended 31 July 2024	6 months ended 31 July 2023	6 months ended 31 July 2024	6 months ended 31 July 2023	6 months ended 31 July 2024	6 months ended 31 July 2023	6 months ended 31 July 2024	6 months ended 31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue								
External sales	31,456	43,190	19,875	19,613	-	-	51,331	62,803
Results								
Segment result	(2,602)	844	3,640	4,064	(595)	(613)	443	4,295
Unallocated expenses							(1,202)	(1,399)
Interest expense	(476)	(396)	(175)	(200)	8	15	(643)	(581)
(Loss) Profit before income tax							(1,402)	2,315
Income tax expense							(184)	(580)
(Loss) Profit for the year							(1,586)	1,735
Other information								
Capital expenditure	7,867	1,113	423	594	-	-	8,290	1,707
Depreciation and amortisation	2,608	2,541	972	941	-	-	3,580	3,482
Balance Sheet								
Assets								
Segment assets	94,661	82,527	36,719	36,443	-	-	131,380	118,970
Unallocated corporate assets							112	51
Consolidated total assets							131,492	119,021
Liabilities								
Segment liabilities	41,491	26,199	14,188	12,862	-	-	55,679	39,061
Unallocated corporate liabilities							1,247	1,402
Consolidated total liabilities							56,926	40,463

Geographical segments

Revenue is analysed by the location of incorporation of the billing entity. Segment assets and capital expenditure are analysed by the geographical area in which the assets are located.

	Revenue		Segment Assets		Capital Expenditure	
	6 months ended 31 July 2024	6 months ended 31 July 2023	6 months ended 31 July 2024	6 months ended 31 July 2023	6 months ended 31 July 2024	6 months ended 31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	44,429	58,449	55,583	58,342	469	416
Malaysia	2,610	1,676	5,972	5,725	215	337
China	2,240	480	45,059	51,158	392	803
United Kingdom	2,052	2,198	3,334	3,796	49	151
Mexico	-	-	21,544	-	7,165	-
	51,331	62,803	131,492	119,021	8,290	1,707

4.2 Disaggregation of revenue

	6 months ended 31 July 2024	6 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Segment revenue - Sales of goods</u>				
Medical devices segment	31,456	43,190	63,146	90,558
Pipes and pipe fittings segment	19,875	19,613	39,242	38,658
	51,331	62,803	102,388	129,216
<u>Timing of revenue recognition</u>				
At a point in time:				
Medical devices segment	4,095	6,363	10,608	12,826
Pipes and pipe fittings segment	19,875	19,613	39,242	38,658
	23,970	25,976	49,850	51,484
Over time:				
Medical devices segment	27,361	36,827	52,538	77,732
	51,331	62,803	102,388	129,216

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

4.3 A breakdown of sales

	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000
Sales reported for first half	51,057	66,413
Sales reported for second half	51,331	62,803
	<u>102,388</u>	<u>129,216</u>
Profit after tax reported for first half	224	2,503
(Loss) Profit after tax reported for second half	(1,586)	1,735
	<u>(1,362)</u>	<u>4,238</u>

5 (Loss) Profit before tax

(Loss) Profit before tax has been arrived at after crediting/(charging):

	6 months ended 31 July 2024	6 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Income from tooling, mould and maintenance services	1,237	1,016	2,563	1,823
Foreign exchange				
- realised foreign exchange gain (loss), net	617	249	1,513	(146)
- unrealised foreign exchange loss, net	(512)	(853)	(392)	(1,481)
Government grant	15	44	41	58
Advertisement and marketing expenses	(323)	(295)	(586)	(703)
Write back of inventories written down to net realisable value, net	-	287	-	287
Factory consumables	(231)	(244)	(478)	(653)
Laboratory and testing	(250)	(159)	(388)	(360)
Professional fees	(472)	(503)	(976)	(949)
Repair and maintenance	(712)	(849)	(1,247)	(1,626)
Sterilisation and decontamination	(32)	(84)	(53)	(120)
Tooling expenses	(344)	(792)	(550)	(1,112)
Transportation and freight	(464)	(508)	(936)	(929)
Travelling and entertainment	(223)	(203)	(457)	(361)
Water and electricity	(1,818)	(1,671)	(3,529)	(3,186)

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 July 2024	6 months ended 31 July 2023	12 months ended 31 July 2024	12 months ended 31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax	3	136	(174)	(489)
Adjustment in respect of taxation in prior year	(249)	(12)	(249)	(154)
Deferred tax	84	(681)	232	(681)
Withholding tax *	(22)	(23)	(46)	(47)
Total	<u>(184)</u>	<u>(580)</u>	<u>(237)</u>	<u>(1,371)</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 July 2024 and 31 July 2023:

	Group		Company	
	31 July 2024	31 July 2023	31 July 2024	31 July 2023
	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	4,974	8,566	93	33
- Trade receivables	25,392	24,875	-	-
- Other receivables (excluding prepayments and VAT input)	1,870	1,163	26,040	28,132
At amortised cost	<u>32,236</u>	<u>34,604</u>	<u>26,133</u>	<u>28,165</u>
Financial liabilities				
Amortised cost:				
- Bank borrowings	18,988	10,502	-	-
- Trade payables	12,445	9,870	-	-
- Other payables	8,185	8,575	1,247	1,388
At amortised cost	<u>39,618</u>	<u>28,947</u>	<u>1,247</u>	<u>1,388</u>
Lease liabilities	<u>13,480</u>	<u>7,051</u>	<u>-</u>	<u>-</u>

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 5 December 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 year, Group entities entered into the following transactions with group companies of the ultimate holding company:

	Group	
	31 July 2024	31 July 2023
	S\$'000	S\$'000
Sale of goods	802	819
Rental income	40	64
Miscellaneous income	78	259
	<u>920</u>	<u>1,142</u>

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) 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
Venner Capital S.A. and subsidiaries and related parties	Venner Capital S.A. is a controlling shareholder of the Company	-	802

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

	Group	
	31 July 2024	31 July 2023
	S\$'000	S\$'000
Entity in which a director is a partner		
Legal fees expense	<u>(55)</u>	<u>(120)</u>

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

10 Right-of-use assets

	Land	Factory space	Motor vehicle	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At 1 August 2023	3,568	5,313	375	9,256
Addition	-	7,873	150	8,023
Reclassification to property, plant and equipment	-	(257)	(215)	(472)
Currency re-alignment	-	(117)	-	(117)
At 31 July 2024	<u>3,568</u>	<u>12,812</u>	<u>310</u>	<u>16,690</u>
Accumulated depreciation:				
At 1 August 2023	384	1,741	109	2,234
Depreciation for the period	123	1,261	43	1,427
Derecognised	-	(33)	-	(33)
Reclassification	-	(109)	-	(109)
Currency re-alignment	-	(50)	-	(50)
At 31 July 2024	<u>507</u>	<u>2,810</u>	<u>152</u>	<u>3,469</u>
Carrying amount:				
At 31 July 2024	<u>3,061</u>	<u>10,002</u>	<u>158</u>	<u>13,221</u>
At 31 July 2023	<u>3,184</u>	<u>3,572</u>	<u>266</u>	<u>7,022</u>

11 Property, plant and equipment

During the twelve months ended 31 July 2024, the Group acquired assets amounting to S\$13,758,000 (31 July 2023: S\$5,408,000). During the six months from 1 February 2024 to 31 July 2024, the Group acquired assets amounting to S\$8,088,000.

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 July 2024		As at 31 July 2023	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
18,206	-	6,354	-

Amount repayable after one year

As at 31 July 2024		As at 31 July 2023	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
782	-	4,148	-

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\$9,180,000 (31 July 2023: S\$9,180,000) and a corporate guarantee by the Company of S\$26,985,000 and US\$2,000,000 (31 July 2023: 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 July 2024 S\$'000	As at 31 July 2023 S\$'000
1,706	1,320
11,774	5,731

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 July 2024		As at 31 July 2023	
	Number of shares	S\$'000	Number of shares	S\$'000
Balance at the beginning of the financial period	511,537,699	51,034	511,537,699	51,034
Issue of shares pursuant to the exercise of share options	-	-	-	-
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 July 2023	Issued	Exercised	As at 31 July 2024	
18 January 2016	S\$ 0.115	9,490,000	-	-	9,490,000	19 January 2017 to 18 January 2026
23 January 2017	0.108	7,900,000	-	-	7,900,000	24 January 2018 to 23 January 2027
11 January 2022	0.227	5,600,000	-	-	5,600,000	12 January 2023 to 11 January 2032
		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 July 2024	As at 31 July 2023
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 July 2024		As at 31 July 2023	
	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

On 22 January 2024, a one-tier tax exempt final dividend of S\$0.0045 per share was paid (total dividend S\$2,300,000) in respect of FY2023.

(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.

The Board of Directors of Vicplas has not recommended a dividend in respect of the financial year ended 31 July 2024 due to the loss after tax incurred during the period.

VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

15 Dividends (cont'd)

(b) Corresponding period of the immediately preceding financial year

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

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	S\$0.0045 per ordinary share (one-tier tax exempt)
Tax Rate	N.A

(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).

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 July 2024 (in cents)	31 July 2023 (in cents)
14.59	15.37

Company

Net asset value per ordinary share

31 July 2024 (in cents)	31 July 2023 (in cents)
14.80	15.09

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 July 2024 (31 July 2023: 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 (loss) 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 July 2024 (in cents)	31 July 2023 (in cents)
(0.27)	0.83
511,076,699	511,076,699
(0.27)	0.82
512,732,779	516,909,819

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 July 2024 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 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") decreased to S\$102.4 million for the year ended 31 July 2024 ("FY2024") as compared to S\$129.2 million for the year ended 31 July 2023 ("FY2023") due to lower revenue from the medical devices segment.

The revenue for the medical devices segment was S\$63.1 million in FY2024, a decrease of 30.3% from FY2023 mainly due to the reduction in orders from certain customers as they continued to rebalance their inventory levels in response to the gradual recovery of the global logistics situation. The pipes and pipe fittings segment recorded an increase of 1.5% in revenue from FY2023 to S\$39.2 million in FY2024 as construction activities in Singapore improved.

Other income increased by 15.1% to S\$5.1 million in FY2024 mainly due to a net foreign exchange gain as compared to a net foreign exchange loss in FY2023, as well as an increase in income from tooling, mould and maintenance services in FY2024.

Raw materials and consumables used decreased by 19.9% to S\$50.2 million in FY2024 due to the decrease in production activities.

Employee benefits expense (including salary) decreased by 12.4% to S\$35.5 million in FY2024 due to decreased headcount and overtime.

Other operating expenses decreased by 11.5% to S\$15.3 million in FY2024 mainly due to lower production activities that resulted in lower factory consumables, selling and marketing expenses and tooling expenses.

Income tax expense decreased by 82.7% to S\$0.2 million in FY2024 due to lower profitability.

Overall, the Group recorded a loss before tax of S\$1.1 million in FY2024 as compared to a profit before tax of S\$5.6 million in FY2023; and a loss after tax of S\$1.4 million for FY2024 as compared to profit after tax of S\$4.2 million in FY2023. The Group's adjusted EBITDA for FY2024 was S\$7.3 million, which was a decrease of 50.1%, as compared to S\$14.7 million in FY2023. The Group, in particular the medical devices segment, is continuing to invest intensively as it scales up its capabilities and global manufacturing footprint to meet both current and future customer demand.

(Note: 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.)

Statement of financial position

Trade receivables increased mainly due to slightly slower collection, which in turn resulted in higher trade receivables turnover days.

Other receivables increased mainly due to deposits incurred for the operations of the new plant in Juarez, Mexico.

Contract assets increased due to more devices in production and post-production in the medical devices segment for contracts whereby the revenue has been recognised over time as at 31 July 2024 as compared to 31 July 2023.

Inventories decreased mainly due to lower production activities coupled with reduced buffer stock required due to the gradual recovery in the global logistics situation.

Right-of-use assets and Lease liabilities (total of current and non-current) increased due to the establishment of the new plant in Juarez, Mexico, with the lease contract being signed in October 2023.

Total Bank borrowings (by aggregating current and non-current) increased to fund working capital and capital expenditure to support the new plant expansion in Juarez, Mexico.

Trade payables increased mainly due to the timing of payments in the medical devices segment in July as well as additional costs for the new plant in Juarez, Mexico.

Other information

Cash flow

Net cash from operating activities for FY2024 decreased to S\$6.7 million as compared to S\$18.0 million for FY2023 mainly due to the loss before income tax in FY2024.

Net cash used in investing activities increased to S\$14.5 million in FY2024 mainly due to the higher capital expenditure incurred to support the new plant expansion in Juarez, Mexico.

Net cash from financing activities was S\$4.2 million in FY2024 as compared to net cash used in financing activities of S\$12.8 million in FY2023 due to higher proceeds from bank borrowings and lower 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 medical devices segment recorded revenue of S\$63.1 million in FY2024, a decrease of 30.3% from FY2023, mainly due to continued adjustments by certain customers in their post pandemic inventory holdings. In FY2023, certain customers conducted a review of their internal supply chains as they right sized their finished goods inventories and reduced their inventories that may have been ordered as safety stocks during the uncertain days of the Covid-19 pandemic. Consequently, orders to the medical devices segment were significantly impacted starting in the second half of FY2023 and continuing into FY2024. This reduced ordering situation is expected to continue until the customers' inventory levels have stabilised. In FY2024, the segment faced increased operating costs associated with the Changzhou plant extension, new business development and marketing costs and startup related costs associated with the new plant in Mexico (with a larger proportion incurred in the second half of FY2024). The plant in Juarez, Mexico is in the final stages of constructing the internal fitout, including clean rooms. The segment also brought on board additional technical staff in China and Singapore in the first half of FY2024 and in Juarez in the second half of FY2024 to meet future demand for new project commercialisation from its customers. Due to reduced revenue and higher expenses, the segment recorded a negative result of S\$4.2 million for FY2024 (as compared to a positive result of S\$3.4 million for FY2023).

During FY2024, the segment continued to focus on building up new capabilities especially in China, as well as completing and validating its new manufacturing site in Juarez, Mexico to improve its collaboration with, and offerings to its global customer base. The segment currently expects the Mexico plant to contribute to segmental revenue in the second half of the financial year ending 31 July 2025. Meanwhile, the segment has also continued to focus on efficiency improvements in all its manufacturing locations.

The current expectation is for the revenue and segmental result of the medical devices segment to continue to be constrained mainly by the right sizing of inventory by its customers which is still in progress, the new Mexico plant being set up and operationalised and the operating costs associated with the Changzhou plant extension. After this phase is completed, the segment will be well-positioned to offer greater manufacturing flexibility and further grow its global customer base in key medical devices markets such as USA, Europe and Japan as well as expand its capability to service new projects for the China market. The segment continues to prioritise commercialising new projects in order to meet its customers' market launch dates.

Pipes and pipe fittings segment

The segment recorded revenue of S\$39.2 million in FY2024, posting a slight increase of 1.5% compared to FY2023. While the segment is expected to benefit from increased public housing and infrastructure projects, it is also expected to continue facing challenges due to higher costs in the current built environment. These cost pressures, compounded by the lingering effects of the pandemic, have resulted in prolonged difficulties for some customers. The segment achieved a positive result of S\$7.7 million in FY2024, posting a 7.5% improvement compared to FY2023, driven by cost and efficiency improvements in its manufacturing plants.

The segment continued to develop its market position in civil engineering projects, driven by increased demand from infrastructure developments, particularly residential and mega projects in Singapore. Its local manufacturing presence remains a key factor in ensuring supply chain resilience by enabling timely delivery to customers amid the fast pace of construction. Additionally, the products are certified with 4 Green Marks by the Singapore Green Building Council, positioning them well to meet growing industry trends and quality requirements. Although the segment expects to benefit from increased activity in the built environment, it continues to face intensified competition, cost pressures and credit risk exposures.

(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.)

Other information

Group

The Group recorded a revenue of S\$102.4 million which was a decrease of 20.8% over FY2023, and a loss after tax of S\$1.4 million as compared to profit after tax of S\$4.2 million in FY2023 due mainly to the negative results of the medical devices segment, notwithstanding the positive results of the pipes and pipe fittings segment. The current expectation is for the Group's revenue growth to be somewhat constrained in the next reporting period as discussed in relation to the medical devices segment whilst the pipes and pipe fittings segment is expected to continue its gradual growth. The Group also faces increasing operating costs due to inflationary pressures and higher development and expansion costs.

While the Group remains cautiously optimistic, it is keeping a vigilant watch on the challenges that may arise from the uncertainties in the wider macro environment and the ongoing inflationary and interest rate pressures. The Group will continue to exercise prudent cost management, while developing new business opportunities, and strengthening its base for future growth.

5 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).

6 Notification pursuant to Rule 704(13) of the Listing Manual

Report of persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

Mr Walter Tarca's son is employed as a senior customer service executive by a wholly-owned subsidiary of the Company.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Michael Tarca	34	Son of Mr Walter Tarca (Group Chief Executive Officer)	Senior customer service executive, since February 2022	Not applicable

BY ORDER OF THE BOARD

Walter Tarca
Group Chief Executive Officer
28 September 2024