

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

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

**31 JULY 2022**

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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 2022

	Group					
	S\$'000		%	S\$'000		%
	6 months ended 31 July 2022	6 months ended 31 July 2021	Increase/ (Decrease) 6 months ended	12 months ended 31 July 2022	12 months ended 31 July 2021	Increase/ (Decrease) 12 months ended
Note						
<b>Revenue</b>	<b>67,562</b>	<b>57,430</b>	<b>17.6</b>	<b>130,808</b>	<b>113,945</b>	<b>14.8</b>
Other income	3,206	4,142	(22.6)	5,875	6,921	(15.1)
Changes in inventories of finished goods and work-in-progress	441	240	83.8	2,315	667	247.1
Raw materials and consumables used	(32,443)	(25,737)	26.1	(63,440)	(51,943)	22.1
Purchase of finished goods for resale	(469)	(492)	(4.7)	(853)	(1,107)	(22.9)
Employee benefits expense	(21,902)	(18,229)	20.1	(41,830)	(35,476)	17.9
Depreciation and amortisation expenses	(3,066)	(3,119)	(1.7)	(6,066)	(6,204)	(2.2)
Impairment loss (recognised) reversed on financial assets	(7)	247	nm	(90)	247	nm
Other operating expenses	(7,760)	(8,109)	(4.3)	(14,855)	(14,220)	4.5
Finance costs	(544)	(285)	90.9	(858)	(526)	63.1
<b>Profit before tax</b>	<b>5,018</b>	<b>6,088</b>	<b>(17.6)</b>	<b>11,006</b>	<b>12,304</b>	<b>(10.5)</b>
Income tax expense	(1,196)	(673)	77.7	(2,167)	(1,901)	14.0
<b>Profit after tax</b>	<b>3,822</b>	<b>5,415</b>	<b>(29.4)</b>	<b>8,839</b>	<b>10,403</b>	<b>(15.0)</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	(489)	255	nm	(207)	1,011	nm
Other comprehensive (loss) income, net of tax	(489)	255	nm	(207)	1,011	nm
<b>Total comprehensive income</b>	<b>3,333</b>	<b>5,670</b>	<b>(41.2)</b>	<b>8,632</b>	<b>11,414</b>	<b>(24.4)</b>
<u>Other information</u>						
Adjusted EBITDA	8,718	8,853	(1.5)	18,299	18,585	(1.5)

Adjusted EBITDA refers to earnings before interest, tax, depreciation and amortisation; and excludes unrealised foreign exchange.

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**31 July 2022**

	Note	Group		Company	
		31 July 2022	31 July 2021	31 July 2022	31 July 2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents		8,888	9,869	71	69
Trade receivables		33,589	28,091	-	-
Other receivables		3,070	3,087	33,032	34,237
Contract assets		7,749	9,463	-	-
Income tax receivable		323	192	-	-
Inventories		23,640	16,693	-	-
Total current assets		<u>77,259</u>	<u>67,395</u>	<u>33,103</u>	<u>34,306</u>
<b>Non-current assets:</b>					
Property, plant and equipment	11	40,806	34,634	-	-
Right-of-use assets		8,801	6,014	-	-
Joint venture		1,795	1,795	-	-
Intangible assets	10	1,539	1,240	-	-
Deferred tax assets		143	577	-	-
Subsidiaries		-	-	49,846	49,354
Total non-current assets		<u>53,084</u>	<u>44,260</u>	<u>49,846</u>	<u>49,354</u>
<b>Total assets</b>		<b><u>130,343</u></b>	<b><u>111,655</u></b>	<b><u>82,949</u></b>	<b><u>83,660</u></b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Bank borrowings	12	12,956	5,038	-	-
Contract liabilities		658	990	-	-
Trade payables		10,442	8,637	-	-
Other payables		8,881	7,785	4,322	3,584
Lease liabilities	13	1,311	848	-	-
Income tax payable		1,263	350	-	-
Total current liabilities		<u>35,511</u>	<u>23,648</u>	<u>4,322</u>	<u>3,584</u>
<b>Non-current liabilities:</b>					
Bank borrowings	12	6,393	8,595	-	-
Other payables		208	234	-	-
Lease liabilities	13	7,353	5,085	-	-
Deferred tax liabilities		2,566	2,450	-	-
Total non-current liabilities		<u>16,520</u>	<u>16,364</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves:</b>					
Share capital	14	51,034	50,984	51,034	50,984
Treasury shares		(37)	(37)	(37)	(37)
Share option reserve		1,871	1,584	1,871	1,584
Currency translation reserve		(394)	(187)	-	-
Capital reserve		(169)	(169)	-	-
Statutory reserve		655	460	-	-
Revaluation reserve		2,965	2,965	-	-
Retained earnings		22,387	16,043	25,759	27,545
Total equity		<u>78,312</u>	<u>71,643</u>	<u>78,627</u>	<u>80,076</u>
<b>Total liabilities and equity</b>		<b><u>130,343</u></b>	<b><u>111,655</u></b>	<b><u>82,949</u></b>	<b><u>83,660</u></b>

**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
<b>FY 2022</b>										
<b>Group</b>										
	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	-	-	-	-	-	-	-	8,839	8,839
	Other comprehensive loss for the period	-	-	-	(207)	-	-	-	-	(207)
	Total	-	-	-	(207)	-	-	-	8,839	8,632
	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		-	-	287	-	-	-	-	287
	Transfer to statutory reserve		-	-	-	-	195	-	(195)	-
	Total		50	-	287	-	195	-	(2,495)	(1,963)
	Balance at 31 July 2022	51,034	(37)	1,871	(394)	(169)	655	2,965	22,387	78,312
<b>FY 2021</b>										
<b>Group</b>										
	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	-	-	-	-	-	-	-	10,403	10,403
	Other comprehensive income for the period	-	-	-	1,011	-	-	-	-	1,011
	Total	-	-	-	1,011	-	-	-	10,403	11,414
	Transactions with owners, recognised directly in equity:									
	Issue of share capital	14	379	-	-	-	-	-	-	379
	Dividends	15	-	-	-	-	-	-	(1,912)	(1,912)
	Issue of shares under scrip dividend scheme		-	-	-	-	-	-	-	-
	Recognition of share-based payment		-	-	38	-	-	-	-	38
	Transfer to statutory reserve		-	-	-	-	460	-	(460)	-
	Total		379	-	38	-	460	-	(2,372)	(1,495)
	Balance at 31 July 2021	50,984	(37)	1,584	(187)	(169)	460	2,965	16,043	71,643

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

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

		<b>Share capital</b>	<b>Treasury shares</b>	<b>Share option reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<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		-	-	-	514	514
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		-	-	287	-	287
Total		50	-	287	(2,300)	(1,963)
Balance at 31 July 2022		51,034	(37)	1,871	25,759	78,627
<b>FY 2021</b>						
<b>Company</b>						
Balance at 1 August 2020		50,605	(37)	1,546	21,059	73,173
Total comprehensive income for the period:						
Profit for the period		-	-	-	8,398	8,398
Transactions with owners, recognised directly in equity:						
Issue of share capital	14	379	-	-	-	379
Dividends	15	-	-	-	(1,912)	(1,912)
Recognition of share-based payment		-	-	38	-	38
Total		379	-	38	(1,912)	(1,495)
Balance at 31 July 2021		50,984	(37)	1,584	27,545	80,076

## VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

	Group	
	12 months ended 31 July 2022	12 months ended 31 July 2021
	S\$'000	S\$'000
<b>Operating activities:</b>		
Profit before income tax	11,006	12,304
Adjustments for:		
Impairment loss recognised (reversed) on financial assets	90	(247)
Bad debt recovered	-	(89)
(Write back of) Inventories written down to net realisable value, net	(226)	419
Amortisation of intangible assets	75	65
Depreciation of property, plant and equipment	4,926	4,772
Depreciation of right-of-use assets	1,065	1,367
Gain on disposal of property, plant and equipment	(56)	(2)
Interest expense	858	526
Write off of property, plant and equipment	-	17
Share-based payment expenses	287	38
Operating cash flows before movements in working capital	18,025	19,170
Trade receivables	(5,671)	(6,290)
Other receivables	165	506
Inventories	(6,849)	(1,823)
Contract assets	1,714	(3,905)
Trade payables	1,458	3,309
Other payables	2,815	(472)
Contract liabilities	(332)	(432)
Cash generated from operations	11,325	10,063
Interest paid	(507)	(315)
Income taxes paid	(1,073)	(742)
Net cash from operating activities	9,745	9,006
<b>Investing activities:</b>		
Purchase of property, plant and equipment (see (a))	(12,323)	(4,864)
Deposit for purchase of property, plant and equipment	(165)	(299)
Proceeds on disposal of property, plant and equipment	72	17
Addition to intangible assets	(374)	(18)
Net cash used in investing activities	(12,790)	(5,164)

## VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

	Group	
	12 months ended 31 July 2022	12 months ended 31 July 2021
	S\$'000	S\$'000
<b>Financing activities:</b>		
Proceeds from bank borrowings (net)	5,716	4,999
Repayments of lease liabilities	(1,836)	(1,605)
Proceeds from exercise of share options	50	379
Dividends paid	(2,300)	(1,912)
Net cash from financing activities	<u>1,630</u>	<u>1,861</u>
Net (decrease) increase in cash and cash equivalents	(1,415)	5,703
Cash and cash equivalents at beginning of year	9,869	4,481
Effect of foreign exchange rate changes	434	(315)
Cash and cash equivalents at end of year	<u>8,888</u>	<u>9,869</u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u>8,888</u>	<u>9,869</u>

Note (a):

During the year, the Group acquired property, plant and equipment with an aggregate cost of S\$10,999,000 (31 July 2021: S\$6,215,000) of which S\$402,000 (31 July 2021: S\$1,727,000) remain unpaid at year end. Cash payments of S\$12,323,000 (31 July 2021: S\$4,864,000) were made to purchase property, plant and equipment of which S\$1,726,000 (31 July 2021: S\$376,000) 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 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 year ended 31 July 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 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 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 year.

**4.1 Reportable segments**

	Medical devices		Pipes & pipe fittings		Eliminations		Total	
	12 months ended 31 July 2022	12 months ended 31 July 2021	12 months ended 31 July 2022	12 months ended 31 July 2021	12 months ended 31 July 2022	12 months ended 31 July 2021	12 months ended 31 July 2022	12 months ended 31 July 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>								
External sales	92,601	80,166	38,207	33,779	-	-	130,808	113,945
<b>Results</b>								
Segment result	10,229	12,073	4,503	3,172	(676)	(586)	14,056	14,659
Unallocated expenses							(2,191)	(1,829)
Interest expense	(405)	(238)	(465)	(299)	11	11	(859)	(526)
Profit before income tax							11,006	12,304
Income tax expense					-	-	(2,167)	(1,901)
Profit for the year							8,839	10,403
<b>Other information</b>								
Capital expenditure	9,229	5,821	1,770	394	-	-	10,999	6,215
Depreciation and amortisation	4,138	4,214	1,928	1,990	-	-	6,066	6,204
<b>Balance Sheet</b>								
<b>Assets</b>								
Segment assets	91,742	71,776	38,517	39,793	-	-	130,259	111,569
Unallocated corporate assets							84	86
Consolidated total assets							130,343	111,655
<b>Liabilities</b>								
Segment liabilities	29,461	25,619	21,465	13,361	-	-	50,926	38,980
Unallocated corporate liabilities							1,105	1,032
Consolidated total liabilities							52,031	40,012

**Geographical segments**

	Revenue		Segment Assets		Capital Expenditure	
	12 months ended 31 July 2022	12 months ended 31 July 2021	12 months ended 31 July 2022	12 months ended 31 July 2021	12 months ended 31 July 2022	12 months ended 31 July 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	123,930	107,927	68,302	63,950	891	1,607
Malaysia	2,637	2,530	4,818	4,959	1,085	29
China	507	171	54,099	39,919	8,890	4,289
United Kingdom	3,734	3,317	3,124	2,827	133	290
	130,808	113,945	130,343	111,655	10,999	6,215

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 2022	6 months ended 31 July 2021	6 months ended 31 July 2022	6 months ended 31 July 2021	6 months ended 31 July 2022	6 months ended 31 July 2021	6 months ended 31 July 2022	6 months ended 31 July 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>								
External sales	47,632	39,671	19,930	17,759	-	-	67,562	57,430
<b>Results</b>								
Segment result	4,531	6,703	2,725	946	(475)	(321)	6,781	7,328
Unallocated expenses							(1,218)	(955)
Interest expense	(231)	(122)	(325)	(174)	11	11	(545)	(285)
Profit before income tax							5,018	6,088
Income tax expense							(1,196)	(673)
Profit for the year							3,822	5,415
<b>Other information</b>								
Capital expenditure	5,548	2,686	1,629	196	-	-	7,177	2,882
Depreciation and amortisation	1,994	2,064	1,072	1,055	-	-	3,066	3,119
<b>Balance Sheet</b>								
<b>Assets</b>								
Segment assets	91,742	71,776	38,517	39,793	-	-	130,259	111,569
Unallocated corporate assets							84	86
Consolidated total assets							130,343	111,655
<b>Liabilities</b>								
Segment liabilities	29,461	25,619	21,465	13,361	-	-	50,926	38,980
Unallocated corporate liabilities							1,105	1,032
Consolidated total liabilities							52,031	40,012

Geographical segments

	Revenue		Segment Assets		Capital Expenditure	
	6 months ended 31 July 2022	6 months ended 31 July 2021	6 months ended 31 July 2022	6 months ended 31 July 2021	6 months ended 31 July 2022	6 months ended 31 July 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	64,035	54,731	68,302	63,950	385	544
Malaysia	1,335	1,030	4,818	4,959	1,042	26
China	433	86	54,099	39,919	5,747	2,224
United Kingdom	1,759	1,583	3,124	2,827	3	88
	67,562	57,430	130,343	111,655	7,177	2,882

4.2 Disaggregation of revenue

	6 months ended 31 July 2022	6 months ended 31 July 2021	12 months ended 31 July 2022	12 months ended 31 July 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Segment revenue - Sales of goods</b>				
Medical devices segment	47,632	39,671	92,601	80,166
Pipes and pipe fittings segment	19,930	17,759	38,207	33,779
	67,562	57,430	130,808	113,945
<b>Timing of revenue recognition</b>				
At a point in time:				
Medical devices segment	4,348	5,909	10,287	12,433
Pipes and pipe fittings segment	19,930	17,759	38,207	33,779
	24,278	23,668	48,494	46,212
Over time:				
Medical devices segment	43,284	33,762	82,314	67,733
	67,562	57,430	130,808	113,945

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

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

**4.3 A breakdown of sales**

	<b>12 months ended 31 July 2022</b>	<b>12 months ended 31 July 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Sales reported for first half	63,246	56,515
Sales reported for second half	67,562	57,430
	<u>130,808</u>	<u>113,945</u>
Profit after tax reported for first half	5,017	4,988
Profit after tax reported for second half	3,822	5,415
	<u>8,839</u>	<u>10,403</u>

**5 Profit before tax**

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

	<b>6 months ended 31 July 2022</b>	<b>6 months ended 31 July 2021</b>	<b>12 months ended 31 July 2022</b>	<b>12 months ended 31 July 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Income from tooling, mould and maintenance services	(2,453)	(2,741)	(4,011)	(4,263)
Foreign exchange (gain) loss, net	(30)	(632)	41	(616)
Government grant	(69)	(110)	(120)	(148)
Covid-19 related government subsidies	-	(147)	-	(637)
Bad debt recovered	-	(89)	-	(89)
Advertisement and marketing expenses	338	456	647	822
(Write back of) Inventories written down to net realisable value, net	20	419	(226)	419
Factory consumables	417	373	774	722
Laboratory and testing	163	232	372	365
Professional fees	490	458	901	787
Repair and maintenance	634	733	1,462	1,227
Sterilisation and decontamination	65	48	103	149
Tooling expenses	557	1,255	1,030	1,507
Transportation and freight	486	559	921	1,030
Travelling and entertainment	139	65	186	196
Water and electricity	1,784	1,115	3,403	2,154

**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:

	<b>6 months ended 31 July 2022</b>	<b>6 months ended 31 July 2021</b>	<b>12 months ended 31 July 2022</b>	<b>12 months ended 31 July 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Current tax	(952)	(477)	(1,804)	(972)
Adjustment in respect of over provision of taxation in prior year	-	38	-	38
Deferred tax	(220)	(207)	(311)	(912)
Withholding tax *	(24)	(27)	(52)	(55)
Total	<u>(1,196)</u>	<u>(673)</u>	<u>(2,167)</u>	<u>(1,901)</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 2022 and 31 July 2021:

	Group		Company	
	31 July 2022 \$'000	31 July 2021 \$'000	31 July 2022 \$'000	31 July 2021 \$'000
<b>Financial assets</b>				
Loans and receivables (including cash and cash equivalents), at amortised cost:				
- Cash and cash equivalents	8,888	9,869	71	69
- Trade receivables	33,589	28,091	-	-
- Other receivables (excluding prepayments and VAT input)	1,735	1,465	33,032	34,237
At amortised cost	<u>44,212</u>	<u>39,425</u>	<u>33,103</u>	<u>34,306</u>
<b>Financial liabilities</b>				
Amortised cost:				
- Bank borrowings	19,349	13,633	-	-
- Trade payables	10,442	8,637	-	-
- Other payables	9,089	8,019	4,322	3,584
At amortised cost	<u>38,880</u>	<u>30,289</u>	<u>4,322</u>	<u>3,584</u>
Lease liabilities	8,664	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 year, Group entities entered into the following transactions with group companies of the ultimate holding company:

	Group	
	31 July 2022 S\$'000	31 July 2021 S\$'000
Sale of goods	1,255	1,335
Rental income	72	65
	<u>1,327</u>	<u>1,400</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)	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
Venner Capital S.A. and subsidiaries and related parties	Venner Capital S.A. is a controlling shareholder of the Company	-	1,255

**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:

Entity in which a director is a partner	Group	
	31 July 2022 S\$'000	31 July 2021 S\$'000
Legal fees expense	(146)	(63)

**VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES**

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

**10 Intangible assets**

12 months ended 31 July 2022	Group						
	Intellectual properties	Development costs	Customer relationships	Development rights	Software	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost</b>							
At 1 August 2021	413	289	2,775	800	193	1,084	5,554
Additions	-	334	-	-	40	-	374
At 31 July 2022	413	623	2,775	800	233	1,084	5,928
<b>Accumulated amortisation:</b>							
At 1 August 2021	394	-	1,097	253	57	-	1,801
Amortisation charge	19	-	-	-	56	-	75
At 31 July 2022	413	-	1,097	253	113	-	1,876
<b>Impairment:</b>							
At 31 July 2021 and 31 July 2022	-	289	1,677	547	-	-	2,513
<b>Carrying amount:</b>							
At 31 July 2021	19	-	1	-	136	1,084	1,240
At 31 July 2022	-	334	1	-	120	1,084	1,539

## VICPLAS INTERNATIONAL LTD AND ITS SUBSIDIARIES

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

#### 10 Intangible assets (cont'd)

6 months ended 31 July 2022	Group						
	Intellectual properties	Development costs	Customer relationships	Development rights	Software	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost</b>							
At 1 February 2022	413	289	2,775	800	198	1,084	5,559
Additions	-	334	-	-	35	-	369
At 31 July 2022	413	623	2,775	800	233	1,084	5,928
<b>Accumulated amortisation:</b>							
At 1 February 2022	387	-	1,097	253	99	-	1,836
Amortisation charge	26	-	-	-	14	-	40
At 31 July 2022	413	-	1,097	253	113	-	1,876
<b>Impairment:</b>							
At 1 February 2021 and 31 July 2021	-	289	1,677	547	-	-	2,513
<b>Carrying amount:</b>							
At 1 February 2022	26	-	1	-	99	1,084	1,210
At 31 July 2022	-	334	1	-	120	1,084	1,539

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 July 2022 and as at 31 July 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 twelve months ended 31 July 2022, the Group acquired assets amounting to S\$10,999,000 (31 July 2021: S\$6,215,000). During the six months from 1 February 2022 to 31 July 2022, the Group acquired assets amounting to S\$7,691,000.



**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 2022		As at 31 July 2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,956	-	5,038	-

Amount repayable after one year

As at 31 July 2022		As at 31 July 2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,393	-	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\$9,689,000 (31 July 2021: S\$10,557,000) and a 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 July 2022 S\$'000	As at 31 July 2021 S\$'000
1,311	848
7,353	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 July 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 July 2022	
18 January 2016	S\$ 0.115	9,740,000	-	-	9,740,000	19 January 2017 to 18 January 2026
23 January 2017	0.108	8,100,000	-	-	8,100,000	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
		17,840,000	5,600,000	-	23,440,000	

**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 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 July 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**

On 21 January 2022, a one-tier tax exempt final dividend of S\$0.0045 per share was paid (total dividend S\$2,300,000) in respect of FY2021.

Subsequent to 31 July 2022, the directors propose a one-tier tax exempt final dividend of S\$0.0045 per ordinary share in respect of the financial year ended 31 July 2022 for approval by shareholders at the Annual General Meeting. The proposed dividends are not accrued as a liability for the current financial year in accordance with SFRS(I) 10 - *Events After The Reporting Period*.

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

Any dividend recommend for the current financial period reported on?

Yes.

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

The Directors recommend a final dividend of S\$0.0045 per ordinary share (one-tier tax exempt) in respect of the financial year ended 31 July 2022 for approval by shareholders at the Annual General Meeting to be held on 24 November 2022.

In view of opportunities to keep growing the Group's medical devices segment, the majority of the profit recorded for FY2022 has been retained in the business to support such growth in the long term interest of shareholders. In addition, the Group is mindful of the uncertainties in the macro environment as well as the Group's working capital, cashflow and capital expenditure requirements. The Group continues to take all of these considerations into account in striving for a balance between rewarding shareholders and maintaining sufficient capital to grow the business. As the Group continues to grow albeit at a lower but still encouraging level of profitability in view of the macro environment, the Board of Directors of Vicplas is recommending maintaining the same dividend rate as FY2021.

**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** 20 January 2023

**(d) Books closure date** 12 January 2023

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

Not applicable.

**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 2022 (in cents)	31 July 2021 (in cents)
15.32	14.03

**Company**

Net asset value per ordinary share

31 July 2022 (in cents)	31 July 2021 (in cents)
15.38	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 July 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 July 2022 (in cents)	31 July 2021 (in cents)
	1.73	2.04
	511,022,452	509,227,631
	1.70	2.00
	519,272,596	521,025,322

## **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 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\$130.8 million for the year ended 31 July 2022 ("FY2022") as compared to S\$113.9 million for the year ended 31 July 2021 ("FY2021") driven by higher revenue from both medical devices and pipes and pipe fittings segments.

The revenue for the medical devices segment was S\$92.6 million in FY2022, an increase of 15.5% from FY2021 due to increased orders from its customers. The pipes and pipe fittings segment also recorded an increase of 13.1% in revenue from FY2021 to S\$38.2 million in FY2022, due to the gradual recovery in the construction industry from the disruptions caused by the Covid-19 pandemic.

Other income decreased by 15.1% in FY2022 mainly due to the absence of Covid-19 related government subsidies in FY2022 as compared to S\$0.6 million of such subsidies that were received in FY2021 and a S\$0.3 million decrease in income from tooling, mould and maintenance services as compared to FY2021.

Raw materials and consumables used increased by 22.1% 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 17.9% due to increased headcount and overtime, especially in the medical devices segment, to meet the higher revenue and investment in medtech talents to meet future demand.

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 4.5% mainly due to the rise in electricity tariffs and higher cost of repairs and maintenance to support the increase in revenue.

Finance costs increased by S\$0.3 million due to increase in bank borrowings to finance a higher amount of working capital to support a greater scale of business and the rising interest rate environment.

Income tax expense increased by 14.0% in FY2022 despite the lower profit after tax as the Group had utilised most of its past years' tax losses brought forward in FY2021.

Overall, the Group recorded profit before tax of S\$11.0 million, a decrease by 10.5% from S\$12.3 million in FY2021, and profit after tax of S\$8.8 million for FY2022, a decrease of 15.0% compared to S\$10.4 million for FY2021. The Group's adjusted EBITDA for FY2022 was S\$18.3 million, which was a smaller decrease in percentage terms of 1.5% compared to S\$18.6 million for FY2021. The Group, in particular the medical devices segment, is continuing to invest intensively as it scales up its global manufacturing footprint to meet both current and future customer demand, as indicated by the continuing high depreciation and amortisation expenses. Accordingly, the Group has initiated disclosure of adjusted EBITDA as it could serve as an additional metric for evaluating the Group's operating performance.

*(Note: Adjusted EBITDA refers to earnings before interest, tax, depreciation and amortisation; and excludes unrealised foreign exchange.)*

#### Statement of financial position

Trade receivables increased due to higher revenue in both the medical devices segment and pipes and pipe fittings segment in FY2022.

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 July 2022 as compared to 31 July 2021.

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.

Property, plant and equipment increased mainly due to capital expenditure for the Changzhou plant extension.

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.

Total bank borrowings (current and non-current) increased mainly due to the capital expenditure required for the Changzhou plant extension, as well as higher working capital required to support the higher revenue.

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

#### Cash flow

Net cash from operating activities for FY2022 increased by 8.2% as compared to FY2021 despite lower profit before income tax mainly due to the cashflow from decreased contract assets and increased total of trade and other payables more than offset the cashflow used in increased total of trade receivables and inventories.

Net cash used in investing activities increased to S\$12.8 million in FY2022 mainly 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 decreased by 12.4% in FY2022 due to increased repayments of lease liabilities, higher dividends paid and lower proceeds from exercise of share options, partially offset by the increase in proceeds from 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 continued its growth momentum of recent years with sales of S\$92.6 million, an increase of 15.5% over FY2021 – which was achieved notwithstanding disruptions and delays arising from the Covid-19 pandemic. The segment also faced increased operating costs mainly due to the effects of rising supply chain costs and other disruptions caused by the Covid-19 pandemic, as well as higher costs associated with business expansion through increasing manufacturing facility capacity and bringing onboard additional technical and business development resources to meet current and future demand. Given these circumstances, the segmental result of S\$10.2 million was commendable, albeit a decrease of 15.3% over FY2021.

In FY2022, the segment further expanded its global customer base, commercialised new projects, and expanded its manufacturing footprint with the completion of a sizeable extension to its Changzhou manufacturing plant to meet increasing demand. The Changzhou plant extension is expected to start contributing to revenue in the first half of the financial year ending 31 July 2023. The segment is also actively negotiating for a suitable site in Juarez, Mexico, to initiate its fifth manufacturing location to provide greater flexibility and choice for its customers.

The segment has continued to focus on building specialised capabilities to improve its collaboration and offerings to its global customer base, and prioritising efficiency improvements at its manufacturing plants.

The current expectation for the medical devices segment is for its positive revenue momentum to continue, and to further grow its customer base, coupled with planned improvements in product mix, plant efficiency and utilisation. Nonetheless, this optimism must be tempered by some caution in the face of a macro environment of some uncertainty due to current international trading conditions and inflationary concerns, and the segment's continued investment in capability improvement and expansion of its global manufacturing footprint.

#### Pipes and pipe fittings segment

The pipes and pipe fittings segment concluded FY2022 with higher sales of S\$38.3 million (an increase of 13.1% over FY2021) alongside the recovery of the construction industry in Singapore. The segmental result of S\$4.5 million posted, was a 42.0% improvement over FY2021 despite higher material and overheads cost.

In FY2022, the segment focused on the pipeline of civil engineering projects relating to the building of new townships as more public housing units are expected to be released over the next few years. With a manufacturing presence in Singapore, the segment is well positioned to support customers as the domestic construction industry continues its growth momentum. The segment will continue its focus on civil engineering projects as well as product expansion beyond the built environment. Whilst the segment expects higher revenue from the brightened outlook, it also continues to face increasing competition and cost pressures.

*(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 to S\$130.8 million, an increase of 14.8% over FY2021. It recorded a profit after tax of S\$8.8 million, which was a decrease of 15.0% compared to FY2021 mainly due to a decrease in the medical segment as previously explained. The Group expects its revenue to continue growing into the next reporting period with the continued expansion of the medical device segment and the improved outlook for the pipes and pipe fittings segment as the construction sector in Singapore improves.

The Group's profit after tax in the next reporting period may also be impacted by increasing operating costs due to inflationary pressures, continued disruptions in logistics and supply chains, and higher development and expansion costs.

While the Group remains cautiously optimistic for the next reporting period, it is keeping a vigilant watch on the challenges that may arise from the ongoing Covid-19 pandemic, inflationary pressures, and uncertainties in the wider macro environment. 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.

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, chief executive officer and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Mr Cheng Hsheng @ Zhong Zixian	45	Son of Mr Cheng Liang (Group Chief Executive Officer)*	Group Operations Director with effect from 1 April 2016	Not applicable

\* Mr Cheng Liang stepped down as Group Chief Executive Officer of the Vicplas Group on 31 July 2022.

**BY ORDER OF THE BOARD**

Walter Tarca  
Group Chief Executive Officer  
23 September 2022