

Clarification:

Article published in The Edge Singapore for the week of January 10 – 16, 2022

SINGAPORE, January [10], 2022 – Vicplas International Ltd (“**Vicplas**” or the “**Company**”), or collectively with its subsidiaries, the “**Group**”) wishes to clarify the following inaccuracies with reference to an article published on page 11 in The Edge Singapore for the week of January 10 – 16, 2022, titled “***Vicplas banks on construction, medical devices for recovery***” by Mr Lim Hui Jie.

In the article it was stated, “*Assuming things go well, the company is poised for explosive growth as the construction sector recovers and the medical segment takes off*”. The Company wishes to clarify that this statement is Mr Lim’s opinion and was not made by the Company.

The Group’s aim is to achieve sustainable growth over the long term. As stated in the Chairman’s statement in the Company’s Annual Report for the year ended July 31, 2021, while the outlook for the medical devices segment remains good, its growth rate can be expected to moderate after four consecutive financial years of growth (as the base becomes bigger). Even though the segment is well positioned to capitalise on the growing medical technology contract manufacturing industry, this optimism must be tempered by caution in the face of a macro environment of some uncertainty due to current international trading conditions, geopolitical challenges and the on-going COVID-19 pandemic. For the pipes and pipe fittings segment, it was also stated in the Chairman’s statement that although the construction industry in Singapore is gradually recovering from the impact of COVID-19, labour shortages and supply chain disruptions continue to cause delays in construction projects. This, coupled with increased operating costs and higher raw material prices, will continue to impact the revenue and results of the segment. While the Group remains cautiously optimistic for the financial year ending July 31, 2022, it is

keeping a vigilant watch on the challenges that may arise from the ongoing Covid-19 pandemic and uncertainties in the wider macro environment.

The article also stated, *“The pipes segment, surprisingly, is mostly immune to most of the supply chain disruptions as the company manufactures in Singapore, for the Singapore market. This means it does not have to deal with the problem of transportation costs.”*. The Company wishes to clarify that the pipes and pipe fittings segment did face supply chain disruptions as a result of pandemic-related cross border restrictions with Malaysia, as well as surges in raw material and logistics costs due to scarcity. However, the segment managed to mitigate the impact and ensured supply stability to its local customers by leveraging on its Singapore manufacturing presence as well as carrying a higher volume of inventory.

The article also mentioned that *“Examples of medical equipment made by Vicplas include screws used to repair hernias, feeding tubes, and stents”*. The Company wishes to clarify that it does not manufacture stents. Examples of medical devices manufactured by its medical devices segment include infusion sets, jejunal & naso-gastric feeding tubes, endotracheal tubes, orthodontic devices, screw fasteners used in surgery, amongst others.

The Company has reached out to The Edge Singapore regarding the abovementioned clarifications.

BY ORDER OF THE BOARD

Cheng Liang

Group Chief Executive Officer

January 10, 2022