

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

UPDATE ON COVID-19 SITUATION

The Board of Directors of Vicplas International Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide an update on the impact of the recent Covid-19 situation in relation to the Group.

Medical devices segment

In the Group’s announcement on 13 March 2020 of the first half results for the six months ended 31 January 2020 (“**1H FY2020 results announcement**”), it was mentioned that the operations of Group’s medical devices segment (“**MDS**”) were expected to normalise after a period of disruption/slow-down due to the Covid-19 situation. As an update, MDS’ operations have normalised and with this recovery, MDS is cautiously optimistic about its performance for the second half of the financial year ending 31 July 2020 as it is working towards catching up on production volume in order to mitigate, to the extent practicable, the impact of the prior disruption/slow-down. The additional circuit breaker measures introduced by the Singapore Government recently are not expected to impact MDS significantly. The Singapore manufacturing facility has been granted permission to continue operations subject to safe distancing requirements during this circuit breaker period because of the essential service it provides in the manufacturing of components and medical devices for the global medical supply chain. MDS continues to monitor closely the constantly evolving situation that exists in international markets especially with regard to possible changes in demand/forecasts from its customers due to the Covid-19 situation and take necessary mitigating actions to the extent practicable.

Pipes and pipe fittings segment

The Group’s pipes and pipe fittings segment has been affected by the recent restrictions imposed by the respective governments of Malaysia and Singapore due to the Covid-19 situation. Though both the Singapore and Malaysia manufacturing facilities have received permission from the authorities to continue operations as the segment’s manufactured products are essential to support critical construction works and public infrastructure, they are running at reduced scale with substantially fewer employees to abide with safe distancing requirements. In addition, customers’ demand for pipes and pipe fittings in Singapore (and consequently the revenue of this segment) is expected to decrease significantly during this circuit breaker period as many of them could face disruption/slow-down or shut-down their operations. At this stage the segment is unable to determine the extent of the financial impact and is tracking the developments closely and stands ready to resume full operations in both facilities when permitted to do so.

Group

The Group has implemented working from home arrangements for business functions that do not require on-site presence as well as precautionary measures to safeguard the health and safety of our employees.

Given the unprecedented nature of the Covid-19 situation, there is uncertainty over how it will further develop as well as measures or steps that governments may take in response. The Group will continue to monitor the situation and take mitigating steps where practicable.

BY ORDER OF THE BOARD

Esther Au
Company Secretary
15 April 2020