

VICPLAS INTERNATIONAL LTD
(COMPANY REGISTRATION NO. 199805362R)
HALF-YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 JANUARY 2021

1(a) An income statement for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		% Increase/(Decrease)
	S\$'000		
	31 Jan 2021	31 Jan 2020	
Revenue	56,515	47,165	19.8
Other income	2,779	1,094	154.0
Changes in inventories of finished goods and work-in progress	427	194	120.1
Raw materials and consumables used	(26,206)	(20,059)	30.6
Purchase of finished goods for resale	(615)	(966)	(36.3)
Employee benefits expense	(17,247)	(13,937)	23.7
Depreciation and amortisation expenses	(3,085)	(2,312)	33.4
Other operating expenses	(6,111)	(7,350)	(16.9)
Finance costs	(241)	(243)	(0.8)
Profit before tax	6,216	3,586	73.3
Income tax	(1,228)	(1,316)	(6.7)
Profit after tax	4,988	2,270	119.7
Other comprehensive income (loss), net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	756	(47)	nm
Other comprehensive income (loss) for the period, net of tax	756	(47)	
Total comprehensive income for the period	5,744	2,223	158.4
Profit attributable to:			
Owners of the Company	4,988	2,312	115.7
Non-controlling interests	-	(42)	(100.0)
	4,988	2,270	119.7
Total comprehensive income attributable to:			
Owners of the Company	5,744	2,265	153.6
Non-controlling interests	-	(42)	(100.0)
	5,744	2,223	158.4

1(b)(i) A statement of financial position for the issuer and Group, together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Jan 2021 S\$'000	31 Jul 2020 S\$'000	31 Jan 2021 S\$'000	31 Jul 2020 S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	5,203	4,481	171	100
Trade receivables	31,331	21,452	-	-
Other receivables	3,553	3,224	31,323	33,040
Contract assets	6,712	5,558	-	-
Inventories	11,620	14,612	-	-
Income tax receivables	130	141	-	-
Total current assets	58,549	49,468	31,494	33,140
Non-current assets:				
Property, plant and equipment	34,036	32,128	-	-
Right-of-use assets	4,840	5,357	-	-
Joint venture	1,795	1,795	-	-
Intangible assets	1,256	1,287	-	-
Deferred tax assets	714	1,100	-	-
Subsidiaries	-	-	41,049	41,034
Total non-current assets	42,641	41,667	41,049	41,034
Total assets	101,190	91,135	72,543	74,174
LIABILITIES AND EQUITY				
Current liabilities:				
Bank borrowings	12,459	8,634	-	-
Contract liabilities	1,548	1,422	-	-
Trade payables	7,054	5,054	-	-
Other payables	6,607	6,804	726	1,001
Lease liabilities	755	1,058	-	-
Income tax payable	540	209	40	-
Total current liabilities	28,963	23,181	766	1,001
Non-current liabilities:				
Other payables	226	221	-	-
Lease liabilities	3,901	4,105	-	-
Deferred tax liabilities	2,223	1,904	-	-
Total non-current liabilities	6,350	6,230	-	-
Capital and reserves:				
Share capital	50,908	50,605	50,908	50,605
Treasury shares	(37)	(37)	(37)	(37)
Share option reserve	1,564	1,546	1,564	1,546
Currency translation reserve	(442)	(1,198)	-	-
Capital reserve	(169)	(169)	-	-
Revaluation reserve	2,965	2,965	-	-
Retained earnings	11,088	8,012	19,342	21,059
Equity attributable to owners of the Company	65,877	61,724	71,777	73,173
Non-controlling interests	-	-	-	-
Total equity	65,877	61,724	71,777	73,173
Total liabilities and equity	101,190	91,135	72,543	74,174

Notes : -

1 Revenue comprises:

	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000
Medical devices	40,495	29,836
Pipes and pipe fittings	16,020	17,329
Total	56,515	47,165

2 Other income comprises:

	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000
Gain on disposal of property, plant and equipment	2	-
Income from tooling, mould and maintenance services	1,522	830
Miscellaneous income, net:		
-Outside parties	691	185
Rental income:		
-Subsidiaries of the ultimate holding company	36	36
-Outside parties	-	6
Government grant	38	37
Covid-19 related government subsidies	490	-
Total	2,779	1,094

3 Other operating expenses comprises:

	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000
Advertisement and marketing expenses	(366)	(460)
Audit fees	(117)	(90)
Computer expenses	(66)	(55)
Factory consumables	(349)	(325)
Foreign exchange loss, net	(94)	(708)
Insurance	(396)	(314)
Laboratory and testing	(133)	(115)
Professional fees	(329)	(284)
Property, plant and equipment written off	(6)	-
Packaging materials	(194)	(223)
Property tax	(91)	(92)
Rental of premises and equipment	(137)	(382)
Repair and maintenance	(494)	(493)
Sterilisation and decontamination	(101)	(30)
Tooling expenses	(252)	(221)
Transportation and freight	(471)	(560)
Travelling and entertainment	(131)	(327)
Upkeep of factory premises	(310)	(240)
Upkeep of vehicles	(185)	(184)
Water and electricity	(1,039)	(1,078)
Others	(850)	(1,169)
Total	(6,111)	(7,350)

4 Income tax comprises:

	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000
Current tax	(495)	(60)
Adjustment in respect of under provision of current tax in prior year	-	(87)
Deferred tax	(705)	(1,100)
Withholding tax *	(28)	(69)
Income tax for the year	(1,228)	(1,316)

* Withholding tax arises from interests and rental charges to subsidiaries.

5 nm – not meaningful

1(b)(ii) Aggregate amount of Group's borrowings and debt securities together with comparative figures as at the end of the immediate preceding financial year

Bank Borrowings

Amount repayable in one year or less, or on demand

As at 31 Jan 2021		As at 31 Jul 2020	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,459	-	8,634	-

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\$10,557,000 (31 July 2020: S\$10,695,000) and a corporate guarantee by the Company of S\$21,985,000 and US\$2,000,000 (31 July 2020: S\$21,985,000 and US\$2,000,000).

Lease Liabilities

	As at 31 Jan 2021 S\$'000	As at 31 Jul 2020 S\$'000
Amount repayable in one year or less, or on demand	755	1,058
Amount repayable after one year	3,901	4,105

1(c) A statement of cash flows for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	1 Aug 2020 to 31 Jan 2021 S\$'000	1 Aug 2019 to 31 Jan 2020 S\$'000
Operating activities:		
Profit before income tax	6,216	3,586
Adjustments for:		
Amortisation of intangible assets	31	34
Depreciation of property, plant and equipment	2,229	2,132
Depreciation of right-of-use assets	825	146
Gain on disposal of property, plant and equipment	(2)	-
Interest expense	241	243
Share-based payment expenses	18	33
Write off of property, plant and equipment	6	-
Operating cash flows before movements in working capital	<u>9,564</u>	<u>6,174</u>
Trade receivables	(10,131)	(425)
Other receivables	(198)	(15)
Contract assets	(1,154)	840
Inventories	3,030	(28)
Trade payables	2,058	(500)
Other payables	(839)	(1,135)
Contract liabilities	126	1,099
Cash generated from operations	<u>2,456</u>	<u>6,010</u>
Interest paid	(91)	(230)
Income taxes (net)	(181)	(222)
Net cash from operating activities	<u>2,184</u>	<u>5,558</u>
Investing activities:		
Purchase of property, plant and equipment (see (a))	(2,814)	(3,910)
Prepayment for plant and equipment	(144)	(483)
Additions to intangible asset	-	(87)
Proceeds on disposal of plant and equipment	2	-
Net cash used in investing activities	<u>(2,956)</u>	<u>(4,480)</u>
Financing activities:		
Proceeds from bank borrowings (net)	3,825	2,377
Repayments of lease liabilities	(657)	(357)
Proceeds from exercise of share options	303	198
Dividend paid	(1,912)	(2,536)
Net cash from/(used in) financing activities	<u>1,559</u>	<u>(318)</u>
Net increase in cash and cash equivalents	787	760
Cash and cash equivalents at beginning of period	4,481	4,106
Effect of foreign exchange rate changes	(65)	504
Cash and cash equivalents at end of period	<u>5,203</u>	<u>5,370</u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u>5,203</u>	<u>5,370</u>

Note (a):

During the period, the Group acquired property, plant and equipment with an aggregate cost of \$3,333,000 (31 Jan 2020: \$3,796,000) of which the outstanding amount of \$895,000 (31 Jan 2020: \$405,000) was acquired and remain unpaid at the end of the period under review. Cash payments of \$2,814,000 (31 Jan 2020: \$3,910,000) were made to purchase property, plant and equipment of which \$376,000 (31 Jan 2020: \$519,000) pertain to payment of prior year outstanding balance.

1(d)(i) A statement for the issuer and Group showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Treasury shares	Share option reserve	Currency translation reserve	Capital reserve	Revaluation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2021										
Group										
Balance at 1 Aug 2020	50,605	(37)	1,546	(1,198)	(169)	2,965	8,012	61,724	-	61,724
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	4,988	4,988	-	4,988
Other comprehensive income for the period	-	-	-	756	-	-	-	756	-	756
Total	-	-	-	756	-	-	4,988	5,744	-	5,744
Transactions with owners, recognised directly in equity:										
Issue of share capital	303	-	-	-	-	-	-	303	-	303
Dividends	-	-	-	-	-	-	(1,912)	(1,912)	-	(1,912)
Recognition of share-based payment	-	-	18	-	-	-	-	18	-	18
Total	303	-	18	-	-	-	(1,912)	(1,591)	-	(1,591)
Balance at 31 Jan 2021	50,908	(37)	1,564	(442)	(169)	2,965	11,088	65,877	-	65,877
FY 2020										
Group										
Balance at 1 Aug 2019	50,407	(37)	1,480	(1,038)	-	2,965	6,832	60,609	(81)	60,528
Total comprehensive income (loss) for the period:										
Profit for the period	-	-	-	-	-	-	2,312	2,312	(42)	2,270
Other comprehensive loss for the period	-	-	-	(47)	-	-	-	(47)	-	(47)
Total	-	-	-	(47)	-	-	2,312	2,265	(42)	2,223
Transactions with owners, recognised directly in equity:										
Issue of share capital	198	-	-	-	-	-	-	198	-	198
Dividends	-	-	-	-	-	-	(2,536)	(2,536)	-	(2,536)
Recognition of share-based payment	-	-	33	-	-	-	-	33	-	33
Acquisition of additional interests in subsidiary	-	-	-	-	(169)	-	-	(169)	-	(169)
Total	198	-	33	-	(169)	-	(2,536)	(2,474)	-	(2,474)
Balance at 31 Jan 2020	50,605	(37)	1,513	(1,085)	(169)	2,965	6,608	60,400	(123)	60,277
FY 2021										
Company										
Balance at 1 Aug 2020	50,605	(37)	1,546	-	-	21,059	73,173			
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	195	195			
Transactions with owners, recognised directly in equity:										
Issue of share capital	303	-	-	-	-	-	303			
Dividends	-	-	-	-	-	(1,912)	(1,912)			
Recognition of share-based payment	-	-	18	-	-	-	18			
Total	303	-	18	-	-	(1,912)	(1,591)			
Balance at 31 Jan 2021	50,908	(37)	1,564	-	-	19,342	71,777			
FY 2020										
Company										
Balance at 1 Aug 2019	50,605	(37)	1,513	-	-	22,082	74,163			
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	1,008	1,008			
Transactions with owners, recognised directly in equity:										
Issue of share capital	198	-	-	-	-	-	198			
Dividends	-	-	-	-	-	(2,536)	(2,536)			
Recognition of share-based payment	-	-	33	-	-	-	33			
Total	198	-	33	-	-	(2,536)	(2,305)			
Balance at 31 Jan 2020	50,803	(37)	1,546	-	-	20,554	72,866			

1(d)(ii) 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.

State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 Jan 2021		As at 31 Jan 2020	
	Number of shares	S\$'000	Number of shares	S\$'000
Balance at the beginning of the financial period	507,677,699	50,605	505,677,699	50,407
Issue of shares pursuant to the exercise of share options	2,710,000	303	2,000,000	198
Balance at the end of the financial period	510,387,699	50,908	507,677,699	50,605

Outstanding share options

Grant date	Exercise price per share	Number of share options					Exercise period
		As at 31 Jan 2020	Issued	Forfeited	Exercised	As at 31 Jan 2021	
18 January 2016	S\$ 0.115	1,250,000	-	-	(1,250,000)	-	19 January 2017 to 18 January 2021
18 January 2016	0.115	10,000,000	-	-	(260,000)	9,740,000	19 January 2017 to 18 January 2026
23 January 2017	0.108	11,000,000	-	(1,000,000)	(1,200,000)	8,800,000	24 January 2018 to 23 January 2027
		22,250,000	-	(1,000,000)	(2,710,000)	18,540,000	

Treasury shares

	As at 31 Jan 2021	As at 31 Jan 2020
Treasury shares	461,000	461,000
Number of issued shares excluding treasury shares	509,926,699	507,216,699
Percentage of treasury shares against total number of issued shares (excluding treasury shares)	0.1%	0.1%

1(d)(iii) 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 Jan 2021	As at 31 Jul 2020
Number of issued shares	510,387,699	507,677,699
Treasury shares	(461,000)	(461,000)
Number of issued shares excluding treasury shares	509,926,699	507,216,699

1(d)(iv) 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 Jan 2021		As at 31 Jul 2020	
	Number of treasury shares	S\$'000	Number of treasury 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during, and at the end of, the current financial period reported on.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

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 2020.

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 first half year announcement.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 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.

	31 Jan 2021 (in cents)	31 Jan 2020 (in cents)
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	0.98	0.46
- Weighted average number of shares	508,539,960	506,788,710
(b) On a fully diluted basis	0.96	0.46
- Adjusted weighted average number of shares	521,754,337	506,788,710

7 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

	31 Jan 2021 (in cents)	31 Jul 2020 (in cents)
Net asset value per ordinary share	12.92	12.17

Company

	31 Jan 2021 (in cents)	31 Jul 2020 (in cents)
Net asset value per ordinary share	14.08	14.43

The calculation of net asset value per ordinary share is based on 509,926,699 ordinary shares in issue excluding treasury shares as at 31 Jan 2021 (31 Jul 2020: 507,216,699 ordinary shares).

8 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 \$56.5 million ("M") for the six months ended 31 January 2021 ("1H FY2021") as compared to \$47.2M for the six months ended 31 January 2020 ("1H FY2020"), driven by higher revenue from medical devices segment which was partially offset by lower revenue from the pipes and pipe fittings segment.

The revenue for the medical devices segment was \$40.5M in 1H FY2021, an increase of 35.7% from 1H FY2020 due to increased orders from its customers while its segment result improved to \$5.4M in 1H FY2021 from \$2.9M in 1H FY2020. The pipes and pipe fittings segment recorded revenue of \$16.0M in 1H FY2021, a decrease of 7.6% from 1H FY2020 with segment result of \$2.2M in 1H FY2021 compared to \$2.4M in 1H FY2020 (which was pre Covid-19), as the construction industry gradually recovered from the disruptions caused by the Covid-19 pandemic.

Other income was higher in 1H FY2021 by 154.0% due to more tools built for customers as well as the receipt of Covid-19 related government subsidies.

Raw materials and consumables used increased by 30.6% due to increased usage in the medical devices segment.

Employee benefits expense was higher in 1H FY2021 by 23.7% due to increase in headcount and overtime in the medical devices segment to meet the higher revenue.

Depreciation and amortisation expenses increased by 33.4% due to the increase in property, plant and equipment used in the medical devices segment and the reclassification of the Group's investment property to property, plant and equipment in December 2019.

Other operating expenses decreased by 16.9% mainly due to reduction in advertisements, marketing expenses, as well as travelling and entertainment expenses incurred due to the Covid-19 pandemic and lower foreign exchange loss.

Overall, the Group recorded a net profit before tax of \$6.2M for 1H FY2021 as compared to \$3.6M for 1H FY2020, an increase of 73.3%; and a net profit after tax of \$5.0M for 1H FY2021 as compared to \$2.3M for 1H FY2020, an increase of 119.7%.

Statement of financial position

Trade receivables increased to \$31.3M as at 31 January 2021 from \$21.5M as at 31 July 2020 due to higher revenue in both the medical devices segment and pipes and pipe fittings segment in 1H FY2021 as compared to the second half of FY2020.

Contract assets increased due to more 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 January 2021 as compared to 31 July 2020.

Inventories decreased as they were drawn down for production to meet the increase in revenue.

Property, plant and equipment increased due to capital expenditure, mainly in the medical devices segment.

Right-of-use ("ROU") assets and Lease liabilities decreased due to the depreciation charge for ROU assets and the amortisation of Lease liabilities over its lease term.

Deferred tax assets decreased due to the de-recognition of deferred tax assets in Forefront (Xiamen) Medical Devices Co., Ltd. as its tax losses were utilised.

Bank borrowings increased mainly due to higher trust receipts utilised in the purchase of raw materials for the pipes and pipe fittings segment.

Contract liabilities increased mainly due to higher balances due to customers under tooling and maintenance services. These arose when the billings made to customers exceeded the revenue recognised to date.

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

Cash flow

Net cash generated from operating activities decreased to \$2.2M in 1H FY2021 from \$5.6M in 1H FY2020 despite greater profit due to higher working capital requirements.

Net cash used in investing activities decreased to \$3.0M in 1H FY2021 as compared to \$4.5M in 1H FY2020 due to lower capital expenditure.

Net cash from financing activities was \$1.6M in 1H FY2021 as compared to net cash used in financing activities in 1H FY2020 of \$0.3M due to higher bank borrowings which was offset partially by lower dividend paid.

9 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.

10 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 continues its positive growth momentum with revenue increasing by 35.7% in 1H FY2021 as compared to 1H FY2020 resulting in an increase of 85.0% in segmental results. The segment will continue to broaden its customer base and improve its core capabilities to provide enhanced service offerings to customers. In addition, it will continue efforts to improve efficiency at its manufacturing plants to lower costs and raise margins. Although operations have mostly normalised at this stage of the Covid-19 pandemic, the segment will continue to monitor the situation very closely. The segment continues to assess the establishment of the next medical device plant outside China in order to provide operational diversity, growth, and resilience for its customer base. The segment remains optimistic about its long term growth opportunities in medical device manufacturing globally, but will continue to be very mindful of uncertainties in current international trading conditions.

Pipes and pipe fittings segment

The pipes and pipe fittings segment has seen a gradual recovery in 1H FY2021 as construction projects in Singapore re-commence activities, with segmental results slightly lower than 1H FY2020, which was pre Covid-19. This recovery is expected to continue for the rest of the financial year ending 31 July 2021 ("FY2021"). However, recent price increases for raw materials, labour shortages, and intensified competition are key concerns which may affect the performance of the segment for the remainder of FY2021. Notwithstanding this challenging operating environment, the segment will continue to focus on civil engineering projects and product expansion and targets to grow its revenue in FY2021.

(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 paragraph 14.)

Group

Despite the Covid-19 pandemic, the Group achieved higher profitability in 1H FY2021 as compared to 1H FY2020. While the Group remains cautiously optimistic for the remainder of FY2021, it is keeping a vigilant watch on uncertainties and challenges that may arise from the ongoing Covid-19 pandemic. The Group will continue to exercise prudent cost management, while developing new business opportunities and strengthening the base for future growth.

11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period?

No dividend was declared or recommended for the current period reported on.

As mentioned in the Annual Report of the financial year ended 31 July 2019, in order to provide greater flexibility for managing the Group's capital needs throughout the year, dividend will be determined and declared at year end rather than half yearly. This flexibility will also place the Group in a stronger position to manage uncertainties or unforeseen events, such as the Covid-19 situation.

(b) Corresponding period of the immediately preceding financial year

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

No dividend was declared or recommended for the corresponding period of the immediately preceding financial period.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Please refer to paragraph 11(a).

13 Interested person transactions.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted 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
Sales of goods to subsidiaries and associates of Venner Capital S.A.	-	855

14 **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 period.**

	Medical devices		Pipes & pipe fittings		Eliminations		Total	
	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000
Revenue								
External sales	40,495	29,836	16,020	17,329	-	-	56,515	47,165
Results								
Segment result	5,370	2,902	2,226	2,388	(265)	(332)	7,331	4,958
Unallocated expenses							(874)	(1,129)
Interest expense	(116)	(108)	(125)	(135)	-	-	(241)	(243)
Profit before income tax							6,216	3,586
Income tax					-	-	(1,228)	(1,316)
Profit for the year							4,988	2,270
Other information								
Capital expenditure	3,135	3,103	198	693	-	-	3,333	3,796
Depreciation and amortisation	2,150	1,235	935	1,077	-	-	3,085	2,312
Balance Sheet								
Assets								
Segment assets	63,511	47,074	37,474	42,858	-	-	100,985	89,932
Unallocated corporate assets							205	71
Consolidated total assets							101,190	90,003
Liabilities								
Segment liabilities	20,567	14,356	13,980	14,353	-	-	34,547	28,709
Unallocated corporate							766	848
Consolidated total liabilities							35,313	29,557

Geographical segments

	Revenue		Segment assets		Additions to property, plant and equipment	
	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000	31 Jan 2021 S\$'000	31 Jan 2020 S\$'000
Singapore	51,589	44,450	59,517	54,694	1,063	1,628
Malaysia	1,500	1,765	5,059	4,550	3	21
China	1,692	950	33,771	30,759	2,065	2,147
United Kingdom	1,734	-	2,843	-	202	-
	56,515	47,165	101,190	90,003	3,333	3,796

15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

16 **Negative confirmation on interim financial results under Rule 705(5) of the Listing Manual.**

The Chairman of the Board and Chairman of the Audit Committee on behalf of the Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention which may render the unaudited consolidated half year financial results for the period ended 31 January 2021 to be false or misleading in any material respect.

17 **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).

BY ORDER OF THE BOARD

Cheng Liang
Group Chief Executive Officer
15 March 2021