

Full Year Financial Statements and Dividend Announcement

The Board of Directors is pleased to make the following announcement of the unaudited results for the financial year ended 31 December 2015.

PART I: INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3) HALF-YEAR AND FULL YEAR RESULTS

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

**Unaudited Consolidated Statement of Comprehensive Income
For the Financial Year ended 31 December 2015**

	Note	Group		Increase (Decrease) (%)
		31 Dec 15 S\$'000	31 Dec 14 Audited S\$'000	
Revenue	1	17,685	28,200	(37.3)
Cost of Sales		(17,553)	(22,609)	(22.4)
Gross Profits		132	5,591	(97.6)
Other items of Income				
Interest Income		10	69	NM
Other Credits		34	440	NM
Other items of Expenses				
Marketing and Distribution Costs	2	(363)	(516)	(29.7)
Administrative Expenses	3	(3,218)	(3,403)	(5.4)
Finance Costs	4	(446)	(374)	19.3
Other Charges		(4,446)	(19)	NM
Share of results of an Associate		32	–	NM
(Loss)/Profit Before Tax		(8,265)	1,788	NM
Income Tax Expense		(30)	(102)	NM
(Loss)/Profit, Net of Tax		(8,295)	1,686	NM
Other Comprehensive Income, Net of Tax:				
Foreign currency translations, Net of Tax	5	1,188	682	74.2
Total Comprehensive Income		(7,107)	2,368	NM
(Loss)/Profit attributable to:				
Equity holders of the Company		(8,295)	1,686	NM
Non-Controlling Interests		–	–	
		(8,295)	1,686	NM
Total Comprehensive Income attributable to:				
Equity holders of the Company		(7,107)	2,368	NM
Non-Controlling Interests		–	–	
		(7,107)	2,368	NM

NM – denotes not meaningful

Notes to the Consolidated Statement of Comprehensive Income

	Group		Increase (Decrease) (%)
	31 Dec 15 S\$'000	31 Dec 14 Audited S\$'000	
<u>Other Credits and (Other Charges)</u>			
Bad debts written off	(650)	–	NM
Deposit forfeited	(35)	–	NM
Foreign exchange losses – Net	(866)	(5)	NM
Loss on disposal of shares in a subsidiary	(27)	–	NM
Provision for impairment on trade receivables	(1,214)	(10)	NM
Provision for impairment on other receivables	(460)	–	NM
(Provision)/Reversal for slow moving inventories	(857)	391	NM
Referral fees	(276)	–	NM
Provision for product warranty expense	(61)	(4)	NM
Others	34	49	NM
Net	(4,412)	421	NM
<u>Presented in Profit or Loss as :</u>			
Other Credits	34	440	NM
Other Charges	(4,446)	(19)	NM
Net	(4,412)	421	NM
Depreciation and amortization	(221)	(154)	43.5
Adjustment for (under)/ over provision of tax in respect of prior years	(138)	83	NM

NM – denotes not meaningful

1. Revenue

Revenue decreased mainly due to substantial reduction in sales from major markets.

2. Marketing and Distribution Costs

The decrease was mainly attributed to lower sales.

3. Administrative Expenses

The decrease was mainly due to general reduction in personnel costs, administrative expenses and other operating expenses.

4. Finance Costs

The increase was mainly due to increase in interest for borrowings.

5. Exchange Differences on Translating Foreign Operations, Net of Tax

The exchange gains mainly resulted from translation of the major subsidiary denominated in United States dollar.

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

	Note	Group		Company	
		31 Dec 15 S\$'000	31 Dec 14 Audited S\$'000	31 Dec 15 S\$'000	31 Dec 14 Audited S\$'000
ASSETS					
<u>Non-Current Assets:</u>					
Property, Plant and Equipment	1	6,757	5,543	–	–
Investments in Subsidiaries		–	–	14,318	14,167
Investments in Associate	2	498	–	–	–
Deferred Tax Assets		190	78	–	–
Other Receivables		51	43	–	–
Other Financial Assets		–	4	–	–
Total Non-Current Assets		7,496	5,668	14,318	14,167
<u>Current Assets:</u>					
Inventories	3	14,605	16,197	–	–
Trade and Other Receivables	4	10,658	15,859	723	1,460
Other Assets		559	829	11	3
Cash and Cash Equivalents		2,355	2,101	91	77
Total Current Assets		28,177	34,986	825	1,540
Total Assets		35,673	40,654	15,143	15,707
EQUITY AND LIABILITIES					
<u>Equity:</u>					
Share Capital		14,379	14,408	14,379	14,408
Retained Earnings		121	8,918	419	1,154
Other Reserves		883	(305)	–	–
Total Equity		15,383	23,021	14,798	15,562
<u>Non-Current Liabilities:</u>					
Finance Leases		115	158	–	–
Other Financial Liabilities	5	1,399	1,219	–	–
Total Non-Current liabilities		1,514	1,377	–	–
<u>Current Liabilities:</u>					
Provisions		88	34	–	–
Income Tax Payable		116	194	–	–
Trade and Other Payables		5,180	5,823	345	145
Finance Leases		75	63	–	–
Other Financial Liabilities	5	12,394	8,820	–	–
Other Liabilities	6	923	1,322	–	–
Total Current Liabilities		18,776	16,256	345	145
Total Liabilities		20,290	17,633	345	145
Total Equity and Liabilities		35,673	40,654	15,143	15,707

Notes to the Consolidated Statement of Financial Position

- 1 The increase was mainly due to additional equipment and system purchased for coal mine methane gas power plant in Shanxi, China during the year.
- 2 The increase was due to additional investment in an associate in relation to the biomass power plant project in Kluang, Malaysia during the year.
- 3 The decrease was due to inventories sold.
- 4 The decrease was contributed by lower sales during the year.
- 5 The increase was mainly due to new loans obtained during the year.
- 6 The decrease was mainly due to decrease in deposits received from customers.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group (S\$'000)			
As at 31 Dec 15		As at 31 Dec 14	
Secured	Unsecured	Secured	Unsecured
6,421	6,048	5,330	3,553

Amount repayable after 1 year

Group (S\$'000)			
As at 31 Dec 15		As at 31 Dec 14	
Secured	Unsecured	Secured	Unsecured
953	561	1,377	–

Details of any collateral

Secured borrowings are made up of trust receipts, factoring payables, term loans and finance leases. The finance leases amounted to S\$190,000 (31 December 2014: S\$221,000) are secured against the leased assets.

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

Consolidated Statement of Cash Flows

	Group	
	31 Dec 15	31 Dec 14
	S\$'000	Audited S\$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(8,265)	1,788
Adjustments for:		
Allowance/(Reversal) for slow moving inventories	857	(391)
Bad debt written off	650	–
Depreciation of property, plant and equipment	221	154
Interest income	(10)	(69)
Interest expense	446	374
Loss on disposal of shares in a subsidiary	27	–
Provision for impairment on trade receivables	1,214	–
Provision for impairment on other receivables	460	–
Provision for product warranty expense	61	4
Share of results of an associate	(32)	–
Currency translation differences	515	209
Operating cash flows before changes in working capital	(3,856)	2,069
Decrease in inventories	1,695	3,402
Decrease in trade and other receivables	2,875	1,395
Decrease in other assets	302	117
Decrease in trade and other payables	(491)	(4,776)
Decrease in other liabilities	(336)	(896)
Decrease in provisions	(6)	(10)
Net cash flows from operations	183	1,301
Income taxes paid	(218)	(34)
Net cash flows (used in)/from operating activities (a)	(35)	1,267
Cash flows from investing activities		
Purchase of plant and equipment	(1,207)	(2,352)
Disposal of a subsidiary, net of cash disposed of	(42)	–
Interest received	2	2
Additions of investment in an associate	(517)	–
Adjustment for dividend receipt arising from treasury shares	(3)	–
Purchase of treasury shares	(26)	–
Net cash flows used in investing activities (b)	(1,793)	(2,350)
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(502)	(402)
Interest paid	(446)	(374)
Proceeds from borrowings	36,533	29,577
Repayment of borrowings	(32,605)	(32,059)
Repayment of finance lease	(85)	(87)
Net cash flows from/(used in) financing activities (c)	2,895	(3,345)
Net increase/(decrease) in cash and cash equivalents	1,067	(4,428)
Effects of exchange rate changes on cash and cash equivalents	66	146
Cash and cash equivalents, Statement of Cash Flows, Beginning Balances	1,222	5,504
Cash and cash equivalents, Statement of Cash Flows, Ending Balances	2,355	1,222

Notes to the Consolidated Cash Flow Statement

- (a) The cash flows used in operations were mainly due to operating loss incurred during the year.
- (b) The cash flows used in investing activities mainly relate to the purchase of plant and equipment and additions of investment in an associate.
- (c) The cash flows from financing activities were mainly due to proceeds from borrowings and finance lease.
- (d) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise of the following:

	Group	
	31 Dec 15 S\$'000	31 Dec 14 Audited S\$'000
Cash and cash equivalents	2,355	2,101
Bank overdrafts	–	(879)
Cash and cash equivalents in consolidated statement of cash flows	2,355	1,222

- 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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Statement of Changes in Equity – Group

	Attributable to equity holders of the Company					Non- Controlling Interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000		
Current Year:							
Opening Balance at 1 Jan 2015	14,767	(359)	(305)	8,918	23,021	–	23,021
Transfer from treasury shares to retained earnings arising from adjustment for dividend receipt in prior years	–	(3)	–	–	(3)	–	(3)
Purchase of Treasury Shares	–	(26)	–	–	(26)	–	(26)
Total Comprehensive Income for the Year	–	–	1,188	(8,295)	(7,107)	–	(7,107)
Dividends Paid	–	–	–	(502)	(502)	–	(502)
Closing Balance at 31 Dec 2015	14,767	(388)	883	121	15,383	–	15,383
			(a)				
Previous Year:							
Opening Balance at 1 Jan 2014	14,767	(359)	(987)	7,634	21,055	–	21,055
Total Comprehensive Income for the Year	–	–	682	1,686	2,368	–	2,368
Dividends Paid	–	–	–	(402)	(402)	–	(402)
Closing Balance at 31 Dec 2014	14,767	(359)	(305)	8,918	23,021	–	23,021
			(a)				

- (a) Unrealised and not available for distribution as cash dividends.

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Statement of Changes in Equity – Company

	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:				
Opening Balance at 1 Jan 2015	14,767	(359)	1,154	15,562
Transfer from treasury shares to retained earnings arising from adjustment for dividend receipt in prior years	–	(3)	–	(3)
Purchase of Treasury Shares	–	(26)	–	(26)
Total Comprehensive Income for the Year	–	–	(233)	(233)
Dividends Paid	–	–	(502)	(502)
Closing Balance at 31 Dec 2015	14,767	(388)	419	14,798
Previous Year:				
Opening Balance at 1 Jan 2014	14,767	(359)	690	15,098
Total Comprehensive Income for the Year	–	–	866	866
Dividends Paid	–	–	(402)	(402)
Closing Balance at 31 Dec 2014	14,767	(359)	1,154	15,562

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or 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 at 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 Company's share capital arising from Share Consolidation

	Company		
	31 Dec 15	31 Dec 14 Adjusted	31 Dec 14 Audited
Issued and paid-up share capital	14,767,000	14,767,000	14,767,000
Number of shares excluding treasury shares	33,450,856	33,550,912	335,509,121
Number of shares including treasury shares	34,527,656	34,527,712	345,277,121
Treasury shares	1,076,800	976,800	9,768,000

On 30 October 2015, the Company completed a Share Consolidation of every ten (10) shares (including treasury shares) into one (1) Consolidated Share. The issued share capital of the Company comprises 34,527,656 Consolidated Shares (including 1,076,800 treasury shares), after disregarding fractions shares arising from Share Consolidation.

The Share Consolidation has no impact on the dollar value of the issued and paid-up share capital of the Company. There are no changes to the Company's share capital during the financial year ended 31 December 2015 other than the shares buy-back as disclosed in 1(d)(iv).

There are no convertibles as at 31 December 2015.

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.

Total number of issued shares excluding treasury shares as at 31 December 2015 is 33,450,856 shares (31 December 2014: 33,550,912 shares).

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.

The information relating to the Treasury Shares balance as at 31 December 2015 resulting from shares buy-back by the Company during the year under review is as follows:

Date		Number of Treasury Shares	Value S\$'000
1 Jan 2015	Beginning balance before Share Consolidation	9,768,000	359
Adjusted 1 Jan 2015	Beginning balance after Share Consolidation	976,800	359
Adjusted 1 Jan 2015	Transfer from treasury shares to retained earnings arising from adjustment for dividend receipt in prior years	NA	3
16 Sep 2015	Shares buy-back	50,000	13
21 Sep 2015	Shares buy-back	35,000	9
23 Sep 2015	Shares buy-back	15,000	4
31 Dec 2015	Closing balance	1,076,800	388

NA – denotes not applicable

There were no shares buy-back carried out by the Company in the corresponding financial year ended 31 December 2014.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review of Financial Statement(s), or an equivalent standard).

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The above financial information has been prepared using the same accounting policies and methods of computation as presented in the financial statements for the year ended 31 December 2014 except as described in paragraph 5.

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 form and the effect of, the change.

There are no changes in the accounting policies and methods of computation used in the preparation of financial information in this announcement except for the adoption of the respective new or revised Financial Reporting Standards ("FRS") which have no significant impact on the financial position or performance of the Group. Where applicable, the presentation of the financial information has been amended to comply with these standards.

6. **Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group		
	31 Dec 15	31 Dec 14 Adjusted	31 Dec 14 Audited
Earnings per Ordinary Share for the year based on net (loss)/profit attributable to equity holders of the Company:	Cents	Cents	Cents
(I) Based on the weighted average number of ordinary shares in issue (cents)	(24.80)	5.03	0.50
(II) On a fully diluted basis (cents)	(24.80)	5.03	0.50

On 30 October 2015, the Company completed the Share Consolidation exercise. For illustrative purpose, adjusted basic earnings per share for the comparative figures of the year ended 31 December 2014 are presented to account for the effect of the Share Consolidation. In this presentation, the weighted average number of ordinary shares is reduced by the number of shares that were absorbed into the Consolidated Shares as if the transaction took place at the start of the comparative periods.

Basic earnings per share is calculated on the basis of consolidated (loss)/profit after tax attributable to equity holders of the Company of S\$8,295,000 (31 December 2014: S\$1,686,000) and on 33,450,856 (31 December 2014: 33,550,912) weighted average ordinary shares in issue during the year under review.

There is no dilution effect in earnings per share as there are no shares under option.

7. **Net Asset Value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period on and (b) immediately preceding financial year**

	Group			Company		
	31 Dec 15	31 Dec 14 Adjusted	31 Dec 14 Audited	31 Dec 15	31 Dec 14 Adjusted	31 Dec 14 Audited
	Cents	Cents	Cents	Cents	Cents	Cents
Net Asset Value per Ordinary Share based on issued Share Capital at the end of the year	45.99	68.62	6.86	44.24	46.38	4.64

On 30 October 2015, the Company completed the Share Consolidation exercise. For illustrative purpose, adjusted basic earnings per share for the comparative figures of the year ended 31 December 2014 are presented to account for the effect of the Share Consolidation. In this presentation, the weighted average number of ordinary shares is reduced by the number of shares that were absorbed into the Consolidated Shares as if the transaction took place at the start of the comparative periods.

The Group's net asset per ordinary share is calculated based on net assets attributable to equity holders of the Company of S\$15,383,000 (31 December 2014: S\$23,021,000) and the share capital of 33,450,856 (31 December 2014: 33,550,912) ordinary shares.

The Company's net asset per ordinary share is calculated based on net assets of S\$14,798,000 (31 December 2014: S\$15,562,000) and the share capital of 33,450,856 (31 December 2014: 33,550,912) 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 financial 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 financial period reported on.**

Turnover and Profitability

Group revenue for the year ended 31 December 15 ("FY2015") decreased by 37.3% to S\$17.7 million compared to S\$28.2 million in FY2014. Revenue decreased mainly due to reduction in sales from major markets in which the Group operates.

Cost of sales decreased by 22.4% to S\$17.6 million compared to S\$22.6 million in FY2014, in line with the decreased revenue. Other credits and other charges movements are disclosed in the notes to the Consolidated Statement of Comprehensive Income on Page 2 of this announcement. The Group registered a net loss after tax of S\$8.3 million for FY2015.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There is no variance in the Group's actual performance for the year ended 31 December 2015 and the Group's announcement dated 13 August 2015.

10. **A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect that group in the next reporting period and the next 12 months.**

The global economic slowdown of 2015 may extend into the year 2016. Aside from currency volatility, the markets in which the Group operates in faces various challenges which will pose significant operational challenges and may adversely affect the Group's profitability.

11. **Dividend**

- (a) **Current Financial Period reported on**

None.

- (b) **Corresponding Period of the immediately Preceding Financial Year**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (Cents)	0.15 cents (Exempt 1 tier)
Tax Rate	NA

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (Cents)	0.12 cents (Exempt 1 tier)
Tax Rate	NA

- (c) **Date payable**

Not applicable.

- (d) **Books Closure Date**

Not applicable.

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

No dividend has been declared or recommend during the year under review.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted 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)
Mason Industries Pte Ltd	–	1,851,500

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Segment information by geographical areas is presented below:-

	Singapore		Asean		Asia		Rest of the World		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Audited		Audited		Audited		Audited		Audited	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segments										
Total Revenue by Segment	9,291	15,279	5,224	7,562	1,710	3,137	1,460	2,222	17,685	28,200
Interest income	10	69	–	–	–	–	–	–	10	69
Finance costs	(446)	(374)	–	–	–	–	–	–	(446)	(374)
Depreciation	(205)	(121)	(4)	–	(11)	(19)	(1)	(14)	(221)	(154)
Segment Profit/(Loss)	(4,146)	1,703	(2,622)	(43)	(761)	138	(768)	(10)	(8,297)	1,788
Share of results of Associate									32	–
(Loss)/Profit Before Tax									(8,265)	1,788
Income Tax Expense									(30)	(102)
(Loss)/Profit For the Year									(8,295)	1,686

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

Not applicable.

17. **A breakdown of sales as follows:**

	Group		
	2015 S\$'000	2014 S\$'000	Increase/ (Decrease) (%)
Sales reported for first half year	9,693	16,282	(40.5)
(Loss)/Profit before tax for first half year	(1,591)	1,014	NM
Sales reported for second half year	7,992	11,918	(32.9)
(Loss)/Profit before tax for second half year	(6,674)	774	NM

NM – denotes not meaningful

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	Latest full year S\$'000	Previous full year S\$'000
Ordinary	–	906
Preference	–	–
Total	–	906

19. **Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director, a chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, VibroPower Corporation Limited ("the Company") confirms that there is no person occupying managerial positions in the Company or any of its principal subsidiary companies who is related to a Director, Chief Executive Officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Benedict Chen Onn Meng
Chief Executive Officer

15 February 2016