EMPOWERING CHANGE

FUELLED FOR THE FUTURE

VIBROPOWER

THE CUSTOM POWER SPECIALIST

ANNUAL REPORT 2014

CONTENTS

OUR MISSION

Build a Global Workforce to support our chosen markets.

Provide customer value through excellent after-sales services.

Strengthen existing and develop new markets.

To consistently exceed shareholder's expectations.

OUR CORE VALUES

At VibroPower, there are 3-Powers at work:

PASSION

Our passion fuels our people;

PRIDE

We never say No; and

POSSIBILITIES

We transform challenges to possibilties.

BUSINESS LOCATIONS

SINGAPORE

VibroPower Corporation Ltd
VibroPower Pte. Ltd.
VibroPower Sales And Services (S) Pte. Ltd.
Gmtm Holdings Pte. Ltd.

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Fax : (65) 6262 2922
www.vibropower.com

Indamex (F.E.) Pte Ltd

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Fax : (65) 6265 6966

Scott & English Pte. Ltd.

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Singapore 638725
Tel : (65) 6265 5388
Fax : (65) 6264 1511

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Fax : (603) 8942 9329

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Pingding Country, Nanyang
Shang Village, China
Tel : (86) 035 3568 1550

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Kowloon
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Fax : (91) 22 40662940

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VibroPower Representive Office

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PE10 OBP
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Fax : (44) 1733 237039

DEAR SHAREHOLDERS,

Profit attributable to shareholders increased significantly from S$0.34 million in FY2013 to S$1.68 million in FY2014.

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors of VibroPower Corporation Limited ("the Company"), I am pleased to present the annual report of the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2014 ("FY2014").

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

In spite of a challenging business environment and intense competition, the Group recorded a creditable set of financials. Profit attributable to shareholders increased significantly from S$0.34 million in FY2013 to S$1.68 million in FY2014 despite a decline in revenue from S$31.0 million in FY2013 to S$28.2 million in FY2014. Our Gross Profit Margin was 19.8% in FY2014 as compared to 18.0% for FY2013. In line with profits, Earnings per ordinary share jumped from 0.11 cents to 0.50 cents.

The Group's financial position remains healthy with Net Asset Value increasing from S$21.1 million to S$23.0 million. The current ratio stands at 2.2 with a debt-equity ratio of 35%.

This all-round improvement in our earnings was achieved by making continuous improvements in our productivity and operational efficiency. Despite the intense competition in the power generator market, we were able to maintain our margins by having a better sales mix with more sales coming from higher value jobs.

DIVIDENDS DECLARED

I am pleased to declare a final dividend of 0.15 cents per ordinary share for FY2014 (subject to the shareholders' approval at the AGM). Together with the interim dividend of 0.12 cents per ordinary shares that has been declared, the total dividend for FY2014 is 0.27 cents per ordinary share.

BUSINESS UPDATE

As at 31 December 2014, construction and installation of equipment for the Group's coal mine methane project in Shanxi, People's Republic of China ("PRC") has been completed. The project is now pending approval from the authorities on the completed works, after which we will be able to apply for State approval to link up to the electricity grid to supply it with power. This is expected to begin in the third quarter of 2015.

This project provides exposure for the Group to participate in renewable energy projects in China. Coal mine methane is a waste-product of coal mining activities but here we are harnessing it to generate electric power. The PRC government fully encourages development of power plants using coal mine methane, and we are exploring opportunities with other coal mine owners for projects of a similar nature.

An important factor in projects for the supply of power is that it will generate stable recurring income stream to add to our project-based revenue from sales and installation of power generation equipment. The price of electricity and quantity of electricity supplied to the grid per month is fixed by a contractual agreement and not subject to changing market conditions.

THE YEAR AHEAD

We will face a challenging business environment in 2015. The global macroeconomic outlook remains fraught with lingering concerns over a confluence of risk factors including rising interest rates, deflationary pressures and geopolitical tensions. Domestically, the Singapore economy will face intensifying headwinds as it restructures to wean itself off dependence on foreign labour. Labour shortages arising from this will result in rising labour costs.

For our industry, the bright spot comes from the slew of government building and infrastructure projects that have already been initiated or are in the pipeline. For example, we have secured a contract for the supply and installation of power generation equipment for MRT projects. Construction of public housing, roads, factories and other infrastructure is at a robust level and is another source of demand for power generation equipment. For 2015, we shall intensify our efforts to secure more projects from building and infrastructure activities in the local market.

In this economic climate we will strive to make incremental improvements in our productivity. Increasing a company's overall productivity is not only about cost-cutting measures and increasing operational efficiency. It also involves being innovative in designing new products and services that will enable us to widen our customer base as well as retain customer loyalty.

I am confident that the fundamentals of our business are sound, underpinned by the strong growth of the developing economies, their rapid urbanisation and the consequent demand for energy. We will stride forward to move up the power generation value chain and create sustainable growth for the Company.

ACKNOWLEDGEMENTS

I would like to express my heartfelt appreciation to our shareholders, business partners and associates for their wholehearted support and their confidence in us. To the staff and management, I would like to thank you for your hard work and dedication that will enable the Company to achieve its goal of creating value for shareholders. Last but not least, I would like to thank my fellow Directors for their invaluable counsel and advice.

BENEDICT CHEN ONN MENG
Chief Executive Officer

FINANCIAL AND OPERATIONS REVIEW

FINANCIAL REVIEW

VibroPower Corporation Limited ("VibroPower" or the "Group") registered a decline in revenue of 9.0% to S$28.2 million for the financial year ended 31 December 2014 ("FY2014"), from S$31.0 million in FY2013. Lower revenue was due mainly to lower sales from the Rest of the World which declined from S$4.8 million in FY2013 to S$2.2 million in FY2014, while revenue from other regions remained comparable to the previous year.

Cost of sales decreased by 11.1% to S$22.6 million on the back of lower revenue, while gross profit grew marginally by 0.4% to S$5.6 million due to better gross margin. Better sales mix and various cost savings measures resulted in improved gross margin, from 18.0% in FY2013 to 19.8% in FY2014.

Overall operating expenses reduced by 18.1% from S$5.2 million in FY2013 to S$4.3 million in FY2014 as a result of lower expenses incurred by the Rest of the World and general reduction in personnel costs, administrative expenses and other operating expenses. Finance costs rose 41.7% from S$0.3 million in FY2013 to S$0.4 million, mainly due to interest costs incurred for invoice financing, renovation loans and bank overdrafts.

For FY2014, the Group increased its net profit attributable to equity holders from S$0.4 million in FY2013 to S$1.7 million.

The Group's total assets as at 31 December 2014 decreased by S$2.8 million over the year to S$40.7 million. This was due to a decrease in trade receivables and other assets of S$1.4 million, and a decrease in cash and cash equivalents of S$3.4 million; which was offset by an increase in property, plant and equipment by S$2.4 million to S$5.5 million as at 31 December 2014.

Total liabilities as at 31 December 2014 for the Group, reduced by S$4.8 million to S$17.6 million on the back of lower trade and other payables and financial liabilities. The Group's shareholders' equity increased by S$2.0 million to S$23.0 million as at 31 December 2014 with higher retained earnings and lower loss on other reserves.

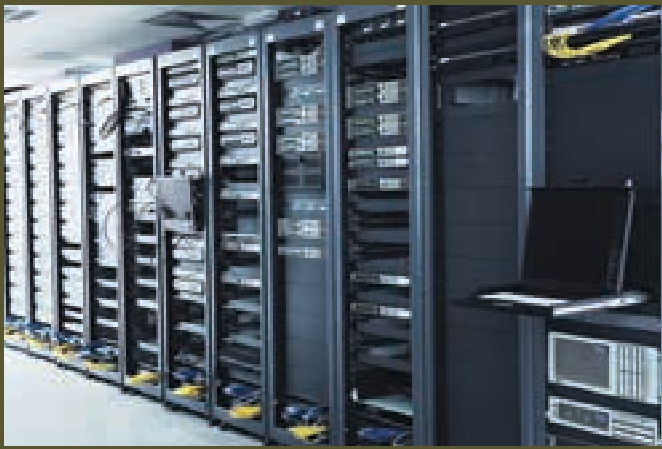
Based on the share capital of 335.5 million shares, the Group's net asset value per share increased from 6.28 Singapore cents as at 31 December 2013 to 6.86 Singapore cents as at 31 December 2014.

SEGMENTAL REVIEW

Revenue contribution by market segments during the period under review saw continued increase from ASEAN countries (including Singapore) over the last financial year, rising from 74.0% in FY2013 to 81.0% in FY2014, while Asia's contribution to the Group's revenue increased marginally from 10.6% in FY2013 to 11.1% in FY2014. Undermined by global economic uncertainties, revenue contribution from the Rest of the World slid from 15.4% in FY2013 to 7.9% in FY2014. While enquiries for power generators remain healthy, the Group is cautiously optimistic on the demand for power generators amidst the uncertain global economic conditions and volatile currency markets.

OPERATIONS UPDATE

The Group's methane-to-electricity renewable energy project in Shanxi encountered a delay due to the re-routing of some electrical cables and transmission lines in FY2014. All the installation works for the power plant and transmission lines have since been completed with inspection on all static installation works done by the relevant authorities. Upon receiving the formal approval from the authorities including the approval to supply electricity to the state grid, we can expect to supply electricity by the third quarter of 2015.



FINANCIAL HIGHLIGHTS (S$MIL)

	2009	2010	2011	2012	2013	2014
Turnover	31.2	32.8	31.6	39.1	**31.0**	**28.2**
Profit/(Loss) before Tax	3.1	(0.4)	0.3	2.5	**0.5**	**1.7**
Shareholders' Equity, Attributable to Equity Holders of the Company	23.0	22.1	21.8	22.1	**21.1**	**23.0**
Total Assets	44.8	33.4	43.1	45.0	**43.5**	**40.7**

TURNOVER (S$MIL)

PROFIT/(LOSS) BEFORE TAX (S$MIL)

SHAREHOLDERS' EQUITY, ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (S$MIL)

TOTAL ASSETS (S$MIL)


1
2
3
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BOARD OF DIRECTORS

BENEDICT CHEN ONN MENG
CHIEF EXECUTIVE OFFICER

Mr Chen is one of the founders and has been with the Group since 1995. He is the Chief Executive Officer of the Group. He is jointly responsible for the overall direction of the Group. He is also a member of the Company's Remuneration Committee.

Mr Chen has a diploma in Mechanical Engineering from Singapore Polytechnic.

1

KANG BENG CHIANG
EXECUTIVE DIRECTOR

Mr Kang is also one of the founders and has been with the Group since 1995. He is the Executive Director of the Group. He is jointly responsible for the overall direction of the Group. He has more than 30 years of experience in Engineering and General Management.

Mr Kang has a diploma in Electrical Engineering from Singapore Polytechnic and a Diploma in Marketing Management from the Singapore Institute of Management.

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MICHAEL KAN YUET YUB, PBM
INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr Kan was appointed as an Independent Director in August 2000. He is also the Chairman of the Audit and Nominating Committee and a member of the Remuneration Committee. He was the Finance Director of British-American Tobacco Co (Singapore) Ltd and Singapore Tobacco Co (Pte) Ltd ("BAT Group"). He was with the BAT group from 1969 to October 1999.

Mr Kan is a member of the Institute of Chartered Accountants in England and Wales and Institute of Singapore Chartered Accountants as well as the Singapore Institute of Directors. He was conferred The Pingkat bakti Masyarakat (PBM) in the 1998 National Day Awards.

Mr Kan has a Bachelors degree in Economics (Honours) from the University of Sydney. Mr Kan is also an Independent Director of Plato Capital Limited.

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ERNEST YOGARAJAH
INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr Balasubramaniam was appointed as an Independent Director on 10 May 2007. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committee.

Mr Balasubramaniam is a practising lawyer and Director of UniLegal LLC. He has a Bachelor of Laws degree and a Master of Laws Degree from the National University of Singapore.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Benedict Chen Onn Meng
Chief Executive Officer

Kang Beng Chiang
Executive Director

Michael Kan Yuet Yun, PBM
Independent Director

Ernest Yogarajah s/o Balasubramaniam
Independent Director

AUDIT COMMITTEE

Michael Kan Yuet Yun, PBM
Chairman

Ernest Yogarajah s/o Balasubramaniam

Kang Beng Chiang

NOMINATING COMMITTEE

Michael Kan Yuet Yun, PBM
Chairman

Ernest Yogarajah s/o Balasubramaniam

Kang Beng Chiang

REMUNERATION COMMITTEE

Ernest Yogarajah s/o Balasubramaniam
Chairman

Michael Kan Yuet Yun, PBM

Benedict Chen Onn Meng

REGISTERED OFFICE AND BUSINESS ADDRESS

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Sia Huai Peng

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AUDITORS

Ernst & Young LLP
Public Accountants and Chartered Accountants
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Partner in charge: Yee Woon Yim
(Since reporting year ended 31 December 2014)

FINANCIAL CONTENTS

CORPORATE GOVERNANCE

The Company believes in having high standards of corporate governance, and is committed to making sure that effective self-regulatory corporate practices exist to protect the interests of its shareholders and maximize long-term shareholder value. The following report describes the Company's corporate governance processes and activities with specific reference to the 2012 Code of Corporate Governance (the "Code") which is effective from financial year commencing on or after 1 November 2012.

THE BOARD OF DIRECTORS ("THE BOARD"):

The Company is headed by an effective Board to lead and control its operations and affairs.

Board's Composition and Balance:

For the financial year ended 31 December 2014, the Board comprises four Directors, of whom two are Independent and Non-Executive Directors. There is presently a strong and independent element on the Board. Half of the Board is made up of Independent Directors and the independence of each Director is reviewed by the Nominating Committee. Accordingly, the Company is in compliance with the requirement of the Code where Independent Directors should make up at least half of the Board, where the Chairman of the Board ("the Chairman") and the Chief Executive Officer is the same person. The Board and the Nominating Committee are of the view that the current Board size is appropriate, taking into account the size, nature and scope of the Company's operations.

Together, the Board members possess a balanced field of core competencies such as accounting and finance, legal, business and management experience and the requisite industry knowledge to lead the Company.

All Directors are updated on an on-going basis via Board meetings and by way of circulars on matter relating to changes to the regulations of the Singapore Exchange Securities Trading Limited ("SGX-ST"), Companies Act, accounting standards, and other statutory requirements. The Company Secretary attends Board meetings and ensures that Board procedures are followed. The Company Secretary also assists the Board to ensure that requirements of the Companies Act and all other rules and regulations of the SGX-ST are complied with.

The key information regarding the Directors is follows:

Name of Director/ Nature of Appointment	Date of Appointment/ Last Re-election	Functions
Benedict Chen Onn Meng Chief Executive Officer	23 May 2000	Chairman of the Board of Directors and Member of the Remuneration Committee
Kang Beng Chiang Executive Director	23 May 2000	Director, Member of Audit Committee and Member of the Nominating Committee
Michael Kan Yuet Yun, PBM Independent Non-executive Director	22 Aug 2000 / 28 April 2014	Director, Chairman of the Audit Committee, Chairman of the Nominating Committee and Member of the Remuneration Committee
Ernest Yogarajah s/o Balasubramaniam Independent Non-executive Director	10 May 2007/28 April 2014	Director, Chairman of the Remuneration Committee and Member of the Audit Committee and the Nominating Committee

CORPORATE GOVERNANCE

Delegation by the Board:

The Board has delegated certain functions to various Board Committees, namely, the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each of the various Board Committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these various Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board's Conduct of its Affairs:

The Board meets at least twice a year and supervises the management of the business and affairs of the Group. Additional meetings are convened as and when required. The Articles of Association of the Company provide for directors to conduct meetings by telephone or other methods of simultaneous communication by electronic means. The attendance of each director at meetings held by the Board and Board committees during the year 2014 is disclosed as below:

	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	3	2	1	1
Name of Director				
Benedict Chen Onn Meng	3	2	1	1
Kang Beng Chiang	2	2	1	1
Michael Kan Yuet Yun, PBM	3	2	1	1
Ernest Yogarajah s/o Balasubramaniam	3	2	1	1

The Principal functions of the Board:

All Directors have full access to the Company Secretary, senior management and the internal and external auditors.

The Board approves major investments and funding decisions, and reviews the financial performance of the Group as follows:

a. Charting the corporate strategy and direction of the Group, including but not limited to approval of broad policies, strategies and financial objectives of the Group;

b. Supervision and monitoring of the Group's management over various matters, including strategic issues and business planning processes.

c. With the assistance of the Audit Committee, overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

d. Approval of acquisitions, investments and disposals;

e. Approval of nominations to the Board and appointment of key personnel; and

f. Review of corporate governance practices.

Matters which require the Board's approval include:

- Review of the performance of the Group;
- Review of key activities and business strategies;
- Approval of the corporate strategy and direction of the Group;
- Material acquisitions and disposals;
- Corporate or financial restructuring and share issuances;
- Declaration of dividends and other returns to shareholders; and
- Appointment of new directors.

Briefing, updates and training provided for Directors

When a new Director is to be appointed, the newly appointed Directors shall undergo an orientation session, which include a briefing by Management on the Group's business operations and governance practices to ensure that new Directors have an insight into the workings of the Group. The Directors are informed of developments relevant to the Group including changes in laws, regulations and risks that may impact the Group. There was no new Director appointed for FY2014.

From time to time, the Directors participate in seminars or discussions to keep themselves updated on the latest changes and developments concerning the Group and keep abreast of the latest regulatory changes. The Directors are also provided with updates on the relevant new laws and regulations relating to the Group's operating environment through emails and regular meetings.

The briefings and updates provided to Directors in FY2014 include:

- The external auditors, Ernst & Young LLP briefed the AC members on the developments in Accounting standards at their attendance in the AC meeting yearly.
- The Chief Executive Officer updates the Board at each meeting on the Business and Strategic developments of the Group.

Board Membership:

Rotation and Re-election of Directors:

The Nominating Committee reviews and assesses candidates for directorships before making recommendations to the Board for approval. Pursuant to the Articles of Association of the Company, new Directors must submit themselves for re-election at the next Annual General Meeting ("AGM"). In addition, an election of Directors shall take place each year at the AGM, where not less than one-third of the Directors (except the Chief Executive Officer) shall retire from the office by rotation but are eligible for re-election. Taking into consideration that the Chief Executive Officer is instrumental to the Group's operations, the Company has not adopted the guideline for retirement once every 3 years for the Chief Executive Officer.

Directors' Independence review:

The criterion of independence is based on the guidelines provided by the code. The Board considers an "independent" director as one who has no relationship with the Company, its related Corporations, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interest of the Group.

The independence of each Director is reviewed annually by the NC. Particular scrutiny is applied in assessing the continued independence of Directors having served beyond 9 years from the date of his first appointment, with attention to ensuring their allegiance remains clearly aligned with shareholders' interest. Each independent director is required to complete a Director's Independence Declaration annually to confirm his independence based on the guidelines as set out in the Code.

Mr Michael Kan Yuet Yun ("Michael"), a non-executive and independent Director has served on the board for more than 9 years. Michael is retiring under Section 153 of the Companies Act at the forth coming AGM and will not be offering himself for re-appointment to the office. The Board, in consultation with the NC, is in the process of identifying and selecting a suitable candidate to replace Michael as an independent Director.

Chief Executive Officer and Chairman of the Board:

The Chief Executive Officer and the Chairman of the Board of Directors for the Company is Mr. Benedict Chen Onn Meng. The Board, after careful consideration, is of the opinion that the need to separate the roles of the Chief Executive Officer and Chairman is not necessary for the time being. The presence of a strong independent element and the participation of independent non-executive directors ensure that Mr. Benedict Chen Onn Meng does not have unfettered powers of decision. This has been reflected in Board and Committee meetings where the independent non-executive directors have participated actively in the decision-making process.

Mr. Benedict Chen Onn Meng and the other Executive Director, Mr. Kang Beng Chiang are the most senior executives in the Company and they have full executive responsibilities over the running of the Company's businesses, the business direction and operational decisions.

The Chief Executive Officer is responsible for the proper functioning of the Board and ensures that Board meetings are held when necessary and each member of the Board works well together with the Management, engaging Management in constructive discussions over various matters, including strategic issues and business planning processes.

Lead Independent Director

As recommended by the Code, the Board has appointed Independent Non-Executive Director, Mr Michael Kan Yuet Yun ("Michael") as the lead independent Director on 15 March 2014. Shareholders of the Company with serious concerns that could have a material impact on the Group, for which contact through the normal channels of the Chief Executive Officer, Executive Director and Acting Chief Operating Officer cum Group Financial Controller have failed to resolve or is inappropriate, shall be able to contact Michael. Given that Michael is retiring under Section 153 of the Companies Act at the forth coming AGM and will not be offering himself for re-appointment to the office, the Board shall be appointing another Lead Independent Director to replace Michael.

Board Performance:

The Nominating Committee has established a review process to asses the performance of the Board as a whole on an annual basis. The performance appraisal includes qualitative and quantitative factors including board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, degree of compliance with the code of corporate governance, transparency in terms of disclosures and communication with shareholders.

For FY2014, all Directors are requested to complete a Board assessment checklist designed to seek their views on the various performance criteria set by the Board, so as to assess the overall performance and effectiveness of the Board. The checklist are completed and submitted to the company secretary ("the Company Secretary") for collation and the consolidated responses are presented to the Nominating Committee for review and discussion before making any recommendations to the Board. The Board has not engaged any external facilitator in conducting the assessment of the Board's performance. Where relevant, the Nominating Committee will consider such engagement.

Access to Information:

Directors are regularly updated by Management on the developments within the Group so that they are equipped to participate fully at Board Meetings. Board papers are prepared for each Board Meeting and include information from Management on the financial, business and corporate issues to enable the Directors to be properly briefed on issues to be raised at Board Meetings.

All Directors have unrestricted access to the Group's records and information and the Independent Directors have access to all levels of key personnel in the Group.

The Company currently does not have a formal procedure for Directors to seek independent professional advice for the furtherance of their duties. However, directors may, on a case-to-case basis, propose to the Board for such independent professional advice, the cost of which may be borne by the Company.

AUDIT COMMITTEE:

The Audit Committee ("AC") comprises three members. Two members are Independent, Non-Executive Directors with financial and legal background while the third member is an Executive Director. The committee members are as follows:

Michael Kan Yuet Yun, PBM (Chairman)
Ernest Yogarajah s/o Balasubramaniam
Kang Beng Chiang

The Board recognizes that the AC is responsible for reviewing the results of the Group's audit and cost effectiveness. The Board also recognises that the composition of the AC is not in accordance with the Code's guidelines that the AC should be made up of entirely non-executive directors. However, the Board is of the view that independence is not compromise as majority of the members of the AC, including the Chairman, are Independent and Non-Executive Directors. Accordingly, no individual is able to dominate the AC's decision making process.

The AC meets at least twice a year to review the announcements of the half-year and full-year results before it is approved by the Board for release to the Singapore Exchange Securities Trading Limited ("SGX").

The key responsibilities of the AC include the following:

- To review, the external and internal audit plans (if any), including the nature and scope of the audit before the audit commences, the internal auditors' evaluation of the Company's system of internal controls, the external and internal audit reports and management letters issued by the external auditors (if any) and management response to these letters;

- To review the assistance given by the Company's management to the independent auditor;

- To review the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 before their submission to the Board of Directors, as well as the external auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group;

- To review the announcements of the interim and annual results prior to their submissions to the Board for approval for release to SGX;

- To review effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- To review interested person transactions in accordance with the requirements of the Listing Rules of SGX;

- To review all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors;

- To recommend to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.

During the year, the AC has met at least once with the external auditors, without the presence of Management, in order to have free and unfettered access to unfiltered information and feedback.

The AC has reviewed the non-audit services provided by the external auditors, Messrs Ernst & Young LLP, and is of the opinion that the provision of such services does not affect their independence. There were no non-audit services provided by ecternal auditors. The breakdown of the audit fees are found in Page 52 of the Annual Report. The AC is satisfied with their independence and has recommended the re-appointment of Messrs Ernst & Young LLP at the forthcoming Annual General Meeting of the Company.

For the financial year ended 31 December 2014, the Group has complied with Rules 712, 715 and 716 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited in relation to its auditors.

The Company has implemented whistle-blowing procedures and arrangements by which staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters to the AC.

NOMINATING COMMITTEE:

The Nominating Committee ("NC") comprises a majority of Non-Executive Independent Directors as follows:

Michael Kan Yuet Yun, PBM (Chairman)
Ernest Yogarajah s/o Balasubramaniam
Kang Beng Chiang

The NC is established for the purpose of ensuring that there is an objective and transparent process for all Board appointments. It has adopted written terms of reference defining its membership, administration and duties. This includes:

- Recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees, having regard to the directors' contribution and performance, including, if applicable, as an independent director

- Review the skills required by the Board and the size of the Board

- Ensure that the Company adheres to the Board Composition rules, including having independent Directors make up 50% of the Board under certain circumstances

- Evaluating whether or not a Director is able to and has been adequately carrying our his duties as Director of the Company when he has multiple Board representations

- Develop a process for evaluating the performance of the Board as a whole and individual Director.

- Review the training and professional development programmes for the Board

Directors' time commitments and multiple Directorships

As a Director's ability to commit time to the Group's affairs is essential for his contribution and performance, the NC has determined at its meeting held on 24 February 2014 that the maximum number of listed company board representations which any Director of the Company may hold is 5. All Directors have complied.

Selection Criteria and Nomination Process for New Directors

In the selection process for the appointment of new Directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. Thereafter the NC conducts an initial assessment to review a candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidates' independence, expertise, background and skills set will be considered before NC makes its recommendation to the Board.

Succession Planning for the Board and senior Management

The Board recognises that proper succession planning is an important part of the overall governance process. The NC, through the findings of the Enterprise Risk Management Report has reviewed the current succession plan and is of view that the measures put in place are adequate.

The NC also understands the need to refresh its Board membership from time to time, but opined that any change must be implemented progressively and orderly thereby ensuring continuity and stability while executing the long term strategic vision of the Group.

REMUNERATION COMMITTEE:

The Remuneration Committee ("RC") comprises a majority of Non-Executive Independent Directors as follows:

Ernest Yogarajah s/o Balasubramaniam (Chairman)
Michael Kan Yuet Yun, PBM
Benedict Chen Onn Meng

Its key functions include:

- To recommend to the Board a framework of remuneration for Executive Directors that is competitive and commensurate with the Company's performance; and

- To review and determine the specific remuneration packages and terms of employment for each Executive Director;

Level and Mix of Remuneration:

The Group's remuneration policy is to provide compensation packages appropriate to attract, retain and motivate the directors and key personnel required to run the Group successfully.

The RC has agreed on a performance-based compensation package for Executive Directors. The remuneration structure for Executive Directors is based on service contracts. These include a profit sharing scheme that is performance related to align their interest with those of the shareholders.

The RC has adopted a framework to remunerate the Independent Directors based on their appointments and roles in respective committees and contributions to the Board and Company. The Company does not use contractual provisions to allow the Company to reclaim incentive bonus from the Executive Directors in exceptional circumstances of material restatement of the Company's financial statements. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breaches of fiduciary duties. The remuneration packages of Independent Directors comprise a basic director retainer fee and additional fees for appointment to Board Committees. While the remuneration frameworks are not subject to shareholders' approval, the directors' fees for Independent Directors will be subjected to the approval of shareholders at AGMs.

Name of Director	Salary	Performance Related Bonus	Fees	Allowance and other benefits	Total
$250,000 to $500,000					
Benedict Chen Onn Meng	66%	16%	–	19%	100%
Kang Beng Chiang	60%	20%	–	20%	100%
Below $250,000					
Michael Kan Yuet Yun	–	–	100%	–	100%
Ernest Yogarajah s/o Balasubramaniam	–	–	100%	–	100%

Apart from the Executive Directors there is no other key management personnel. The Board believes that it is for the benefit of the Company that the remuneration of the Directors be kept confidential, due to the sensitive nature of such information. The Board is of the opinion that the information as disclosed above would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

The Company and its subsidiary do not have any other employee who is an immediate family member of a Director and whose remuneration exceeds $50,000.

INTERNAL CONTROL:

The Board acknowledges that while it should endeavour to ensure that management maintains a sound system of internal controls to safeguard the shareholders' investment and the company's assets, there is no absolute assurance that such a system will be fool-proof. The review of the Group's internal controls should be a concerted and continuing process, designed to manage rather than eliminate risk of failure to achieve business objectives.

Through the Audit Committee, the Board reviews the effectiveness of the key internal controls, provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis. There are procedures in place for external auditors to report independent conclusions and recommendations to Management and the Audit Committee.

Based on the internal controls established and maintained by the Group, work performed by the external auditors, as well as reviews performed by Management, the Board with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology risks were adequate. This is supported by assurance from the Executive Directors and the Acting Chief Operating Officer cum Group Financial Controller that:

(a) The financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and are in accordance with the relevant accounting standards; and

(b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

INTERNAL AUDIT:

The company has outsourced its internal audit functions to a Certified Public Accountants firm. The functions of the internal auditors are to:

- Review the effectiveness of the Company's material internal controls;
- Provide assurance that key business and operational risks are identified and managed;
- Ensure internal controls are in place functioning as intended; and
- Ensure operations are conducted in an effective and efficient manner.

The internal auditors report primarily to the Audit Committee Chairman and they make recommendations on their findings.

SHAREHOLDERS RIGHTS:

The Company's corporate governance practices promote fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive and timely basis via SGXNET, especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all shareholders. They are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

COMMUNICATION WITH SHAREHOLDERS:

The Company is committed to provide timely disclosed of material information to shareholders and does so through the Annual Report, press releases, results announcements and other SGXNet announcements on developments within the Group or in relation to disclosures required by SGX.

The Board regards the AGM as an opportunity to communicate directly with shareholders and encourages greater shareholder participation. The Chief Executive Officer and other Directors attend the AGM and are available to answer questions from shareholders. External auditors are also present to assist Directors in addressing any relevant queries from shareholders.

The Company does not have a fixed dividend policy at present. The frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Board has recommended a final tax exempt (one-tier) dividend of 0.15 cents per ordinary share, bringing the total dividend payout for FY2014 to 0.27 cents per ordinary share.

CONDUCTS OF SHAREHOLDER MEETINGS:

All shareholders of the Company receive the annual report of the Company and notice of AGM within the mandatory period. The notice is also published in the local newspaper and made available on the SGXNET. Participation of shareholders is encouraged at the Company's general meetings. Each item of special business included in the notice of meeting will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions.

To facilitate voting by shareholders, the Company's Articles of Association allows shareholders to appoint up to two proxies to attend and vote at the same general meeting. The Board of Directors (including the Chairman of the respective Board committees), Management, as well as the external auditors will attend the Company's AGM to address any questions that shareholders may have.

The Company will make available minutes of general meetings to shareholders upon their written request.

RISK MANAGEMENT

Currently, the Group does not have a risk management committee. The Board, AC and the Management have assume the responsibility of overseeing the risk management. Management would review regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management also reviews all significant policies and procedures and highlights all significant matters to the AC. After the AC has discussed and reviewed these risk matters highlighted to them by Management, a report would be given to the Board for consideration. If there are any matters in which any Board member is of the view poses weakness or risk to the operation of the Group, he can request Management to engage a professional risk consultant to look into it further.

The main risks arising from the Group's operations are liquidity risk, risk of reliance on few major suppliers of diesel engines, foreign exchange risk and interest rate risk. Management reviews and agrees on policies for managing each of these risks as summarised below.

Liquidity Risk:

As at 31 December 2014, the Group had at its disposal cash and cash equivalents of about $2.1 million and has banking facilities from several banks, which the Group can tap on to meets its current and future working capital requirements.

Credit Risk:

The Group has in place a credit control policy to evaluate potential customers before credit terms are granted to these new customers. To minimise its credit risk, the Group's policy is to obtain secured payment terms, in the form of irrevocable letters of credit, from new and/or overseas customers.

Risk of Reliance on Major Suppliers of Diesel Engines:

The Group purchases diesel engines from a few major suppliers which the Group uses to build into its own brands of generator sets. To ensure that the Group continues to receive adequate supplies of diesel engines, Management is in close contact with these suppliers and is kept informed of the delivery schedule regularly. Over the years, the Group has established good rapport with these engine suppliers and is confident of their support to the Group in the future.

Foreign Exchange Risk:

The Group purchases its inventories mainly in United States Dollar and Euro and sells in these currencies as well as in the reporting currencies of its subsidiaries. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities against assets in the same currency. The Group uses forward exchange currency contracts to hedge against such risk when the need arises. As disclosed in Note 2 to the Financial Statements, exchange differences arising from translating foreign subsidiaries into Singapore dollars are accumulated in a separate component of shareholders' equity.

Interest Rate Risk:

The Group relies on bank borrowings for most of its working capital requirements. The Group has obtained credit facilities from several financial institutions so as to enable the Group to source for the most favourable interest rates available from these financial institutions.

DEALING IN SECURITIES:

The Company has issued a policy on share dealings by its Directors and key officers, setting out the implications of insider trading and providing guidance to employees on dealing in the Company's shares. The key guidelines are:

- Directors and key officers are prohibited from trading in the Company's securities during the period commencing one (1) month before the announcement of the Company's half yearly and full year results and the prohibition ends on the day after the announcement of the results.

- Directors and key officers should not deal in the Company's securities on short-term consideration.

- Directors and key officers are required to observe the insider trading laws under the Securities Industries Act at all times even when engaging in dealings of securities within the non-prohibitory periods. To enable the Company to monitor such share transactions, Directors and key officers are required to report to the Company whenever they deal in the Company's securities.

The Company has not dealt in its securities for the said period pursuant to Rule 1207(19)(c).

INTERESTED PERSON TRANSACTIONS ("IPT"):

The Group had appointed Genesis Capital Pte Ltd as an independent financial adviser to review and opine on the adequacy of the procedure governing the transactions with interested parties. The report is included in the circular dated 8th August 2006.

The main objective is to ensure that all interested person transactions are conducted on arm's length and on normal commercial terms. The transactions were also reviewed by the Audit Committee in accordance with the internal guidelines and Listing Manual of the SGX-ST.

The aggregate value of interested person transaction person transactions entered into the financial year under review is as follow:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $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	–	1,829,664
Dee Engineering Works Pte Ltd	–	38,487
Wizdenki Pte Ltd	104,445	–

Apart from the aforesaid transactions, there was no other material contract entered into by the Company and/or any of its subsidiaries involving the interests of any director or controlling shareholder during the year under review.

The Company is seeking a renewal of the Shareholders' Mandate for Interested Person Transactions at the forthcoming AGM.

DIRECTORS' REPORT

(Year ended 31 December 2014)

The directors are pleased to present their report to the members together with the audited consolidated financial statements of VibroPower Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2014.

Directors

The directors of the Company in office at the date of this report are:

Benedict Chen Onn Meng
Kang Beng Chiang
Michael Kan Yuet Yun
Ernest Yogarajah s/o Balasubramaniam

Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Interests in Shares and Debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
	Ordinary shares of the Company		*Ordinary shares of the Company*	
Name of directors and Companies in which interests are held				
VibroPower Corporation Limited				
Benedict Chen Onn Meng	51,103,500	51,103,500	18,675,000	18,675,000
Kang Beng Chiang	50,100,750	50,100,750	–	–
Michael Kan Yuet Yun	150,000	150,000	–	–

The deemed interest of Benedict Chen Onn Meng arises from shares held through his Central Provident Fund ("CPF") investment account (UOB Kay Hian Pte Ltd) of 876,000 shares (2013: 876,000 shares) and 17,799,000 shares (2013: 17,799,000 shares) which were held through Mayban Nominees (S) Pte Ltd, respectively at the relevant dates.

The directors' interests as at 21 January 2015 were the same as those at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Contractual Benefits of Directors

Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Chapter 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest except as disclosed in the financial statements. Certain directors of the Company have received remuneration from related corporations in their capacity as directors of those related corporations.

There were certain transactions (shown in the financial statements under related party transactions) with corporations in which are related to a director.

Share Options

During the financial year, no option to take up unissued shares of the Company or related corporations was granted.

During the financial year, there were no shares of the Company or related corporations issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or related corporations under option.

Audit Committee

The audit committee (AC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

- Reviewed the assistance given by the Company's management to the independent auditor;

- Reviewed the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 before their submission to the Board of Directors, as well as the external auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group;

- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the external or internal auditor;

- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit; and

- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

Other functions performed by the Audit Committee are described in the Report on Corporate Governance included in the Annual Report. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

DIRECTORS' REPORT

(Year ended 31 December 2014)

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

Subsequent Developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 28 February 2015, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the Directors

Benedict Chen Onn Meng
Director

Kang Beng Chiang
Director

Singapore
31 March 2015

STATEMENT BY DIRECTORS

(Year ended 31 December 2014)

We, Benedict Chen Onn Meng and Kang Beng Chiang, being two of the directors of VibroPower Corporation Limited, do hereby state that, in the opinion of the directors,

(i) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Benedict Chen Onn Meng
Director

Kang Beng Chiang
Director

Singapore
31 March 2015

INDEPENDENT AUDITOR'S REPORT

(For the financial year ended 31 December 2014)
Independent Auditor's Report to the Members of VibroPower Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of VibroPower Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 27 to 80, which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

(For the financial year ended 31 December 2014)
Independent Auditor's Report to the Members of VibroPower Corporation Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(For the financial year ended 31 December 2014)

	Note	Group	
		2014	**2013**
		$'000	**$'000**
Revenue	4	28,200	31,005
Cost of sales		(22,609)	(25,434)
Gross profit		5,591	5,571
Other items of income			
Interest income	5	69	205
Other credits	6	440	72
Other items of expense			
Marketing and distribution costs		(516)	(605)
Administrative expenses		(3,403)	(4,373)
Finance costs	7	(374)	(264)
Other charges	6	(19)	(120)
Profit before tax		1,788	486
Income tax expense	10	(102)	(143)
Profit, net of tax		1,686	343
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		682	630
Other comprehensive income for the year, net of tax		682	630
Total comprehensive income for the year		2,368	973
Profit/(loss) attributable to:			
Owners of the Company		1,686	352
Non-controlling interests		–	(9)
		1,686	343
Total comprehensive income attributable to:			
Owners of the Company		2,368	958
Non-controlling interests		–	15
		2,368	973
Earnings per share			
Currency Unit		**Cents**	**Cents**
Basic and diluted	11	0.50	0.11

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

(As at 31 December 2014)

	Note	Group		Company	
		2014	2013	2014	2013
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	5,543	3,154	–	–
Investment in subsidiaries	14	–	–	14,167	14,336
Deferred tax assets	15	78	82	–	–
Other receivables	18	43	22	–	–
Other financial asset	16	4	4	–	–
Total non-current assets		5,668	3,262	14,167	14,336
Current assets					
Inventories	17	16,197	16,673	–	–
Trade and other receivables	18	15,859	17,115	1,460	760
Other assets	19	829	945	3	2
Cash and cash equivalents	20	2,101	5,504	77	129
Total current assets		34,986	40,237	1,540	891
Total assets		40,654	43,499	15,707	15,227
EQUITY AND LIABILITIES					
Equity					
Share capital	21	14,767	14,767	14,767	14,767
Treasury shares	21	(359)	(359)	(359)	(359)
Retained earnings		8,918	7,634	1,154	690
Reserves	22	(305)	(987)	–	–
Total equity		23,021	21,055	15,562	15,098
Non-current liabilities					
Finance leases	25	158	168	–	–
Other financial liabilities	24	1,219	2,223	–	–
Total non-current liabilities		1,377	2,391	–	–
Current liabilities					
Provisions	23	34	40	–	–
Income tax payable		194	145	–	–
Trade and other payables	26	5,823	8,530	145	129
Finance leases	25	63	67	–	–
Other financial liabilities	24	8,820	9,105	–	–
Other liabilities	27	1,322	2,166	–	–
Total current liabilities		16,256	20,053	145	129
Total liabilities		17,633	22,444	145	129
Total equity and liabilities		40,654	43,499	15,707	15,227

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

(For the financial year ended 31 December 2014)

2014 Group	Attributable to owners of the Company Share capital (Note 21) $'000	Treasury shares (Note 21) $'000	Reserves (Note 22) $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Opening balance at 1 January 2014	14,767	(359)	(987)	7,634	21,055	–	21,055
Profit for the year	–	–	–	1,686	1,686	–	1,686
Other comprehensive income							
Foreign currency translation	–	–	682	–	682	–	682
Other comprehensive income for the year, net of tax	–	–	682	–	682	–	682
Total comprehensive income for the year	–	–	682	1,686	2,368	–	2,368
Contribution to owners							
Dividends paid (Note 12)	–	–	–	(402)	(402)	–	(402)
Total contributions to owners	–	–	–	(402)	(402)	–	(402)
Total transaction with owners in their capacity as owners	–	–	–	(402)	(402)	–	(402)
Closing balance at 31 December 2014	14,767	(359)	(305)	8,918	23,021	–	23,021

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

(For the financial year ended 31 December 2014)

	Attributable to owners of the Company						
2013 **Group**	**Share capital (Note 21) $'000**	**Treasury shares (Note 21) $'000**	**Reserves (Note 22) $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Opening balance at 1 January 2013	14,767	(359)	(1,593)	9,265	22,080	481	22,561
Profit for the year	–	–	–	352	352	(9)	343
<u>Other comprehensive income</u>							
Foreign currency translation	–	–	606	–	606	24	630
Other comprehensive income for the year, net of tax	–	–	606	–	606	24	630
Total comprehensive income for the year	–	–	606	352	958	15	973
<u>Contribution to owners</u>							
Dividends paid (Note 12)	–	–	–	(1,778)	(1,778)	–	(1,778)
Total contributions to owners	–	–	–	(1,778)	(1,778)	–	(1,778)
<u>Changes in ownership interest in subsidiaries</u>							
Acquisition of non-controlling interests	–	–	–	(205)	(205)	(496)	(701)
Total transaction with owners in their capacity as owners	–	–	–	(205)	(205)	(496)	(701)
Closing Balance at 31 December 2013	14,767	(359)	(987)	7,634	21,055	–	21,055

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

(For the financial year ended 31 December 2014)

2014 Company	Share capital (Note 21) $'000	Treasury shares (Note 21) $'000	Retained earnings $'000	Total $'000
Opening balance at 1 January 2014	14,767	(359)	690	15,098
Profit for the year	–	–	866	866
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	866	866
Contribution to owners				
Dividends paid (Note 12)	–	–	(402)	(402)
Total contributions to owners	–	–	(402)	(402)
Total transaction with owners in their capacity as owners	–	–	(402)	(402)
Closing balance at 31 December 2014	14,767	(359)	1,154	15,562

2013 Company	Share capital (Note 21) $'000	Treasury shares (Note 21) $'000	Retained earnings $'000	Total $'000
Opening balance at 1 January 2013	14,767	(359)	1,106	15,514
Profit for the year	–	–	1,362	1,362
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	1,362	1,362
Contribution to owners				
Dividends paid (Note 12)	–	–	(1,778)	(1,778)
Total contributions to owners	–	–	(1,778)	(1,778)
Total transaction with owners in their capacity as owners	–	–	(1,778)	(1,778)
Closing balance at 31 December 2013	14,767	(359)	690	15,098

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(For the financial year ended 31 December 2014)

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from operating activities			
Profit before tax		1,788	486
Adjustments for:			
Interest income	5	(69)	(205)
Interest expense	7	374	264
Depreciation of property, plant and equipment	13	154	108
Gain on disposal of plant and equipment		–	(1)
Unrealised foreign exchange loss		209	19
Provision for warranty	23	4	17
(Reversal)/allowance for slow moving inventories	6	(391)	103
Operating cash flows before changes in working capital		2,069	791
Changes in working capital			
Decrease in inventories		3,402	2,888
Decrease/(increase) in trade and other receivables		1,395	(557)
Decrease/(increase) in other assets		117	(232)
(Decrease)/increase in trade and other payables		(4,776)	601
(Decrease)/increase in other liabilities		(896)	1,205
Decrease in provisions		(10)	(30)
Decrease in bank deposit (pledged)		–	32
Cash flows from operations		1,301	4,698
Income taxes paid		(34)	(192)
Net cash flows from operating activities		1,267	4,506
Cash flows from investing activities			
Purchase of plant and equipment	13	(2,352)	(2,354)
Proceeds from disposal of plant and equipment		–	2
Acquisition of non-controlling interests		–	(701)
Interest received		2	6
Net cash flows used in investing activities		(2,350)	(3,047)
Cash flows from financing activities			
Dividends paid to equity shareholders	12	(402)	(1,778)
Proceeds from borrowings		166	385
Repayments of borrowings		(2,648)	(2,771)
Finance lease repayments		(87)	(55)
Interest paid	7	(374)	(264)
Net cash flows used in financing activities		(3,345)	(4,483)
Net decrease in cash and cash equivalents		(4,428)	(3,024)
Effects of exchange rate changes on cash and cash equivalents		146	247
Cash and cash equivalents, statement of cash flows, beginning of the year		5,504	8,281
Cash and cash equivalents, at end of the year	20	1,222	5,504

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(For the financial year ended 31 December 2014)

1. Corporate information

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 11 Tuas Avenue 16 Singapore 638929.

The principal activities of the Company are those of an investment holding company and the provision of management and administrative support to its subsidiaries.

The principal activities of the subsidiaries are described in the Note 14 to the financial statements below.

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 31 March 2015.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

(For the financial year ended 31 December 2014)

2. Summary of significant accounting policies (cont'd)

2.3 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.4 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 *Share Based Payment*	1 July 2014
(b) Amendments to FRS 103 *Business Combinations*	1 July 2014
(c) Amendments to FRS 108 *Operating Segments*	
(d) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(e) Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 July 2014
(f) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014

2. Summary of significant accounting policies (cont'd)

2.4 Standards issued but not yet effective *(cont'd)*

Description	Effective for annual periods beginning on or after
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisition of Interests in Joint Operations*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale for Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 Non-*current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendment to FRS 19 *Employee Benefits*	1 January 2016
(d) Amendment to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entity: Applying the Consolidation Exception*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
Amendments to FRS 1 *Disclosure Initiative*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 are described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or service to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2.5 *Foreign currency translation*

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency translation (cont'd)

(b) Transactions and balances

Transactions in currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies as at the closing rates at the date of the financial year end are recognised in the profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated foreign currency translation differences is reclassified from equity to profit or loss, as part of the gain or loss on disposal.

Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of the Group entities' financial statements

For consolidation purpose, the results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at the average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction rates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified from equity to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2. Summary of significant accounting policies (cont'd)

2.6 *Property, plant and equipment*

(a) Measurement

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(b) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

(c) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold property and improvements	–	Over the lease terms to 2015
Plant and equipment	–	1 to 10 years

The residual values, estimated useful lives and depreciation method of the property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end date. The effects of any revision are recognised in the profit or loss when the change arises. An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Assets under construction included in leased property and improvements and plant and equipment are not depreciated as these assets are not yet available for use.

(d) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the profit or loss when incurred

(e) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss within "Other Charges" or "Other Credits".

2. Summary of significant accounting policies (cont'd)

2.7 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of financial assets*

The Group assesses at each financial year date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary of significant accounting policies (cont'd)

2.10 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.12 Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2. Summary of significant accounting policies (cont'd)

2.13 *Provisions*

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the period they occur. Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.14 *Financial guarantees*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.15 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Summary of significant accounting policies (cont'd)

2.17 *Leases*

(a) As lessee

The Group leases certain plant and equipment under finance leases and leasehold properties under operating leases from non-related parties.

Leases where the Group assumes substantially all risks and rewards incidental to the ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

(b) As lessor

The Group leases equipment under finance leases.

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. The leased asset is derecognised and present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the statement of financial position and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Contigent rents are recognised as an expense in profit or loss when incurred.

2. Summary of significant accounting policies (cont'd)

2.18 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from rendering services is recognised based on the extent of the services rendered.

(c) Interest income

Interest income is recognised using the effective interest method.

2.19 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.19 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.19 *Taxes (cont'd)*

(c) *Sales tax*

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.20 *Equity*

Equity instruments are contracts that give a residual interest in the net assets of the Company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

2.21 *Treasury shares*

Where any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's owners, until they are cancelled, sold or reissued.

When the treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against retained earnings of the Company if the shares are purchased out of earnings of the Company.

When the shares are subsequently sold or reissued pursuant to an employee share option scheme or other scheme available, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the treasury share reserve.

2.22 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

2. Summary of significant accounting policies (cont'd)

2.22 *Contingencies (cont'd)*

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.23 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2.24 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and/or
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Company's accounting policies, the management did not make any judgements that have effect on the amounts recognised in the financial statements.

3.2 *Key source of estimation uncertainty*

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

<u>Allowance for doubtful trade and other receivables</u>

An allowance is made for doubtful trade and other receivables for estimated losses resulting from the subsequent inability of the receivables to make required payments. If the financial conditions of the receivables were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses trade and other receivables and analyses historical bad debts, receivables concentrations, creditworthiness, and changes in payment terms when evaluating the adequacy of the allowance for doubtful trade and other receivables. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the financial year, the trade and other receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the financial year.

<u>Net realisable value of inventories</u>

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the most acceptable evidence available at the end of the financial year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the financial year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the financial year was $16,197,000 (2013: $16,673,000).

3. Significant accounting judgements and estimates (cont'd)

3.2 Key source of estimation uncertainty (cont'd)

Deferred tax estimation

Management judgment is required in determining the amount of current and deferred tax recognised as income or expense and the extent to which deferred tax assets can be recognised. A deferred tax asset is recognised if it is more likely than not that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilised. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognised in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination. The amount of the deferred tax asset at the end of the financial year was $78,000 (2013: $82,000).

Warranty claims

Certain products are covered by product warranty plans of varying periods, depending on local practices and regulations. A related provision is made for future warranty claims after taking into account the historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The warranty obligations are affected by actual product failure rates (field failure rates) and by material usage and service delivery costs incurred in correcting a product failure. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The amount at the end of the financial year was $34,000 (2013: $40,000).

Estimated impairment of subsidiaries

When a subsidiary is in net equity deficit and has suffered losses, a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. The amount of the relevant investment is $1,029,000 (2013: $1,029,000) at the end of the financial year. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset affected.

4. Revenue

	Group	
	2014 $'000	**2013 $'000**
Sale of goods	27,419	30,443
Rendering of services	781	562
	28,200	31,005

5. Interest income

	Group	
	2014 $'000	2013 $'000
Interest Income from:		
Loans and receivables	69	205

6. Other credits and (other charges)

	Group	
	2014 $'000	2013 $'000
Allowance for impairment on trade receivables – (loss)/reversal	(10)	23
Foreign exchange (loss)/gain	(5)	22
Gain on disposal of plant and equipment	–	1
Provision for product warranty expense	(4)	(17)
Reversal/(allowance) for slow moving inventories	391	(103)
SME grant	–	5
Others	49	21
Net	421	(48)
Presented in profit or loss as:		
Other credits	440	72
Other charges	(19)	(120)
Net	421	(48)

7. Finance costs

	Group	
	2014 $'000	2013 $'000
Interest expense on:		
- Bank loans and bank overdrafts	360	258
- Obligation under finance leases	14	6
	374	264

8. Employee benefits expense

	Group	
	2014 $'000	2013 $'000
Salaries and bonuses	3,657	3,466
Contributions to defined contribution plan	152	125
Other benefits	227	222
Total employee benefits expense	4,036	3,813

9. Items in the statement of comprehensive income

The followings items have been included in arriving at profit before tax:

	Group	
	2014	2013
	$'000	$'000
Audit fees to independent auditors of the Company	122	116
Audit fees to other independent auditors	45	42
Other fees to independent auditors of the Company	–	16
Employees benefits expense (Note 8)	4,036	3,813
Depreciation of property, plant and equipment (Note 13)	154	108
Rental expenses (Note 29(b))	239	218
Inventories recognised as an expense in cost of sales (Note 17)	18,870	22,117

10. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group	
	2014	2013
	$'000	$'000
Current tax expense:		
Current year	183	91
(Over)/ under provision in respect of prior years	(89)	37
	94	128
Deferred tax expense:		
Current year	8	15
Income tax expense recognised in profit or loss	102	143

10. Income tax expenses (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and accounting profit before income tax multiplied by the applicable Singapore corporate tax rates for the years ended 31 December 2014 and 2013 are as follows:

	Group 2014 $'000	Group 2013 $'000
Profit before tax	1,788	486
Income tax expense at a tax rate of 17% (2013:17%)	304	83
Effects of different tax rates in different countries	(20)	(2)
Not deductible items	14	119
Effects of partial tax exemption	(111)	(75)
(Over)/under provision in respect of prior periods	(89)	37
Others	4	(19)
Total income tax expense	102	143

There are no income tax consequences of dividends to owners of the Company.

Deferred tax assets recognised in profit or loss:

	Group 2014 $'000	Group 2013 $'000
Excess of tax value of plant and equipment over net book value	5	43
Tax losses carry forwards	(3)	(22)
Provision for warranty and unutilised leave	2	5
Other temporary differences	4	(11)
Total deferred tax expense recognised in profit or loss	8	15

11. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit, net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2014 $'000	Group 2013 $'000
Profit, net of tax attributable to owners of the Company	1,686	352
	Number of shares	
Weighted average number of ordinary shares outstanding for basic earnings per share	335,509,121	335,509,121
Basic earnings per share (cents)	0.50	0.11

There is no dilutive effect in the earnings per share as there were no shares under option or convertible bonds as at financial year end date or during the financial year.

12. Dividends on equity shares

	Group and Company 2014 $'000	Group and Company 2013 $'000
Declared and paid during the year:		
Dividends on ordinary shares:		
Final tax exempt (1-tier) dividend paid of Nil (2013: 0.38 cents) per share	–	1,275
Interim tax exempt (1-tier) dividend paid of 0.12 cents (2013: 0.15 cents) per share	402	503
	402	1,778
Proposed but not recognised as liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final tax exempt (1-tier) dividend paid for 2014: 0.15 cents (2013: Nil)	503	–

13 Property, plant and equipment

Group	Leasehold property and improvements $'000	Plant and equipment $'000	Total $'000
Cost			
At 1 January 2013	1,734	1,760	3,494
Exchange differences	63	45	108
Additions	592	2,002	2,594
Disposals	–	(18)	(18)
At 31 December 2013	2,389	3,789	6,178
Exchange differences	103	100	203
Additions	198	2,224	2,422
Disposals	–	–	–
Transfer from inventory	–	40	40
At 31 December 2014	2,690	6,153	8,843
Accumulated depreciation			
At 1 January 2013	1,650	1,203	2,853
Exchange differences	58	22	80
Depreciation for the year	14	94	108
Disposals	–	(17)	(17)
At 31 December 2013	1,722	1,302	3,024
Exchange differences	76	46	122
Depreciation for the year	2	152	154
Disposals	–	–	–
At 31 December 2014	1,800	1,500	3,300
Net book value			
At 31 December 2013	667	2,487	3,154
At 31 December 2014	890	4,653	5,543

Assets under construction

The Group's leasehold property and impairments include S$890,000 (2013: S$667,000) which relate to expenditure for office and factory renovation in progress.

The Group's plant and equipment include S$4,013,000 (2013: S$1,851,000) which relate to expenditure for a plant in the course of construction.

Assets held under finance leases

There were acquisitions of plant and equipment with a total cost of $70,000 (2013: $240,000) by means of finance leases.

The carrying amount of plant and equipment held under finance leases at the end of the financial year were $310,000 (2013: $297,000).

Leased assets are pledged as security for related finance lease liabilities.

14. Investments in subsidiaries

	Company 2014 $'000	Company 2013 $'000
Unquoted equity shares, at cost	7,028	7,028
Quasi equity loan, at cost (a)	6,000	6,000
Deemed investment in a subsidiary (b)	2,170	2,010
	15,198	15,038
Impairment losses	(1,031)	(702)
Net carrying value at end of the year	14,167	14,336
Movements in allowance for impairment:		
Balance at beginning of year	702	702
Charge for the year	329	–
Balance at end of the year	1,031	702

During the financial year, there was impairment charge of $329,000 (2013: $Nil). The impairment loss represents the write-down of the carrying value of a subsidiary in full.

(a) This relates to interest free quasi-equity loan of $6,000,000 (2013: $6,000,000) from the Company to its subsidiary, VibroPower Pte Ltd. This loan is not expected to be repaid in the foreseeable future.

(b) The deemed investment in a subsidiary, VibroPower Pte. Ltd. arose from financial guarantees provided by the Company for bank facilities.

The subsidiaries held by the Company and the Group is listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Effective Percentage of Equity Held by Group 2014 %	Effective Percentage of Equity Held by Group 2013 %
GMTM Holdings Pte. Ltd. Singapore Investment holding (Ernst & Young LLP, Singapore)	100	100
Shanghai VibroPower Generators Equipment Co. Ltd. [a] People's Republic of China Import and sale of engines and spare parts (Shanghai Mingyudaya Certified Public Accountants Co., Ltd)	100	100

14. Investments in subsidiaries (cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Effective Percentage of Equity Held by Group 2014 %	2013 %
VibroPower Pte. Ltd. Singapore Supply, design, manufacture, installation, commissioning and servicing of generators (Ernst & Young LLP, Singapore)	100	100
Held through VibroPower Pte. Ltd.		
VibroPower (HK) Limited [(a)] Hong Kong Supply, installation, commissioning and servicing of generators (BDO Limited)	100	100
Indamex (UK) Limited [(b)] United Kingdom Trader in generator parts and accessories	100	100
VibroPower Generators Sdn. Bhd. Malaysia Trading, installation, commissioning and servicing of diesel generators (Ernst & Young LLP, Malaysia)	100	100
VibroPower Generators (India) Private Limited [(a)] India Trading, installation, commissioning and servicing of diesel generators (Suresh Surana & Associates)	100	100
VibroPower Sales And Services (S) Pte. Ltd. Singapore Trading, installation, commissioning and servicing of generators (Ernst & Young LLP, Singapore)	100	100
Held through GMTM Holdings Pte. Ltd.		
Indamex (F.E) Pte. Ltd. Singapore Manufacture and repair of electric generators (Ernst & Young LLP, Singapore)	100	100
VibroPower (UK) Limited [(a)] United Kingdom Import and export of engines and spare parts (Moore Stephens)	100	100
Scott & English Pte. Ltd. Singapore Manufacture and repair of electric generators (Ernst & Young LLP, Singapore)	100	100

14. Investments in subsidiaries (cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditors)	Effective Percentage of Equity Held by Group 2014 %	2013 %
VibroPower Generators Middle East (FZE) [b] United Arab Emirates Manufacture and repair of electric generators	100	100
Held through VibroPower (HK) Limited		
Shanxi Weineng Coal Mine Gas Development Co., Ltd. [a] People's Republic of China Development, operation and management of power generations projects (Shanxi Huihua Certified Public Accountants Co., Ltd)	100	82

(a) Other independent auditors. Audited by firms of accountants other than member firms of Ernst & Young Global. Their names are indicated above.

(b) Not audited as it is not required to be audit under the laws of the respective countries.

In accordance to the Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and the effectiveness of the audit of the Group.

15. Deferred tax assets

Deferred tax balances in the statement of financial position:

	Group 2014 $'000	2013 $'000
Excess of tax value of plant and equipment over net book value	40	44
Provision	4	8
Other temporary differences	34	30
Net balance	78	82

At the end of the reporting period, the Group has tax losses of approximately $ 194,000 (2013: $ 285,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unrecognised temporary differences relating to investments in subsidiaries

At end of the reporting period, the Group had potential dividend distribution tax liability amounting to $436,000 (2013: $498,000), associated with undistributed earnings of the Group's subsidiaries. No deferred tax liability (2013: Nil) has been recognised in respect of these differences because the Company is in a position to control the dividend policies of these subsidiaries and provision is made only when there is a plan for dividend distribution.

15. Deferred tax assets (cont'd)

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statement in respect of 2014 and 2013 (Note 12).

16. Other financial asset

	Group	
	2014	**2013**
	$'000	**$'000**
Unquoted investment at cost less allowance for impairment:		
Unquoted equity shares in corporations as available-for-sale at cost less allowance for impairment	4	4

The fair value of the unquoted investments as available-for-sale financial assets is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values. Consequently, the investment is carried at cost less allowance for impairment. Impairment losses recognised in profit or loss for equity investments are not reversed.

17. Inventories

	Group	
	2014	**2013**
	$'000	**$'000**
Parts and Components	11,533	9,487
Work-in-progress	4,664	7,186
	16,197	16,673

Inventories are stated after deducting allowance for inventories obsolescence.

Analysis of allowance:		
Balance at beginning of the year	585	469
(Reversed)/charged to profit or loss included in other credits and other charges	(391)	103
Exchange differences	29	13
Balance at end of the year	223	585
Changes in inventories of work-in-progress	(2,522)	1,967
Inventories recognised as an expense in cost of sales	18,870	22,117

The reversal of write-down of inventories arises from an increase in the net realisable value of the related inventories.

There are no inventories pledged as security for liabilities.

Certain inventories were purchased under trust receipts (Note 24).

18. Trade and other receivables

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade and other receivables (current):				
Trade receivables:				
Due from outside parties	13,716	15,606	92	105
Less allowance for impairment	(1,945)	(1,857)	–	–
Due from subsidiaries	–	–	79	79
Less allowance for impairment	–	–	(79)	(79)
Retention monies	1,314	792	–	–
Subtotal	13,085	14,541	92	105
Other receivables:				
Due from subsidiaries	–	–	1,388	675
Less allowance for impairment	–	–	(20)	(20)
Finance lease receivable	–	45	–	–
Advance for an investment project	1,750	1,598	–	–
Advance for interest in convertible bonds	454	–	–	–
Others	570	931	–	–
Subtotal	2,774	2,574	1,368	655
Total trade and other receivables (current)	15,859	17,115	1,460	760
Other receivables (non-current):				
Other receivable	43	22	–	–
Finance lease receivable	–	–	–	–
Total other receivables (non-current)	43	22	–	–
Add: Cash at banks and on hand (Note 20)	2,101	5,504	77	129
Total loans and receivables	18,003	22,641	1,537	889

Trade receivables:

Trade receivables are non-interest bearing. They are recognized at their original invoice amounts, which represents their fair values on initial recognition.

Other receivables (current):

Advance for an investment project is unsecured, bears interest of 10% (2013: 12%) per annum earned from the principal amount.

Amounts due from subsidiaries, advance for interest in convertible bonds and others are unsecured, non-interest bearing, non-trade related, and repayable on demand by cash.

18. Trade and other receivables (cont'd)

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Movements in above allowance:				
Trade receivables:				
Balance at beginning of the year	1,857	1,838	79	79
Charged/(reversed) for trade receivables to profit or loss	10	(23)	–	–
Written off during the year	(5)	–	–	–
Foreign exchange adjustments	83	42	–	–
	1,945	1,857	79	79
Other receivables:				
Balance at beginning and end of the year	–	–	20	20

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Finance lease receivables				
Not later than one year	–	49	–	45
Later than one year and not later than five years	–	–	–	–
	–	49	–	45
Less unearned finance income	–	(4)	–	–
Present value of minimum lease receivable	–	45	–	45

	Group	
	2014	2013
	$'000	$'000
Presented as:		
Under trade and other receivables, current	–	45
Under other receivables, non-current	–	–
	–	45

18. Trade and other receivables (cont'd)

Trade and other receivables denominated in currency other than the functional currencies of respective entities at 31 December are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Singapore dollar	1,566	1,308	–	–

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to customers is about 30 - 60 days (2013: 30 - 60 days). But some customers take a longer period to settle the amounts.

(i) Ageing analysis of the age of trade receivable amounts that are past due as at the end of the financial year but not impaired:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
Less than 30 days	979	2,478	–	–
31 to 60 days	590	1,111	–	–
61 to 90 days	876	895	–	–
Over 90 days	2,867	2,468	–	–
Total	5,312	6,952	–	–

(ii) Ageing analysis as at the end of the financial year of trade receivable amounts that are impaired:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
Over 90 days	1,945	1,857	–	–

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

19. Other assets

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Deposits to secure services	451	153	–	–
Prepayments	378	792	3	2
	829	945	3	2

20. Cash and cash equivalents

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Cash at banks and on hand	2,101	5,504	77	129
Less:				
Bank overdrafts (Note 24)	(879)	–	–	–
Cash and cash equivalents	1,222	5,504	77	129

Cash at banks earns interest at floating rates based on daily bank deposits rates, and is not restricted in used.

Cash at banks and on hand balances denominated in currency other than the functional currencies of respective entities at 31 December are as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore dollar	170	784	–	–

21. Share capital and treasury shares

	Group and Company	
(a) Share capital	No. of shares issued '000	Share capital $'000
Issued and fully paid ordinary shares:		
At 1 January 2013 and 1 January 2014	345,277	14,767
At 31 December 2013 and 31 December 2014	345,277	14,767

(b) Treasury shares	No. of shares issued '000	Share capital $'000
At 1 January 2013 and 1 January 2014	(9,768)	(359)
At 31 December 2013 and 31 December 2014	(9,768)	(359)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

21. Share capital and treasury shares (cont'd)

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital and retained earnings).

	Group	
	2014	**2013**
	$'000	**$'000**
Net debt:		
All current and non-current borrowings including finance leases	10,260	11,563
Less cash at bank and on hand	(2,101)	(5,504)
	8,159	6,059
Adjusted capital:		
Total equity	23,021	21,055
Adjusted capital	23,021	21,055
Debt-to-adjusted capital ratio	35%	29%

The Company itself does not have significant borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

22. Reserves

	Group 2014 $'000	Group 2013 $'000
Foreign currency translation reserve	(305)	(987)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of Group entities whose functional currencies are different from that of the Group's presentation currency.

23. Provision

	Group 2014 $'000	Group 2013 $'000
Provision for product warranty:		
Balance at beginning of the year	40	53
Charged to profit or loss included in other charges	4	17
Used during the year	(10)	(30)
Balance at end of the year	34	40

Goods are sold with a warranty under which customers are covered for the cost of repairs of any manufacturing defects that become apparent within the first twelve months after installation. A warranty provision is made based on past experience and future expectations and an assessment of probability of an outflow for the warranty obligations as a whole. It is expected that most of these costs will be incurred within the next 12 months from the and of the financial year.

24. Other financial liabilities

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current:				
Fixed rate bank loans (unsecured)	731	732	–	–
Floating rate bank loans (unsecured)	3,553	3,155	–	–
Trust receipts for purchase of inventories (unsecured)	4,536	5,218	–	–
Subtotal	8,820	9,105	–	–
Non-current:				
Fixed rate bank loans (secured)	1,219	1,948	–	–
Floating rate bank loans (unsecured)	–	275	–	–
Subtotal	1,219	2,223	–	–
Total	10,039	11,328	–	–

Other financial liabilities denominated in currency other than the functional currencies of respective entities at 31 December are as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore dollar	5,012	9,674	–	–

The ranges of floating interest rates paid were as follows:

	2014 $'000	2013 $'000
Floating rate bank loans (unsecured)	2.8% to 3.5%	2.8% to 3.5%
Trust receipts for purchase of inventories	1.73% to 5.75%	1.70% to 5.75%

The fixed interest rate paid for fixed rate bank loans (unsecured) was 2.5% (2013: 2.5%) per annum.

(a) Fixed rate bank loans (unsecured)

The bank loans comprises of the following:

The bank loan agreement provides among other matters for the following:

1. Repayable by 60 equal installent which is due on 21 August 2017
2. Corporate guarantee from the Company

24. Other financial liabilities (cont'd)

(b) Floating rate bank loans (unsecured)

The bank loans comprises of the following:

(i) Term Loan

The bank loan amounted to $500,000 (2013: $1,068,000) was provided among other matters for the following:

1. Repayable in 180 days which is due on 23 March 2015
2. One of the Group's subsidiary maintain minimum tangible networth of S$6 million equivalent
3. Corporate guarantee from the Company

(ii) Revolving Term Loan

The bank loan amounted to $2,174,000 (2013: $2,362,000) was provided among other matters for the following:

1. Repayable by 6 equal instalments which is due on 24 June 2015
2. One of the Group's subsidiary maintain minimum tangible networth of S$6 million equivalent
3. Corporate guarantee from the Company

(iii) Overdraft

1. Bank overdraft amounted to S$879,000 (2013: Nil) is denominated in SGD and repayable on demand.
2. Corporate guarantee from the Company

(c) Trust receipt

The bank agreement for certain of credit facilities provide among other matters for the following:

1. Repayable on demand. Repayment is due on 18 May 2015.
2. Corporate guarantee from the Company
3. One of the Group's subsidiary maintain minimum tangible networth of S$6 million equivalent
4. Need to comply with certain financial covenants, such as (a) the net worth of one of the Group's subsidiary be not less than S$3.5 million and (b) the net worth of the VibroPower Group be not less than S$10 million.

25. Finance leases

Group 2014	Minimum payments $'000	Finance Charges $'000	Present value $'000
Minimum lease payments payable:			
Due within one year	66	(3)	63
Due within 2 to 5 years	165	(7)	158
Total	231	(10)	221
Group 2013			
Minimum lease payments payable:			
Due within one year	75	(8)	67
Due within 2 to 5 years	178	(10)	168
Total	253	(18)	235

It is a policy to lease certain of its plant and equipment under finance leases. The lease term is 3 to 5 years. The rate of interest for finance leases is about 1.8% to 1.9% (2013:1.8% to 1.9%) per year. There is an exposure to fair value interest risk because the interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets. The carrying amount of the lease liabilities is not significantly different from the fair value.

The Group has finance leases for certain items of plant and equipment. These leases have terms of purchase options but no renewal and escalation clauses. Purchase options are at the option of the specific entity that holds the lease.

Finance leases denominated in currency other than the functional currencies of respective entities at 31 December are as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore dollar	221	235	–	–

26. Trade and other payables

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade payables:				
Outside parties	3,147	6,414	14	19
Accruals	1,993	1,569	131	110
Amounts due to related companies	631	516	–	–
Subtotal	5,771	8,499	145	129
Other payables:				
Others	52	31	–	–
Subtotal	52	31	–	–
Total trade and other payables	5,823	8,530	145	129
Add:				
Other financial liabilities (Notes 24)	10,039	11,328	–	–
Finance lease (Note 25)	221	235	–	–
Total financial liabilities carried at amortised cost	16,083	20,093	145	129

Trade payables/other payables:

These amounts are non-interest bearing and normally settled on 30-90 days' terms.

Amounts due to related companies:

Amounts due to related companies are unsecured, non-interest bearing and repayable on demand by cash.

Trade and other payables denominated in currency other than the functional currencies of respective entities at 31 December are as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore dollar	1,323	2,920	–	–

27. Other liabilities

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Deposit received from customers	1,322	2,166	–	–

28. Related party relationship and transactions

a) Related companies

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured without fixed repayment terms and non-interest bearing unless stated otherwise.

Purchases were made at an arm's length basis in a manner similar to transactions with third parties.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Other related parties	
	2014	2013
	$'000	$'000
Purchases of goods and services	1,260	1,352
Subcontractor costs	608	549
Purchases of property, plant and equipment - improvements to leasehold property	104	370

Related compares are companies in which the controlling shareholder is a close relative of a director of the Company.

28. Related party relationship and transactions (cont'd)

(b) Key management compensation

	Group 2014 $'000	Group 2013 $'000
Short-term employee benefits	1,214	1,205
Central Provident Fund contributions	29	29
	1,243	1,234

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group 2014 $'000	Group 2013 $'000
Remuneration of directors of the company	1,136	1,137
Fees to directors of the company	105	95
Remuneration of other directors at the Group	2	2
	1,243	1,234

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

Further information about the remuneration of individual directors is provided in the report on corporate governance.

29. Commitments

(a) Capital commitments

Capital expenditure contracted for as at the end of the financial year but not recognised in the financial statements are as follows:

	Group 2014 $'000	Group 2013 $'000
Commitments to purchase additional plant and equipment	992	565

29. Commitments (cont'd)

(b) Operating lease commitments- as lessee

Operating lease payments are rentals payable for land and certain of its factory properties. The land lease from the Jurong Town Corporation is for 30 years from 1 March 1983. The lease rental terms are negotiated for an average term of one year and rentals are subject to an escalation clause.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2014 amounted to $239,000 (2013: $218,000).

At the end of the financial year, the total of future minimum lease payments under non-cancellable operating leases is as follows:

	2014 $'000	2013 $'000
Not later than one year	10	15

30. Contingent liabilities

	Group	
	2014 $'000	2013 $'000
Corporate guarantee given for subsidiaries' credit facilities	10,039	11,328

The Company has undertaken to provide financial support to certain subsidiaries, which had net capital deficits as at 31 December 2014. It is impracticable to reliably estimate the exposure.

31. Fair values of financial instruments

(a) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities, and
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – Inputs for asset or liability that are not based on observable market on observable market data (unobservable inputs)

31. Fair values of financial instruments (cont'd)

(b) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Current trade and other receivables and payables (Note 18), Current other assets (Note 19), Non-current other receivables (Note 18), Provisions (Note 23), Current and Non-current other financial liabilities (Note 24), Finance leases (Note 25), Trade and other payables (Note 26) and Current other liabilities (Note 27).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

Non-current other financial assets (Note 16)

The financial assets that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

32. Financial risk management objectives and policies

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. The main risks arising from the entity's financial instruments are credit risk, interest risk, liquidity risk and foreign currency risk. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.
5. When appropriate may consider investing in shares or similar instruments.
6. When appropriate enter into derivatives or any other similar instruments solely for hedging purposes.

There has been no change to the exposures to risk; the objective, policies and processes for managing the risk and the methods used to measure the risk.

The financial controller monitors the procedures and reports to the audit committee of the board.

With regards to derivatives, the policies include the following:

1. The management documents carefully all derivatives including the relationship between them and the hedged items at inception and throughout their life.

2. Effectiveness is assessed at the inception of the hedge and at each end of the financial year ensuring that FRS 39 criteria are met. Ineffectiveness is recognised in profit or loss as soon as it arises.

3. Only financial institutions with acceptable credit ratings are used as counterparties for derivatives.

32. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial instruments; and the maximum amount the entity could have to pay if the guarantee is called on; Credit risk on cash balances with banks is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Concentration of trade receivables as at the end of the financial year:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Top 1 customer	1,192	1,318	–	–
Top 2 customers	2,294	2,360	–	–
Top 3 customers	3,038	3,254	–	–

Available-for-sale investments: All of them represent equity shares and therefore there is no fixed maturity.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18 (Trade and other receivables)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient level of cash and short-term deposits to meet its working capital requirements. The Group maintains a balance between continuity of funding and flexibility through the use of stand-by financial and credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group and to mitigate the effects of fluctuations in cash flows.

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Short-term funding may be obtained from short-term loans where necessary without incurring unacceptable losses or risking damage to the Group's reputation.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Less than 1 year $'000	1 – 5 years $'000	Total $'000
Group			
2014			
Financial assets			
Trade and other receivables (Note 18)	15,859	43	15,902
Cash at banks and on hand (Note 20)	2,101	–	2,101
Total undiscounted financial assets	17,960	43	18,003
Financial liabilities			
Other financial liabilities (Note 24)	9,327	1,288	10,615
Finance leases (Note 25)	66	165	231
Trade and other payables (Note 26)	5,823	–	5,823
Total undiscounted financial liabilities	15,216	1,453	16,669
Total net undiscounted financial assets/(liabilities)	2,744	(1,410)	1,334
2013			
Financial assets			
Trade and other receivables (Note 18)	17,115	22	17,137
Cash at banks and on hand (Note 20)	5,504	–	5,504
Total undiscounted financial assets	22,619	22	22,641
Financial liabilities			
Other financial liabilities (Note 24)	9,629	2,351	11,980
Finance leases (Note 25)	75	178	253
Trade and other payables (Note 26)	8,530	–	8,530
Total undiscounted financial liabilities	18,234	2,529	20,763
Total net undiscounted financial assets/(liabilities)	4,385	(2,507)	1,878

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	Less than 1 year $'000	1 – 5 years $'000	Total $'000
Company			
2014			
Financial assets			
Trade and other receivables (Note 18)	1,460	–	1,460
Cash at banks and on hand (Note 20)	77	–	77
Total undiscounted financial assets	1,537	–	1,537
Financial liabilities			
Trade and other payables (Note 26)	145	–	145
Total net undiscounted financial liabilities	1,392	–	1,392
2013			
Financial assets			
Trade and other receivables (Note 18)	760	–	760
Cash at banks and on hand (Note 20)	129	–	129
Total undiscounted financial assets	889	–	889
Financial liabilities			
Trade and other payables (Note 26)	129	–	129
Total undiscounted financial liabilities	129	–	129
Total net undiscounted financial liabilities	760	–	760

32. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Financial guarantee contracts - For financial guarantee contracts the maximum earliest period in which the guarantee could be called is used. At the end of the reporting year, no claims on the financial guarantees are expected. The following table shows the maturity analysis of the contingent liabilities:

	Less than 1 year $'000	1 – 3 years $'000	Total $'000
Company			
2014			
Bank guarantee in favour of a subsidiary	8,820	1,219	10,039
2013			
Bank guarantee in favour of a subsidiary	9,133	2,223	11,536

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the end of the reporting period, approximately 21% (2013: 25%) of the Group's borrowings are at fixed rates of interest.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
Financial liabilities:				
Fixed rates	1,950	2,680	–	–
Floating rates	8,089	8,648	–	–
Financial leases:				
Fixed rates	221	235	–	–
Total at end of the year	10,260	11,563	–	–

The floating rate debt obligations are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the respective notes.

32. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 100 (2013: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $81,000 (2013: $86,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily USD. The foreign currencies in which these transactions are denominated are mainly SGD. The Group's trade receivable and trade payable balances at the end of the financial year have similar exposures.

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the financial year, such foreign currency balances are mainly in SGD.

The Company itself does not have significant exposure to the foreign currency risk. The non-functional currencies balances as at end of the financial year are not significant.

The Group has certain practices for the management of financial risks. The following guidelines are followed:

- All financial risk management activities are carried out and monitored by senior management staff.
- All financial risk management activities are carried out following good market practices.

Sensitivity analysis of foreign currency risk

The following table demonstrates the sensitivity to the Group's profit net of tax to a reasonably possible change in the SGD exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

32. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

		Group	
		Profit net of tax 2014 $'000	**Profit net of tax 2013 $'000**
		Increase/(Decrease)	
SGD/USD	- strengthened 2% (2013: 2%)	80	178
	- weakened 2% (2013: 2%)	(80)	(178)

33. Financial information by operation segments

(a) Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the group.

The principal activities of the group are supplying, designing, manufacturing, installing, commissioning and servicing of stationary generators, with capacities ranging from 200kVA to 2,500kVA, used mainly in commercial and industrial properties and housing projects.

The group only has one operating segment supplying generators used mainly in commercial and industrial projects and housing projects.

<u>Primary Analysis By Geographical Segments</u>

For management purpose, the group is organised into four major geographical areas – Singapore, Asean (Brunei, Cambodia, Laos, Malaysia, Myanmar, Indonesia, Philippines, Thailand and Vietnam), Asia (People's Republic of China, Hong Kong, India and Australia) and Rest of the World.

In presenting information on the basis of geographical segments, segment is based on the geographical location of assets (same as the location of the customers). Segment revenue, expenses, assets and liabilities comprise amounts that are either directly attributable to, or can be allocated on a reasonable basis to a segment. Addition of non-current asset is the total cost incurred during the year to acquire property, plant and equipment.

33. **Financial information by operation segments (cont'd)**

(b) ***Profit or loss from operations and reconciliations***

Segment information of these geographical areas described above is presented below:

	Singapore		Asean		Asia		Rest of the world		Adjustment and elimination		Notes	Total	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**		**2014 $'000**	**2013 $'000**
Revenue:													
External customers	15,279	10,473	7,562	12,476	3,137	3,280	2,222	4,776	–	–		28,200	31,005
Inter-segment	3,061	4,511	–	–	–	–	–	–	(3,061)	(4,511)		–	–
Total revenue	18,340	14,984	7,562	12,476	3,137	3,280	2,222	4,776	(3,061)	(4,511)	A	28,200	31,005
Results:													
Interest income	69	205	–	–	–	–	–	–	–	–		69	205
Finance costs	(374)	(264)	–	–	–	–	–	–	–	–		(374)	(264)
Depreciation	121	79	–	–	19	14	14	15	–	–		154	108
Segment Profit/ (loss)	1,703	669	(43)	(375)	138	134	(10)	58	–	–		1,788	486
Addition of non-current assets	240	672	–	–	2,159	1,783	23	139	–	–		2,422	2,594
Non- current assets	1,643	586	12	506	4,013	1,981	–	189	–	–	B	5,668	3,262
Segment assets	35,082	31,180	10,049	16,381	7,313	6,021	3,410	6,328	(15,200)	(16,411)	C	40,654	43,499
Segment liabilities	17,278	24,054	7,388	5,385	8,003	8,404	164	1,012	(15,200)	(16,411)	D	17,633	22,444

Notes Nature of adjustment and in nations to arrive at amounts reported in consolidated financial statements
A Inter-segment revenues are eliminated on consolidation
B Non-current assets only include property plant and equipment
C Inter-segments assets are deducted from segment assets to arrive at total assets reported in the consolidated balance sheet.
D Inter-segment liabilities are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet.

(c) ***Information about a major customer***

Revenue from one major customer amount to $2,939,000, arising from sales of stationary generators in Singapore (2013: $2,407,000 in Asia).

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2015

Issued and fully paid up capital	:	$15,074,904.86
Number of total voting shares	:	335,509,121
Number of treasury shares	:	9,768,000 (2.91%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	70	4.95	2,231	0.00
100 – 1,000	158	11.17	131,164	0.04
1,001 – 10,000	464	32.79	2,247,774	0.67
10,001 – 1,000,000	684	48.34	92,832,752	27.67
1,000,001 AND ABOVE	39	2.76	240,295,200	71.62
TOTAL :	**14,733**	**100.00**	**335,509,121**	**100.00**

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 18 March 2015, approximately 54.50% of the issued ordinary shares of the Company is held by the public, and therefore, the Company is in the compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	BENEDICT CHEN ONN MENG	51,103,500	15.23
2.	KANG BENG CHIANG	50,100,750	14.93
3.	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	24,015,629	7.16
4.	FREDDIE FONG CHEE ENG	19,994,750	5.96
5.	CHEN SIEW MENG	12,624,000	3.76
6.	OCBC SECURITIES PRIVATE LIMITED	10,956,239	3.27
7.	TEO CHEE KIAN(ZHANG ZHI QIANG)	4,599,000	1.37
8.	HONG LEONG FINANCE NOMINEES PTE LTD	4,518,000	1.35
9.	CITIBANK NOMINEES SINGAPORE PTE LTD	3,932,500	1.17
10.	PHILLIP SECURITIES PTE LTD	3,871,872	1.15
11.	HOW YIM SOO	3,444,000	1.03
12.	CHEW HOE HOCK	3,334,000	0.99
13.	YAP HOCK BENG	3,219,000	0.96
14.	CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,155,900	0.94
15.	SIA LING SING	3,028,000	0.90
16.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,681,000	0.80
17.	UOB KAY HIAN PRIVATE LIMITED	2,555,030	0.76
18.	LEE KUM YOKE	2,311,000	0.69
19.	MORPH INVESTMENTS LTD	2,160,000	0.64
20.	RAJENDRAM SO C MAHALINGAM	2,086,000	0.62
	TOTAL :	213,690,170	63.68

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2015

Substantial Shareholders as at 18 March 2015

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**No. of shares**	**% of shares**	**No. of shares**	**% of shares**
Benedict Chen Onn Meng [(1)]	51,103,500	15.23	18,675,000	5.57
Kang Beng Chiang	50,100,750	14.93	–	0.00
Freddie Fong Chee Eng	19,994,750	5.96	–	0.00

[(1)] Of 18,675,000 shares in which Benedict Chen Onn Meng is deemed to be interested, 876,000 shares are held through his CPF investment account (UOB Kay Hian Pte Ltd) and 17,799,000 shares are held through Mayban Nominees (S) Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of the Company will be held at 11 Tuas Avenue 16 Singapore 638929 on 28 April 2015 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions :-

AS ORDINARY BUSINESS

1. To receive and consider the audited financial statements of the Company and the Reports of the Directors and Auditors for the year ended 31 December 2014. **Resolution 1**

2. To declare a final exempt (one-tier) dividend of 0.15 cents per ordinary share for the year ended 31 December 2014. **Resolution 2**

3. To re-elect the following director retiring pursuant to the Company's Articles of Association: **Resolution 3**

   Mr Kang Beng Chiang (Article 104)

4. To record the retirement of Mr Michael Kan Yuet Yun, a Director retiring in pursuant to Section 153 of the Companies Act, Cap. 50, who, although eligible, is not offering himself for re-election.

5. To approve the Directors' fees of $105,000 for the year ending 31 December 2015, payable half-yearly in arrears. **Resolution 4**

6. To re-appoint Ernst & Young LLP as the Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without amendments:

7. **Proposed share issue mandate** **Resolution 6**

   "That pursuant to Section 161 of the Companies Act, Cap. 50. And Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorized and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held whichever is earlier."

[See Explanatory Note (i)]

8. **Authority to grant awards and to allot and issue shares pursuant to the VibroPower Performance Share Scheme** **Resolution 7**

"That approval be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the VibroPower Performance Share Scheme ("the Scheme") and to deliver such number of fully paid-up Shares in the form of existing shares held as treasury shares and/or new Shares as may be required to be delivered pursuant to the vesting of awards under the Scheme provided that the aggregate number of shares to be issued and allotted pursuant to the Scheme shall not exceed 15% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time."

[See Explanatory Note (ii)]

9. And to transact any other business which may be properly transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The proposed Resolution 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The proposed Resolution 7, if passed, will empower the Directors of the Company to grant awards and to issue and allot shares in the capital of the Company pursuant to the VibroPower Performance Share Scheme ("the Scheme"). The grant of awards under the Scheme will be made in accordance with the provisions of the Scheme provided that the aggregate number of shares to be issued and allotted shall not exceed fifteen per cent (15%) of the total number of issued shares excluding treasury shares in the capital of the Company from time to time. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution No. 6.

BY ORDER OF THE BOARD

SIA HUAI PENG
Company Secretary
Singapore

Date : 10 April 2015

Notes :

a) A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

b) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 11 Tuas Avenue 16 Singapore 638929 not less than 48 hours before the meeting.

c) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.

d) In the case of joint shareholders, all holders must sign the form of proxy.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

VIBROPOWER CORPORATION LIMITED
Registration No. 200004436E
(Incorporated in Singapore)

PROXY FORM

IMPORTANT
1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy form is, therefore, not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ____

of ____

being a member(s) of VibroPower Corporation Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and if necessary, to demand a poll at the 2015 Annual General Meeting of the Company to be held on Tuesday, 28 April 2015 at 11 Tuas Avenue 16 Singapore 638929 at 9:00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the notice of Annual General Meeting. In the absence of specific directions, the proxy/ proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2014		
2	Declaration of a final exempt (one-tier) dividend of 0.15 cents per ordinary share for the year ended 31 December 2014		
3	Re-election of Mr Kang Beng Chiang as Director		
4	Approval of Directors' fees for the year ending 31 December 2015, payable half-yearly in arrears		
5	Re-appointment of Ernst & Young LLP as Auditors		
6	Proposed share issue mandate		
7	Authority to grant awards and to allot and issue shares pursuant to the VibroPower Performance Share Scheme		

Signed this ______________ day of ______________ 2015

Total number of shares held

____
Signature or Common Seal of shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Cap. 50.

6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 11 Tuas Avenue 16 Singapore 638929 not later than 48 hours before the time set for the Annual General Meeting.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy :

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2015.

VibroPower Corporation Limited
11 Tuas Avenue 16
Singapore 638929
Company Registration No.: 200004436E

www.vibropower.com