

Date: 23 October 2020

VibroPower Corporation Limited
11 Tuas Avenue 16
Singapore 638929

Attention: The Board of Directors

Dear Sirs/Madams,

REQUISITION TO CONVENE AN EXTRAORDINARY GENERAL MEETING PURSUANT TO SECTION 176 OF THE COMPANIES ACT (CHAPTER 50) OF SINGAPORE

Dear fellow shareholders, I am a shareholder holding about 18% of the total issued shares of the Company and the founder of the Company since its establishment in 1995. I am also an executive director and the Chief Executive Officer of the Company. I was first appointed to these positions on 23 May 2000 when the Company was listed on the Singapore Stock Exchange.

I am making these representations in response to the requisition made by Mr. Chng Beng Hock (Chng) and his cousin, Mr. Lim Eng Tiong (Lim) to, *inter alia*, remove me as a director of the Company. They have sent the Company a requisition notice to convene an Extraordinary General Meeting of the Company ("EGM") to replace the entire Board with Chng and his 2 nominees as the new Board of the Company. In other words, Chng and Lim in effect seek to take over the Company without having to make a general offer to all shareholders at a fair price. I would like to share my thoughts on Chng and Lim's actions in this letter.

1. **Chng has not made any concrete complaint against the present Board, and what I believe is his real motive behind these requisitions.**
 - 1.1 In their first requisition notice dated 14 September 2020, Chng and his cousin claimed that they were seeking to stop a placement that the Company was undertaking and to take over the entire board of the Company because of the "worrying performance and development of the Company."
 - 1.2 Shareholders should note that Chng and his cousin are not long-time shareholders alarmed by recent affairs of the Company as they claim. Chng only became a shareholder of the Company sometime in October 2019 *after* the Company announced its rights cum warrants issue on 1 October 2019. By the end of October 2019, Chng had become a shareholder, holding about 240,000 shares at the time, but I understand he purchased a large amount of warrants and also subscribed for excess rights cum warrants compared to the number of shares he held at the time. These warrants entitle him to subscribe for new shares in the Company at only 10 cents per share. Lim became a shareholder of the Company only sometime in December 2019. Both Chng and later his cousin continued to buy shares of the Company with full knowledge of the shareholders' approval given for the Company's general share issue mandate which they now apparently take issue with.
 - 1.3 The COVID-19 pandemic started in early 2020 and all industries across the board were adversely affected, not just our Company. If Chng and his cousin were so worried or dissatisfied about the performance of our Company, then they would not, and should not have bought into the Company at all or continued to buy shares and warrants of the Company. In fact, by the time Chng and his cousin Lim sent their first notice of requisition dated 14 September 2020, they had increased their shareholding 37.38 times more to 8,996,250 shares from the 240,700 that Chng initially held. Far from being worried about the Company's performance and development as they have claimed, Chng and his cousin Lim have been increasing their stake in the Company. What were they planning? Were the interests of the Company or its shareholders included in their plan, or were Chng and his cousin Lim only interested in their own agenda?

- 1.4 In their first requisition notice, Chng and his cousin Lim purportedly wanted to stop a placement that the Board of Directors had approved on 13 July 2020 and announced on 8 September 2020 when the terms of the investment had been agreed with the new investors.
- 1.5 It seems to me that they wanted to stop the placement without any care or thought at all of the Company's interests and needs for the placement proceeds during this COVID-19 pandemic. The Company complied with all applicable rules and regulations, and obtained regulatory approval for the placement which was duly completed on 5 October 2020.
- 1.6 According to their revised requisition, Chng and his cousin Lim now want the Company to withdraw the general share issue mandate that, you, the shareholders of the Company have granted to the Board of the Company at the annual general meeting held on 11 May 2020. Again, they have not explained why they want shareholders to withdraw the general share issue mandate. However, the consequences of withdrawing the mandate will greatly and adversely affect the Company's ability to raise further funds if the need arises.
- 1.7 Again, it seems to me that Chng and his cousin Lim's only concern is to prevent their shareholding in the Company from being diluted. According to the Company's records, Chng and his concert parties did not even bother to attend the Company's annual general meeting on 11 May 2020 when shareholders approved the Company's general share issue mandate. It is fairly obvious that neither Chng, nor his cousin Lim, are as worried about the Company as they claim. In fact, before he sent in his first notice of requisition, Chng never informed the Company of his worries or concerns about the Company. All he did was ask to meet me in January 2020 without specifying the agenda. I did propose a meeting after Chinese New Year. However, after February 2020, the COVID-19 pandemic set in and we did not eventually meet up as my time and efforts were completely focused on the Company's business which is spread across different countries. I did not hear from Chng again until he sent in the first notice of requisition.
- 1.8 It is clear to me that, by sending a revised requisition to try and get shareholders to revoke the share issue mandate, Chng is only trying to further his own agenda. In calling for this unnecessary EGM, he has caused the Company to incur further expenses at a time when the Company should be conserving its cash in order to cope with these difficult times brought by the COVID-19 pandemic.
- 1.9 Also, his attempt to destabilise the Company in this way, and to make the Company incur such unnecessary expenses to deal with his requisitions whilst trying to take control of the Company, appears opportunistic. Chng is attempting to take over the Company without showing anything more than his baseless complaints in a newspaper article and without making any fair offer to all the shareholders. This is simply wrong and unfair to all shareholders.

2. What is the real shareholding of Chng and his concert parties?

- 2.1 In their first requisition notice dated 14 September 2020, Chng and his cousin claimed that they held a total of 8,996,250 shares. I don't believe that Chng, a former assistant general manager of Alliance Securities who should be very familiar with the stock market, will be so daring to attempt to remove the whole Board if he really only has 8,996,250 shares representing only about 16.68% of the Company. Chng and his cousin Lim should disclose how many other parties may be acting in concert with them.
- 2.2 In the course of preparing for this EGM, the Company has discovered that, since Chng became a shareholder in October 2019, a group of individuals linked to Chng have been buying shares of the Company. For instance:
- (i) From about November 2019 to the time the rights cum warrants issue closed in January 2020, apart from Chng and his cousin Lim, a few other people appeared as new shareholders. I have made some checks on these other new shareholders. Some appear to be the siblings or relatives of Chng. I therefore find it strange that Chng only



mentioned that Mr Lim is his cousin in an interview that he gave to the Business Times published on 8 October 2020 ("BT Article"), but did not mention that his other close relatives have also acquired shares in the Company.

- (ii) By April 2020, some other individuals also became new shareholders of the Company. I also made some checks on these other new shareholders, and have found out that they share the same business address as Chng. There also seems to be a fair amount of buying and selling of the Company's shares between these new shareholders and Chng from June/July 2020.
- (iii) From July 2020 to 2 October 2020, the Company's share price went from an average of about \$0.135 to peak at \$0.24 on 2 October 2020.

- 2.3 If Chng and/or his concert parties have accumulated the necessary number of shares to pass the resolutions he seeks in his notice of requisition, he should have disclosed that fact to all shareholders and make a takeover bid to all shareholders in accordance with the rules and regulations. According to the rules and regulations, Chng and his concert parties will have to offer to purchase all other shareholders' shares for the highest price they have paid within the range of price traded between \$0.135 to \$0.24 per share in a takeover bid.
- 2.4 In fairness to all shareholders, if Chng and his concert parties truly believe that they can help the Company, they should put forth their detailed plans for the Company and make a general takeover offer for all the shares of the Company at a fair price. This should be based on the net tangible asset (NTA) per share as minimum.

3 The 2 nominees for Independent Directors, Christopher Huang and Jonathan Zhang are not independent

- 3.1 In the BT Article, Chng claimed that his property development background would give the Company an "advantage" in winning contracts to supply generators to the real estate sector. He also said that he started to invest in the Company in October of 2019 as he deemed the Company to be undervalued.
- 3.2 During a meeting with Christopher Huang (CH), he offered his services to the Company after I told him the Company was planning to conduct a fund raising exercise by way of a rights cum warrants issue. I had asked CH to submit a fee quote for my consideration. I decided to appoint another law firm and not CH.
- 3.3 It is strange and hardly a coincidence that shortly after I met CH where he had offered his services to act as the Company's solicitors in its rights cum warrants issue, Chng became a shareholder of the Company. It can hardly be another coincidence that, in his notice of requisition, Chng is proposing CH to be appointed as a new independent director of the Company.
- 3.4 Also, on 2 July 2020, Jonathan Zhang (JZ) emailed and spoke to one of my fellow directors, saying that he (JZ) had a proposition concerning the Company. During the conversation, JZ did not present any concrete proposal regarding the Company. I understand that my colleague did not engage JZ further after that call. In the notice of requisition, JZ is also proposed by Chng to be appointed as a new independent director of the Company.
- 3.5 One incident may be a coincidence, but two separate episodes may be too much of a coincidence.
- 3.6 I, therefore, question if CH and JZ are truly independent at all, and whether they will act in the best interests of all shareholders.

4. Replacing the Board with Chng and his 2 nominees will NOT be in the interests of the Company.

- 4.1 In the BT Article, Chng claimed that his property development background will be beneficial to the Company, and that he can help sell power generators to the real estate sector. The Company already supplies hotels, factories and condominiums with generators. Competition in this sector is intense and the margins are thin in this small market. The Company's strategy is to supply power solutions that enjoy healthy margins.
- 4.2 We have not received any concrete plans from Chng about how he will use his property development experience in the generators business. A simple statement that he can help to sell the Company's power generators to the real estate sector does not suddenly qualify him to take over the business which the Company has painstakingly built up over the last 25 years. It certainly does not explain why removing the entire Board is necessary for him to carry out his sales strategy of supplying generators to developers of residential condominiums.
- 4.3 The Company does not supply directly to developers. The Company deals with mechanical and electrical (M&E) contractors and/or Main contractors engaged by end users including government agencies such as JTC Corporation, Land Transport Authority (LTA), Ministry Of Manpower (MOM), Housing Development Board (HDB) directly. From his background, Chng appears to be marketing residential properties. This is not in the interests of the Company, as the margins for such projects are extremely thin as explained above.
- 4.4 As for JZ, according to the BT Article, he currently operates a karaoke bar. As mentioned in paragraph 3.4 above, he had called my fellow director out of the blue asking for help on a proposition he said he had. No one in the Company had heard of or knew him before that call from him.
- 4.5 JZ seems to have been involved with Pixie Group Limited. According to a Straits Times article dated 27 March 2017, Pixie Group Limited was sued by 3 former employees for non-payment of salaries. Pixie Group was also involved with the Torino Lamborghini Club in Singapore, which according to the Straits Times opened for one day on 20 October 2019 before it got into trouble with numerous creditors including employees claiming that they were not paid what they were owed.
- 4.6 Further, JZ appears to have been sued by American Express Company last year in 2019 for a sum of S\$14,577.28, although I understand the court case has been discontinued.
- 4.7 As mentioned, CH is the lawyer who pitched to me unsuccessfully to provide legal services for the Company shortly before Chng started to buy shares in the Company. Now, CH is one of the two independent directors proposed by Chng.
- 4.8 Neither JZ nor CH have demonstrated their experiences as independent directors of listed companies, and it appears from their resumes that they do not have any experience in this area at all.
- 4.9 In the BT Article, Chng also said that the new proposed board would be capable of running the Company. For some further background on Chng, I would urge you to read about Compact Metal Industries Limited.

<https://www.sgx.com/securities/company-announcements?value=COMPACT%20METAL%20INDUSTRIES%20LTD&type=company>

- 4.10 With all due respect, I fail to see how the proposed board is the right team to take the Company to greater heights.

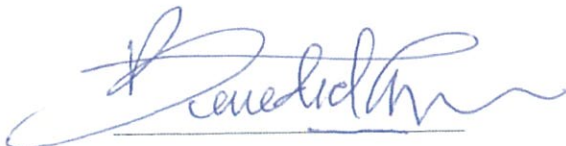


5. Conclusion

- 5.1 I believe the requisition notices are part of Chng's plan, which includes his 2 nominees, to take over the Company without having to make an offer to buy the shares of all other shareholders of the Company at a fair value. It is plainly not because of any real concern for the interests of the shareholders as he has claimed. For Chng to want to take over and run a business that the present management team has painstakingly built up over the last 25 years, with long-standing customers and suppliers' relationships, and to want to replace the management team with his proposed board, does not give me any confidence.
- 5.2 At VibroPower, we pride ourselves with our 3 Ps of "Passion, Pride and Possibility". I cannot see any of them fitting into any of these three principles. Moreover, none of Chng or his proposed new directors appear to have any relevant experience with the Company's business.
- 5.3 There is simply no transparency as regards Chng's real plans for the Company. If he intends to inject his own business into the Company, then he should let all the Shareholders know his plans and let them decide whether his plans are really beneficial to the other shareholders. If his plans are beneficial to the Company and to all shareholders, then full disclosure should be made for the Board's consideration. There is no need for all these secretive plans. ***He cannot ask the other shareholders to give him control of the Company without telling all the shareholders his real plans for the Company.*** I certainly do not believe that his objective is simply to help the Company sell more generators.
- 5.4 In fact, Chng's failed attempt to stop the placement carried out by the Company and his present attempt to withdraw the general mandate to issue new shares shows his disregard for the interests of the Company and its shareholders. He is choosing to ignore the financial needs of the Company during these difficult times amid the ongoing COVID-19 pandemic.
- 5.5 Chng has failed to come clean on his real motives to take over the Company without offering a fair price to all the other shareholders. To want to take control of the Company under such a vague plan, and to want to replace the present Board with his 2 nominees and himself, seems to me to be a dangerous proposition for the Company and all its shareholders.
- 5.6 I urge all shareholders to read the contents of this letter carefully, protect the value of their shares and vote against the resolutions put forth by Chng and his cousin. I also urge all shareholders to vote in favour of the resolution put forth by the Company to avail itself of the relief provided by the SGX for listed companies to increase the scope of the general mandate during this difficult period on account of the dire economic situation brought by the ongoing pandemic. This relief is meant to enable the Company to raise more funds, should the need arise in these most uncertain times.

I give consent to the Company to send a copy of this letter to every member of the Company entitled to receive a notice of general meeting of the Company, or otherwise bring to the attention of shareholders the contents of this letter.

Yours faithfully,



Benedict Chen Onn Meng