

Full Year Financial Statements and Dividend Announcement

The Board of Directors is pleased to make the following announcement of the unaudited results for the financial year ended 31 December 2017.

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

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

**Unaudited Consolidated Statement of Comprehensive Income
For the Financial Year ended 31 December 2017**

	Group		Increase (Decrease) (%)
	31 Dec 17 S\$'000	31 Dec 16 Audited S\$'000	
Revenue	14,167	25,035	(43.4)
Cost of Sales	(10,720)	(21,557)	(50.3)
Gross Profits	3,447	3,478	(0.9)
Other items of Income			
Interest Income	31	44	(29.5)
Other Credits	371	749	(50.5)
Other items of Expenses			
Marketing and Distribution Costs	(292)	(263)	11.0
Administrative Expenses	(2,285)	(2,700)	(15.4)
Finance Costs	(454)	(574)	(20.9)
Other Charges	(211)	(145)	45.5
Share of results of an Associate	(73)	22	NM
Profit Before Tax	534	611	(12.6)
Income Tax Credit/(Expense)	35	(23)	NM
Profit, Net of Tax	569	588	(3.2)
Other Comprehensive Income, Net of Tax:			
Foreign currency translations, Net of Tax	(510)	(85)	NM
Total Comprehensive Income	59	503	(88.3)
Profit/(Loss) attributable to:			
Equity holders of the Company	575	588	(2.2)
Non-Controlling Interests	(6)	—	NM
Total Comprehensive Income attributable to:			
Equity holders of the Company	64	503	(87.3)
Non-Controlling Interests	(5)	—	NM

NM – denotes not meaningful

Notes to the Consolidated Statement of Comprehensive Income

	Group		Increase (Decrease) (%)
	31 Dec 17 S\$'000	31 Dec 16 Audited S\$'000	
<u>Other Credits and (Other Charges)</u>			
Bad debts written off	(12)	(3)	NM
Deposit forfeited	28	–	NM
Foreign exchange losses – Net	(34)	(128)	(73.4)
Provision for impairment on trade receivables	(78)	(78)	–
Reversal for impairment on trade receivables	30	95	(68.4)
Provision for impairment on other receivables	(11)	(14)	(21.4)
Reversal for impairment on other receivables	121	–	NM
(Provision)/ Reversal for slow moving inventories	(75)	611	NM
(Provision)/ Reversal for product warranty expense	(1)	33	NM
Other recoverable	–	35	NM
Rental income	119	–	NM
Others	73	53	37.7
Net	160	604	(73.5)
<u>Presented in Profit or Loss as:</u>			
Other Credits	371	749	(50.5)
Other Charges	(211)	(145)	45.5
Net	160	604	(73.5)
Depreciation and amortization	(694)	(749)	(7.3)
Adjustment for over provision of tax in respect of prior years	20	6	NM

NM – denotes not meaningful

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

	Note	Group		Company	
		31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
		S\$'000	Audited S\$'000	S\$'000	Audited S\$'000
ASSETS					
<u>Non-Current Assets:</u>					
Property, Plant and Equipment	1	9,318	7,061	—	—
Investments in Subsidiaries		—	—	14,618	14,473
Investments in Associate		510	583	—	—
Deferred Tax Assets		181	179	—	—
Other Receivables		49	49	—	—
Total Non-Current Assets		10,058	7,872	14,618	14,473
<u>Current Assets:</u>					
Inventories	2	8,007	7,410	—	—
Trade and Other Receivables	3	12,912	14,703	804	2,225
Other Assets	4	1,151	497	3	3
Cash and Cash Equivalents	5	1,276	3,710	23	174
Tax recoverable		18	23	—	—
Total Current Assets		23,364	26,343	830	2,402
Total Assets		33,422	34,215	15,448	16,875
EQUITY AND LIABILITIES					
<u>Equity:</u>					
Share Capital		14,934	14,934	14,934	14,934
Retained Earnings		1,284	709	126	262
Other Reserves		288	798	—	—
Equity attributable to Equity Holders of the Company		16,506	16,441	15,060	15,196
Non-Controlling Interests	6	1,582	—	—	—
Total Equity		18,088	16,441	15,060	15,196
<u>Non-Current Liabilities:</u>					
Finance Leases		182	286	—	—
Other Financial Liabilities	7	2,511	2,846	—	—
Total Non-Current liabilities		2,693	3,132	—	—
<u>Current Liabilities:</u>					
Provisions		16	27	—	—
Trade and Other Payables	8	6,237	8,434	388	279
Finance Leases		100	128	—	—
Other Financial Liabilities	7	6,013	5,467	—	1,400
Other Liabilities	9	275	586	—	—
Total Current Liabilities		12,641	14,642	388	1,679
Total Liabilities		15,334	17,774	388	1,679
Total Equity and Liabilities		33,422	34,215	15,448	16,875

Notes to the Consolidated Statement of Financial Position

- 1 The increase in property, plant and equipment was mainly due to an acquisition of a subsidiary which owns a land amounted to S\$3.0 million for development of biomass power plant project in Malaysia.
- 2 The increase in inventories was due to goods received in December amounted to S\$0.9 million for projects on hand.
- 3 The decrease in trade and other receivables was due to the decrease in revenue.
- 4 The increase in other assets was due to deposits paid to suppliers.
- 5 The movements in cash and cash equivalents are disclosed in the Consolidated Statement of Cash Flow on Page 5 of this announcement.
- 6 The Non-controlling interest is arising from the newly acquired subsidiary in relation to the biomass power plant project in Malaysia.
- 7 The other financial liabilities mainly are borrowings from banks or financial institution.
- 8 The decrease in trade and other payables was in line with the decrease in cost of sales.
- 9 The decrease in other liabilities was mainly due to decrease in deposits received from customers.

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

Amount repayable in one year or less, or on demand

Group (S\$'000)			
As at 31 Dec 17		As at 31 Dec 16	
Secured	Unsecured	Secured	Unsecured
4,390	1,723	3,033	2,562

Amount repayable after 1 year

Group (S\$'000)			
As at 31 Dec 17		As at 31 Dec 16	
Secured	Unsecured	Secured	Unsecured
2,693	–	3,043	89

Details of any collateral

Secured borrowings are made up of trust receipts, factoring payables, term loans and finance leases. The other financial liabilities and finance leases amounted to S\$2,729,000 and S\$282,000 (31 December 2016: S\$2,960,000 and S\$414,000) are secured against the property and leased assets respectively.

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

Consolidated Statement of Cash Flows

	Group	
	31 Dec 17	31 Dec 16
	S\$'000	Audited S\$'000
Cash flows from operating activities		
Profit before tax	534	611
Adjustments for:		
Allowance/(Reversal) for slow moving inventories	75	(611)
Bad debt written off	12	3
Depreciation of property, plant and equipment	694	749
Interest income	(31)	(44)
Finance costs	454	574
Provision/(Reversal) for impairment on trade receivables (net)	48	(17)
(Reversal)/Provision for impairment on other receivables (net)	(110)	14
Provision/(Reversal) for product warranty expense	1	(33)
Share of results of an associate	73	(22)
Currency translation differences	120	73
Operating cash flows before changes in working capital	1,870	1,297
(Increase)/Decrease in inventories	(1,263)	7,430
Decrease/(Increase) in trade and other receivables	1,280	(3,843)
(Increase)/Decrease in other assets	(682)	48
(Decrease)/Increase in trade and other payables	(1,790)	2,819
Decrease in other liabilities	(307)	(324)
Decrease in provisions	(10)	(29)
Net cash flows from operations	(902)	7,398
Income taxes refund/(paid)	31	(145)
Net cash flows (used in)/from operating activities (a)	(871)	7,253
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,237)	(285)
Proceeds from disposal of plant and equipment	–	41
Interest received	7	44
Net cash flows used in investing activities (b)	(3,230)	(200)
Cash flows from financing activities		
Investment from an Associate through a Subsidiary	1,587	–
Proceeds from issuance of shares	–	555
Interest paid	(454)	(574)
Proceeds from borrowings	11,184	11,990
Repayment of borrowings	(10,405)	(17,494)
Repayment of finance lease	(107)	(224)
Net cash flows from/(used in) financing activities (c)	1,805	(5,747)
Net (decrease)/increase in cash and cash equivalents	(2,296)	1,306
Effects of exchange rate changes on cash and cash equivalents	(138)	49
Cash and cash equivalents, Statement of Cash Flows, Beginning Balances	3,710	2,355
Cash and cash equivalents, Statement of Cash Flows, Ending Balances	1,276	3,710

Notes to the Consolidated Cash Flow Statement

- (a) The cash flows used in operations were mainly due to purchases of inventories and payment made to trade and other payables during the year.
- (b) The cash flows used in investing activities mainly due to purchase of property, plant and equipment.
- (c) The cash flows from financing activities mainly due to investment from an associate through a subsidiary.
- (d) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise of the following:

	Group	
	31 Dec 17	31 Dec 16
	S\$'000	Audited S\$'000
Cash and cash equivalents	1,276	3,710
Cash and cash equivalents in consolidated statement of cash flows	1,276	3,710

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

Statement of Changes in Equity – Group

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
	Share capital S\$'000	Treasury Shares	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	S\$'000	S\$'000
Current Year:							
Opening Balance at 1 Jan 2017	15,322	(388)	798	709	16,441	–	16,441
Investment by Non-Controlling Interests	–	–	–	–	–	1,587	1,587
Total Comprehensive Income for the Year	–	–	(510)	575	65	(5)	60
Closing Balance at 31 Dec 2017	15,322	(388)	288	1,284	16,506	1,582	18,088
	(a)						
Previous Year:							
Opening Balance at 1 Jan 2016	14,767	(388)	883	121	15,383	–	15,383
Issue of shares	555	–	–	–	555	–	555
Total Comprehensive Income for the Year	–	–	(85)	588	503	–	503
Closing Balance at 31 Dec 2016	15,322	(388)	798	709	16,441	–	16,441
	(a)						

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

- 1(d)(i) A Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)**

Statement of Changes in Equity – Company

	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:				
Opening Balance at 1 Jan 2017	15,322	(388)	262	15,196
Total Comprehensive Income for the Year	–	–	(136)	(136)
Closing Balance at 31 Dec 2017	15,322	(388)	126	15,060
Previous Year:				
Opening Balance at 1 Jan 2016	14,767	(388)	419	14,798
Issue of shares	555	–	–	555
Total Comprehensive Income for the Year	–	–	(157)	(157)
Closing Balance at 31 Dec 2016	15,322	(388)	262	15,196

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Company	
	31 Dec 17	31 Dec 16
Number of shares may be issued on conversion of all the outstanding convertibles	–	4,166,667

On 26 September 2016, the Company entered into an unsecured convertible loan agreement of S\$1,000,000, at the conversion price of S\$0.24 per share. The Company has fully repaid the convertible loan to the lenders during the financial year ended 31 December 2017. There are no convertibles as at 31 December 2017.

There are no changes in the Company's share capital during the financial year ended 31 December 2017.

Total number of shares held as Treasury Shares as at 31 December 2017 is 1,076,800 shares (31 December 2016: 1,076,800 shares).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 31 December 2017 is 35,950,856 shares (31 December 2016: 35,950,856 shares).

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

There were no sales, transfers, cancellation and/or use of treasury shares during the year under review.

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

Not applicable. The Company did not have any subsidiary holdings during the year under review.

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

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

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

Not applicable.

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

The above financial information has been prepared using the same accounting policies and methods of computation as presented in the financial statements for the year ended 31 December 2016 except as described in paragraph 5.

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

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

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

	Group	
	31 Dec 17	31 Dec 16
Earnings per Ordinary Share for the year based on net (loss)/profit attributable to equity holders of the Company:	Cents	Audited Cents
(I) Based on the weighted average number of ordinary shares in issue (cents)	1.60	1.74
(II) On a fully diluted basis (cents)	1.60	1.74

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

Basic earnings per share is calculated on the basis of consolidated profit after tax attributable to equity holders of the Company of S\$575,000 (31 December 2016: S\$588,000) and on 35,950,856 (31 December 2016: 33,868,664) weighted average ordinary shares in issue during the year under review.

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

7. **Net Asset Value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
	Cents	Audited Cents	Cents	Audited Cents
Net Asset Value per Ordinary Share based on issued Share Capital at the end of the year	45.91	45.73	41.89	42.27

The Group's net asset per ordinary share is calculated based on net assets attributable to equity holders of the Company of S\$16,506,000 (31 December 2016: S\$16,441,000) and the share capital of 35,950,856 (31 December 2016: 35,950,856) ordinary shares.

The Company's net asset per ordinary share is calculated based on net assets of S\$15,060,000 (31 December 2016: S\$15,196,000) and the share capital of 35,950,856 (31 December 2016: 35,950,856) ordinary shares

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Turnover and Profitability

Group revenue for the year ended 31 December 2017 ("FY2017") decreased by 43.4% to S\$14.2 million. The decrease is due mainly to lower sales and deferment of a few projects.

Gross profit maintained at approximately S\$3.4 million mainly due to better product margin and lower manufacturing overheads. Administrative Expenses decreased by 15.4% to S\$2.3 million mainly due to lower operating cost. Finance costs decreased by 20.9% to S\$0.5 million mainly due to less borrowings during the year. Other credit and other charges movements are disclosed in the Notes to the Consolidated Statements of Comprehensive Income on Page 2 of this announcement. The foreign exchange loss of \$0.5million arose from the recognition of translation loss of foreign entities.

The Group registered a net profit after tax of approximately S\$0.6million for FY2017.

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

Not applicable

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

The group will continue to face stiff competition in the market and operate in a challenging economic environment. We will remain focus on operational efficiencies to remain competitive and seek for business opportunities. The power plant in China has resumed operations in January 2018 and is expected to contribute to the Group's financials.

- 11. Dividend**

- (a) Current Financial Period reported on**

None.

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

None.

- (c) Date payable**

Not applicable.

- (d) Books Closure Date**

Not applicable.

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

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

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Mason Industries Pte Ltd	355,000	2,999,000
Wizdenki Pte Ltd	—	—

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

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

PART II – ADDITIONAL INFORMATION REQUIRED FULL YEAR ANNOUNCEMENT

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

Segment information by geographical is presented below:-

	Singapore		Asia (excluding Singapore)		Rest of the World		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	Audited		Audited		Audited		Audited	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segments								
Total Revenue by Segment	11,822	18,216	2,121	5,866	224	953	14,167	25,035
Interest income	31	44	–	–	–	–	31	44
Finance costs	(454)	(574)	–	–	–	–	(454)	(574)
Depreciation	(327)	(379)	(367)	(368)	–	(2)	(694)	(749)
Segment Profit/(Loss)	927	1,582	(138)	(1,036)	(182)	43	607	589
Share of results of an Associate							(73)	22
Profit Before Tax							534	611
Income Tax Credit/(Expense)							35	(23)
Profit For the Year							569	588

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

Not applicable.

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

	Group		
	2017 S\$'000	2016 S\$'000	Increase/ (Decrease) (%)
Sales reported for first half year	5,973	11,700	(48.9)
Profit before tax for first half year	100	221	(54.8)
Sales reported for second half year	8,194	13,335	(38.6)
Profit before tax for second half year	434	390	11.3

NM – denotes not meaningful

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

None

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

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

BY ORDER OF THE BOARD

Benedict Chen Onn Meng
Chief Executive Officer

25 February 2018