FOR YOUR APPROVAL

Director:
Date:

VIBROPOWER CORPORATION LIMITED
(Company Registration No.: 200004436E)
(Incorporated in the Republic of Singapore)
(the "**Company**")

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(1) ACQUISITION OF 47.3% INTEREST IN AGRIMAL PROJECTS SDN. BHD.
(2) USE OF PROCEEDS ARISING FROM SHARE SUBSCRIPTION AND CONVERTIBLE LOAN

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(1) ACQUISITION OF 47.3% INTEREST IN AGRIMAL PROJECTS SDN. BHD.

1.1 Introduction

The board of directors (the "**Board**" or the “**Directors**”) of the Company (together with its subsidiaries, the "**Group**") refers to the Company's announcement released on 13 December 2015 (the "**2015 Announcement**") relating to the proposed investment in a biomass power plant project to be carried out in Kluang, Malaysia (the "**Project**"). All capitalised terms used and not defined in this section of this announcement shall have the same meanings given to them in the 2015 Announcement.

The Board wishes to inform Shareholders that in connection with the Project, VibroPower (HK) Limited ("**VPHK**"), a wholly owned subsidiary of the Company, and VibroPower Green Energy Sdn. Bhd. ("**VPGE**"), an associated company of the Company (collectively, the "**New Purchasers**"), have entered into a novation agreement dated 13 January 2017 (the "**Novation Agreement**") with GIRO Engineering Works (the "**Original Purchaser**") and Mr. Pang Nyuk Yin and Mr. Pang Chee Khiong (collectively, the "**Vendors**") in respect of a sale and purchase agreement dated 29 September 2015 (as amended and supplemented as at the date hereof, the "**SPA**"), relating to the acquisition of 100% of the issued and paid up share capital of Agrimal Projects Sdn. Bhd. (the "**Target**") for an aggregate consideration of Malaysian Ringgit Nine Million and One Hundred Thousand (RM9,100,000) (the "**Acquisition**").

Pursuant to the Novation Agreement, the Original Purchaser has novated the SPA to the New Purchasers in the following manner:

New Purchaser	Consideration amount	Number of shares in the Target to be acquired	Percentage of interest in the Target to be acquired
VPHK	RM4,300,000	141,758	47.3%
VPGE	RM4,800,000	158,242	52.7%

The Original Purchaser is a business wholly-owned by a sole proprietor and is not related to the Company's directors or controlling shareholders or their associates.

1.2 Information on the Target and rationale for the Acquisition

The Target is a private company incorporated in Malaysia and its principal business activity is property development. The Target is the owner of a piece of land located in Kluang, Malaysia with total land area of approximately 4.77 hectares (the "**Property**"), which is intended to be utilised to carry out the Project.

As at the date hereof, the Target has an authorised share capital of RM500,000 divided into 500,000 ordinary shares, of which 300,000 ordinary shares of RM1.00 each have been issued and fully paid up. The Vendors, Mr. Pang Nyuk Yin and Mr. Pang Chee Khiong, hold 30,000 shares and 270,000 shares in the Target respectively as at the date hereof.

The Acquisition is in-line with the Group's strategic plan to embark on the Project for the expansion and growth of the Group's business in operating green and clean power, which the Group believes has great potential. The development of the Project is expected to enhance shareholder value in the long term.

1.3 Principal terms of the Acquisition

Consideration

The aggregate consideration for the Acquisition is RM9,100,000, of which RM4,300,000 is borne by VPHK. The consideration for the Acquisition was arrived at on a willing buyer willing seller basis and on arm's length commercial terms, after taking into account, *inter alia*, the net tangible assets ("**NTA**") of the Target. An independent valuation was commissioned by the Company in respect of the Property. The valuation was conducted by CCO & Associates and the Property is valued at RM8,920,000 (assuming existing use for housing development) and RM15,000,000 (assuming conversion to medium industry use for biomass development), based on the comparison and residual methods of valuation to determine the market value of the Property.

The consideration will be paid in cash and will be funded by the proceeds arising from the Company's share placement and convertible loan, details of which have been announced by the Company on 26 September 2016. Please refer to section 2 of this announcement for further details.

Pursuant to the SPA, non-refundable deposits amounting to RM1,820,000 have been paid by the Original Purchaser to the Vendors and will be deducted from the consideration for the Acquisition on completion of the Acquisition. Pursuant to the Novation Agreement, the New Purchasers have, upon execution of the Novation Agreement, paid the non-refundable deposits to the Original Purchaser.

Conditions precedent

The completion of the Acquisition is conditional upon, *inter alia*:

(a) the New Purchasers being satisfied in their sole opinion to the outcome of the findings of the legal and financial due diligence of the Target;

(b) the New Purchasers having, at their sole costs and expenses, applied and obtained the approval/consent from the State Authority of Johor for the transfer of the Property in their favour;

(c) the New Purchasers having, at their sole costs and expenses, applied and obtained the approval/consent from the State Authority of Johor for the amalgamation and conversion of condition and land use of the Property; and

(d) the receipt of evidence of all amounts due and owing to the directors and related parties of the Target and the New Purchasers being satisfied that there are no other amounts due and owing to such parties.

1.4 Relative figures computed on the bases set out in Rule 1006 of the Listing Manual

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the Acquisition and based on the unaudited consolidated financial statements of the Group for the half year period ended 30 June 2016 ("**HY2016**") are as follows:

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Base	Relative figure computed in accordance with the bases set out in Rule 1006
Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable to the Acquisition
Rule 1006(b) – the net profits attributable to the assets acquired, compared with Group's net profits	Not applicable[(1)]
Rule 1006(c) – the aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	15.3%[(2)]
Rule 1006(d) – the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to the Acquisition
Rule 1006(e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company

Notes:

(1) No profits are attributable to the assets to be acquired as the Target is currently dormant, save for its ownership of the Property.

(2) The consideration attributable to the Group is approximately RM4,300,000, equivalent to approximately S$1,373,802 (based on an exchange rate of S$1.00 : RM3.13). The Company's market capitalisation of S$8,987,714 is computed based on 35,950,856 shares in issue and the weighted average price of S$0.250 per share transacted on 12 January 2017, being the market day preceding the signing of the Novation Agreement.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 20%, the Acquisition constitutes a discloseable transaction pursuant to Rule 1010 of the Listing Manual. In any event, as mentioned in the 2015 Announcement, the Company's involvement in the Project is in the ordinary course of business as the Project is in line with the Group's business in operating green and clean power plants.

1.5 Financial effects of the Acquisition

Bases and Assumptions

For the purposes of illustration only, the financial effects of the Acquisition taken as a whole are set out below. The financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Acquisition.

Share Capital

The Acquisition has no impact to the Company's issued share capital.

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NTA

Assuming that the Acquisition was completed on 31 December 2015, the consolidated NTA of the Group would have remained unchanged at 0.428 Singapore cents.

Loss Per Share

Assuming that the Acquisition had been completed on 1 January 2015, the consolidated loss per share of the Group would have remained unchanged at 24.80 Singapore cents.

Gearing

The Acquisition will have no material impact on the gearing of the Group.

1.6 Service agreements

No person is proposed to be appointed as a director of the Company in connection with the Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

1.7 Interests of directors and controlling shareholders

None of the Company's directors or controlling shareholders or their associates has any interest, direct or indirect, in the Acquisition, other than through their respective shareholdings in the Company.

1.8 Documents available for inspection

A copy of the SPA and the Novation Agreement will be available for inspection during normal business hours at the Company's registered office for a period of three (3) months from the date of this announcement.

(2) USE OF PROCEEDS ARISING FROM SHARE SUBSCRIPTION AND CONVERTIBLE LOAN

The Board further refers to the Company's announcement dated 26 September 2016 relating to the placement of 2,500,000 shares in the Company and convertible loan of S$1,000,000 granted to the Company (collectively, the "**Transactions**").

The Company notes that the proceeds raised from the Transactions, after deducting estimated expenses, amounted to approximately S$1,550,000 (the "**Net Proceeds**"). The Board wishes to update the shareholders that the Company will utilise S$1,395,000, being 90% of the Net Proceeds, to fund the consideration for the Acquisition payable by VPHK.

The abovementioned use of 90% of the Net Proceeds is consistent with the intended use of the Net Proceeds disclosed in the Company's announcement dated 26 September 2016.

The remaining 10% of the Net Proceeds will be used for general working capital purposes and the Board will continue to make periodic announcements on the utilisation of the balance of the Net Proceeds as and when such proceeds are materially deployed.

By Order of the Board

Benedict Chen Onn Meng
Chief Executive Officer
13 January 2017

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Director:
Date: