VIBROPOWER



STRENGTHENING OUR CORE

ANNUAL REPORT 2023

CONTENTS

02
CHAIRMAN'S MESSAGE

04
FINANCIAL AND OPERATIONS REVIEW

06
BOARD OF DIRECTORS

08
CORPORATE INFORMATION

09
FINANCIALS

94
STATISTICS OF SHAREHOLDINGS

97
NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

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.

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 shareholders' expectations.

REGISTERED OFFICE ADDRESSES

- **SINGAPORE**
  VibroPower Corporation Limited
  VibroPower Pte Ltd
  VibroPower Sales and Services (S) Pte. Ltd.
  GMTM Holdings Pte Ltd
  Scott & English Pte. Ltd.
  11 Tuas Avenue 16
  Singapore 638929
  Tel : (65) 6268 2322
  Fax : (65) 6262 2922
  www.vibropower.com

- **MALAYSIA**
  VibroPower Generators Sdn. Bhd.
  No 3.1 Kompleks KPPMS,
  Lot 291, Jalan RU 3/9A,
  Seksyen 3 40000 Shah Alam,
  Selangor, Malaysia
  Tel : (603) 5524 4601

- **CHINA**
  Shanxi Weineng Coal Mine Gas Development Co., Ltd.
  Shanxi Province, Yangquan City, Pingding Country,
  Zhangzhuang Town,
  Nanyangsheng Village, China
  Tel : (86) 0353-5681550

- **INDIA**
  VibroPower Generators (India) Pvt. Ltd.
  304, Atlanta Estate,
  Dr Ambedkar Chowk,
  Goregaon East,
  Mumbai 400063, India
  Tel : (91) 22 29277402

CHAIRMAN'S MESSAGE



WE WILL CONTINUE TO PURSUE OPPORTUNITIES TO FURTHER EXPAND OUR CLEAN ENERGY BUSINESS TO INCLUDE OTHER CLEAN ENERGY BUSINESSES AND PRODUCTS, SUCH AS NEW-GENERATION LITHIUM ION BATTERIES FOR USE IN ELECTRIC VEHICLES, TO DRIVE SUSTAINABLE LONG-TERM GROWTH AND CREATE GREATER VALUE FOR SHAREHOLDERS.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of VibroPower Corporation Limited ("VibroPower" or the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 March 2023 ("FY2023").

THE YEAR IN REVIEW

The Group continued to operate under difficult conditions in FY2023. Even as the impact of COVID-19 abated in Singapore and the region, the Group continued to contend with an increasingly cautious business environment triggered by the ongoing Russia-Ukraine war and escalating geopolitical tensions. Together with a surge in energy and commodity prices and disruptions in the supply chain, the Group faced ever mounting inflationary pressure and tighter financing conditions. All these challenges had a cumulative dampening effect on our business operations and overall financial performance.

Against this backdrop, the Group recorded a net loss attributable to shareholders of S$7.1 million in FY2023. Revenue fell by 37.0% to S$9.6 million, mainly due to lower revenue contribution from the Projects segment. This was due to a delay in our customers' delivery schedule for a few major projects to the next financial year.

The Group's gross profit margin dropped by 10.5 percentage points from 13.8% to 3.3% in FY2023 as we completed and delivered mostly residential and small industrial projects with lower margins during the year. Rising material costs also led to an increase in the budgeted costs of these projects, further contributing to the deterioration in gross profit margin.

The Group's overall performance was further adversely impacted by additional provisions of S$3.8 million made for a contract loss arising from a terminated project, which is currently in dispute. However, as a matter of prudence, full provisions have been made in FY 2023.

The clean energy business continued to make steady strides. The Group's biomass power plant in Malaysia, acquired in October 2021 is on track with the planned completion of the first phase of upgrading works to be completed by end-2023. Upon completion of the first phase, the Group expects to be able to generate revenue from the sales of sludge palm oil extracted from the fruit bunches. The 20 megawatts power plant will then use the empty fruit bunches, after oil extraction as fuel for power generation. The second phase of the upgrading works to enable the plant to generate electricity for sale will commence as soon as approval from the Malaysian authorities' has been secured. The electricity produced will be sold to a local power group for distribution to the national grid at agreed prices.

LOOKING AHEAD STRATEGICALLY

We are cautious of the outlook of the power generation solutions business as the operating environment continues to be challenging with rising business costs. With inflation and economic uncertainty likely to persist in the near term, it is vital for us to be diligent in exercising financial prudence while staying strategic and disciplined in seeking opportunities for future growth.

We will continue to enhance our capabilities and processes to increase operational efficiency and manage our projects effectively. To reduce our exposure to fluctuations in material prices, we will closely monitor the situation and implement a range of measures, including pricing new projects strategically and sourcing competitively priced materials and components. We will continue to work towards improving our cash flow and liquidity by implementing cost-management measures and exploring other financing options, if required. We will also focus on the timely completion and delivery of existing projects while selectively tendering for higher-margin projects, particularly in Singapore, to strengthen our order books.

We remain firmly committed to developing the clean energy business segment prudently and strategically to add stability to the Group's operations and revenue. Growing commitments by governments and companies worldwide seeking to achieve net zero carbon emissions are driving increasing demand for clean energy solutions. We will continue to pursue opportunities to further expand our clean energy business to include other clean energy businesses and products, such as new-generation lithium ion batteries for use in electric vehicles, to drive sustainable long-term growth and create greater value for shareholders.

We do not expect an easy year ahead, but as a resilient Group with a proven track record and expertise, we are confident that we will be able to navigate and weather the near term headwinds and emerge stronger. We will continue to work hard and strive to improve our performance in the coming year.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our management and staff for their continued hard work and dedication amidst a very challenging business environment. I would also like to thank my fellow Board members for their strategic counsel and insight.

In closing, I would like to thank our shareholders, business associates, and partners for their continued support as we steer the Group into a more promising year ahead.

Ernest Yogarajah Balasubramaniam
Non-Executive Chairman

FINANCIAL AND OPERATIONS REVIEW

PERFORMANCE REVIEW

On a segmental basis, Projects segment accounted for 76.6% of total revenue in FY2023 (FY2022: 76.1%) while Power Plant segment contributed 23.4% (FY2022: 23.9%).

Overall, the Group's revenue dropped by 37.0% to S$9.6 million mainly due to lower revenue contribution from the Projects segment, which was affected by the delay of a few major projects as our customers' delivery schedule was delayed until the next financial year.

Geographically, Singapore continued to be the Group's major market, accounting for 71.8% of the total revenue in FY2023, while Asia, which comprised mainly of Hong Kong and China, contributed 28.2% to the Group's total revenue.

PROFITABILITY

In FY2023, the Group's gross profit decreased by 84.8% to S$0.3 million while the gross profit margin fell by 10.5 percentage points from 13.8% to 3.3% mainly due to lower-margin residential and smaller industrial projects delivered during the year. In addition, the rising material costs led to an increase in the budgeted costs of these projects, further contributing to the deterioration in the gross profit margin.

Other credits dropped 79.7% to S$31,000 mainly due to a reduction in government subsidies in FY2023 while other income and other expenses rose by 16.8% and 14.6% to S$0.2 million and S$0.1 million, respectively, arising from engineering services provided to an associate company.

Marketing and distribution costs decreased by 42.2% to S$85,000 primarily due to less travelling during the financial year.

Administrative expenses and finance costs fell by 10.9% and 30.8% to S$2.4 million and S$0.4 million, respectively, primarily due to expenses incurred over a period of 12 months in FY2023 compared to the 15 months in the previous financial period.

The Group recognised higher impairment losses on financial assets of S$2.6 million in FY2023 compared to S$1.0 million in FY2022 mainly due to the provision for unbilled revenue and retention sum of S$2.5 million for a terminated contract. Other charges increased from S$1.0 million to S$1.9 million in FY2023 as a result of the provision for a potential back charge and liquated damages of S$1.3 million in relation to the terminated contract. These provisions have been made in compliance with the requirements of the International Financial Reporting Standards 9 and 15 without prejudice to the Group's legal position which are reserved.

As a result, the Group registered a net loss after tax of S$7.1 million in FY2023.

FINANCIAL POSITION

As of 31 March 2023, the Group's net assets attributable to equity holders of the Company was S$7.1 million, which translated to a net asset value per share of 9.65 Singapore cents, compared with 19.89 Singapore cents as of 31 March 2022.

Non-current assets declined by 15.4% to S$9.7 million mainly due to a decrease in (i) property, plant and equipment of S$1.3 million due to depreciation charged for FY2023; (ii) investment property of S$0.2 million due to currency translation differences arising from the freehold land held by a Malaysian subsidiary; (iii) right-of-use assets of S$0.2 million due to depreciation charged for FY2023; and (iv) investments in an associate of S$0.1 million as a result of the loss shared during FY2023.

Current assets fell by 26.2% to S$12.4 million largely due to a decrease in (i) trade and other receivables of

REVENUE

	FY2023		FY2022		Variance
	S$'000	%	S$'000	%	%
Projects	7,338	76.6	11,566	76.1	(36.6)
Power Plant	2,238	23.4	3,628	23.9	(38.3)
Total Revenue	**9,576**	**100.0**	**15,194**	**100.0**	**(37.0)**

* Note: The financial results reported herein cover a 12-month financial year from 1 April 2022 to 31 March 2023 ("FY2023") versus a period of 15 months from 1 January 2021 to 31 March 2022 ("FY2022").

	FY2023		FY2022		Variance
	S$'000	%	S$'000	%	%
Singapore	6,880	71.8	9,958	65.5	(30.9)
Asia (excluding Singapore)	2,696	28.2	5,236	34.5	(48.5)
Total Revenue	**9,576**	**100.0**	**15,194**	**100.0**	**(37.0)**

FINANCIAL HIGHLIGHTS (S$MIL)

	2017	2018	2019	2020	2022	2023
Turnover	14.3	15.5	11.0	12.3	15.2	**9.6**
Profit/(Loss) before Tax	0.5	0.8	(2.8)	0.1	(3.3)	**(7.1)**
Shareholders' Equity, Attributable to Equity Holders of the Company	16.4	16.9	13.8	17.7	14.7	**7.1**
Total assets	33.4	34.1	28.0	31.0	28.3	**22.1**

S$3.3 million due to lower revenue in FY2023; (ii) contract assets of S$0.8 million due to less work in progress for ongoing projects; (iii) inventories of S$0.3 million; and (iv) cash and cash equivalents of S$0.1 million. These were partially offset by an increase in other assets of S$0.2 million due to more down payments made to major suppliers at the end of the financial year to secure major components for ongoing projects.

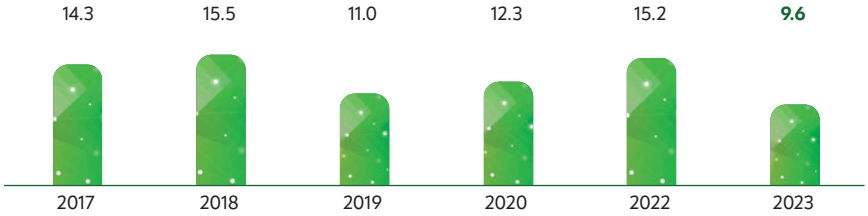
Non-current liabilities dropped by 35.6% to S$2.8 million mainly due to a decrease in long-term loans and borrowings of S$1.5 million as a result of the repayment of borrowings during the financial year.

Current liabilities rose by 40.1% to S$10.7 million mainly attributable to an increase in (i) payables and accruals of S$1.4 million due to purchases for the projects to be delivered in the next financial year; (ii) other liabilities of S$0.8 million due to more deposits received from customers for the projects secured during FY2023; and (iii) short-term loans and borrowings of S$0.9 million.

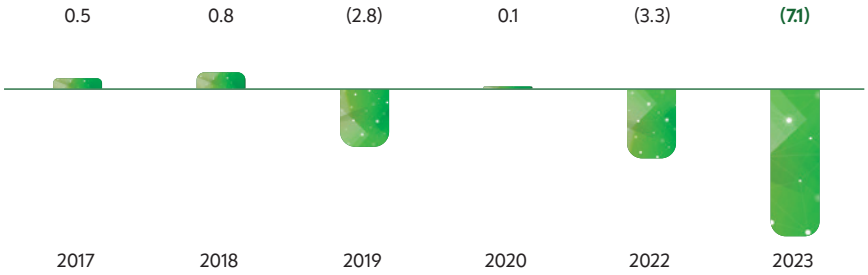
CASH FLOW

The Group's cash and cash equivalents decreased from S$0.9 million as of 31 March 2022 to S$0.8 million as of 31 March 2023. This was mainly due to the cash flow generated from operating activities of S$0.4 million, which was offset by the repayment of loans and borrowings of S$0.5 million.

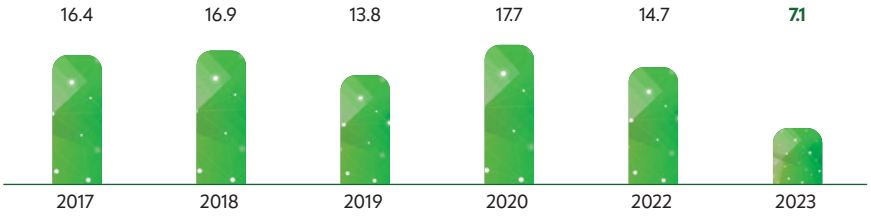
TURNOVER (S$MIL)



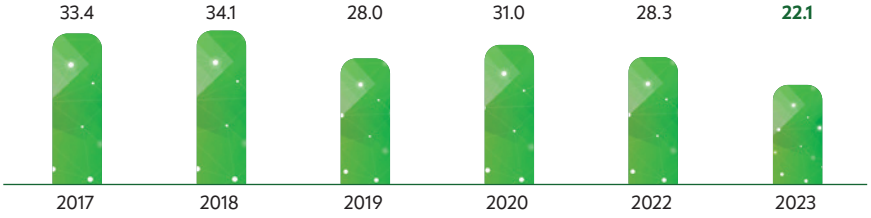
PROFIT/(LOSS) BEFORE TAX (S$MIL)



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



TOTAL ASSETS (S$MIL)



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 was appointed as Managing Director and Chief Executive Officer of the Group on 22 August 2000. Mr Chen is responsible for leading the development and execution of the Group's short and long-term strategies and business plans. Mr Chen has a diploma in Mechanical Engineering from the Singapore Polytechnic.

ERNEST YOGARAJAH BALASUBRAMANIAM
Non-Executive Chairman

Mr Balasubramaniam was appointed as an Independent and Non-Executive Director of the Company on 10 May 2007.

Mr Balasubramaniam was re-designated from Independent and Non-Executive Director to Non-Executive Chairman of the Company on 12 November 2020 and is a member of the Audit Committee, Remuneration Committee and Nominating Committee.

Mr Balasubramaniam is a practising lawyer and Director of UniLegal LLC. He has a Bachelor of Laws degree , a Master of Laws degree from the National University of Singapore and Graduate Certificate in International Arbitration.





TOH SHIH HUA
Lead Independent and Non-Executive Director

Ms Toh was appointed as an Independent and Non-Executive Director on 28 April 2015. She was appointed as Lead Independent Director of the Company on 12 November 2020.

Ms Toh is the Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee.

Ms Toh is the founder and Director of Genesis Capital Pte Ltd, a corporate finance advisory firm since 2004. Ms Toh has a Bachelor of Accountancy degree from Nanyang Technological University and is a member of Institute of Singapore Chartered Accountants.

TAN POH CHYE ALLAN
Independent and Non-Executive Director

Mr Tan was appointed as an Independent and Non-Executive Director on 12 November 2020. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Mr Tan is a lawyer and practises in the field of corporate finance, regulatory and compliance laws. He is also an Independent and Non-Executive Director of CNMC Goldmine Holdings Limited, Nico Steel Holdings Limited and Ecowise Holdings Limited.

Mr Tan holds a Bachelor of Laws (Honours) degree from the University of Buckingham (United Kingdom) and a Master's degree in Law from the London-Guildhall University (now named as the London Metropolitan University). He is also a Barrister-at-law of Gray's Inn.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Benedict Chen Onn Meng
Chief Executive Officer

Ernest Yogarajah Balasubramaniam
Non-executive Chairman

Toh Shih Hua
Lead Independent and Non-executive Director

Tan Poh Chye Allan
Independent and Non-executive Director

AUDIT COMMITTEE

Toh Shih Hua
Chairman

Ernest Yogarajah Balasubramaniam
Member

Tan Poh Chye Allan
Member

NOMINATING COMMITTEE

Tan Poh Chye Allan
Chairman

Toh Shih Hua
Member

Ernest Yogarajah Balasubramaniam
Member

REMUNERATION COMMITTEE

Toh Shih Hua
Chairman

Ernest Yogarajah Balasubramaniam
Member

Tan Poh Chye Allan
Member

REGISTERED OFFICE AND BUSINESS ADDRESS

11 Tuas Avenue 16
Singapore 638929
Tel: (65) 6268 2322
Fax: (65) 6262 2922
Website: www.vibropower.com

COMPANY SECRETARY

Sia Huai Peng

REGISTRAR AND SHARE TRANSFER OFFICE

BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD
1 Harbourfront Avenue,
Keppel Bay Tower
#14-03/07
Singapore 098632

AUDITORS

ERNST & YOUNG LLP
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
One Raffles Quay,
North Tower
Level 18
Singapore 048583

Partner in charge: Philip Ling Soon Hwa
(Since financial year ended 31 December 2019)

CONTENTS

10 CORPORATE GOVERNANCE REPORT

30 DIRECTORS' STATEMENT

33 INDEPENDENT AUDITOR'S REPORT

37 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

38 BALANCE SHEETS

39 STATEMENTS OF CHANGES IN EQUITY

41 CONSOLIDATED CASH FLOW STATEMENT

43 NOTES TO THE FINANCIAL STATEMENTS

CORPORATE GOVERNANCE REPORT

VibroPower Corporation Limited (the "**Company**") is committed to maintaining good corporate governance within the Company and its subsidiaries (collectively, the "**Group**"). The Board recognises the importance of good corporate governance and is committed to making sure that the Group has in place effective corporate practices to protect the interests of its shareholders and maximise long-term shareholder value.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") listing manual ("**Listing Rules**") require all listed companies to describe in their Annual Report their corporate governance practices with reference to the Code of Corporate Governance.

This report describes the Company's corporate governance practices for the financial year ended 31 March 2023 ("**FY2023**"), with specific reference made to the principles of the revised Code of Corporate Governance issued on 6 August 2018 (as amended on 11 January 2023) (the "**Code**").

Statement of Compliance

The Board confirms that for FY2023, the Company has adhered to the principles and provisions as set out in the Code, where applicable, and has disclosed and explained any deviation from the Code in this report.

A. BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is responsible for the overall management of the Company. Its primary functions are to provide effective leadership and direction for the overall business and corporate affairs of the Group and to hold key management personnel (as the term is defined under Provision 4.1 of the Code) ("**Management**") to account to enhance long-term value for the Company's shareholders and the Group's stakeholders.

Besides carrying out its statutory responsibilities, the Board's role is to:

(a) Provide leadership, set strategic objectives, which include appropriate focus on value creation, innovation and sustainability, and ensure that the necessary resources are in place for the Company to meet its strategic objectives;

(b) Establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance of risks and performance;

(c) Review Management performance, approve annual budgets, funding requirements, expansion programs, capital investment, and major acquisitions and divestments proposals;

(d) Identify key stakeholder groups and ensure transparency and accountability to these key stakeholder groups;

(e) Put in place a code of conduct and ethics which sets the appropriate tone from the top and ensures that the Company's values, standards, policies and practices are consistent with its corporate culture and standards of accountability within the Company;

(f) Supervise and monitor the Group's management over various matters, including strategic and sustainability issues and business planning processes; and

(g) Assume responsibility for corporate governance.

CORPORATE GOVERNANCE REPORT

The Board exercises judgment objectively and independently from Management on the corporate affairs of the Group, and no individual or a small group of individuals dominate the decisions of the Board. All Directors are expected to exercise due diligence and independent judgment when dealing with the business affairs of the Group and are obliged to act in good faith, in the best interests of the Group. Each Director is required to disclose promptly any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as it is practicable after the relevant facts have come to his/her knowledge. In the event any Director faces a conflict of interest, he/she must recuse himself from any discussion and decision involving the transaction or matter.

Board members are kept informed of the business and operations of the Group on a regular basis either through formal or informal meetings and discussions. They also understand their roles as executive, non-executive or independent directors. To this end, they are encouraged to attend seminars and receive training to improve themselves so that they may better discharge their duties at the cost of the Company. The Company also works closely with professionals to update its Directors on changes to relevant laws, regulations and accounting standards.

The Board has adopted a set of internal guidelines setting forth the matters that require the Board's review and approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisitions, disposals and funding proposals, diversification of business or assets, reviewing and/or approving the Group's corporate policies, monitoring the performance of the Group, transactions with interested persons, and those relating to investment, funding, legal, compliance and corporate secretarial matters.

The Board will review these internal guidelines on a periodic basis to ensure they remain relevant to the size and operations of the Group.

To assist in the execution of its responsibilities, the Board has established board committees (the "**Board Committees**"), which operate under clearly defined terms of reference. All Board Committee meetings are chaired by independent directors and the Board Committees consist of a majority of independent directors. The composition of each Board Committee, the key terms of reference and a summary of each Board Committee's activities are set out in this report.

The Board acknowledges that the Board Committees play an important role in ensuring good corporate governance of the Group and actively engages with the Board Committees. Decisions made at Board Committee meetings are by majority consensus. The Independent Directors are objective, frank and candid in expressing their opinions during board meetings and raise queries, constructively debate and analyse issues brought up at meetings. The Board also acknowledges that while the Board Committees have oversight responsibility over specific issues and are tasked with making decisions and recommendations to the Board, the ultimate responsibility for all matters lies with the Board. Minutes of all Board Committee meetings are made available to the Board members.

The Board meets at least two (2) times a year to review and approve, *inter alia*, the half-year and full year financial results of the Group. Board papers, including all relevant documents, materials, background or explanatory information relating to the agenda to be discussed and decided on are sent in a timely manner to the Board before a scheduled meeting.

The Board also meets, as required, to deal with any urgent or time sensitive matter relating to the Group's business and affairs. Apart from approvals obtained at Board meetings, certain routine matters are also put to the Board for approval by way of circulating resolutions-in-writing. As provided in the Constitution of the Company, meetings may be held by electronic means.

CORPORATE GOVERNANCE REPORT

The attendance of the Directors at meetings of the Board, Board Committees and Annual General Meeting, as well as the frequency of such meetings held during FY2023 are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	Annual General Meeting
No. of meetings held	2	2	1	1	1
No. of meetings attended by the Directors					
Benedict Chen Onn Meng	2	2	1	1	1
Ernest Yogarajah Balasubramaniam	2	2	1	1	1
Toh Shih Hua	2	2	1	1	1
Tan Poh Chye Allan	2	2	1	1	1

If a Director is unable to attend a Board or Board Committee meeting, he/she will still receive all papers and materials tabled for discussion at the meeting so that he/she may review them and convey to the chairman of the Board or the Board Committee his/her views and comments which will be brought up for discussion at the meeting.

All Directors are required to declare their other board representations. The Board has not set a limit to the number of other board representations a Director can have. The Board is of the view that the effectiveness of each Director is best assessed by his/her contribution and ability to devote sufficient time and attention to the Company's affairs.

The Company Secretary and the Company's auditors will advise the Directors, or if necessary, conduct briefings on new corporate governance practices and accounting standards (as the case may be) as well as update them on any changes in the Companies Act and Listing Manual. Directors are encouraged to visit the Group's operations from time to time to have a better understanding of its business operations.

To keep abreast of new developments on corporate governance practices, changes to the Companies Act, new accounting standards and other relevant areas, Directors are encouraged to participate in seminars or briefings on relevant topics and updates.

The briefings and updates provided to Directors in FY2023 include:

- Briefings by the Company's auditors on changes or amendments to the accounting standards.
- Updates by the Chief Executive Officer ("**CEO**") on the business and strategic developments of the Group.
- Attending the training organised by Singapore Institute of Directors ("**SID**") on the implications of Environmental, Social and Governance Essentials on business.

All Directors have completed the mandatory sustainability training course organised by SID and the Institute of Singapore Chartered Accountants (ISCA) as required by the enhanced SGX sustainability reporting rules announced in December 2021.

Directors may communicate directly with Management and other key employees of the Group on any matter concerning the business and operations of the Group whenever they deem necessary. All Directors have unrestricted access to the Group's records and information. The Directors also have separate and independent access to the Company Secretary, the Company's external auditors, internal auditors and other professional advisors, where relevant and appropriate. The Company Secretary attends Board and Board Committee meetings and is responsible for ensuring that Board procedures are followed, and minutes of all meetings are recorded and circulated to the Board and the Board Committees. The Company Secretary also assists the Chairman and Chief Executive Officer ("**CEO**"), the Chairman of each Board Committee and Management in the preparation of agendas for the various Board and Board Committee meetings. The appointment and removal of the Company Secretary are subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, the Board comprises one (1) Executive Director, one (1) Non-Executive Director and two (2) Independent and Non-Executive Directors. Accordingly, the Company is in compliance with the requirement of the Code that non-executive directors are make up a majority of the Board. The membership of the Directors on the Board Committees are as follows:

Name of Director	Board Membership	Audit Committee ("AC")	Nominating Committee ("NC")	Remuneration Committee ("RC")
Benedict Chen Onn Meng	Executive Director and Chief Executive Officer	–	–	–
Ernest Yogarajah Balasubramaniam	Non-Executive Chairman	Member	Member	Member
Toh Shih Hua	Lead Independent and Non-Executive Director	Chairman	Member	Chairman
Tan Poh Chye Allan	Independent and Non-Executive Director	Member	Chairman	Member

The Board is cognizant of the deviation from Provision 2.2 of the Code. However, the Directors are of the view that there is a high level of independence and diversity of thought and background in its current composition which ensure independent decision making.

The Chairman of the Board, while not designated an independent director, does not have any business or other relationship with the Company, its related corporations, substantial shareholders, or its officers that could interfere or be reasonably perceived to interfere with the exercise of the non-executive chairman's independent business judgment in the best interests of the Company. He does not have any familial relationship at all with the Executive Director and also does not hold any shares in the Company. The Board is, therefore, of the view that the intent of Principle 2 of the Code has been satisfied in terms of the independence of decision-making and the lack of any business, familial or any other relationship as confirmed in this paragraph.

The independence of each director is assessed and reviewed annually by the Nominating Committee. In the review and deliberation of the independence of the two independent directors, the Nominating Committee has considered the provisions of Listing Rule 210(5)(d) and the guidelines for independence set out in Provision 2.1 of the Code, including whether a director has business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group.

Each independent director is required to complete an annual declaration to confirm his/her independence based on the applicable Listing Rules and guidelines as set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified under the applicable Listing Rules and the Code.

CORPORATE GOVERNANCE REPORT

For the year under review, the Nominating Committee has assessed and is satisfied that the two independent and non-executive directors are independent. The Board recognises that independent directors may over time develop significant insights into the Group's business and operations and can provide valuable contribution objectively to the Board as a whole. The independence of the independent directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board. On 11 January 2023, the SGX Regco announced that it would limit to nine years the tenure of independent directors serving on the boards of issuers. Thereafter, such independent directors will no longer be considered independent. However, such independent directors may continue to be considered independent until the conclusion of the next annual general meeting of the issuer.

As at the end of FY2023, no independent directors have served on the Board beyond nine years from the date of appointment.

The Board recognizes that a diverse Board is an important element and has adopted a Board Diversity Policy. The policy endorses the principle that the Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the Nominating Committee has considered the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These factors are taken into account in determining the optimum composition of the Board. The Board believes that its current composition and size provide an appropriate balance and mix of skills, expertise, experience and gender, and collectively a range of competencies in legal, financial, business management and the requisite industry knowledge to lead the Company effectively, avoid groupthink and foster constructive debate. The Board has one female member, and members' ages range from 40 to 65 years. The Board's combined business, management and professional experience, diversity of knowledge and expertise provide competencies for diverse and objective perspective and decision making in respect of the Group's business and strategic direction. Further information on the individual Directors' background, experience and skills can be found in the 'Board of Directors' section in the AR. Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current composition mix and size of the Board provide for diversity and allow for informed and constructive discussion and effective decision making at meetings of the Board and Committees.

While the Nominating Committee will strive to meet the Company's board diversity objectives in any search for new Directors, the final decision will be based on merit against an objective set of criteria that complements and expands the skills and experience of the Board as a whole, giving due regard to the overall balance and effectiveness of a diverse Board.

The Nominating Committee will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness and relevance, and will recommend appropriate revisions to the Board for consideration and approval.

Management will put up proposals or reports for the Board's consideration and approval, for instance, proposals relating to specific transactions or general business direction or strategy of the Group. The Board will evaluate these proposals or reports, and where appropriate, provide guidance to Management. Apart from scheduled meetings, the Independent Directors and Non-Executive Director will meet on a need-to basis amongst themselves and with the Company's external and internal auditors without the presence of Management to discuss matters such as the Group's financial statements, performance, corporate governance and risk management initiatives, board processes and any audit observations. Suggestions or recommendation arising from such meetings may be provided to the Board (as a whole) and/or to Chairman, as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman of the Board and the CEO are separate to ensure a clear division of responsibilities, increased accountability and greater capacity of the Board for independent decision-making, ensuring a balance of power and authority within the Company.

CORPORATE GOVERNANCE REPORT

Mr Ernest Yogarajah Balasubramaniam, the Non-Executive Chairman, leads and is responsible for the proper functioning of the Board. He ensures that Board meetings are held as and when necessary. He also assumes responsibility for the smooth functioning of the Board, ensures the timely flow of information between Management and the Board, sets the agenda for Board meetings, ensures sufficient allocation of time for thorough discussion of each agenda item and promotes a culture of openness and debate at the Board. The Non-Executive Chairman also takes a leading role in ensuring the Group's compliance with corporate governance guidelines.

Mr Benedict Chen Onn Meng, the CEO, is responsible for leading the development and execution of the Group's short and long-term strategies and business plans and ensures that the Group is properly organised and staffed, assesses the principal risks of the Group and ensures that effective internal controls and risk management systems are in place.

Ms Toh Shih Hua, the Lead Independent Director, is the principal liaison person for any issue that may arise between the Independent Directors and Non-Executive Directors and the Executive Director. She is available to address concerns of shareholders in the event contact through normal channels of communication with the Chairman or Management is inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Nominating Committee ("**NC**") comprises the following three non-executive directors, majority of whom, including the NC Chairman, are independent. The Lead Independent Director, Ms Toh Shih Hua, is a member of the NC:

Mr Tan Poh Chye Allan	(Chairman)
Ms Toh Shih Hua	(Member)
Mr Ernest Yogarajah Balasubramaniam	(Member)

The NC has adopted written terms of reference defining its membership, administration and duties. Some of the key duties and responsibilities of the NC include:

- reviewing succession plans for directors, in particular the appointment and/or replacement of the Chairman, the Chief Executive Officer and key management personnel;
- developing a process for the evaluation of performance of the Board, its Board committees and directors;
- reviewing training and professional development programs for the Board;
- recommending to the Board the appointment and reappointment of directors (including alternate directors, if applicable). If an alternate director is appointed, the alternate director should be familiar with the Company's affairs and be appropriately qualified. If a person is proposed to be appointed as an alternate director to an independent director, the NC and the Board will review and conclude that the person would similarly qualify if appointed an independent director;
- determining, on an annual basis, if a director is independent;
- performing such other duties or functions as may be delegated by the Board or required by regulatory authorities.

CORPORATE GOVERNANCE REPORT

A summary of the NC's activities during FY2023 is shown below:

(i) Reviewed the Board's performance for FY2023 on a collective basis.

(ii) Reviewed and recommended to the Board the re-election of Mr Tan Poh Chye Allan as director.

(iii) Annual review of the independence of the independent directors.

Process for selection and appointment of new directors

The NC is responsible for identifying candidates and reviewing all nominations for appointment as Directors. When a vacancy on the Board arises or when the Board is considering making a new Board appointment either to enhance the core competency of the Board or for purpose of progressive renewal of the Board, the NC will review and assess the candidates before making its recommendations to the Board. In recommending new appointments, the NC takes into consideration the key tenets of diversity as described above under Principle 2 as well as any specific skills and experienced required to support the Group's business activities or strategies, the appropriate composition and size of the Board, and that the Board has the required number of independent directors.

In identifying suitable candidates, the NC may:

- advertise or use the services of external advisors to facilitate a search; and
- consider candidates from a wide range of backgrounds from internal or external sources.

After shortlisting the candidates, the NC will interview and consider the candidates on their merits and against a set of objective criteria, taking into consideration whether the candidate is able to devote sufficient time and attention to the affairs of the Group.

Process for re-appointment of directors

The role of the NC also includes recommending Directors for retirement by rotation pursuant to the Constitution of the Company. In reviewing the re-nomination of Directors, the NC will take into consideration the results of the assessment conducted on the Board as a whole, the Director's independence, contribution, individual performance (such as attendance and participation at Board meetings and other board appointments and principal commitments outside of the Group) and any other factor as may be deemed relevant by the NC. The Constitution of the Company currently requires one-third of the Board members (except the Chief Executive Officer) to retire from office by rotation and be subject to re-election by the shareholders at every Annual General Meeting ("**AGM**"). The Constitution of the Company also provides for any director appointed during the financial year must retire and submit himself/herself for re-election at the next AGM. Notwithstanding the Constitution, and pursuant to Rule 720(5) of the SGX Listing Rules, the Company shall require all Directors (including the Chief Executive Officer) to submit themselves for re-nomination and re-election at least once every three years. For FY2023, the NC has recommended and the Board has accepted that Mr Tan Poh Chye Allan will retire by rotation and, Mr Tan having given his consent, will seek re-election at the forthcoming AGM.

On an annual basis, the NC will determine whether a director is independent, taking into account the Code definition of an "**independent**" director and guidance on relationships, the existence of which could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group.

CORPORATE GOVERNANCE REPORT

Each Independent Director and Non-Executive Director has completed a Director's Independence Declaration to confirm his/her independence based on the guidelines as set out in the Code for FY2023. The NC has reviewed the declarations and is satisfied that the Independent Directors are independent.

The NC has reviewed each Director's representation on other boards, and is satisfied that all Directors have been able to commit sufficient time to the Company and are able to carry out their duties adequately.

Key information of each member of the Board is set out below:

Name of Director	Date of first appointment	Date of last re-election	Present directorships in other listed companies	Directorships in other listed companies over the preceding three years	Other principal commitments
Benedict Chen Onn Meng	23 May 2000	28 July 2022	Nil	Nil	Nil
Ernest Yogarajah Balasubramaniam	10 May 2007	30 April 2021	Nil	Independent Director of Patec Precision Industry Co. Ltd listed on the Taiwan Stock Exchange	Director of Unilegal LLC Director of Pienza Pte Ltd Director of DR Investment Pte Ltd Director of Pluto Innovation Pte Ltd
Toh Shih Hua	28 April 2015	28 July 2022	Nil	Independent Director of Biolidics Limited Director of Miyoshi Limited	Director at Genesis Capital Pte Ltd
Tan Poh Chye Allan	12 November 2020	30 April 2021	Independent and Non-Executive Director of CNMC Goldmine Holdings Limited, Nico Steel Holdings Limited and Ecowise Holdings Limited	Nil	Director at Altum Law Corporation Owner of Allan Tan Corporate Services

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board, through the NC, has used its best effort to ensure that Directors appointed to the Board and the Board Committees, individually or collectively, possess the background, experience, knowledge in business, competencies in finance and management skills that are appropriate for the Group's business. It has also ensured that each Director, with his/her particular skillset, brings to the Board an independent and objective perspective, enabling sound, balanced and well-considered decisions to be made.

The NC has adopted a process for assessing the performance of the Board as a whole. The performance evaluation includes qualitative and quantitative factors, including optimum board structure, conduct of meetings, corporate strategy and planning, risk management and internal controls, degree of compliance with the Code, transparency in terms of disclosures and communication with shareholders.

The NC undertakes the Board evaluation exercise on an annual basis. All Directors are requested to complete a Board assessment checklist designed to seek their views on the various performance criteria set by the Board, and to assess the overall performance and effectiveness of the Board. The checklists are completed and submitted to the Company Secretary for collation and the consolidated responses are presented to the NC for review and discussion before making any recommendation to the Board. The performance criteria will not change from year to year unless they are deemed necessary. The key objective of the evaluation is to obtain constructive feedback from each Director on board procedures and processes and changes which should be made to enhance the effectiveness of the Board as a whole.

The NC has decided unanimously that the Directors would not be evaluated individually, as each Director has contributed in different aspects to the success of the Group, and therefore, it would be more appropriate to assess the Board as a whole. Following its review, the NC is of the view that for FY2023, the Board and Board Committees operated effectively, and each Director has contributed adequately to the overall effectiveness and objectives of the Board.

For FY2023, the Board has not engaged any external facilitator in conducting the assessment of the Board's performance.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee ("**RC**") comprises the two Independent Directors and the one Non-Executive Director as follows. The chairman of the RC is an Independent Director.

Ms Toh Shih Hua	(Chairman)
Mr Ernest Yogarajah Balasubramaniam	(Member)
Mr Tan Poh Chye Allan	(Member)

CORPORATE GOVERNANCE REPORT

The RC has adopted written terms of reference defining its membership, administration and duties. Some of the key duties and responsibilities of the RC include:

- reviewing and recommending to the Board for endorsement, a framework of remuneration for the Board and key management personnel of the Group. The framework covers all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, share options, share-based incentives and awards, and other benefits-in-kind, with a goal to motivate, recruit and retain employees through competitive compensation and progressive policies;

- administering the performance share plan and any other share option scheme established from time to time, in accordance with the rules of such share plan or share option scheme; and

- performing such other duties or functions as may be delegated by the Board or required by regulatory authorities.

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

For FY2023, the RC has reviewed and recommended to the Board directors' fee for the financial year ended 31 March 2023, the amount of which is set out in the Notice of AGM.

The RC considers all aspects of remuneration (including directors' fees, salaries, allowances, bonuses, benefits in kind and termination payments) and aims to be fair in its recommendation. The RC also reviews the Company's obligations arising from the termination of any service contract with executive directors and key management personnel, to ensure that all contracts of service entered into by the Company contain fair and reasonable termination clauses.

The RC has full authority to engage external professionals to provide advice on matters relating to remuneration as and when necessary. The expense of such services will be borne by the Company. For FY2023, no external professional was engaged.

Each RC member will abstain from voting on any resolution or making any recommendation or participating in any deliberation of the RC relating to matters in which he/she is interested in.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

An annual review of the compensation of executive directors and key management personnel is carried out by the RC to ensure that the remuneration of the Executive Director and CEO and other key management personnel is commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. As part of its review, the RC ensures that the Executive Director and CEO and other key management personnel are adequately but not excessively remunerated when compared to industry benchmarks and other comparable companies. The RC also ensures that the Independent and Non-Executive Directors are not overly compensated to the extent that their independence may be compromised.

The remuneration framework of the Executive Director and CEO and other key management personnel comprises a fixed and variable component. In developing the framework, the RC took into consideration factors such as the Company's performance, the macro-economic outlook, market practices, the individual's duties and responsibilities and contribution to the Company. The fixed component is paid in the form of a base salary. The variable component is paid in the form of a bonus which is linked to Company's and individual's performance. This is structured to achieve sustainable performance and create value in the short, medium and long terms, with the interests of shareholders in mind, and linking individual rewards to the Group's overall performance.

CORPORATE GOVERNANCE REPORT

The Company has no share-based compensation scheme or any long-term share scheme in place. Notwithstanding this, the Company will consider the establishment of long term incentive schemes, as and when appropriate, in compliance with the Listing Rules and applicable law.

The RC has adopted a framework to remunerate the Independent and Non-Executive Directors based on their level of contribution to the Board, the effort and time spent, and specific responsibilities assigned. The remuneration packages of the Independent and Non-Executive Directors comprise payment of a basic director fee and an additional fee for appointment to Board Committees. While the remuneration framework is not subject to shareholders' approval, directors' fees for Independent and Non-Executive Directors are subject to the approval of shareholders at the AGM. No Director or key management personnel is involved in deciding his/her own remuneration.

The Executive Director and CEO has a service agreement with the Company. There are no excessively long or onerous termination clauses in the service agreement nor are there any provisions for compensation in the event of termination by the Company. The term of employment of the Executive Director and CEO is not fixed and continues until terminated by either party in accordance with its terms. In this respect, either party may terminate the service agreement by giving to the other not less than six months' notice in writing. The remuneration structure for the Executive Director and CEO comprises a basic salary component and an annual incentive bonus which is pegged to the Group's financial performance.

The Group does not employ contractual provisions in the service agreements of any executive director or key management personnel which allow it to reclaim incentive components of remuneration paid to the Executive Director and CEO and other key management personnel. The Executive Director and CEO and other key management personnel owe a fiduciary duty to the Company, and the Company is of the view that remedies accorded in law against a breach of fiduciary obligations are adequate against the Executive Director and CEO and other key management personnel.

No Director is involved in any discussion or approval of his own remuneration, terms and conditions of service, and review of his performance.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The breakdown of the remuneration of the Directors for FY2023 is as follows:

Name	Salary	Performance Related Bonus	Fees	Allowance and other benefits	Total
$500,000 to $750,000					
Benedict Chen Onn Meng	79%	–	–	21%	100%
Below $250,000					
Toh Shih Hua	–	–	100%	–	100%
Ernest Yogarajah Balasubramaniam	–	–	100%	–	100%
Tan Poh Chye Allan	–	–	100%	–	100%

The breakdown of the remuneration of the Company's key management personnel (who are not Directors) for FY2023 is as follows:

Name	Salary	Performance Related Bonus	Fees	Allowance and other benefits	Total
Below $250,000					
Sia Huai Peng	91%	–	–	9%	100%

Save as disclosed above, there is no other key management personnel.

CORPORATE GOVERNANCE REPORT

There is no employee who is a substantial shareholder or an immediate family member of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000 for FY2023.

The Board is of the opinion that the information disclosed above is sufficient for shareholders to have an adequate appreciation of the Group's compensation policies and practices and, therefore, does not intend to issue a separate remuneration report, the contents of which would be largely similar.

In disclosing the remuneration of the Directors and key management personnel, the Company has taken into consideration the industry conditions in which the Group operates as well as the confidential nature of remuneration generally. The Company believes that a detailed disclosure of the remuneration of each Director and each key management personnel as recommended by the Code is not in the best interests of the Company as such disclosure may hamper its ability to retain and nurture the Group's talent pool, given the sensitive nature of remuneration and the keen competition in the industry for key talent. The Company believes that shareholders' interests will not be prejudiced because of such non-disclosure of the specific remuneration of each director, the CEO and key management personnel. The Company is of the view that disclosure in bands of S$250,000 is sufficient information and provides an adequate level of insight into the remuneration levels of the Directors, CEO and key management personnel.

The Board is, however, aware that in the Company's annual report for the financial year ending on or after 31 December 2024, it will be required to disclose the exact amount and breakdown of remuneration paid to individual directors and the CEO on a named basis. The Company will also be required to disclose the breakdown of remuneration to include in percentage terms base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives, in line with Practice Guidance 8 of the Code.

C. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its stakeholders.

The Board is responsible for the governance of risks and the overall internal control framework of the Group. It ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and that Management determines on an on-going basis the nature and extent of significant risks which the Company is willing to take in achieving the Group's strategic objectives.

Management is responsible for and accountable to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems.

The Board notes that the system of internal controls that is in place is designed to manage rather than eliminate all risks of, and to this end, can provide only reasonable but not absolute assurance against material misstatement or loss. Nonetheless, the Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's internal controls (which includes financial, operational, compliance and information technology ("**IT**") controls) and risk management systems. As the Board as a whole is responsible for the overall internal control framework of the Group, it does not have a separate risk management committee.

Nexia TS Risk Advisory Pte Ltd ("**Nexia TS**") previously assisted the Group in designing and implementing an internal-controls framework which took into consideration the Group's risk profile, the key risks faced by the Group and the countermeasures that were in place to manage and mitigate those risks. The framework was reviewed by the Audit Committee ("**AC**") and approved by the Board.

CORPORATE GOVERNANCE REPORT

Management regularly reviews the key risks identified, considers the relevance of the risks, identifies new risks and assesses whether additional internal controls are required to mitigate such new or existing risks. Management also reviews all significant policies and procedures and notifies the AC of any significant risk that has materialised. After the AC has discussed and reviewed significant risks notified by Management, a full report of what occurred and how the risks materialised will be given to the Board for its analysis. Thereafter, the internal auditor or a special auditor may be engaged to review and investigate the occurrence of the risks and recommend any additional or enhanced internal controls that may be required.

For each financial year end, the AC will undertake a review of the effectiveness of the Group's risk management policies and procedures and internal controls framework in place to determine and address material risks, including financial, operational, compliance and IT risks. One of the key objectives of the Group's risk management policies and procedures and internal controls framework is to ensure that should new risks arise, or should a failure of any system occur, there are within the framework alternative procedures to ensure that the Group's business and operations are not materially affected. Any new risks that have arisen or any failure of system that has occurred will be looked into thoroughly and its process and procedures will either be strengthened or supplemented, after due consultation with a professional advisor knowledgeable in the relevant area.

The AC will also review the audit plans and the findings of the external and internal auditors and will ensure that Management follows up on risks highlighted and any recommendations made in the audit processes.

For FY2023, the Board has received:

(a) assurance from the CEO and the Acting Group Financial Controller that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) assurance from the CEO and the Acting Group Financial Controller that the Group's risk management and internal control systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the current scope of the Group's business operations.

In FY2023, the AC also made recommendations to the Board for the upgrading of its accounting software and back-up systems, following an occasion of software failure.

Based on the internal controls framework in place and the policies and procedures established and maintained by the Group, works performed by the external and internal auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 March 2023.

Audit Committee

*Principle 10: The Board has an Audit Committee ("**AC**") which discharges its duties objectively.*

The AC comprises the following three non-executive directors with financial and legal background, majority of whom, including the AC Chairman, are independent.

Ms Toh Shih Hua	(Chairman)
Mr Ernest Yogarajah Balasubramaniam	(Member)
Mr Tan Poh Chye Allan	(Member)

In accordance with the Code, the AC is made up of entirely non-executive directors. No member of the AC is a former partner or director of the Company's external or internal auditors.

CORPORATE GOVERNANCE REPORT

The AC has adopted written terms of reference defining its membership, administration and duties. Some of the key duties and responsibilities of the AC include:

- reviewing significant financial reporting issues and judgments to ensure integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- reviewing and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems (such review can be carried out internally or with the assistance of any competent third parties);
- reviewing the assurance from the Chief Executive Officer and the Acting Group Financial Controller on the financial records and financial statements;
- reviewing the adequacy and effectiveness of internal controls and risk management systems;
- making recommendations to the Board on (i) the appointment, re-appointment, resignation and removal of the external auditors, and (ii) the remuneration and terms of engagement of the external auditor;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- reviewing the policy and arrangements by which staff of the Company or of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters and conduct an independent investigation of such matters for appropriate follow-up action pursuant to the Company's whistle-blowing policy; and
- Any other functions that are requested by the Board, as may be required by statute or the Listing Manual.

The AC meets at least twice a year to review the announcements of the Company's half-year and full-year financial results before they are approved by the Board for release to the Singapore Exchange Securities Trading Limited ("**SGX**").

The Board considers Ms Toh Shih Hua, who has extensive accounting and financial management knowledge and experience, well-qualified to chair the AC. The other members of the AC bring with them wide experience in legal and business management and have been members of the audit committees of other listed companies. The Board is, therefore, of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or related expertise and experience to discharge the duties and responsibilities of the AC.

As a sub-committee of the Board of Directors, the AC assists the Board in discharging its responsibility in the safeguarding of the Group's assets, overseeing the maintenance of accounting records, and the development and maintenance of an effective framework of internal controls. The AC also reviews and supervises the adequacy, effectiveness, independence, scope and results of the internal audit function of the Group.

The internal audit function of the Group is outsourced to Baker Tilly TFW LLP, a certified public accounting firm which is a corporate member of the Institute of Internal Auditors Singapore. For FY2023, the AC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced, and has good standing with the Group. The AC is also satisfied that the internal auditors is staffed with qualified and experienced personnel.

In performing its functions, the AC has explicit authority to investigate any matter within its terms of reference, has full access to Management and reasonable resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE REPORT

Apart from the duties listed above, the AC may commission investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation.

In discharging the above duties, the AC confirms that it has access to and receives co-operation from Management and has also been given reasonable resources to enable it to perform its functions properly.

The AC meets with the internal auditors and the external auditors at least once a year, without the presence of Management to have free and unfiltered discussion, information and feedback.

The AC undertook a review of the independence and objectivity of the external auditors, Ernst & Young LLP ("**external auditors**"), through discussions with them, as well as reviewing the non-audit services provided and the fees paid to them. The aggregate amount of audit fees payable to the external auditors for FY2023 is stated on page 60 of the Annual Report. No non-audit fees were paid to the external auditors in respect of FY2023.

The AC has reviewed the adequacy of the resources, experience of the external audit team and the audit engagement partner assigned to the audit. Based on the review, the AC is of the opinion that the external auditors are independent for the purpose of the Group's statutory audit. The AC is aware that certain non-audit services are not allowed to be performed by external auditors unless they meet stringent conditions set out in the Code of Professional Conduct and Ethics (Ethics Code) issued by the Accounting and Corporate Regulatory Authority (ACRA). Under the Ethics Code, the external auditor has to disclose to the AC that the total fees received for services other than for audit by the external audit firm or its network firm is 50% or more and discuss the safeguards the external auditor will apply to reduce the threat to an acceptable level.

In ensuring the independence of its external auditors, the AC identifies and keeps track of non-audit services that the external auditors have been, or are proposed to be, engaged to perform for the Group and to this end, the AC has instructed Management to seek the specific approval of the AC and the Board for any non-audit services performed or proposed to be performed by the external auditor that exceed more than 20% of the total fees paid or to be provided to its external auditors, notwithstanding that under the Ethics Code, the threshold applicable to the external auditor firm for disclosure is 50% or more of the total fees paid or payable to the external auditor. For the year under review, as said above, no non-audit fees were paid to the external auditors in respect of FY2023.

The external auditors had been appointed since 28 April 2014 and was re-appointed at the last AGM held on 28 July 2022, to hold office until the conclusion of the next AGM of the Company. They have indicated to the Company that they would not seek re-appointment as auditors of the Company for the financial year ending 31 March 2024. Accordingly, the external auditors will cease to be auditor of the Company following the conclusion of the AGM.

For the financial year ended 31 March 2023, the Group has complied with Rules 712, 715 and 716 of the SGX-ST Listing Manual issued by the Singapore Exchange Securities Trading Limited in relation to its auditors.

The Company has put in place a whistle-blowing policy and has implemented procedures and arrangements whereby staff may, in confidence, raise concerns about possible corporate improprieties to the Independent Directors.

A dedicated email address has been given to all employees to allow whistle-blowers to contact the Independent Directors directly. All complaints or concerns raised will be dealt with, including anonymous complaints. The policy ensures independent investigation of issues/concerns raised and appropriate and timely follow-up action and provides assurance that the identity of whistle blower is kept confidential and the whistle blower will be protected from reprisal or victimization for whistle blowing in good faith and without malice, within the limits of the law. If necessary, the Independent Directors will launch an investigation into the complaint received. Details of the whistle-blowing policy and arrangements have been made available to all employees.

During FY2023, there were no complaints, concerns or issues received. The AC is responsible for the oversight and monitoring of whistleblowing and reports to the Board on such matters.

The AC is also kept up-to-date by Management, the external and internal auditors on changes and updates to accounting standards, and other issues which could have a direct impact on the financial statements of the Group.

CORPORATE GOVERNANCE REPORT

A summary of the AC's activities during FY2023 is shown below:

(i) Reviewed the Group's financial performance, internal and external audit reports

(ii) Reviewed with the Management and the external auditors, the financial results of the Group before submitting them to the Board for its approval and announcement of the financial results

(iii) Conducted an annual review of the volume of non-audit services provided by the external auditors to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before recommending their re-nomination to the Board. No non-audit fees were paid to the external auditors in respect of FY2023.

(iv) Reviewed the adequacy of the resources, experience of the external auditors and of the audit engagement partner assigned to the audit. The AC is satisfied that the external auditors are able to meet their audit obligations.

(v) The AC met with the internal auditors and the external auditors, without the presence of Management.

(vi) The external auditors updated the AC on changes and updates to the accounting standards, and other issues which might have a direct impact on the financial statements of the Group.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

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, 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.

The Constitution of the Company allows each shareholder to appoint up to two proxies to attend general meetings. Under the Companies Act 1967, Singapore, a member who is defined as a "relevant intermediary" may appoint more than two proxies to attend and participate in general meetings. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

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 and the Company's website.

CORPORATE GOVERNANCE REPORT

Participation of shareholders is encouraged at the Company's general meetings. Resolutions tabled at general meetings are on each substantially separate issue. Each item of special business included in the notice of meeting will be accompanied by the relevant explanatory note. This is to enable the shareholders to understand the nature and effect of the proposed resolution.

To facilitate voting by shareholders, the Company's Constitution 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 Annual General Meeting to address any questions that shareholders may have. The attendance of the Directors at the last AGM is set out under Principle 1 of this report.

The Company has not adopted voting in absentia at general meeting as the costs and procedures needed to ensure integrity of information and authentication of the identify of shareholders through the web are high when compared to the benefit of having the alternative of voting in absentia.

For FY2022, as the AGM on 28 July 2022 was held by electronic means, voting at the AGM was by proxy only. Shareholders who wish to vote on any or all of the resolutions at the AGM, appointed the Chairman of the AGM as their proxy by completing the proxy form for the AGM, and submitted the proxy form by post or by email to the Company before the AGM.

For FY2023, the Company will return to holding its AGM as a physical-only meeting and shareholders are encouraged to attend to engage with the Board and be updated on the Company's strategies and goals. Shareholders may submit their written questions to the Company within 7 calendar days after the publication of the notice of the AGM. The Company will respond to the written questions no later than 48 hours prior to the closing date and time for the lodgement of the proxy forms by way of an announcement and publish in the Company's corporate website, if available.

All shareholders are entitled to participate in and vote at the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through a proxy form sent in advance.

The minutes of all general meetings are posted on the Company's corporate website as soon as practicable. The minutes include comments and questions received from shareholders, together with responses from the Board and the Management. The Company will publish the minutes of the AGM on its corporate website and the SGXNET within one month from the conclusion of the AGM.

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. In view of the challenging environment, the Board had not recommended dividend for FY2023 as the Board considered it prudent to reserve funds for working capital purposes.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company is committed to provide timely disclosure 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 Company does not practice selective disclosure as all materials and price-sensitive information are released through SGXNET in a timely manner.

Shareholders are kept informed of developments and performance of the Group through announcements published via SGXNET and the press when necessary as well as in the annual report. Other announcements are also made on an ad-hoc basis where applicable as soon as possible to ensure timely dissemination of the information to shareholders.

CORPORATE GOVERNANCE REPORT

Shareholders are encouraged to attend and raise questions to the directors at the Company's general meetings. At these meetings, shareholders are given the opportunity to express their views and raise issues either formally or informally. These meetings provide opportunities for the Board to engage with shareholders and solicit their feedback.

The Company's website at http://www.vibropower.com is also another channel to solicit and understand the views of the shareholders.

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Board considers working alongside with the Company's valued shareholders and other stakeholders an important aspect of its overall business strategy. Addressing material issues shareholders and other stakeholders are concerned with, developing and meeting objectives set out in its sustainability strategy are key to the Group becoming a net zero carbon, resilient, resource-efficient, socially responsible and high governance business.

The Company considers its shareholders, employees, customers, suppliers and communities affected by its Singapore and overseas offices and operations as its key stakeholder groups that would benefit from its sustainability strategy, continued growth and development.

A more detailed elaboration on the Company's sustainability strategy and key areas of focus in relation to the management of stakeholder relationship is set out in the Sustainability Report 2023 which will be published separately from the annual report.

The Company will make available all media releases, financial results, annual reports, SGXNET announcements and other corporate information relating to the Group in the "Investor Relations" section of its corporate website http://www.vibropower.com.

INTERNAL CODE ON DEALING IN SECURITIES

In line with the rules of the SGX-ST Listing Manual, the Company has adopted 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 month ("**prohibition period**") before the announcement of the Company's half year and full year financial statements and the prohibition ends on the day of the results announcement. In future, if the Company announces quarterly financial statements, the prohibition period will commence two weeks before the announcement of the Company's financial statements for each of the first three quarters; and one month before the announcement of the Company's full year financial statement and prohibition period shall end on the day of the results announcement.

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

- Directors and key officers of the Company are also required to adhere to the provisions of the Securities and Futures Act 2001, Companies Act 1967 and any other relevant laws, rules and regulations with regard to their securities transactions. 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 complied with Rule 1207(19) of the SGX-ST Listing Manual in relation to dealings in the Company's securities by the Directors and officers of the Group.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

The AC reviewed the Group's IPTs for FY2023 to ensure that the transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders. On a half-yearly basis, Management reports to the AC, the IPTs in accordance with the IPT Mandate. Management also informed the AC that the internal control procedures for determining the transaction prices of IPTs have not changed since the date of the last AGM, at which the IPT Mandate was last renewed. The AC is satisfied that the internal controls in respect of the identification, evaluation, review, approval and reporting of IPTs are effective.

The aggregate value of transactions entered into by the Group with interested persons as defined in the SGX-ST Listing Manual for FY2023 are as follow:

Name of interested person	Nature of Relationship	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	Note 1	–	2,357,000
Vibro Holdings Pte Ltd	Note 2	–	132,000
Benedict Chen Onn Meng	Note 3	320,000	–

Note 1. 95.5% of the issued and paid-up share capital of Mason Industries Pte Ltd is held by Mr Chen Siew Meng, who is the brother of Mr Benedict Chen Onn Meng, a Director and Controlling Shareholder of the Company.

Note 2. 100% of the issued and paid-up share capital of Vibro Holdings is held by Mr Chen Siew Meng, who is the brother of Mr Benedict Chen Onn Meng, a Director and Controlling Shareholder of the Company.

Note 3. Benedict Chen Onn Meng is a Director and Controlling Shareholder of the Company.

Save as disclosed above, pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, there was no material contract involving the interests of any director or controlling shareholder entered into by the Company or any of its subsidiaries, either still subsisting at the end of the financial year or if not then subsisting, which was entered into since the end of the previous financial year.

The Company is seeking a renewal of the Shareholders' Mandate for Interested Person Transactions at the forthcoming EGM to be held after the conclusion of the forthcoming AGM.

UTILIZATION OF PROCEEDS FROM RIGHTS ISSUE

As at the date of this Annual Report, the utilization of proceeds from the Rights Issue is as follows:

Purpose	Amount allocated (S$'000)	Amount utilised as at the date of the Annual Report (S$'000)	Balance (S$'000)
General working capital purpose [(a)]	340	340	–
Expansion of the Company's existing businesses	1,200	1,200	–
Total	1,540	1,540	–

(a) Refer to the Company's announcement dated 18 February 2020 in relation to the Company's the utilisation of the net proceeds of approximately S$340,000 from the Rights Issue as follows:

CORPORATE GOVERNANCE REPORT

Use of the Net Proceeds	Amount (S$'000)
Working capital expenditure:	
(a) Professional fee and Payroll	140
(b) Repayment of Trust Receipt for purchase of inventories and invoice financing	200
Total	340

The above utilization is in accordance with the intended use of the Net Proceeds as stated in the Rights Issue Announcement and Offer Information Statement.

UTILIZATION OF PROCEEDS FROM SHARE PLACEMENT

As at the date of this Annual Report, the utilization of proceeds from the Share Placement is as follows:

Purpose	Amount allocated (S$'000)	Amount utilised as at the date of the Annual Report (S$'000)	Balance (S$'000)
Professional fees	150	150	–
Operating expenses	300	300	–
Purchase of parts and components for projects	749	749	–
Total	1,199	1,199	–

The above utilization is in accordance with the intended use of the Placement Net Proceeds disclosed in the Company's announcement dated 6 October 2020.

UTILIZATION OF PROCEEDS FROM EXERCISE OF WARRANTS

As at the date of this Annual Report, an aggregate of 10,269,830 warrants have been exercised and S$1,026,983 has been raised by the Company from the exercise of such warrants (the "**Current Exercise Proceeds**").

The utilization of proceeds from exercise of warrants is as follows:

Use of the Current Exercise Proceeds	Amount utilised (S$'000)
Purchase of parts and components for projects	300
Repayment of loans	700
Total	1,000

The above utilization is in accordance with the intended use of the Net Proceeds as stated in the Rights Issue Announcement and Offer Information Statement. As at the date of Annual Report, there are 7,705,598 warrants still outstanding.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of VibroPower Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Group and 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 Group will be able to pay its debts as and when they fall due with reasons as explained in Note 2.1 of the financial statements.

2. DIRECTORS

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

Benedict Chen Onn Meng
Ernest Yogarajah Balasubramaniam
Toh Shih Hua
Tan Poh Chye Allan

3. 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.

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following director, 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 Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct Interest			Deemed Interest		
The Company	At 1.1.2022	At 31.3.2023	At 21.4.2023	At 1.1.2022	At 31.3.2023	At 21.4.2023
(Ordinary shares)						
Benedict Chen Onn Meng	12,000,180	12,000,180	12,000,180	175,200	175,200	175,200
(Warrants)						
Benedict Chen Onn Meng	4,000,060	4,000,060	4,000,060	–	–	–

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 175,200 ordinary shares (2022: 175,200 ordinary shares).

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, at the end of the financial year, or at 21 April 2023.

DIRECTORS' STATEMENT

5. 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.

6. AUDIT COMMITTEE

The audit committee (AC) carried out its functions in accordance with section 201B (5) of the Companies Act 1967, 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 half year and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2023 before their submission to the Board of Directors, as well as the external auditors' report on the balance sheet 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 internal auditor
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the nature and extent of non-audit services provided by the external 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
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed the interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

The AC, having reviewed all non-audit services provided by the external auditor to be the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

7. AUDITOR

The retiring auditors, Ernst & Young LLP, would not be seeking re-appointment.

On behalf of the board of directors:

Benedict Chen Onn Meng
Director

Toh Shih Hua
Director

Singapore
7 November 2023

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBROPOWER CORPORATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of VibroPower Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2023, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (*SFRS(I)*) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 2.1 to the financial statements. The Group incurred net loss of $7.1 million for the year ended 31 March 2023. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns. As disclosed in Note 2.1 to the financial statements, the ability of the Group and the Company to continue as going concerns and meet its obligations for the next 12 months from the date of the financial statements is dependent on the Group's ability to generate sufficient cash flows from its operations, and funding from a director and other sources as disclosed in Note 2.1 to the financial statements.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised in a manner other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively, and the Company may have to reclassify non-current assets as current assets. No such adjustments have been made to these financial statements. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBROPOWER CORPORATION LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Recoverability of trade receivables

The Group's trade receivables and contract assets balances were significant as these represent 23% of the total assets in the consolidated balance sheet. The gross carrying amount of trade receivables and contract assets amounted to $10,178,000 as at 31 March 2023, against which an allowance for expected credit losses ("ECL") of $5,162,000 was made. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The Group determines impairment of trade receivables and contract assets by making debtor-specific assessment of ECL and uses a provision matrix for the remaining group of debtors that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Trade receivables and contract assets impairment assessment requires significant management judgement. As such, we determined this is a key audit matter.

We assessed the Group's processes and key controls relating to the monitoring of trade receivables and contract assets and considered ageing to identify collection risks. We requested for confirmations and checked for evidence of receipts subsequent to the year end for selected trade debtors. We discussed with management about the status of long outstanding trade receivables balance and management's consideration of debtors' specific profiles and risks. We also evaluated management's assumptions and inputs used in the computation of historical loss rates and assessed the reasonableness of management's assumptions used in establishing the forward-looking adjustments. We assessed the adequacy of the Group's disclosures on the trade receivables and contract assets and the related risks such as credit risk and liquidity risk in Note 31 to the financial statements.

Allowance for slow-moving inventories

The Group's inventories, net of allowance amounted to $2,048,000 as at 31 March 2023. The determination of allowance for slow-moving inventories requires management to exercise judgement in identifying slow-moving inventories and make estimates of required allowance. As such, we determined this is a key audit matter.

We observed the year-end inventory count performed by management and reviewed management's assessment of the physical condition of the inventories at the balance sheet date. As part of our procedures, we obtained the inventory ageing report and discussed with management their procedures to identify slow-moving items and assess adequacy of the allowance for slow-moving inventories. We reviewed the reasonableness of the allowance for slow-moving inventories by comparing the inventory turnover, gross profit margin and inventory ageing against prior years' results. We selected samples of inventories and tested whether they were stated at the lower of cost and net realisable value by comparing to sales price of the inventories subsequent to year-end. We also assessed the adequacy of the disclosures related to inventories in Note 17 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBROPOWER CORPORATION LIMITED

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors 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 Act and *SFRS(I),* 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBROPOWER CORPORATION LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Philip Ling.

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
7 November 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group 2023 $'000	Group 1.1.2021 to 31.3.2022 $'000
Revenue from contracts with customers	4	9,576	15,194
Cost of sales		(9,258)	(13,100)
Gross profit		318	2,094
Other items of income			
Interest income	5	–	3
Other credits	6	31	153
Other income		167	143
Other items of expense			
Marketing and distribution costs		(85)	(147)
Administrative expenses		(2,384)	(2,675)
Finance costs	7	(387)	(559)
Impairment losses on financial assets	6	(2,594)	(996)
Other charges	6	(1,931)	(1,038)
Other expenses		(149)	(130)
Share of results of an associate		(69)	(116)
Loss before tax		(7,083)	(3,268)
Income tax expense	10	(22)	(55)
Loss net of tax		(7,105)	(3,323)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(597)	285
Other comprehensive (loss)/income for the year, net of tax		(597)	285
Total comprehensive loss for the year		(7,702)	(3,038)
Loss attributable to:			
Owners of the Company		(7,054)	(3,321)
Non-controlling interests		(51)	(2)
		(7,105)	(3,323)
Total comprehensive loss attributable to:			
Owners of the Company		(7,545)	(2,998)
Non-controlling interests		(157)	(40)
		(7,702)	(3,038)
Loss per share			
Currency unit		Cents	Cents
Basic	11	(9.57)	(4.51)
Diluted		(9.57)	(4.51)

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

BALANCE SHEETS

AS AT 31 MARCH 2023

	Note	Group		Company	
		2023 $'000	2022 $'000	2023 $'000	2022 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	5,629	6,919	–	–
Investment property	13	2,850	3,049	–	–
Right-of-use assets	25	812	976	–	–
Investment in subsidiaries	14	–	–	11,137	14,914
Investment in an associates	15	442	565	–	–
Total non-current assets		9,733	11,509	11,137	14,914
Current assets					
Inventories	17	2,048	2,340	–	–
Trade and other receivables	18	7,128	10,454	3,468	3,397
Contract assets	4	1,703	2,500	–	–
Other assets	19	712	542	26	21
Cash and cash equivalents	20	768	915	23	21
Total current assets		12,359	16,751	3,517	3,439
Total assets		22,092	28,260	14,654	18,353
EQUITY AND LIABILITIES					
Equity					
Share capital	21	19,084	19,084	19,084	19,084
Treasury shares	21	(388)	(388)	(388)	(388)
Accumulated losses		(10,666)	(3,612)	(4,752)	(714)
Reserves	22	(915)	(424)	–	–
Equity attributable to equity holders of the Company		7,115	14,660	13,944	17,982
Non-controlling interests		1,486	1,643	–	–
Total equity		8,601	16,303	13,944	17,982
Non-current liabilities					
Loans and borrowings	24	2,311	3,819	–	–
Lease liabilities	25	460	485	–	–
Total non-current liabilities		2,771	4,304	–	–
Current liabilities					
Provisions	23	10	11	–	–
Income tax payable		119	119	–	–
Payables and accruals	26	5,737	4,300	710	371
Loans and borrowings	24	2,993	2,137	–	–
Lease liabilities	25	32	24	–	–
Contract liabilities	27	1,829	1,062	–	–
Total current liabilities		10,720	7,653	710	371
Total liabilities		13,491	11,957	710	371
Total equity and liabilities		22,092	28,260	14,654	18,353

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 MARCH 2023

	Attributable to owners of the Company						
31 March 2023 Group	**Share capital (Note 21)** $'000	**Treasury shares (Note 21)** $'000	**Reserves (Note 22)** $'000	**Accumulated losses** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
Opening balance at 31 March 2022	19,084	(388)	(424)	(3,612)	14,660	1,643	16,303
Loss for the year	–	–	–	(7,054)	(7,054)	(51)	(7,105)
Other comprehensive loss							
Foreign currency translation	–	–	(491)	–	(491)	(106)	(597)
Other comprehensive loss for the year, net of tax	–	–	(491)	–	(491)	(106)	(597)
Total comprehensive loss for the year	–	–	(491)	(7,054)	(7,545)	(157)	(7,702)
Closing balance at 31 March 2023	19,084	(388)	(915)	(10,666)	7,115	1,486	8,601

	Attributable to owners of the Company						
31 March 2022 Group	**Share capital (Note 21)** $'000	**Treasury shares (Note 21)** $'000	**Reserves (Note 22)** $'000	**Accumulated losses** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
Opening balance at 31 December 2020	19,084	(388)	(747)	(291)	17,658	1,683	19,341
Loss for the year	–	–	–	(3,321)	(3,321)	(2)	(3,323)
Other comprehensive loss							
Foreign currency translation	–	–	323	–	323	(38)	285
Other comprehensive loss for the year, net of tax	–	–	323	–	323	(38)	285
Total comprehensive loss for the year	–	–	323	(3,321)	(2,998)	(40)	(3,038)
Closing balance at 31 March 2022	19,084	(388)	(424)	(3,612)	14,660	1,643	16,303

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 MARCH 2023

31 March 2023 Company	Share capital (Note 21) $'000	Treasury shares (Note 21) $'000	Accumulated losses $'000	Total $'000
Opening balance at 31 March 2022	19,084	(388)	(714)	17,982
Loss for the year representing total comprehensive income for the year	–	–	(4,038)	(4,038)
Total comprehensive loss for the year	–	–	(4,038)	(4,038)
Closing balance at 31 March 2023	19,084	(388)	(4,752)	13,944
31 March 2022 Company				
Opening balance at 31 December 2020	19,084	(388)	(355)	18,341
Loss for the year representing total comprehensive income for the year	–	–	(359)	(359)
Total comprehensive loss for the year	–	–	(359)	(359)
Closing balance at 31 March 2022	19,084	(388)	(714)	17,982

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 MARCH 2023

	Note	Group 2023 $'000	Group 1.1.2021 to 31.3.2022 $'000
Cash flows from operating activities			
Loss before tax		(7,083)	(3,268)
Adjustments for:			
Interest income	5	–	(3)
Finance costs	7	387	559
Depreciation of property, plant and equipment	12	717	931
Depreciation of right-of-use assets	25	135	167
Currency translation differences		387	(17)
Reversal for product warranty expense	23	2	–
Provision of allowance for slow moving inventories	6	188	1,038
Provision for expected credit losses on trade receivables (net)	6	2,594	1,004
Provision for expected credit losses on other receivables (net)	6	–	(8)
Share of results of an associate		69	116
Operating cash flows before changes in working capital		(2,604)	519
Changes in working capital			
Decrease/(increase) in inventories		100	(751)
Decrease/(increase) in trade and other receivables		361	(1,039)
Decrease/(increase) in contract assets		797	(152)
(Increase)/decrease in other assets		(182)	82
Increase in payables and accruals		1,552	960
Increase in other liabilities		771	624
Cash flows from operations		795	243
Income taxes paid		(14)	(36)
Interest received		–	3
Interest paid		(343)	(506)
Net cash flows generated from/(used in) operating activities		438	(296)
Cash flows from investing activity			
Purchase of property, plant and equipment		(8)	(792)
Net cash flows used in investing activity		(8)	(792)

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR FROM 1 JANUARY 2021 TO 31 MARCH 2023

	Note	Group	
		2023	1.1.2021 to 31.3.2022
		$'000	$'000
Cash flows from financing activities			
Proceeds from loans and borrowings		1,772	6,036
Repayment of loans and borrowings		(2,312)	(7,436)
Repayment of principal portion of lease liabilities		(16)	(35)
Net cash flows used in financing activities		(556)	(1,435)
Net decrease in cash and cash equivalents		(126)	(2,523)
Effects of exchange rate changes on cash and cash equivalents		(21)	21
Cash and cash equivalents at 1 January		915	3,417
Cash and cash equivalents at 31 March 2023	20	768	915

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 MARCH 2023

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 Note 14 to the financial statements below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) *(SFRS(I))*.

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.

Going concern

The Group incurred net loss of $7.1 million (2022: $3.3 million) for the year ended 31 March 2023. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns. The financial statements have been prepared on a going concern basis because the directors have reasons to believe that the Group and Company would be able to generate sufficient cash flows from its operations to meet its obligations as and when they fall due and dependent on a director, who is also a substantial shareholder, to continue providing financial support and undertaking not to recall the loans due to the director for the next 12 months from the date of the financial statements. The directors are of the opinion that the Group has raised sufficient funds to-date for the working capital needs of the Group and Company for a period of 12 months from the date of these financial statements, and the Group and Company will be able to meet its obligations and when they fall due:

(i) In July 2023, the Group obtained a trade financing facility from a financing company amounting to $1,500,000, with no fixed repayment period;

(ii) As at 1 November 2023, the Group has received loans amounting to $3,060,000 from a director of the Group. There is no fixed repayment period for these loans. In addition, the director has given an undertaking not to recall or demand repayment of any part of the loans due to the director for the next 12 months from the date of the financial statements;

(iii) As disclosed in Note 33 Subsequent events, the Group had on 31 October 2023 entered into a Joint Venture Agreement for a Solar Farm Project, and would issue a convertible bond of $1,500,000 in relation to the project. The Group has also received the full settlement sum from a debtor on 26 September 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Going concern (cont'd)

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively, and the Company may have to reclassify non-current assets as current assets. No such adjustments have been made to these financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards that are relevant to the Group and are effective for annual financial years beginning on or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
SFRS(I) 17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I)17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 10 & SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 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.

(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.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. 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. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair values are measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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 term to 2035
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.

(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".

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment properties

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

The Group adopts cost model which is to measure the investment property at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

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.

2.9 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Joint ventures and associates (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.10 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.

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.

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.

2.11 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 instruments.

At initial recognition, the Group measures a financial asset as its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

(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.

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 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.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories

– Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Provisions

General

Provisions are recognised when the Group has 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 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.

2.18 Employee benefits

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.

2.19 Leases

The Group has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	–	Over the lease term to 2035
Leasehold property	–	Over the lease term to 2035
Plant and equipment	–	Over the useful life to 2026
Motor vehicle	–	Over the useful life to 2030

The right-of-use assets are also subject to impairment. Refer to the accounting policies in 2.10 Impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (cont'd)

(a) As lessee (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Lease liabilities (Note 25).

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.20 Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue from contracts with customers (cont'd)

(a) Sale of goods (power generators)

Revenue is recognised when control over the power generator has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For sale of power generators whereby the Group has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the costs incurred to date as a proportion of the estimated total costs to be incurred.

For sale of power generators whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified performance milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional.

For its bill-and-hold arrangement, even though the Group has not yet delivered the good to the customer, it has satisfied its performance obligation as control of the good has been transferred to the customer, and all of the following criteria are met: the reason for the bill and- hold arrangement is substantive, the product is identified separately as belonging to the customer, the product currently is ready for physical transfer to the customer, and the Group does not have the ability to use the good or to direct it to another customer.

(b) Sale of goods (electricity supply)

Revenue is recognised when the Group has transferred the electricity to its customer on the basis of the number of units of power supplied in accordance with joint meter readings and collectability of the related receivables is reasonably assured.

(c) Rendering of services

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

(d) Rental income

Rental income arising from operating leases and is accounted for on a straight-line basis over the lease terms.

2.21 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Taxes (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 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.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.24 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 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.

2.26 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, the management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the customer's actual default in the future. The information is about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 31(a).

The carrying amount of trade receivables and contract assets as at 31 March 2023 are $3,313,000 and $1,703,000 (2022: $6,934,000 and $2,500,000) respectively.

Net realisable value of inventories

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 $2,048,000 (2022: $2,340,000).

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue

	Projects		Power plant		Others		Total revenue	
	2023	1.1.2021 to 31.3.2022	2023	1.1.2021 to 31.3.2022	2023	1.1.2021 to 31.3.2022	2023	1.1.2021 to 31.3.2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Major product or service lines								
Sale of generators	6,905	11,168	–	–	–	–	6,905	11,168
Electricity supply	–	–	2,238	3,628	–	–	2,238	3,628
Rendering of services	92	160	–	–	–	–	92	160
Rental income	–	–	–	–	341	238	341	238
	6,997	11,328	2,238	3,628	341	238	9,576	15,194
Timing of transfer of goods or services								
At a point in time	341	324	2,238	3,628	341	238	2,920	4,190
Over time	6,656	11,004	–	–	–	–	6,656	11,004
	6,997	11,328	2,238	3,628	341	238	9,576	15,194

(b) Judgement and methods used in estimating revenue

Recognition of revenue from sale of generators over time

For the sale of generators where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the power generators to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the power generators. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the power generators.

The estimated total costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates management takes into consideration the historical trends of the amounts incurred in its other similar projects, analysed by different generator ratings and geographical areas for the past 3 to 5 years.

For bill and hold sale of generators, management has exercised judgement in the estimation of the amount of custodial services revenue that have yet to be earned. In making those estimates, management takes into consideration warehouse rates based on geographical areas, space required and duration of rent.

Transaction price allocated to remaining performance obligation

The Group expects to recognise $38,932 (2022: $48,690) as revenue relating to the transaction price allocated to unsatisfied (or primarily unsatisfied) performance obligations as at 31 March 2023 (31 March 2022) within one year and $26,368 (2022: $23,012) more than one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(c) Contract assets and contract liabilities

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Receivables from contracts with customers (Note 18)	3,313	6,934
Contract assets	1,703	2,500
Contract liabilities (Note 27)	1,829	1,062

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for sale of power generators. Contract assets are transferred to receivables when rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances received from customers for sale of power generators.

Contract liabilities are recognised as revenue as the Group performs under the contract.

5. INTEREST INCOME

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Interest income from:		
Bank	–	3

6. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND OTHER CREDITS AND (OTHER CHARGES)

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Impairment losses on financial assets:		
– Provision for expected credit losses on trade receivables	(2,615)	(1,060)
– Reversal of expected credit losses on trade receivables	36	56
– Reversal of expected credit losses on other receivables	–	8
– Write-off of trade receivables	(15)	–
Foreign exchange (loss)/gain	(469)	35
Provision for potential back charges from a customer	(600)	–
Provision for liquidated damages	(672)	–
Provision for product warranty expense	(2)	–
Provision of allowance for slow moving inventories	(188)	(1,038)
Job Support Scheme	–	87
Others	31	31
Presented in profit or loss as:		
Other credits	31	153
Impairment losses on financial assets	(2,594)	(996)
Other charges	(1,931)	(1,038)
Net	(4,494)	(1,881)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

7. FINANCE COSTS

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Interest expense on:		
– Loans and borrowings	345	511
– Lease liabilities (Note 25)	42	48
	387	559

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Salaries and bonuses	2,143	2,816
Contributions to defined contribution plan	126	148
Other benefits	90	110
Total employee benefits expense	2,359	3,074

9. ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

The following items have been included in arriving at loss before tax:

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Audit fees to independent auditor of the Company	177	135
Audit fees to other independent auditors	16	40
Employees benefits expense (Note 8)	2,359	3,074
Depreciation of property, plant and equipment (Note 12)	717	931
Depreciation of right-of-use assets (Note 25)	135	167
Expense relating to short term lease (Note 25)	10	12
Expense relating to leases of low-value assets (Note 25)	3	3
Inventories recognised as an expense in cost of sales (Note 17)	6,542	9,485

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2023 and 2022 are:

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Current tax expense:		
Current year	(5)	(36)
Under provision in respect of prior years	(17)	–
	(22)	(36)
Deferred tax expense:		
Current year	–	(19)
Income tax expense recognised in profit or loss	(22)	(55)

Relationship between tax expense and accounting loss

A reconciliation between tax expense and accounting loss before tax multiplied by the applicable Singapore corporate tax rates for the years ended 31 March 2023 and 2022 are as follows:

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Loss before tax	(7,083)	(3,268)
Income tax credit at a tax rate of 17% (2022: 17%)	(1,204)	(556)
Effects of different tax rates in different countries	(5)	80
Income not subject to taxation	(107)	(352)
Non-deductible items	314	184
Effect of partial tax exemption and tax relief	(10)	(45)
Benefits from previously unrecognised tax losses	(28)	(6)
Under provision in respect of prior years	17	–
Others	38	95
Deferred tax assets not recognised	1,007	655
Total income tax expense	22	55

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

10. INCOME TAX EXPENSES (CONT'D)

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Deferred tax expense recognised in profit or loss:		
Excess of tax value of plant and equipment over net book value	32	(76)
Others	(32)	95
Total deferred tax expense recognised in profit or loss	–	19

11. LOSS PER SHARE

Basic and diluted loss per share

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

Diluted earnings per share is calculated by dividing profit or loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2023	1.1.2021 to 31.3.2022
	$'000	$'000
Loss, net of tax attributable to owners of the Company	(7,054)	(3,321)
	Number of shares	
Weighted average number of ordinary shares outstanding for basic and diluted loss per share	73,696,114	73,696,114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

12. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property and improvements $'000	Plant and equipment $'000	Total $'000
Cost			
At 31 December 2020	3,027	9,796	12,823
Exchange differences	72	433	505
Additions	–	792	792
At 31 March 2022	3,099	11,021	14,120
Exchange differences	–	(700)	(700)
Additions	–	8	8
At 31 March 2023	3,099	10,329	13,428
Accumulated depreciation			
At 31 December 2020	2,127	4,007	6,134
Exchange differences	50	86	136
Depreciation for the period	79	852	931
At 31 March 2022	2,256	4,945	7,201
Exchange differences	–	(119)	(119)
Depreciation for the year	65	652	717
At 31 March 2023	2,321	5,478	7,799
Net book value			
At 31 March 2022	843	6,076	6,919
At 31 March 2023	778	4,851	5,629

Asset pledged as security

The Group's leasehold property and improvements with a carrying amount of $778,000 (2022: $843,000) and equipment of $Nill (2022: $545,000) are mortgaged to secure the Group's other loan (Note 24).

Purchases of property, plant and equipment

As at 31 March 2023, the Group recognized additions to Property, plant and equipment of $8,000 (2022: $792,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

13. INVESTMENT PROPERTY

Group	Freehold land [1] $'000
Cost	
At 1 January and 31 December 2020	3,116
Exchange differences	(67)
At 31 March 2022	3,049
Exchange differences	(199)
At 31 March 2023	2,850
Net book value	
At 31 March 2022	3,049
At 31 March 2023	2,850

[1] Investment property pertains to a freehold land held by a subsidiary.

The Group is using the freehold land to generate rental income. The land is located in Kluang, Malaysia.

Independent professional valuation of the Group's investment property has been performed by an independent valuer with appropriate recognised professional qualifications and recent experience with the location and category of the property being valued. The valuer has considered the direct comparison method for comparative properties in deriving the valuation of $4,513,500 as at 31 March 2023 (2022: $4,506,600), net of lease payments.

Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

The fair value of the investment property is within level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	$'000	$'000
Unquoted equity shares	7,028	7,028
Amount due from a subsidiary [a]	8,914	8,914
	15,942	15,942
Impairment losses	(4,805)	(1,028)
Net carrying value at end of the year	11,137	14,914
Movements in allowance for impairment:		
Balance at beginning of year	1,028	1,028
Allowance for impairment	3,777	–
Balance at end of the year	4,805	1,028

For the year ended 31 March 2023, an impairment loss of $3,777,000 (2022: Nil) was recognised in the Statement of Comprehensive Income of the Company to write-down the carrying values of the subsidiaries in full in view of economic uncertainties.

[a] The Company does not have the intention of demanding for the settlement of the amount due from a subsidiary in the foreseeable future as the amount forms, in substance, a part of the Company's net investment in the subsidiary.

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	
	2023	2022
	%	%
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 Mingyu Certified Public Accountants Co., Ltd)	100	100
VibroPower Pte. Ltd. Singapore Supply, design, manufacture, installation, commissioning and servicing of generators (Ernst & Young LLP, Singapore)	100	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

14. INVESTMENT 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 2023 %	2022 %
Held through VibroPower Pte. Ltd.		
VibroPower (HK) Limited [(a)] Hong Kong Supply, installation, commissioning and servicing of generators (Raymond Yeung & Co.)	100	100
Indamex (UK) Limited [(b)] United Kingdom Trader in generator parts and accessories	100	100
VibroPower Generators Sdn. Bhd. [(a)] Malaysia Trading, installation, commissioning and servicing of diesel generators (RSM Malaysia)	100	100
VibroPower Generators (India) Private Limited [(a)] India Trading, installation, commissioning and servicing of diesel generators (Suresh Surana & Associates LLP)	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.		
VibroPower (UK) Limited [(b)] United Kingdom Import and export of engines and spare parts	100	100
Scott & English Pte. Ltd. Singapore Manufacture and repair of electric generators (Ernst & Young LLP, Singapore)	100	100
VibroPower Generators Middle East (FZE) [(b)] United Arab Emirates Manufacture and repair of electric generators	100	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

14. INVESTMENT 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 2023 %	2022 %
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 Jia Chang Certified Public Accountants Co., Ltd)	100	100
Agrimal Project Sdn. Bhd.[(a)] Malaysia Property developer (Lesmond & Associates, Malaysia)	68.2	68.2

[(a)] 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 audited under the laws of the respective countries.

The Company holds 68.2% effective interest in Agrimal Project Sdn. Bhd., through its wholly owned subsidiary, VibroPower (HK) Limited and associated company VibroPower Green Energy Sdn. Bhd, which in turn hold 47% and 53% issued and paid up share capital of Agrimal Project Sdn. Bhd., respectively.

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. INVESTMENT IN AN ASSOCIATES

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2023 %	2022 %
Held through subsidiary				
VibroPower Green Energy Sdn. Bhd. [(a)]	Malaysia	To build and operate a biomass power plant	40	40
Vibro Biomass Energy Sdn. Bhd. [(b)]	Malaysia	Construction of power plant	40	40

[(a)] Audited by Lesmond & Associates, Malaysia
[(b)] Audited by ChanCo., Malaysia. As at 31 March 2023, the Group has not recognised its share losses of the said associate as the Group's cumulative shares of losses has exceeded its interest in the entity.

The summarised financial information in respect of VibroPower Green Energy Sdn. Bhd, based on *SFRS(I)* financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

15. INVESTMENT IN AN ASSOCIATES (CONT'D)

Summarised balance sheet

	VibroPower Green Energy Sdn. Bhd.	
	2023	**2022**
	$'000	$'000
Current assets	11	61
Non-current assets	7,671	8,034
Total assets	7,682	8,095
Current liabilities	6,576	6,686
Total liabilities	6,576	6,686
Net assets	1,106	1,409
Group's share of net assets	442	565
Carrying amount of the investment	442	565
Summarised statement of comprehensive income		
Loss for the year representing total comprehensive income for the year	(157)	(289)
Total comprehensive income	(157)	(289)

16. DEFERRED TAX ASSETS

Deferred tax balances in the balance sheet:

	Group	
	2023	**2022**
	$'000	$'000
Excess of tax value of plant and equipment over net book value	117	86
Provision	2	–
Others	(119)	(86)
Net balance	–	–

At the end of the reporting period, the Group has tax losses of approximately $12,075,000 (2022: $6,956,000) 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. Except for an amount of $365,656 (2022: $242,184) which will expire between 2027 and 2030, there is no time limit imposed on the utilization of the remaining tax losses. 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 $233,000 (2022: $256,000), associated with undistributed earnings of the Group's subsidiaries. As at 31 March 2023 and 2022, no deferred tax liability has been recognised in respect of these differences because the Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

17. INVENTORIES

	Group	
	2023 $'000	2022 $'000
Parts and components	2,048	2,340
Inventories are stated after deducting allowance for slow moving inventories:		
Analysis of allowance:		
Balance at beginning of the year	1,407	353
Charged to profit or loss included in other charges	188	1,038
Exchange differences	2	16
Balance at end of the year	1,597	1,407
Inventories recognised as an expense in cost of sales	6,542	9,485

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade and other receivables (current):				
Trade receivables:				
Due from external parties	7,781	9,377	–	–
Allowance for expected credit losses	(5,162)	(3,155)	–	–
Due from subsidiaries	–	–	79	79
Allowance for expected credit losses	–	–	(79)	(79)
Retention monies	694	712	–	–
Subtotal	3,313	6,934	–	–
Other receivables:				
Due from subsidiaries	–	–	3,502	3,431
Due from an associate	2,833	2,755	–	–
Due from external parties	689	689	–	–
Others	982	765	–	–
Allowance for expected credit losses	(689)	(689)	(34)	(34)
Subtotal	3,815	3,520	3,468	3,397
Total trade and other receivables (current)	7,128	10,454	3,468	3,397
Add: Cash at banks and on hand (Note 20)	768	915	23	21
Total loans and receivables	7,896	11,369	3,491	3,418

Trade receivables:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Other receivables (Current):

Amounts due from subsidiaries, associate and related parties are unsecured, non-interest bearing, non-trade related, and repayable on demand by cash.

Advance for an investment project is unsecured, non-interest bearing, non-trade related, and repayable on demand by cash. The interest has not been recognised.

The amounts due from external parties of $689,000 (2022: $689,000) are unsecured, non-trade related, repayable on demand by cash, and is interest bearing at 12% per annum. The amount has been fully provided as at 31 March 2023 (2022: Fully provided).

Others are unsecured, non-interest bearing, non-trade related, and repayable on demand by cash.

Set out below is the movement in the allowance for expected credit losses of trade receivables and other receivables:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables:				
Balance at beginning of the year	3,155	2,622	79	79
Provision for expected credit losses (Note 6)	2,615	1,060	–	–
Written-off	(509)	(463)	–	–
Reversal of allowance made in prior years (Note 6)	(36)	(56)	–	–
Foreign exchange adjustments	(63)	(8)	–	–
	5,162	3,155	79	79
Other receivables:				
Balance at beginning and end of the year	689	913	34	34
Written-off	–	(220)	–	–
Reversal of allowance made in prior years (Note 6)	–	(8)	–	–
Foreign exchange adjustments	–	4	–	–
	689	689	34	34

Trade receivables that are individually determined to be impaired at the end of the reporting period 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade and other receivables denominated in currency other than the functional currencies of respective entities as at years ended 31 March 2023 and 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
United States dollar	432	–	–	–
Singapore dollar	–	691	–	–

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 (2022: 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables:				
Less than 30 days	518	513	–	–
31 to 60 days	492	23	–	–
61 to 90 days	39	112	–	–
Over 90 days	1,723	198	–	–
Total	2,772	846	–	–

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

	Collectively impaired		Individually impaired	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables:				
Trade receivables – nominal amounts	8,945	9,377	5,143	3,152
Less: Allowance for impairment	(19)	(19)	(5,143)	(3,136)
Total	8,926	9,358	–	16

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19. OTHER ASSETS

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deposits to secure services	157	171	–	–
Prepayments	555	371	26	21
	712	542	26	21

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash at banks and on hand	768	915	23	21

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

Cash at banks and on hand denominated in currency other than the functional currencies of respective entities as at 31 March 2023 and 2022 are as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
United States dollar	53	–	–	–
Singapore dollar	–	73	–	–

21. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company			
	2023		2022	
	No. of shares issued '000	$'000	No. of shares issued '000	$'000
Issued and fully paid ordinary shares:				
At 1 April	73,696	19,084	73,696	19,084
At 31 March	73,696	19,084	73,696	19,084

In 2020, the Company had issued 17,975,428 free detachable warrants to its shareholders, each carrying the right to subscribe for 1 new ordinary share at an exercise price of $0.10 per share. Each warrant may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring on the date immediately preceding five (5) years from the date of issue of the Warrants. The exercise price of the warrants and the number of warrants are fixed except for certain events pursuant to the terms and conditions of the Warrants set out in the Deed Poll. As at 31 March 2023, the exercise price of the warrants was $0.10 and a total of 7,705,598 Warrants remains outstanding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

21. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Treasury shares

	Group and Company			
	2023		2022	
	No. of shares issued '000	$'000	No. of shares issued '000	$'000
At 1 April	(1,077)	(388)	(1,077)	(388)
At 31 March	(1,077)	(388)	(1,077)	(388)

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

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 financial 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 at banks and on hand. Adjusted capital comprises all components of equity (i.e. share capital and retained earnings).

	Group	
	2023 $'000	2022 $'000
Net debt:		
All current and non-current borrowings (Note 24)	5,304	5,956
Lease liabilities (Note 25)	492	509
Less: Cash at banks and on hand (Note 20)	(768)	(915)
	5,028	5,550
Adjusted capital:		
Total equity attributable to Equity Holders	7,115	14,660
Adjusted capital	7,115	14,660
Debt-to-adjusted capital ratio	71%	38%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

22. RESERVES

	2023 $'000	2022 $'000
Foreign currency translation reserve	(915)	(424)

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

23. PROVISION

	Group	
	2023 $'000	2022 $'000
Provision for product warranty:		
Balance at beginning of the year	11	8
Charged to profit or loss included in other credits	2	–
Exchange differences	(3)	3
Balance at end of the year	10	11

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 end of the financial year.

24. LOANS AND BORROWINGS

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current:				
Fixed rate other loan (secured)	–	213	–	–
Fixed rate other loan (unsecured)	2,259	1,203	–	–
Fixed rate bank loan (unsecured)	506	482	–	–
Floating rate other loan (secured)	228	239	–	–
Subtotal	2,993	2,137	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

24. LOANS AND BORROWINGS (CONT'D)

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current:				
Floating rate other loan (secured)	1,526	1,726	–	–
Fixed rate bank loan (unsecured)	667	1,173	–	–
Fixed rate other loan (unsecured)	118	920	–	–
Subtotal	2,311	3,819	–	–
Total	5,304	5,956	–	–

There are no Loans and borrowings denominated in currency other than the functional currencies of respective entities as at year ended 31 March 2023 and 2022.

The ranges of floating interest rates paid were as follows:

	2023 per annum	2022 per annum
Floating rate other loan (secured)	4.85% – 6.90%	4.85%

(a) Fixed rate other loan (secured)

Loan from an individual

The loans of $Nil (2022: $213,000) were provided among other matters for the following:

1. The term loans of $213,000 matured on 31 May 2022.
2. Interest rate at 12% per annum.
3. Secured by equipment of a subsidiary of the Group. (Note 12)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

24. LOANS AND BORROWINGS (CONT'D)

(b) Fixed rate other loans (unsecured)

Loan from a financing company

The loan amounted to $977,000 as at 31 March 2023 (2022: $1,577,000). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 31 May 2024
2. Interest rate at 4.25% per annum
3. Corporate guarantee from the Company
4. Personal guarantee from a director

Loans from a substantial shareholder and director

The loans of $285,000 (2022: $Nil) were provided among other matters for the following:

1. Loan tenure from 6 – 12 months and repayable by monthly installment
2. Interest rate at 2.25% – 3% per annum

Loans from financing companies

The loans of $800,000 (2022: $546,000) were provided among other matters for the following:

1. Loan tenure from 3 – 10 months
2. Interest rate at 1.35% – 3% per month
3. Personal guarantee from a director and a key management personnel

Loan from a financing company

The loan amounted to $167,000 as at 31 March 2023 (2022: $Nil). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 27 August 2023
2. Interest rate at 3% per month
3. Corporate guarantee from the Company
4. Personal guarantee from a director and a key management personnel

Loan from a financing company

The loan amounted to $148,000 as at 31 March 2023 (2022: $Nil). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 17 January 2024
2. Interest rate at 2.5% per month
3. Personal guarantee from a director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

24. LOANS AND BORROWINGS (CONT'D)

(c) Fixed rate bank loan (unsecured)

Temporary Bridging Loan

The temporary bridging loan amounted to $1,173,000 as at 31 March 2023 (2022: $1,655,000). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 4 June 2025.
2. Interest rate at 4.75% per annum.
3. Corporate guarantee from the Company.

(d) Floating rate other loan (secured)

The other loan from a finance company amounted to $1,754,000 as at 31 March 2023 (2022: $1,965,000). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 26 February 2028.
2. Corporate guarantee from the Company.
3. Interest rate at 4.85% – 6.90% per annum.
4. Secured by a first mortgage over Group's leasehold property and improvements (Note 12).

25. LEASES

The Group has lease contracts for equipment, land and leasehold property used in its operations. Land and leasehold property generally have lease terms between 10 and 16 years, while equipment has a lease term of 2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold Land $'000	Leasehold property $'000	Plant and equipment $'000	Motor vehicle $'000	Total $'000
As at 1 January 2021	474	341	276	59	1,150
Adjustments	(44)	–	–	–	(44)
Depreciation expense	(36)	(53)	(70)	(8)	(167)
Foreign exchange	10	19	6	2	37
As at 31 March 2022	404	307	212	53	976
Depreciation expense	(31)	(40)	(57)	(7)	(135)
Foreign exchange	–	(29)	–	–	(29)
As at 31 March 2023	373	238	155	46	812

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

25. LEASES (CONT'D)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Total $'000
As at 1 January 2021	588
Accretion of interest	48
Payments	(137)
Exchange differences	10
As at 31 March 2022	509
Current	24
Non-current	485
As at 1 April 2022	509
Accretion of interest	42
Payments	(59)
Exchange differences	–
As at 31 March 2023	492
Current	32
Non-current	460

The maturity analysis of lease liabilities are disclosed in Note 31(b).

The following are the amounts recognised in profit or loss:

	2023 $'000	1.1.2021 to 31.3.2022 $'000
Depreciation expense of right-of-use assets (Note 9)	135	167
Interest expense on lease liabilities (Note 7)	42	48
Expense relating to short-term leases (Note 9)	10	12
Expense relating to leases of low-value assets (Note 9)	3	3
Total amount recognised in profit or loss	190	230

The Group had total cash outflows for leases of $72,000 in 2023 (2022: $152,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

26. PAYABLES AND ACCRUALS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables and accruals:				
External parties	3,490	2,406	359	202
Accruals	2,154	1,679	233	169
Subtotal	5,644	4,085	592	371
Other payables:				
Due to subsidiaries	–	–	118	–
Others	93	215	–	–
Subtotal	93	215	118	–
Total payables and accruals	5,737	4,300	710	371
Add:				
Loans and borrowings (Note 24)	5,304	5,956	–	–
Lease liabilities (Note 25)	492	509	–	–
Total financial liabilities carried at amortised cost	11,533	10,765	710	371

Trade payables and other payables:

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

Amounts due to subsidiaries:

Amounts due to a subsidiary are unsecured, non-interest bearing, repayable on demand by cash and denominated in Singapore dollars.

Payables and accruals denominated in currency other than the functional currencies of respective entities as at years ended 31 March 2023 and 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
United States Dollar	432	–	–	–
Singapore Dollar	–	1,540	–	–
Euro	13	67	–	–
Chinese Renminbi	22	24	–	–
Malaysian Ringgit	63	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

27. CONTRACT LIABILITIES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deposits received from customers	1,829	1,062	–	–

These amounts are trade related, non-interest bearing and based on contractual terms as established with external parties.

28. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

(a) Related parties

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:

	2023 $'000	2022 $'000
Rental income from a related party	30	37
Subcontractor fee received from a related party	5	35
Purchases of goods and services from related parties	1,955	2,655
Subcontractor costs paid to a related party	432	627
Reimbursement of expenses to a related party	102	125
Loan from a substantial shareholder and director	320	–
Interest on loan from a substantial shareholder and director	9	16

The above related parties refer to companies in which the substantial shareholder is a close relative of a director of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

28. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (CONT'D)

(b) Key management compensation

	Group	
	2023	**2022**
	$'000	$'000
Short-term employee benefits	766	915
Central Provident Fund contributions	20	24
	786	939

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

	Group	
	2023	**2022**
	$'000	$'000
Remuneration of directors of the Company	504	595
Remuneration of other key management personnel	142	169
Fees to directors of the Company	140	175
	786	939

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. CONTINGENT LIABILITIES

	Group	
	2023	**2022**
	$'000	$'000
Corporate guarantee given for a subsidiary's credit facilities	4,271	5,743
Performance bond of a contract terminated by a customer	708	–
Total	4,979	5,743

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

30. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- 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)

(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

Cash and other equivalents (Note 20), Trade and other receivables (Note 18), Current other assets (Note 19), Provisions (Note 23), Loans and borrowings (Note 24), Lease liabilities (Note 25), Payables and accruals (Note 26) and Contract 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.

31. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. 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	
	2023	**2022**
	$'000	$'000
Top 1 customer	408	398
Top 2 customers	644	593
Top 3 customers	729	766

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).

Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 31 March 2023 is determined by incorporating forward looking information such as forecast of economic conditions where the gross domestic product will improve over the next year, leading to a decreased number of defaults.

Information regarding loss allowance movement of trade and contract assets are disclosed in Note 18 and Note 4 respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets:

	Singapore	Asia (excluding Singapore)	Total
Group **31 March 2023**			
Contract assets	1,703	–	1,703
Trade receivables	6,115	2,360	8,475
Less: Allowance for expected credit losses	(4,222)	(940)	(5,162)
Total	3,596	1,420	5,016
Group **31 March 2022**			
Contract assets	2,500	–	2,500
Trade receivables	7,241	2,848	10,089
Less: Allowance for expected credit losses	(1,643)	(1,512)	(3,155)
Total	8,098	1,336	9,434

(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 at banks and on hand 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

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.

Group	Less than 1 year $'000	1 – 5 years $'000	Total $'000
31 March 2023			
Financial assets			
Trade and other receivables (Note 18)	7,128	–	7,128
Cash at banks and on hand (Note 20)	768	–	768
Total undiscounted financial assets	7,896	–	7,896
Financial liabilities			
Loans and borrowings	3,428	2,516	5,944
Lease liabilities	78	652	730
Payables and accruals (Note 26)	5,737	–	5,737
Total undiscounted financial liabilities	9,243	3,168	12,411
Total net undiscounted financial liabilities	(1,347)	(3,168)	(4,515)
31 March 2022			
Financial assets			
Trade and other receivables (Note 18)	10,454	–	10,454
Cash at banks and on hand (Note 20)	915	–	915
Total undiscounted financial assets	11,369	–	11,369
Financial liabilities			
Loans and borrowings	2,467	4,164	6,631
Lease liabilities	64	717	781
Payables and accruals (Note 26)	4,300	–	4,300
Total undiscounted financial liabilities	6,831	4,881	11,712
Total net undiscounted financial assets/(liabilities)	4,538	(4,881)	(343)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Company	Less than 1 year $'000	1 – 5 years $'000	Total $'000
31 March 2023			
Financial assets			
Trade and other receivables (Note 18)	3,468	–	3,468
Cash at banks and on hand (Note 20)	23	–	23
Total undiscounted financial assets	3,491	–	3,491
Financial liabilities			
Payables and accruals (Note 26)	710	–	710
Total undiscounted financial liabilities	710	–	710
Total net undiscounted financial assets	2,781	–	2,781
31 March 2022			
Financial assets			
Trade and other receivables (Note 18)	3,397	–	3,397
Cash at banks and on hand (Note 20)	21	–	21
Total undiscounted financial assets	3,418	–	3,418
Financial liabilities			
Payables and accruals (Note 26)	371	–	371
Total undiscounted financial liabilities	371	–	371
Total net undiscounted financial assets	3,047	–	3,047

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. 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 financial year, no claims on the financial guarantees are expected. The following table shows the maturity analysis of the contingent liabilities:

Company	Less than 1 year $'000	1 – 5 years $'000	Total $'000
31 March 2023			
Corporate guarantee in favour of a subsidiary	1,960	2,311	4,271
31 March 2022			
Corporate guarantee in favour of a subsidiary	1,924	3,819	5,743

(c) Changes in liabilities arising from financing activities

	1 January 2023 $'000	Cash flows $'000	Foreign exchange movement / interest paid $'000	Others $'000	31 March 2023 $'000
Current loans and borrowings	2,137	(540)	(112)	1,508	2,993
Current lease liabilities	24	(16)	(1)	25	32
Non-current loans and borrowings	3,819	–	–	(1,508)	2,311
Non-current lease liabilities	485	–	–	(25)	460
Total liabilities from financing activities	6,465	(556)	(113)	–	5,796

	1 January 2021 $'000	Cash flows $'000	Foreign exchange movement $'000	Others $'000	31 March 2022 $'000
Current loans and borrowings	3,562	(1,400)	(99)	74	2,137
Current lease liabilities	29	(35)	56	(26)	24
Non-current loans and borrowings	3,793	–	–	26	3,819
Non-current lease liabilities	559	–	–	(74)	485
Total liabilities from financing activities	7,943	(1,435)	(43)	–	6,465

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities to current due to the passage of time. The Group classifies interest paid as cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) 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 67% (2022: 67%) 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Loans and borrowings:				
Fixed rates	3,550	3,991	–	–
Floating rates	1,754	1,965	–	–
Total at end of the year	5,304	5,956	–	–

The floating rate debt obligations are with interest rates that are re-set as and when market rates change. The interest rates are disclosed in the respective notes.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 100 (2022: 100) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been $18,000 lower/higher (2022: Group's loss before tax would have been $20,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(e) 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 holds 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Foreign currency risk (cont'd)

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 loss 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.

		Group Increase/(Decrease) Loss net of tax	
		2023	2022
SGD/USD	– strengthened 2% (2022: 2%)	(82)	(67)
	– weakened 2% (2022: 2%)	82	67

32. FINANCIAL INFORMATION BY OPERATION SEGMENT

(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 *SFRS(I)* Operating Segments. This disclosure standard has no impact on the reported results or financial position of the group.

The group mainly has two principal activities, one is supplying, designing, manufacturing, installing, commissioning and servicing of generators used mainly in commercial and industrial projects and housing projects, the other is supplying electricity to power grid.

Analysis by Business Segments

The group is organised into three business segments – Projects (supplying generators), Power plant (supplying electricity) and Others.

Analysis by Geographical Segments

The group is organised into three major geographical areas – Singapore, Asia (Malaysia, China and Hong Kong) 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 assets is the total cost incurred during the year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

32. FINANCIAL INFORMATION BY OPERATION SEGMENTS (CONT'D)

(b) Profit or loss from operations and reconciliation

(i) Segment information by business described above is presented below:

	Projects		Power plant		Others		Adjustment and elimination		Notes	Total	
	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000		$'000	$'000
External customers	7,338	11,566	2,238	3,628	–	–	–	–		9,576	15,194
Inter-segment	5,784	7,656	–	–	–	–	(5,784)	(7,656)		–	–
Total revenue from contracts with customers	13,122	19,222	2,238	3,628	–	–	(5,784)	(7,656)	A	9,576	15,194
Results:											
Interest income	–	185	–	–	87	–	(87)	(182)		–	3
Finance costs	(404)	(583)	(4)	(39)	–	–	21	63		(387)	(559)
Depreciation	(358)	(478)	(494)	(620)	–	–	–	–		(852)	(1,098)
Impairment losses on and write-off of financial assets	(2,594)	(996)	–	–	–	–	–	–		(2,594)	(996)
Share of results of an associate	–	–	(69)	(116)	–	–	–	–		(69)	(116)
Segment profit(loss) before tax	(6,609)	(3,984)	(84)	987	(339)	(263)	(51)	(8)		(7,083)	(3,268)
Addition of non-current assets	6	90	2	702	–	–	–	–		8	792
Non-current assets	1,559	1,815	4,070	5,104	2,850	3,049	–	–	B	8,479	9,968
Segment assets	32,843	36,791	8,029	8,529	18,846	18,899	(37,626)	(35,959)	C	22,092	28,260
Segment liabilities	30,306	28,971	3,909	4,131	901	576	(21,625)	(21,721)	D	13,491	11,957

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

32. FINANCIAL INFORMATION BY OPERATION SEGMENTS (CONT'D)

(b) Profit or loss from operations and reconciliations (cont'd)

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

	Total	
	2023	**2022**
	$'000	$'000
Revenue		
Singapore	6,880	9,958
Asia (excluding Singapore)	2,696	5,236
	9,576	15,194
Non-current assets		
Singapore	1,559	1,813
Asia (excluding Singapore)	6,920	8,155
	8,479	9,968

Notes Nature of adjustment and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Non-current assets only include property, plant and equipment and investment property.

C Inter-segments assets are deducted from segment assets to arrive at total assets reported in the consolidated balance sheet.

D Inter-segments 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 amounted to $859,000, arising from sales of generators in Singapore (2022: $4,454,337) in Singapore.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

33. SUBSEQUENT EVENTS

(a) Settlement of Legal Suit

The Company's wholly-owned subsidiary, VibroPower Pte Ltd ("Plaintiff") had filed a writ of summons ("Legal Suit") to recover amounts of $1.7 million from former business partner of the Plaintiff, for which its sole director and shareholder stood as a guarantor ("Defendants").

The Plaintiff entered into a settlement agreement on 11 July 2023 with the Defendants for a mutually agreed amount in a full and final settlement of all claims made against the Defendants under the Legal Suit. The Plaintiff has on 26 September 2023 received the full Settlement Sum.

(b) Loan from a director

A director of the Company had provided a total of $3,060,000 loan to the Group on as at 31 October 2023 and is committed to provide continued financial support as and when required by the Group.

(c) Convertible bonds

The Company had on 31 October 2023 entered into a joint venture agreement ("JVA") with Interra Resources Ltd ("the Lender") to cooperate and join efforts to construct a Solar Farm in Malaysia.

Pursuant to the terms of the JVA, the Lender agreed to participate in the Joint Venture by purchasing a redeemable convertible bond to be issued by the Company in the principal amount of $1,500,000. This bond carries a coupon of eight point five per cent. (8.5%) per annum with a maturity period of 36 months commencing from 1 December 2023.

34. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 7 November 2023.

STATISTICS OF SHAREHOLDINGS

AS AT 18 OCTOBER 2023

Issued and fully paid-up capital	:	$19,753,430.662
Number of issued shares	:	74,772,914
Number of issued shares (excluding treasury shares)	:	73,696,114
Number / Percentage of Treasury Shares	:	1,076,800 (1.44%)
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	93	8.12	1,816	0.00
100 – 1,000	480	41.92	189,457	0.26
1,001 – 10,000	315	27.51	1,484,791	2.01
10,001 – 1,000,000	242	21.14	19,691,989	26.72
1,000,001 AND ABOVE	15	1.31	52,328,061	71.01
TOTAL	**1,145**	**100.00**	**73,696,114**	**100.00**

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 18 October 2023, approximately 56.49% of the issued ordinary shares of the Company is held by the public and therefore, the Company is in 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	12,000,180	16.28
2	WONG KIM SIONG	7,000,000	9.50
3	OCBC SECURITIES PRIVATE LIMITED	5,761,908	7.82
4	CHEN SIEW MENG	4,912,800	6.67
5	PHILLIP SECURITIES PTE LTD	3,455,203	4.69
6	LIM SIM BENG	2,749,000	3.73
7	LIM ENG TIONG	2,522,900	3.42
8	WONG CHONG HENG	2,500,000	3.39
9	MAYBANK SECURITIES PTE. LTD.	2,198,100	2.98
10	ONG AI LING	2,192,100	2.97
11	CITIBANK NOMINEES SINGAPORE PTE LTD	1,767,995	2.40
12	KANG BENG CHIANG	1,513,875	2.05
13	UOB KAY HIAN PRIVATE LIMITED	1,361,400	1.85
14	CHNG BENG GUAN	1,200,000	1.63
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,192,600	1.62
16	CHUA AIK FOOK	931,333	1.26
17	CHNG BENG HUA	865,880	1.17
18	CHNG BENG HOCK	862,750	1.17
19	FREDDIE FONG CHEE ENG	861,375	1.17
20	TOH GUAN HENG	514,390	0.70
	TOTAL	**56,363,789**	**76.47**

STATISTICS OF SHAREHOLDINGS

AS AT 18 OCTOBER 2023

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 18 October 2023

Name of Substantial Shareholders	Direct interest		Deemed interest	
	No. of shares	% of shares	No. of shares	% of shares
Benedict Chen Onn Meng [1]	12,000,180	16.28	175,200	0.24
Wong Kim Siong	7,000,000	9.50	–	–
Chng Beng Hock [2]	862,750	1.17	5,572,030	7.56
Chen Siew Meng [3]	4,793,000	6.50	1,661,200	2.25

(1) Benedict Chen Onn Meng's deemed interest arises from shares held through his CPF investment account, UOB Kay Hian Private Limited.

(2) Chng Beng Hock has 3,081,800 ordinary shares held under the name of Phillip Securities Pte Ltd & 2,490,230 ordinary shares held under OCBC Securities Pte Ltd.

(3) Chen Siew Meng has 12,900 ordinary shares held under the name of OCBC Nominees Singapore Pte Ltd & 1,648,300 ordinary shares held under OCBC Securities Pte Ltd.

STATISTICS OF WARRANTHOLDINGS

AS AT 18 OCTOBER 2023

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 99	12	10.26	458	0.01
100 – 1,000	14	11.96	9,490	0.12
1,001 – 10,000	46	39.32	259,750	3.37
10,001 – 1,000,000	44	37.61	3,435,840	44.59
1,000,001 AND ABOVE	1	0.85	4,000,060	51.91
TOTAL	**117**	**100.00**	**7,705,598**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

No.	Name	No. of Warrants	%
1	BENEDICT CHEN ONN MENG	4,000,060	51.91
2	LIM SIM BENG	1,000,000	12.98
3	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	260,700	3.38
4	OCBC SECURITIES PRIVATE LIMITED	224,800	2.92
5	YAP SENG TECK	180,000	2.34
6	YAP HOCK BENG	161,100	2.09
7	GAN CHIN KIAN	146,800	1.91
8	MAK YEOW SENG	119,000	1.54
9	KUEK SER KHIANG KEITH	117,950	1.53
10	SEOW YIN KHOI	105,400	1.37
11	ONG ENG LOKE	100,000	1.30
12	LYE CHIEW MENG	87,500	1.14
13	GOH GUAN SIONG (WU YUANXIANG)	82,500	1.07
14	ENG BOON CHAI (HUANG WENCAI)	70,000	0.91
15	LEE TAT LEANG	50,700	0.66
16	CHUA CHWEE TEE	50,000	0.65
17	GWEE TEE LAY @GWEE TEE GHEE	50,000	0.65
18	MAK BAG YUE	46,000	0.60
19	FOO YU MEE	45,000	0.58
20	GOH CHING HUAT @ GOH CHENG HUAT	41,000	0.53
	TOTAL	**6,938,510**	**90.06**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 Annual General Meeting of the Company will be held at 38 Tuas Crescent, Singapore 638725 on 30 November 2023 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 Directors' Statement and Audited Financial Statements of the Company for the year ended 31 March 2023 together with the Auditors' Report thereon. **Resolution 1**

2. To re-elect the following director retiring pursuant to the Company's Constitution: **Resolution 2**

   Mr Tan Poh Chye Allan (Article 104)

   Mr Tan Poh Chye Allan shall, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr Tan Poh Chye Allan shall be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

3. To approve the Directors' fees of $35,000 for the period from 1 January 2023 to 31 March 2023. **Resolution 3**

4. To approve the Directors' fees of $140,000 for the year ending 31 March 2024, payable half-yearly in arrears. **Resolution 4**

5. To note that Ernst & Young LLP has expressed that they will not seek re-appointment as auditors of the Company.

   [See Explanatory Note (i)]

AS SPECIAL BUSINESS

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

6. **Proposed Share Issue Mandate** **Resolution 5**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and 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 Instruments made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

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 and subsidiary holdings, if any) 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 and subsidiary holdings, if any) 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 pursuant to sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of this Resolution is passed, 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, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

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

and, in sub-paragraph (1) above and this sub-paragraph (2), "**subsidiary holdings**" has the meaning given to it in the Listing Manual of the SGX-ST;

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of this Resolution is passed.

(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 Constitution 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 (ii)]

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

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(i) Ernst & Young LLP has expressed that they would not be seeking re-appointment as auditors of the Company at this AGM. Efforts are being made by the Company to appoint new auditors as soon as possible. Further announcement would be released in due course once the proposed new appointment has been confirmed.

(ii) The proposed Resolution 5 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 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 and subsidiary holdings, if any) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

BY ORDER OF THE BOARD

Sia Huai Peng
Company Secretary

Singapore
14 November 2023

Notes:

A member of the Company (not being a relevant intermediary) is invited to attend physically, speak and vote at the Annual General Meeting ("**AGM or Meeting**"). There will be no option for shareholders to participate virtually.

1. ARRANGEMENTS FOR PARTICIPATION IN THE AGM PHYSICALLY

(a) Members (including CPF Investment Scheme ("**CPFIS**") and Supplementary Retirement Scheme ("**SRS**") investors) may participate in the AGM by:

(a) attending the AGM in person;

(b) submitting questions to the Chairman of the AGM in advance of, or at, the AGM; and/or

(c) voting at the AGM

(i) themselves personally; or

(ii) through their duly appointed proxy(ies).

(b) CPFIS and SRS investors who wish to appoint the Chairman of the AGM (and not third party proxy(ies)) as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see under PROXY VOTING below for details.

(c) In the event members encountered Covid-19 like symptoms prior to the AGM, members are strongly encouraged to exercise social responsibility to rest at home and consider appoint a proxy(ies) to attend the AGM. We encourage members to mask up when attending the AGM.

NOTICE OF ANNUAL GENERAL MEETING

2. PROXY VOTING

(a) A member entitled to attend and vote at a general meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.

(b) Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at a general meeting. Relevant intermediary is either:

(i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

(ii) a capital market services license holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds in that capacity; or

(iii) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors.

(c) If a proxy is to be appointed, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

(i) if by post, to the Company, at **11 Tuas Avenue 16 Singapore 638929** (Opening Hours is 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays); or

(ii) if sent by email, to the Company at vote@vibropower.com

in either case, not less than 48 hours before the time for holding the AGM and at any adjournment thereof.

(d) A proxy need not be a member of the Company.

(e) A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

(f) CPFIS/SRS investors who hold SGX shares through CPF Agent Banks/SRS Operators:

(i) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

(ii) may appoint Chairman of the AGM as proxy, should approach their respective agents, including CPF Agent Banks and SRS Operators, to submit their votes at least seven (7) working days before the AGM (i.e. by 9:00 a.m. on 20 November 2023) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

(g) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 (such as in the case where the appointor submits more than one instrument of proxy) and received after the cut-off at 9:00 a.m on 28 November 2023. In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy or proxies.

NOTICE OF ANNUAL GENERAL MEETING

3. SHAREHOLDERS' QUERIES

(a) Shareholders may submit their questions in advance of the AGM.

(b) All questions must be submitted no later than 9:00 a.m. on 23 November 2023 to the Company:

(i) via post, at **11 Tuas Avenue 16 Singapore 638929** (Opening Hours is 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays); or

(ii) via email to vote@vibropower.com

(c) For verification purpose, when submitting any questions by post or via email, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals) / company name (for corporates), email address, contact number, NRIC / passport number / company registration number, shareholding type and number of shares held).

(d) The Company will endeavour to address the substantial and relevant queries from Shareholders no later than 48 **hours prior to the closing date and time for the lodgment of the proxy forms**. The minutes of the AGM, which will also include the responses to substantial and relevant queries from Shareholders referred to above and/or which are addressed during the AGM, will also be published on the SGX website, within one (1) month from the conclusion of the AGM.

Important reminder. Any changes to the manner of conducting the AGM will be announced by the Company on SGXNet. Members are advised to check SGXNet regularly for any further updates.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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.

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information as set out in Appendix 7.4.1 to the SGX-ST Listing Manual relating to Mr Tan Poh Chye Allan, being the Director who is retiring at the forthcoming AGM, is set out below:

Name of Director	**Tan Poh Chye Allan**
Date of Appointment	12 November 2020
Date of last re-appointment (if applicable)	30 April 2021
Age	58
Country of principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The NC has recommended and the Board has agreed for Mr Tan Poh Chye Allan ("**Mr Tan**") to retire and seek re-election at the forthcoming AGM.
Whether appointment is executive, and if so, the area of responsibility	Independent and Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Chairman, Nominating Committee • Member, Audit Committee • Member, Remuneration Committee
Professional Qualifications	• University of Buckingham (LLB, Hons) • Gray's Inn (Bar Finals Examination) • London-Guildhall University (now London Metropolitan University MA, Comparative Business Law) • Barrister-at-law, England and Wales Advocate and Solicitor, Singapore
Working experience and occupation(s) during the past 10 years	• 2013 to 2018 – Partner at Virtus Law LLP (informal alliance with Stephenson Harwood LLP) • 2019 to 2020 – Principal Lawyer at Allan Tan Law Practice • April 2020 to present – Director at Altum Law Corporation • April 2020 to present – Owner of Allan Tan Corporate Services
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Name of Director	Tan Poh Chye Allan
Other Principal Commitments including Directorships	• Past (for the last 5 years)
• Past (for the last 5 years)	Independent and Non-Executive Director of Affinity Energy & Health Limited (Listed on the Australian Stock Exchange) – resigned on 14 January 2019
• Present	• Present – Independent and Non-Executive Director of CNMC Goldmine Holdings Limited – Independent and Non-Executive Director of Nico Steel Holdings Limited – Independent and Non-Executive Director of Ecowise Holdings Limited – Director at Altum Law Corporation – Owner of Allan Tan Corporate Services
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. Mr Tan was appointed nominee director of Prima Ops Pte. Ltd. ("**Prima**"), a private limited company, on March 2018 when it was first incorporated. Prima was a start-up company whose business was in the teaching of the English and Chinese languages via an app on mobile and hand-held devices (the "**business**"). Mr Tan was appointed nominee director of Prima as part of the legal services he provided to the controlling shareholder of Prima when the said controlling shareholder acquired the business from the vendor in order to satisfy the resident director requirement under the Companies Act. Mr Tan was not involved in the management of the business. Mr Tan resigned in February of 2019 after Prima reconstituted its board. Prima was put into liquidation by its directors in February of 2020 on grounds of inability to carry on business due to insolvency.
(c) Whether there is any unsatisfied judgment against him?	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Name of Director	Tan Poh Chye Allan
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Name of Director	Tan Poh Chye Allan
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of a listed Company? *If **yes**, please provide details of prior experience.* *If **no**, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).*	Yes. Mr Tan is currently Independent and Non-Executive Director of CNMC Goldmine Holdings Limited, Nico Steel Holdings Limited and Ecowise Holdings Limited.

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VIBROPOWER CORPORATION LIMITED
Registration No. 200004436E

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:
1. The Annual General Meeting (the "**Meeting**") will be held physically at 38 Tuas Crescent, Singapore 638725. There will be no option for shareholders to participate virtually.
2. For investors who have used their CPF monies and/or SRS monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF and/or SRS investors who wish to vote should contact their CPF and/or SRS Approved Nominees to submit their voting instructions by 9:00 a.m. on 20 November 2023.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in this proxy form and the Notice of Annual General Meeting dated 14 November 2023.

I/We, _____(Name)

_____(NRIC/Passport No./Company Registration No.) of

_____(Address)

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

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or*

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Annual General Meeting as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the 2023 Annual General Meeting of the Company ("**AGM**") to be held at 38 Tuas Crescent, Singapore 638725 on 30 November 2023 at 9:00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specified directions as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

No.	Resolutions	For**	Against**	Abstain**
1	Directors' Statement and Audited Accounts for the year ended 31 March 2023			
2	Re-election of Mr Tan Poh Chye Allan as Director			
3	Approval of Directors' fees for the period from 1 January 2023 to 31 March 2023			
4	Approval of Directors' fees for the year ending 31 March 2024, payable half-yearly in arrears			
5	Proposed Share Issue Mandate			

Notes:
* Delete accordingly
** Voting will be conducted by poll. If you wish to exercise all your votes "**For**" or "**Against**" the relevant resolution, please tick "**X**" in the relevant box provided. Alternatively, please indicate the number of votes "**For**" or "**Against**" each resolution. If you mark "**X**" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this _____ day of _____ 2023

Total number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

_____
Signature(s) of Shareholder(s)/or Common Seal of Corporate Shareholders
IMPORANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), 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 instrument of proxy will be deemed to relate to all the Shares held by you.

2. A member entitled to attend and vote at a general meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at a general meeting. Relevant intermediary is either:

   (i) a banking corporation licensed under the Banking Act 1970 of Singapore or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (ii) a capital market services license holder which provides custodial services for securities under the Securities and Futures Act 2001 of Singapore and holds in that capacity; or

   (iii) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased on behalf of CPF investors.

4. A proxy need not be a member of the Company.

5. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

6. The instrument appointing the proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

   (a) if by post, to the Company, at **11 Tuas Avenue 16, Singapore 638929** (Opening Hours is 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays); or

   (b) if sent by email, to the Company, at vote@vibropower.com

   in either case, not less than 48 hours before the time for holding the AGM and at any adjournment thereof and in default the instrument of proxy shall not be treated as valid.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing the proxy is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.

8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies or the Chairman of the AGM as proxy 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 the Chairman of the AGM as proxy. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register at seventy-two (72) hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

11. For investors who have used their CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) to buy Shares, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors and/or SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 9.00 a.m. on 20 November 2023).

PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy(ies) and/or representative(s), as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 November 2023.

VIBROPOWER

THE CUSTOM POWER SPECIALIST

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

www.vibropower.com