

INFORMATION RELATING TO QUESTIONS FROM THE SINGAPORE EXCHANGE REGULATION PTE. LTD. ON THE ANNUAL REPORT 2022

The Board of Directors (the “Board”) of VibroPower Corporation Limited (the “Company” (the “Company” and together with its subsidiaries, the “Group”) wishes to announce information relating to queries raised by the Singapore Exchange Regulation Pte. Ltd. (“SGX RegCo”) on the Annual Report 2022 (“Annual Report”) that was released by the Company on 12 July 2022 via SGXNET:

Question 1 from SGX RegCo:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 2.2 of the Code as independent directors do not make up a majority of the Board where your Chairman is not independent and there were no explanations were provided for in your annual report on how it is consistent with the intent of Principle 2 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company’s response(s):

The Board is aware of the apparent deviation from Provision 2.2 of the Code of Corporate Governance 2018. 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 to enable it to make decisions in the best interest of the Company for the following reasons.

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 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 is satisfied in terms of independence of decision-making and the lack of any business or any other relationship as confirmed in this paragraph.

In addition, as set out on page 14 of the Annual Report, to further strengthen and enhance the independence of the Board, Ms Toh Shih Hua is Lead Independent Director and is the principal liaison person in the event that any issue arises 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 are inappropriate or inadequate. Ms Toh Shih Hua was appointed Lead Independent Director on 12 November 2020 at the same time when the non-executive Chairman was re-designated from being an Independent Director to a non-executive Director and Chairman of the Board.

As set out on page 12 of the Annual Report, all the Board Committee meetings are also chaired by Independent Directors. Decisions made at these meetings are achieved by majority consensus and all Board Committees consist of a majority of Independent Directors. 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 Independent Directors have always been objective, frank and candid in expressing their opinions during board meetings and would raise queries, objectively debate and scrutinize issues at the meetings. The Board will then evaluate these proposals or reports, and where appropriate, provide guidance to Management. Apart from scheduled meetings, the Independent Directors and Non-Executive Director meet on a need-to basis amongst themselves and with the Company’s external and internal auditors in the absence of Management to discuss matters such as the Group’s financial 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 Chairman as appropriate.

VIBROPOWER CORPORATION LIMITED

Registration No. 200004436E
(Incorporated in Singapore)

In addition, as set out on page 15 of the Annual Report, on an annual basis, the Nominating Committee (“NC”) determines whether or not 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. 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 FY2022. The NC has reviewed the declarations and is satisfied with the independence of the Independent Directors.

Collectively, the practices referenced above ensure that the Board has an appropriate level of independence in its composition to enable it to make decisions in the best interests of the Company.

Question 2 from SGX RegCo:

We refer to page 27 of the annual report under the utilization of proceeds from rights issue. Listing Rule 1207(20) requires the Company to announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.

Company’s response(s):

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:

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

The above utilisation of the Net Proceeds is consistent with the intended use of Net Proceeds disclosed in the Offer Information Statement for the Rights cum Warrants issue.

By order of the Board

Benedict Chen Onn Meng
Chief Executive Officer

18 July 2022