**VIBROPOWER CORPORATION LIMITED**
(Company Registration Number: 200004436E)
(Incorporated in the Republic of Singapore)

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**EMPHASIS OF MATTER IN THE INDEPENDENT AUDITOR'S REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

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Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual ("**Mainboard Rules**"), the board of directors ("**Board**" or "**Directors**") of VibroPower Corporation Limited (the "**Company**") and together with its subsidiaries, (the "**Group**") wishes to announce that the Group's independent auditor, Foo Kon Tan LLP ("**Auditor**"), has rendered an unmodified audit opinion with an emphasis of matter on material uncertainty related to the Group's ability to continue as going concerns in their auditor's report (the "**Auditor's Report**") on the Group's audited financial statements for the financial year ended 31 March 2026 ("**FY2026 Audited Financial Statements**") in respect thereof. The Auditor's Report and the Company's audited financial statements are contained in its Annual Report 2026 (the "**AR2026**").

Notwithstanding that these events or conditions appear to cast significant doubt upon the Group's ability to continue as a going concern, the FY2026 Audited Financial Statements are prepared on a going concern basis as the Directors are of the view that the Group is able to continue on a going concern having regard to the factors described in Note 2(a), 4, 6, 19 and 28 to the FY2026 Audited Financial Statements. For further details, please refer to the extracts of the Auditor's Report and Note 2(a) to the Audited Financial Statements as annexed to this announcement. Shareholders of the Company are advised to read the Audited Financial Statements contained in the AR2026 which has been released on the SGXNET on 10 September 2026.

Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, shareholders and investors should consult their stockbrokers, bank managers, solicitors or other professional advisers.

**BY ORDER OF THE BOARD**

**Benedict Chen Onn Meng**
**Chief Executive Officer**
10 September 2026

## EXTRACT OF THE EMPHASIS OF MATTER FROM THE INDEPENDENT AUDITOR'S REPORT

### Emphasis of Matter

### Material Uncertainty Related to Going Concern

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2(a) to the financial statements, which indicates that the Group incurred a net loss of $159,000 for the financial year ended 31 March 2026. In addition, the Group is exposed to various risks arising from the contingent liabilities disclosed in Note 28 to the financial statements and potential payment obligations, if any, arising from the ongoing arbitrations with a project customer as disclosed in Note 19 to the financial statements. These events and conditions, along with the other matters described in Note 2(a) to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the directors are confident that the Group will have sufficient funds to meet their obligations and working capital requirements for at least twelve months from the end of the reporting period, based on the key assumptions made by management as disclosed in Note 2(a) to the financial statements. These key assumptions include, in particular, the timely completion of the associate's biomass power plant construction and the timely completion of the disposal of the two properties as disclosed in Notes 4 and 6 to the financial statements. Should these key assumptions not be realised, particularly in the event of delays in the completion of the associate's biomass power plant construction and the disposal of the two properties, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. As disclosed in Note 2(a) to the financial statements, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# EXTRACT OF THE NOTE 2(a) TO THE FINANCIAL STATEMENT FOR FY2026

## 2(a) BASIS OF PREPARATION

The financial statements are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information are disclosed in Singapore dollar, unless otherwise stated.

***Going concern***

As at 31 March 2026, the Group incurred a net loss of $159,000 (2025: $3,748,000). In addition, the Group is exposed to various risks arising from the contingent liabilities disclosed in Note 28 to the financial statements and potential payment obligations, if any, arising from the ongoing arbitrations with a project customer as disclosed in Note 19 to the financial statements.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the directors are confident that the Group will have sufficient funds to meet their obligations and working capital requirements for at least twelve months from the end of the reporting period, based on the following key assumptions:

- Adequacy of funding and timely completion of the associate's biomass power plant construction;
- Timely completion of the disposal of the two properties as disclosed in Notes 4 and 6 to the financial statements;
- The Group's ability to generate positive and sufficient operating cash flows from its operations;
- Continued financial support from the substantial shareholder and director, as and when required;
- No loans or advances being granted by the Group to the substantial shareholder and director and other related parties; and
- No significant adverse financial impact arising from the matters disclosed in Note 28, and the Group's ability to appropriately address such matters.

The events or conditions set out above indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. If the going concern assumption is no longer appropriate, adjustments may be required to reflect the situation that the Group may need to realise their assets and settle their liabilities other than in the normal course of business and at amounts which may differ significantly from those currently recognised in the statements of financial position.

Notwithstanding the above, the directors and management are confident that the key assumptions set out above will be achieved and that the Group will have sufficient funds to meet its obligations as and when they fall due. Accordingly, the directors have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments or reclassification of assets and liabilities that may be required if the going concern basis of preparation is no longer appropriate.

## EXTRACT OF THE NOTE 4 TO THE FINANCIAL STATEMENT FOR FY2026

### 4. PROPERTY, PLANT AND EQUIPMENT

| Group | Leasehold property $'000 | Plant and equipment $'000 | Total $'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2024 | 3,099 | 10,746 | 13,845 |
| Additions | – | 8 | 8 |
| Deconsolidation upon disposal of a subsidiary (Note 7) | – | (6,478) | (6,478) |
| Written off | – | (26) | (26) |
| Exchange differences | – | (93) | (93) |
| At 31 March 2025 | 3,099 | 4,157 | 7,256 |
| Additions | – | 28 | 28 |
| Deconsolidation upon disposal of a subsidiary | – | (6) | (6) |
| Written off | – | (287) | (287) |
| Transfer to assets classified as held-for-sale (Note 14) | (3,099) | – | (3,099) |
| Exchange differences | – | (19) | (19) |
| At 31 March 2026 | – | 3,873 | 3,873 |
| **Accumulated depreciation** | | | |
| At 1 April 2024 | 2,385 | 6,620 | 9,005 |
| Depreciation | 64 | 471 | 535 |
| Deconsolidation upon disposal of a subsidiary | – | (3,409) | (3,409) |
| Written off | – | (26) | (26) |
| At 31 March 2025 | 2,449 | 3,656 | 6,105 |
| Depreciation | 64 | 185 | 249 |
| Deconsolidation upon disposal of a subsidiary | – | (6) | (6) |
| Written off | – | (287) | (287) |
| Transfer to assets classified as held-for-sale (Note 14) | (2,513) | – | (2,513) |
| At 31 March 2026 | – | 3,548 | 3,548 |
| **Carrying amount** | | | |
| At 31 March 2026 | – | 325 | 325 |
| At 31 March 2025 | 650 | 501 | 1,151 |

***Security***

The Group's leasehold property with a carrying amount of $Nil (2025: $650,000) is pledged to secure the Group's loans and borrowings (Note 17).

***Assets classified as held-for-sale***

In June 2026, the Group entered into an option agreement granting a third party the right to purchase the Group's leasehold property and leasehold land (Note 5) for a consideration of $3,930,000. Management is committed to the sale, and completion is expected by February 2027. Management assessed that the criteria for classification as held-for-sale under SFRS(I) 5 *Non-current Assets Held-for-Sale and Discontinued Operations* ("SFRS(I) 5") were met as at 31 March 2026.

Accordingly, the leasehold property and leasehold land, with carrying amounts of $586,000 and $292,000, respectively, were reclassified to assets held-for-sale (Note 14). The related term loan of $902,000, which is secured by a mortgage over the leasehold property and leasehold land, was reclassified to liabilities directly associated with assets held-for-sale (Note 14). The assets were remeasured at the date of reclassification to the lower of their carrying amount and fair value less costs to sell, resulting in no impairment loss recognised in profit or loss. Depreciation on these assets ceased from the date of reclassification. These assets relate to the projects segment.

# EXTRACT OF THE NOTE 6 TO THE FINANCIAL STATEMENT FOR FY2026

## 6. INVESTMENT PROPERTY

| | Group 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Carrying amount** | | |
| At beginning of the year | 2,850 | 2,697 |
| Transfer to assets classified as held-for-sale (Note 14) | (3,028) | – |
| Exchange differences | 178 | 153 |
| At end of the year | – | 2,850 |
| **Fair value** | – | 4,537 |

Investment property pertains to a freehold land held by the Group located in Kluang, Malaysia.

At 31 March 2025, a professional valuation of the Group's investment property had been performed by an independent professional valuer with the requisite professional qualifications and recent experience within a scope which included the location and category of the property being valued. The valuer has considered the market comparison approach for comparative properties in deriving the fair value as at 31 March 2025.

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

***Valuation technique and significant unobservable inputs***

The following table shows the Company's valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

| Valuation technique | Significant unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|
| Market comparison approach | Recent transactions and asking price of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning approval status, title restrictions if any and other relevant characteristics to arrive at the market value. | The estimated fair value would increase/(decrease) with different adjustment factors used |

***Assets classified as held-for-sale***

In July 2026, the Group entered into an agreement with a third party to dispose of its investment property for a consideration of approximately $5,596,000 (RM17,500,000), against a carrying amount of $3,028,000 at the date of reclassification. The disposal is expected to complete by February 2027. Management assessed that the criteria for classification as held-for-sale under SFRS(I) 5 were met as at 31 March 2026. Accordingly, the investment property was transferred to assets classified as held-for-sale (Note 14).

## EXTRACT OF THE NOTE 19 TO THE FINANCIAL STATEMENT FOR FY2026

### 19. PROVISIONS

| | Group | | | |
|---|---|---|---|---|
| | Warranties $'000 | Potential back charges $'000 | Liquidated damages $'000 | Total $'000 |
| At 1 April 2024 | 18 | 600 | 672 | 1,290 |
| Provisions (Note 21) | – | 1,427 | – | 1,427 |
| Reversal of provisions (Note 21) | (10) | – | – | (10) |
| At 31 March 2025 | 8 | 2,027 | 672 | 2,707 |
| Provisions (Note 21) | 9 | – | 244 | 253 |
| At 31 March 2026 | 17 | 2,027 | 916 | 2,960 |

***Warranties***

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.

***Potential back charges and liquidated damages from a customer***

These provisions related to two ongoing arbitrations with a project customer.

(1) On 5 August 2024, a subsidiary of the Group initiated arbitration against a project customer to recover overdue payments and related losses totalling $3,385,000, which arose from the customer's wrongful termination of the project. On 2 September 2024, the project customer filed a response and a counterclaim against the subsidiary, alleging delays, breaches of contract, failure to complete outstanding works, and unrectified defects. Based on legal advice and information currently available, the Group made full provisions in 2024 for back charges and liquidated damages amounting to $600,000 and $672,000, respectively.

As at the reporting date, the arbitration is ongoing. While a hearing has been fixed, the timing of the tribunal's decision cannot be reliably estimated, as it is dependent on the tribunal's process and schedule. The provisions of $600,000 and $672,000 represent management's best estimate, based on legal advice, of the probable amounts payable in respect of the back charges and liquidated damages elements of the counterclaim respectively. The Group's own claim of $3,385,000 has not been recognised as an asset in the financial statements. Recovery is not considered probable at this stage and, in accordance with SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*, no disclosure of a contingent asset is made

(2) On 6 January 2025, a statement of claim was served by the same project customer against the subsidiary in relation to another project. The dispute arose from an alleged failure to supply engines manufactured in a specified country. The total claim of $1,671,000 comprises (i) $1,427,000 for the recovery of overpayments and costs incurred in rectifying uncompleted works, and (ii) $244,000 for liquidated damages arising from alleged project delays. As at the reporting date, this arbitration is at the pleadings stage and the timing of resolution is uncertain, dependent on the tribunal's process. Based on legal advice received and the information available to the Group, the Group recognised a provision of $1,427,000 in 2025 in respect of the back charges and a further provision of $244,000 in 2026 in respect of the liquidated damages.

As both arbitrations are subject to ongoing legal proceedings, the ultimate amount of damages finalised may vary from the provisions made in the financial statements, and such differences could be material.

## EXTRACT OF THE NOTE 28 TO THE FINANCIAL STATEMENT FOR FY2026

### 28. CONTINGENT LIABILITIES

#### (i) Corporate guarantee

The Company issued corporate guarantees to banks for borrowings of a subsidiary. The maximum exposure of the Company is the carrying amounts of the borrowings as shown below. At the reporting date, the Company has not recognised an ECL allowance as the Company does not consider it probable that a claim will be made against the Company under the guarantees. The periods in which the financial guarantees will expire are as follows:

| | Company | |
|---|---|---|
| | **2026** | **2025** |
| | **$'000** | **$'000** |
| 2026 | – | 399 |
| 2028 | 902 | 933 |
| | 902 | 1,332 |

#### (ii) Financial support

At the reporting date, the Company provided undertakings to certain subsidiaries to provide continuing financial support, enabling them to meet their obligations as and when they fall due and continue operating as going concerns in the foreseeable future.

#### (iii) Accrued outstanding salaries

As at 31 March 2025, the Group had salaries payable to a substantial shareholder and director, and a key management personnel amounting to $161,000 (Note 18), which were overdue under the statutory payment timelines prescribed by the Employment Act 1968. These amounts were settled in full prior to 31 March 2026, comprising payments made directly by the Group and payments made on the Group's behalf by a related party.

The delayed payment of salaries constitutes non-compliance with the statutory timelines under the Employment Act 1968, notwithstanding that the affected individuals had agreed to the deferred payment arrangement. As a result, the Group was exposed to the risk of administrative action by the Ministry of Manpower ("MOM"), including composition fines of between $3,000 and $15,000 per infraction for a first-time offence, and to potential claims referred for mediation under the Tripartite Alliance for Dispute Management ("TADM") framework.

Management has assessed this exposure as remote, based on (a) the absence of any enforcement action, fine, or summons issued by MOM or any other regulatory body as at the date of these financial statements, and (b) the affected individuals' agreement to the deferred payment terms, which reduces the likelihood of a complaint being lodged. On this basis, no provision for statutory fines or penalties has been recognised as at 31 March 2026 and 2025, as the recognition criteria under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* are not met. This matter has accordingly been disclosed as a contingent liability.

#### (iv) Possible non-compliance with the Singapore Companies Act 1967 (the "Act") and the SGX-ST Listing Manual

In respect of the payments made on behalf of the joint venture partners, the Audit Committee has reviewed the transactions and concluded that, in substance, they formed part of the economic arrangement for the acquisition by VPGE of two biomass power plants and that no benefit accrued to the substantial shareholder and director. The Company accordingly considers that these payments did not constitute loans or quasi-loans within Section 162 of the Act or interested person transactions under Chapter 9 of the SGX-ST Listing Manual, and that any shortcoming in relation to them is confined to the Group's internal governance and disclosure procedures (Note 27).

## EXTRACT OF THE NOTE 28 TO THE FINANCIAL STATEMENT FOR FY2026 (CONT'D)

**28. CONTINGENT LIABILITIES (CONT'D)**

**(iv) Possible non-compliance with the Singapore Companies Act 1967 (the "Act") and the SGX-ST Listing Manual (Cont'd)**

The Audit Committee has also reviewed the other advances and the running account with the substantial shareholder and director, in both directions, against the payment vouchers, bank transfer records and the confirmation obtained from the third-party lender (among other documentary evidence), and has concluded that the substantial shareholder and director did not derive any benefit from those advances.

Management has further assessed the transactions with the substantial shareholder and director against Chapter 9 of the SGX-ST Listing Manual. Under Rule 909 of the SGX-ST Listing Manual, the value of a transaction is the amount at risk to the Group. The account with the substantial shareholder and director is a mutual running account comprising loans and payments in both directions, and the amount at risk at any time is the net advance, if any, then outstanding to him. As at 31 March 2026 the movements on the account had been brought to a $Nil net position (Note 27), and following the reclassification to be made as described in Note 32(d) the account reflects a net amount payable to the substantial shareholder and director. Based on the Audit Committee's review of the running account, the amount at risk to the Group under Rule 909 has been assessed against the net advances (if any) outstanding during the financial year, including on an aggregated basis. To the extent that any announcement or shareholder approval under Rules 905 and 906 of the SGX-ST Listing Manual is required in respect of that amount at risk, the Company will make such announcements and seek such approvals or ratifications as may be required.

In April 2026 and May 2026, the Group made payments to SGG amounting to $320,000 and $226,000, respectively, in settlement of amounts owing by the Group to SGG for payments previously made by SGG on behalf of the Group. These payments, and the matters described above so far as they occurred after 31 March 2026, are non-adjusting events after the reporting period under SFRS(I) 1-10 Events after the Reporting Period.

Under the Act, the relevant Group subsidiary and/or its officers concerned may be exposed to statutory financial penalties or other legal remedies. Furthermore, the SGX-ST reserves the right to take enforcement actions against the Company, which may include private or public censures, administrative penalties, or directives for independent reviews.

Management has assessed that the exposure arising from these matters is remote, considering that (a) the relevant balances were brought to a $Nil position before 31 March 2026 through receipts recorded from the substantial shareholder and director, set-off against amounts owing by the Group to him, and payments made by the related parties on behalf of the Group in settlement of certain of its liabilities, (b) the funding arrangements (Note 32) have since been ratified and formalised by written resolutions passed on 1 July 2026, and (c) no enforcement action has been taken or intimated by any regulatory authority. Accordingly, no provision has been recognised in financial statements for the years ended 31 March 2026 and 2025, respectively.

Having regard to the review performed by the Audit Committee of the underlying documents relating to these advances, the Audit Committee is satisfied as to the matters described above and considers these matters to have been concluded. To reinforce this position and to future-proof the Group against any recurrence of the reporting or disclosure lapses identified, the Audit Committee will work with the Company's internal auditor to strengthen the Group's internal control processes. The planned enhancements will include: (a) establishing and maintaining a formal register of related party and interested person transactions, capturing all such transactions and balances between the Group and the substantial shareholder and director, related parties and their respective associates, and enhancing the periodic monitoring of, and reporting to the Audit Committee on, such transactions and balances; (b) implementing pre-approval and authorisation protocols, and clear segregation of duties, over the disbursement of funds and the flow of funds through third-party platforms and accounts; (c) introducing periodic monitoring of transaction values against the relevant thresholds under Chapter 9 of the SGX-ST Listing Manual, together with timely escalation, announcement and shareholder-approval procedures where applicable; (d) providing training to relevant management and personnel on the requirements of the Act and Chapter 9 of the SGX-ST Listing Manual; and (e) periodic reporting by the internal auditor to the Audit Committee on the design and operating effectiveness of these controls. The Audit Committee will oversee the implementation of these enhancements through to completion.