

VibroPower Corporation Limited
Sustainability Report FY2024

BOARD STATEMENT

VibroPower Corporation Limited (“**VibroPower**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to issue its sustainability report for the financial year ended 31 March 2024 (“**FY2024**”). This report has been prepared with reference to the primary components set out in Listing Rule 711B of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and guidelines stipulated in Practice Note 7.6 Sustainability Reporting Guide issued by the SGX-ST.

This report covers the Company and mainly its Singapore subsidiaries, VibroPower Pte Ltd and VirboPower Sales and Services Pte Ltd, which constitute substantial portion of the Group’s operations. This report also highlights:

- Efforts and responses to key concerns of our key stakeholders;
- Approach, priorities, performance and targets for material economic, environmental, social and governance (“**EESG**”) factors; and
- Climate-related risks and opportunities and how there are assessed and managed.

Governance of sustainability issues

The Board of Directors (the “**Board**”) has ultimate responsibility for the Company’s sustainability reporting and ensure that the material EESG factors are identified, monitored and managed by management. The Board considers sustainability issues in the Group’s business and strategy.

Management undertakes materiality assessment to identify and update the Board of material EESG factors and climate-related risks and opportunities of the Group annually, taking into accounts of internal and external factors and stakeholders’ feedback. Management also oversee EESG data quality and reporting.

All directors had attended the mandatory training on sustainability matters prescribed by the SGX-ST.

Reporting framework

We chose to prepare this report with reference to the Global Reporting Initiative (“**GRI**”) Standards (GRI 1: Foundation 2021) for their robust and comprehensive guidance on sustainability disclosures. To better align our disclosures to the needs of users and reporters of EESG information, this report is also prepared with reference to the 27 Core ESG Metrics proposed by the SGX-ST.

This is the first year that we included climate-related disclosures, reported according to recommendations of the Task Force on Climate-Related Financial Disclosures (“**TCFD**”), in our sustainability report.

We did not seek external assurance for this report. The Company is expected to obtain external limited assurance for Scope 1 and 2 greenhouse gas (“**GHG**”) emissions from FY2027 in order to comply with ‘Climate Reporting and Assurance Roadmap’ accepted by ACRA and SGX RegCo and may consider expanding coverage of external assurance in succeeding years as our reporting processes mature.

To provide assurance to management and the Board on the accuracy of EESG data, key aspects of our sustainability reporting would be reviewed by our outsourced internal auditors over an audit cycle spanning over a few years according to risk-based planning, as approved by the Audit Committee of the Company.

Feedback

This sustainability report should be read in conjunction with the Company's annual report for FY2024 ("**Annual Report 2024**").

We welcome and value feedback on the content of this report and encourage readers and stakeholders to contact us through the following channels:

- a) Mail (11 Tuas Avenue 16 Singapore 638929);
- b) Email (info@vibropower.com); or
- c) Contact page at our website (www.vibropower.com)

Board of Directors
VibroPower Corporation Limited

29 September 2024

CORPORATE PROFILE

VibroPower is a premier manufacturer and supplier of customizable power generator sets or gensets with about 30 years of track record and experience in serving customers across a broad range of industries around the world. We provide our customers with engines and alternators which we source from our suppliers for the manufacture of gensets ranging from 2kVA to 3,350kVA. We also have in-house expertise to provide value-added services like the design and manufacture of noise and vibration control features in our gensets.

The Company's corporate headquarters and principal place of business is at 11 Tuas Avenue 16 Singapore 638929.

Vision:

To be the world's custom power specialist.

Mission:

Build a global workforce to support our chosen markets.
Provide customer value through excellent after-sale service.
Strengthen existing and develop new markets.
To consistently exceed shareholder's expectations.

Core values:

At VibroPower, there are 3 powers at work:

PASSION – Our passion fuels our people.
PRIDE – We never say no.
POSSIBILITIES – We transform challenges to possibilities.

Key business segments:

- Projects - Supply, design, manufacture, installation, commissioning and servicing of gensets used mainly in commercial, industrial and residential projects.
- Power plants - Supply of electricity to power grid.

Industries/ sectors served:

Manufacturing; oil and gas; data centres; hospitals; factories and industrial parks; commercial buildings and malls; residential buildings; telecoms; ports and harbour cranes; water works; power stations and airports.

Certification, registration and membership:

The following are applicable to wholly-owned subsidiary of the Company, VibroPower Pte Ltd:

Type	Description	Expiry date
Building & Construction Authority (“BCA”) registration	Workhead category: ME11 Mechanical Engineering Approved grade: L1 Tender capacity for each project: S\$0.8 million	1 December 2026
BCA registration	Workhead category: SY08 Mechanical Equipment, Plant and Equipment Approved grade: L1 Tender capacity for each project: S\$0.8 million (Applied grade: L4 – S\$8.0 million)	1 December 2026 Note 1
ISO 9001:2015	Manufacture of generating sets including design of base frames, fuel tanks, canopies and electrical control panels	14 August 2025
bizSAFE Level 4	Recognition that the company’s Workplace Safety and Health Management System (“ WSHMS ”) champion is equipped with the knowledge and skills to develop and implement a robust WSHMS	2 August 2025
Corporate member	Singapore Electrical Contractors & Licensed Electrical Workers Association	-

Note 1:

VibroPower Pte Ltd’s renewal application for the BCA registration is partially approved and subject to the finalisation and submission of its audited financial statements for the year ended 31 March 2023 to BCA. VibroPower Pte Ltd would continue to rely on the approved L1 grading for the time being without affecting operations.

STAKEHOLDER ENGAGEMENT

A stakeholder can be defined as ‘any group of individuals who can affect or be affected by the achievement of the organisation’s objectives’. The interests and requirements of key stakeholders are taken into account when formulating strategies in order to foster mutually beneficial relationships which can be a competitive advantage for the Company.

Management identifies key stakeholders using the attributes of legitimacy, power and urgency:

- Legitimacy – Ability of the stakeholder to affect the direction of the Company based on general perception/ assumption whether the actions of the Company are desirable, proper or appropriate.
- Power – Ability of the stakeholder to impose their will.
- Urgency – Degree to which the stakeholder claim call for immediate action.

Management adopts formal and informal engagement platforms to understand the needs of key stakeholders.

Significance	Key concerns	Engagement platforms	VibroPower's efforts and responses
EMPLOYEES			
A company is only as good as its people. As such, it is important to keep our employees engaged and motivated and empower them to perform to their fullest potential.	Company strategy and direction Safe and healthy working environment Compensation and benefits Training and development Open communication Non-discrimination and human rights	Staff orientation On-the-job and external trainings Briefings and meetings Annual appraisals/surveys Exit interviews	Opportunities for advancement, promotion and compensation are provided based on merit. We provide in-house training and send employees for external training (if required) to secure our workforce's competitiveness.
CUSTOMERS			
Most of our customers consider us as their key supplier and rely on us to meet quality and safety standards. Understanding our customers and their requirements and ensuring quality and safety of our products and services would, in turn, contribute to our own sustainable development.	Customer satisfaction Quality and safety of products and services Meet product specification standards required by customers Price competitiveness Fair trade terms	Ongoing communication via various channels Regular project review meetings Customers' feedback process Customer visits	We harness insights from customer engagement and continually improve our product and service delivery to better meet or exceed customers' expectations.
SUPPLIERS			
Strong business relationships and collaboration with our suppliers would enable the Company to not only strengthen its supply chain but also unlock innovation and competitive advantages.	Financial stability Prompt payment Fair trade terms Stable and long-term business relations	Ongoing communication via various channels Suppliers' selection and evaluation	We engage in regular updates with our suppliers to ensure alignment and quick resolution of any issues or challenges that may arise. We strive to serve as good partners to other companies that help us meet our missions.
REGULATORS			
Policies and regulations can affect how we run our business and also create new opportunities. As a listed company, we need to comply with the listing rules and observe high standard of corporate governance.	Compliance with laws and regulations Compliance with listing rules Transparency and accountability Anti-corruption and bribery	SGXNet announcements Annual reports and circulars Seminars and training programmes organised by the relevant authorities	We keep ourselves alert of market development and changes in legislation and ensure that we continue to comply with prevailing laws and regulation and disclosure requirements.

Significance	Key concerns	Engagement platforms	VibroPower's efforts and responses
SHAREHOLDERS			
Our shareholders look to management to deliver strong performance to maximise the returns on their investment and keep them informed of major developments in the Group.	Strategic direction and growth plans Financial performance Corporate governance Risk management Sustainability Shareholder value	SGXNet announcements Annual reports# and circulars General meetings	We keep the investment community apprised of major development in the Group via SGXNet announcements and describe our corporate governance and sustainability practices in our annual reports to assure shareholders that risks are being managed.

DETERMINATION OF MATERIAL FACTORS

Material EESG factors are economic, environmental, social and governance issues whose consequences would have a significant impact on the Company and thus, need to be prioritised to be closely monitored and reported.

The Company determines materiality annually using a risk-based approach which takes into consideration the factors' relevance or impact to the business, strategy, financial planning, business model and key stakeholders.

Step 1: Identify

Identify material EESG factors relevant to the Company by:

- Considering its activities, business relationships, stakeholders and developments in the business environment;
- Considering the feedback gathered from stakeholder engagement;
- Considering enterprise risks identified via the Company's enterprise risk management processes; and
- Reading of sustainability reports published by similar and more established companies.

Step 2: Prioritise

Material EESG factors are prioritised based on the significance of their impact (actual/potential/positive/negative) on enterprise value, economy, environment and people (including human rights). Significance of impact is determined by the severity/scale/scope and likelihood of impact. Material EESG factors with the most significance impacts would be reported in the Company's sustainability report.

Step 3: Validate and review

Seek the Board's approval on the material EESG factors.

Material factors would be reviewed when there are changes in the business model or external conditions. Material factors are treated as enterprise risks and opportunities and would be reviewed annually as part of the regular enterprise risk management processes.

MATERIAL FACTORS

Pillar	Material factors	Reason(s) for its significance
Economic	Economic performance	To be able to fulfil various duties and obligations to stakeholders, the Group needs to be financially stable and strive to consistently generate profits and cash flows from its operations and activities.
	Customer satisfaction	The financial performance and growth of our Group is correlated to how well we serve our customers, which in turn has impact on our ability to expand our customer base.
	Supply chain management	Businesses that run strong and efficient supply chains tend to generate more revenue and higher profits. Supply chain management done well would enable us and our customers to enjoy cost advantages.
Environmental	Limiting carbon footprint and consumption of natural resources	VibroPower has a shared responsibility to protect the environment for the health and well-being of future generations by limiting our carbon footprint and consumption of Earth's resources.
Social	Occupational health and safety	A high proportion of our employees are involved in production, installation, repair and maintenance work and are exposed to higher than usual risk of fatal injuries. Management needs to pay keen attention to this factor to minimize the risk of workplace injuries and illnesses.
	Training and development	As our scope of business evolve and expand, our employees need to be equipped with the right competencies to fulfil operational needs and capture opportunities. Trainings provide our employees with the knowledge on how to work systematically and indirectly contributes to occupational health and safety.
Governance	Compliance with laws and regulations	Our shareholders and the regulators are important stakeholders of the Company and are particularly concern that sound system of corporate governance are running effectively to safeguard their investments and/or interests. Our continuing association with certain customers (for example corporations which are involved in public projects) requires us to be law-abiding.
	Business ethics and governance (Including anti-corruption)	

Based on the sustainability report FY2023, the Group reported total 14 material factors. These were streamlined to eight in FY2024. The change in material factors is mainly resulting in a more structured approach that management adopt in material identification.

ENTERPRISE RISK MANAGEMENT (“ERM”)

The Company has in place an ERM framework which includes a set of processes to ensure that management is aware of, and attends to, current and emerging risks. The Group's significant risks (including climate-related risks), EESG (including human rights) impacts, mitigating measures and

action plans to further address these risks are documented in a risk register. The risk register of the Group would be submitted for review and approval by the Board annually.

CLIMATE RISKS AND OPPORTUNITIES

Risks related to climate change are now ranked as top global risks. According to the World Economic Forum's Global Risk Report 2024, extreme weather events and critical change to Earth systems are the top 2 global risks over 2-year and 10-year periods. Increased understanding of the Group's climate risks can result in better risk management and more informed strategic planning, and thereby enable us to safeguard our business more effectively. This also provides an opportunity to identify opportunities associated with a transition to a low-carbon economy and severe weather conditions induced by climate change.

The time horizons used by management to assess climate-related risks and opportunities are as follows:

- a) Short term – Over the next 3 years from year 2024
- b) Medium term – Through the following 7 years from year 2027
- c) Long term – Up to the following 10 years from year 2034 to year 2043

Climate risks

S/n	Risk category, description and time horizons	Potential financial impact	Mitigation plan(s)
1	<p>Physical risk – Acute:</p> <p>Increase in extreme weather events is expected to result in more frequent disruptions and delays (due to port downtime, diversions and delayed departures) to shipping schedules.</p> <p>Short to long term.</p>	<p>Increase in shipping costs and/or cost of purchases.</p> <p>Shipping delays which result in late project deliveries may require compensation to customers.</p>	<p>To monitor price movements of raw materials and components and make adjustments to maintain overall cost levels.</p> <p>To widen procurement sources to strengthen supply chain resilience.</p> <p>Better planning and coordination with suppliers to prevent or minimize operational disruptions.</p>
2	<p>Physical risk – Chronic/short term:</p> <p>Rising temperatures and heatwaves may:</p> <ul style="list-style-type: none"> a) lower productivity of our workforce and increase risk of heat-related illnesses; and b) decrease oil palm yield resulting in less supply of oil palm fruit bunch to sustain our biomass power plant business in Malaysia. <p>Short to long term.</p>	<p>Increase in headcount and payroll costs to cope with absenteeism.</p> <p>Hinder plans to grow sales.</p> <p>Lower profits of our biomass power plant business in Malaysia.</p>	<p>To review and plan for better ventilation, sheltering and hydration facilities in our premises.</p> <p>To contribute to global effort to curb and reduce GHG emissions.</p> <p>To source for oil palm fruit bunches from palm oil mill factories over a wider geographical radius.</p>
3	Transition risk – Policy and legal:		

S/n	Risk category, description and time horizons	Potential financial impact	Mitigation plan(s)
	<p>a) Enhancement in climate-related reporting requirements; and</p> <p>b) More stringent emission standards for off-road diesel engines.</p> <p>Note: Since 1 July 2012, all off-road diesel engines to be imported for use in Singapore must comply with EU Stage II, US Tier II and Japan Tier II off-road diesel engines emission standards.</p> <p>Short to long term.</p>	<p>Increase in compliance costs and costs to monitor of EESG performance and risks.</p> <p>Inventory impairment resulting from the phasing out of engines and generators which do not meet emission standards.</p>	<p>To be updated of climate-related reporting regulations and trends and build up the necessary capabilities early.</p> <p>The Group are no longer stockist and only make orders of key components after accepting customers' orders and confirming that required components are not in inventory.</p>
4	<p>Transition risk – Technology; and Opportunity – Product and services:</p> <p>Wider use of solar panels and biofuel power generators in buildings to generate and/or store energy may reduce the requirement for diesel gensets.</p> <p>Medium to long term.</p>	<p>Decrease in sales of gensets.</p>	<p>The Group has ventured into solar farm and biomass power plant businesses to expand revenue and profit streams and is in good stance to enhance expertise in these renewable energy sources and apply them in the backup power sector.</p>

Climate opportunities

S/n	Category	Description and time horizons	Potential financial impact
1	Resource efficiency	<p>Adoption of technologies that reduce resource consumption; and take advantage of the relating governmental policies and grants.</p> <p>Short to long term.</p>	<p>Reduction in operating costs upon the adoption of more efficient equipment and processes.</p>
2	Products and services	<p>Shift in markets' preference for gensets that run on renewable or clean fuel.</p> <p>Medium to long term.</p>	<p>Increase in revenue from:</p> <p>a) Gensets that run on natural gas or biofuel; and</p> <p>b) Attentive maintenance on other fuels which could degrade or leak more easily, for gensets which are only activated during rare/occasional power outage.</p>
3	Markets	<p>Higher occurrence of extreme weather events could adversely affect locations with outdated or less developed grid</p>	<p>Increase in revenue from new markets.</p>

		infrastructure and present opportunity for the Group to enter these markets.	
		Medium to long term.	

ECONOMIC

Economic performance

Our economic performance affects financial stability which, in turn, has an impact on our ability to meet our financial obligations to various stakeholders, such as our employees and suppliers. To ensure financial stability, our finance team monitors the financial health of the Group, paying particular attention to working capital requirements and exposure to credit risks.

Group revenue increased by S\$5.2 million or 55.0% from S\$9.6 million in FY2023 to S\$14.8 million in FY2024. In addition to a higher number of orders fulfilled, the increase in revenue was partially due to delays in delivery schedules of several major projects in FY2023, resulting in the associated gensets being delivered in FY2024. Singapore continues to be the Group's largest market, accounting for 86.0% of total revenue in FY2024 (FY2023: 71.8%). The remaining sales are generated from customers in Asia, particularly China and Hong Kong.

Gross profit increased by S\$2.2million from S\$0.3 million in FY2023 to S\$2.5 million in FY2024 and gross profit margin increased from 3.3% in FY2023 to 17.0% in FY2024. This was mainly due to the delivery for a higher proportion of large-scale projects, which fetched better margins, in FY2024 compared to FY2023. Most of the project deliveries in FY2023 were for residential and small industrial buildings.

In spite of the better revenue and gross profit reported for FY2024, the outlook of the genset business remains challenging as costs continue to rise and competition intensifies. Therefore, it is important for the Group to explore opportunities to open new revenue and/or profit streams, especially in complementary businesses. With the growing commitments to achieve net-zero emissions by governments and large companies, renewable and clean energy solutions are identified as a viable business line for VibroPower. The following related investments were made in recent years:

- a) In November 2023, the Company entered into a joint venture agreement with Interra Resources Limited, a well-established petroleum exploration and production company listed on the SGX-ST, to cooperate to build a 2-megawatt photovoltaic solar farm on a land parcel in Sabah, Malaysia. Please refer to the Company's SGXNet announcement dated 1 November 2023.
- b) In October 2021, VibroPower Green Energy Sdn Bhd ("VGE"), an associate of the Company, acquired a biomass power plant in Malaysia and subsequently begun upgrading it to enhance its efficiency and output. The first phase of upgrade relating to sludge oil processing was completed in July 2024. In this treatment plant, palm oil sludge or palm oil mill effluent (POME) are extracted from oil palm fruit bunch (a solid waste product from palm oil mill factories after their extraction of oil from fresh palm fruit) and sold. The second phase of upgrade which involves configuring the biomass power plant for operations would commence as soon as necessary approvals from the Malaysian authorities are secured. The 11.5 megawatt power plant would use the empty fruit bunch as fuel to generate electricity to be sold to a local power group for distribution to the national grid. Management is working towards completing the second phase. Please refer to the Company's SGXNet announcement dated 8 June 2021.

These investments align with global trends towards lower carbon emissions and renewable and clean energy, demonstrate our commitment to the environmental sustainability and are expected to generate profits and cash flows for the Group.

As at 31 March 2024, the Group's net assets was S\$8.2 million and current assets exceeded current liabilities by S\$2.7 million. The Company is considering disposing of certain non-current assets which are not required for its operations to further augment its working capital.

More details of the Group's economic performance can be found in the following sections of Annual Report 2024:

- 'Financial and Operations Review'; and
- 'Directors' Statement and Financial Statements'.

Supply chain management

In the genset market, we maintain our competitive edge and secure margins by prioritizing 3 key factors: quality, delivery lead time and pricing. We regularly evaluate our key suppliers on these criteria and provide feedback when they fall short of our standards.

We also view supply chain management as a part of working capital management and a strategy to improve profitability and have adopted the following measures, without compromising on quality and customers' experience, in recent years.

- a) Review supply chain arrangements regularly and assess if we can purchase the same raw materials and components for a lower price, enabling us to save costs and also strengthen the resilience of our supply chain.
- b) Transitioned from being a stockist to implementing just-in-time ordering system, enabling us to better control storage costs and manage cash flows. The Group would only make purchase of key components (such as engine, alternator and radiator/heat-exchanger) upon receipt of customers' orders and after confirming that the components required are not in our inventory.
- c) Focus on supplying gensets of a certain range of engine ratings which are most commonly used in the market enable us to derive various economies of scale and streamline operations.

VibroPower's supply chain is a key component of our competitiveness and resilience and management is committed to proactively manage it through careful planning, close coordination and clear communication with the suppliers.

Customer satisfaction

VibroPower has been in genset business since 1995. Our in-depth understanding of power requirements makes us a dependable provider of custom-specified generators that are used in various premises and buildings across a wide range of industrial sectors, including government and civil services. Our flexible approach towards design and manufacturing allows our customers to incorporate a host of non-standard features into our line reliable, value for money gensets.

Our customers value us most for our technical support and after sale and maintenance support. Our in-house production and engineering capabilities was set up in January 2000 and has over the years of operations provided value-added solutions to future-proof our gensets and advice to help our customers to fulfil fire safety and other regulatory requirements in relation to gensets and standby power of buildings. In addition to designing the gensets according to customers' specifications, we also have in-house expertise to design and manufacture add-on options such as noise and vibration controls.

We monitor our production process closely and carry out stringent tests to ensure that our gensets conform to our customer's specifications. All final assembled gensets are subjected to a performance test of up to 8 hours depending on our customer's requirements. Key components of our gensets come

with warranties from our suppliers. Warranty periods only commence upon the delivery or shipment of the completed gensets to our customers.

We have an established track record of delivering our gensets to our customers on time. Weekly meetings with our production and engineering teams are conducted to review and discuss the production schedules and progress. Since the commencement of operations, the Group has not experience cancellation of orders or incurred material liquidated damages or penalties due to late delivery.

In FY2023, the Group recognised provision for potential back charges amounting to S\$0.6 million and provision for liquidated damages amounting to S\$0.7 million. Although these claims by the same customer were made without merit, full provisions were made out of the abundance prudence. Provision for expected credit losses on trade receivables and contract assets amounting to S\$2.6 million were also made taking into consideration the customer's ability and willingness to make repayment. Management is considering the next course of action. Please refer to the Company's SGXNet announcement dated 19 July 2023 for more details.

In FY2024, a main contractor, through a demand letter, alleged that VibroPower Sales and Services Pte Ltd did not provide certain documentation and has threatened to call on a performance bond amounting to S\$0.8 million. The Group has made provision for performance bond to a customer of the same amount and will update shareholders via SGXNet announcement(s) of material development of the matter. Please refer to the Company's SGXNet announcement dated 6 March 2024, 18 March 2024, 5 August 2024 and 16 August 2024. The Company has commenced arbitration proceedings to seek recovery of unpaid fees and refute any allegation of wrong doing.

ENVIRONMENTAL

Energy consumption

Our key electricity conservation initiatives are as follow:

- Monitor and review electricity usage regularly and take corrective actions if required;
- Switch off lights when they are not in use;
- Consider energy efficiency when procuring plant and equipment; and
- Installed motion sensor lighting in production area to curb wastage.

Water consumption

Our key water conservation initiatives are as follow:

- Monitor and review water usage regularly and take corrective actions if required;
- Switch off lights when they are not in use; and
- Consider water efficiency when procuring plant and equipment.

Reduction of coal mine methane ("CMM")

In addition to the solar farm and biomass power plant business described under 'Economic' pillar above, the Company, through its wholly-owned subsidiary, Shanxi Weineng Coal Mine Gas Development Co., Ltd ("**SXWN**"), collaborates with a nearby coal mine (Owned by Shanxi Dongsheng Coal Mining Group Company Limited) and operates a CMM power plant in Shanxi Province of China since December 2015. CMM supplied by the coal mine and all electricity generated by SXWN are sold to Shanxi State Grid. In January 2018, SXWN obtained approval from the relevant authority to increase the electricity supply capacity to 20 megawatts. SXWN has 8 generators which generated and supplied 14,397 megawatts of electricity in FY2024 (FY2023: 24,715 megawatts). Less electricity was generated during FY2024 as the coal mine underwent safety improvements during certain months. The collaboration with the owner of coal mine will end in November 2026.

CMM is a mixture of methane and air released during the process of coal mining. On a 100-year timescale, methane has 28 times greater global warming potential than carbon dioxide and is 84 times more potent on a 20-year timescale. Therefore, its capture and use to generate electricity has significant environmental benefits.

SXWN is held through the Company's wholly-owned subsidiary in Hong Kong SAR, VibroPower (HK) Limited. On 2 August 2024, VibroPower (HK) Limited entered into an equity transfer agreement with Du XuFang and Liu Jin Jing to divest 100% of its equity interest in SXWN for a total cash consideration of RMB30 million (including the settlement of inter-company balance of RMB10 million). In addition to a net gain on disposal of \$2.8 million, the proceeds from this divestment will enable the Group to strategically reinvest in promising green and renewable energy projects whilst strengthening our working capital to support the continued growth and development of our other existing renewable energy initiatives. Please refer to the Company's SGXNet announcement dated 4 August 2024.

SOCIAL

Workforce profile¹

Category	Sub-category	FY2024		FY2023	
		Number	%	Number	%
Gender	Employees by gender:				
	Male	8	57	8	50
	Female	6	43	8	50
	Total (As at year end date)	14	100	16	100
	Joiners during the year:				
	Male	4	44	3	50
	Female	5	56	3	50
	Total	9	100	6	100
	Leavers during the year:				
	Male	4	36	5	56
	Female	7	64	4	44
	Total	11	100	9	100
Age	Employees by age group:				
	Under 30 years old	4	29	3	19
	30 to 50 years old	8	57	10	62
	Over 50 years old	2	14	3	19
	Total (As at year end date)	14	100	16	100
	Joiners during the year (Note A):				
	Under 30 years old	5	56	2	33
	30 to 50 years old	4	44	3	50
	Over 50 years old	-	-	1	17
	Total	9	100	6	100
	Leavers during the year (Note B):				
	Under 30 years old	4	36	2	22
	30 to 50 years old	6	55	6	67
	Over 50 years old	1	9	1	11
	Total	11	100	9	100
Nationality	Male employees by nationality:				
	Singaporean	3	38	3	38
	Chinese	2	25	2	24
	Malaysian	2	25	-	-
	Others (e.g. Indian and Indonesian)	1	12	3	38
	Total (As at year end date)	8	100	8	100
	Female employees by nationality:				
	Singaporean	1	17	1	12
	Chinese	1	17	3	38
	Malaysian	4	66	4	50
	Others (e.g. Indian and Indonesian)	-	-	-	-
	Total (As at year end date)	6	100	8	100
	Total employees by nationality:				
	Singaporean	4	29	4	25
	Chinese	3	21	5	31
	Malaysian	6	43	4	25
	Others (e.g. Indian and Indonesian)	1	7	3	19
	Total (As at year end date)	14	100	16	100

Category	Sub-category	FY2024		FY2023	
		Number	%	Number	%
Length of service	Male employees by length of service:				
	Less than 5 years	5	62	3	38
	5 years and above	3	38	5	62
	Total (As at year end date)	8	100	8	100
	Female employees by length of service:				
	Less than 5 years	3	50	4	50
	5 years and above	3	50	4	50
	Total (As at year end date)	6	100	8	100
	Total employees by length of service:				
	Less than 5 years	8	57	7	44
	5 years and above	6	43	9	56
	Total (As at year end date)	14	100	16	100

Notes:

A (%) - New hire rate = Number of joiners/Total number of employees at year end date x 100%

B (%) - Turnover rate = Number of leavers/Average number of employees during the year x 100%

¹Above matrix table data is mainly covered Singapore entities, including VibroPower Corporation Limited, VibroPower Pte. Ltd. and VibroPower Sales and Services (S) Pte. Ltd..

Occupational health and safety (“OHS”)

The Group put in place safety measures to ensure a safe and healthy working environment for our employees and especially for the production team. Such measures include:

- Requiring production workers to wear personal protective equipment, for example safety boots, hard hats, gloves and goggles;
- Hearing protection devices are available for use to mitigate noise exposure;
- Periodic assessment of operations by safety supervisor or ISO consultant to identify risks and the necessary mitigation actions;
- Regular maintenance and pre-use checks are performed on machine and equipment;
- Toolbox briefings will be conducted when performing installation or maintenance work at customers' sites;
- Reminder to employees that in hazardous situation, they are allowed to cease work immediately and report to their supervisors and/or managers;
- Production staff are encouraged to provide suggestions to improve workplace safety;
- Emergency response plan pertaining to a 10,000 -litre diesel storage tank at production area is in place and reviewed by SCDF at least once a year; and
- Annual fire drill is conducted and supervised by production engineer.

In Singapore, the Company took up a corporate scheme with Integrated Health Plans (IHP) which own and/or operate a large network of clinics. All our employees in Singapore are also allowed to visit their preferred clinics for general medical consultation. Management monitors the frequency of medical consultations and if necessary, check if frequent visits to the doctors, especially by employees from the same department or work location, are related to work hazards that need to be addressed.

Training and development

We identify, plan, and review the effectiveness of the training provided to employees to ensure they are equipped with the know-how to do their jobs to the best of their abilities.

In addition to technical trainings that are related to their vocations, our employees are sent for in-house and off-site training sessions on occupational health and safety, anti-bribery, quality management systems, first aid skills. On-the-job training are provided by senior staff for new employees.

GOVERNANCE

VibroPower recognises the importance of good corporate governance and is committed to making sure that the Group has in place effective corporate governance practices to protect the interests of our shareholders and maximise long-term shareholder value.

Code of Corporate Governance 2018 (the “Code”)

During FY2024, the Company has substantially adhered to the principles and provisions of the Code. Any deviation from the provisions of the Code is explained in Corporate Governance Report FY2024 which forms part of Annual Report 2024.

Code of conduct/Anti-corruption

The Group has established a 'Code of Business Conduct and Ethics for Employees' (“**Code of Conduct**”) that states the fundamental principles of ethical and professional conduct expected of all employees covering areas such as employees' responsibilities to the Group, confidentiality of information, anti-corruption and conflict of interest. Employees of the Group, including the directors, whose job responsibilities may give rise to conflict of interest are required to complete and submit an annual conflict of interest declaration to the Human Resources (“**HR**”) Department of the Company.

As at the date of this report, the Code of Conduct, including anti-corruption policy, has been formally communicated to all directors and key management personnel of the Company.

Whistle-blowing

The Company has in place a whistle-blowing policy and has implemented procedures and arrangement for employees and external stakeholders to raise concerns about possible corporate improprieties to the Audit Committee.

The Audit Committee can be contacted via the following email addresses: shihhua@genesiscapital.com.sg and allytan2003@yahoo.co.uk.

Grievance mechanism

VibroPower values opportunities to address any potential negative impacts arising from our business activities and operations and will cooperate with the relevant stakeholders to undertake remedial actions. Feedback and complaint can be directed to management via telephone (+65 6268 2322), email (info@vibropower.com) and mail to our corporate headquarters.

PERFORMANCE REVIEW

General

Relevant metrics	Units	FY2024	FY2023
Revenue	S\$'000	14,845	9,576
Average number of employees	Number	15	17

Environmental stewardship³

Relevant metrics	Units	FY2024	FY2023
GHG emissions ¹ :			
Stationary combustion	tCO ₂ e	212	140
Mobile combustion	tCO ₂ e	54	52
Fugitive emission	tCO ₂ e	1	1
Scope 1 – Total	tCO ₂ e	267	193
Electricity ²	tCO ₂ e	72	74
Scope 2 – Total	tCO ₂ e	72	74
Total	tCO ₂ e	339	267
GHG emission intensities:			
Scope 1 (Direct)	tCO ₂ e / Revenue (S\$'000)	0.02	0.02
Scope 2 (Indirect)	tCO ₂ e / Revenue (S\$'000)	0.00	0.01
Scope 1 (Direct)	tCO ₂ e / Average no. of employees	17.80	11.35
Scope 2 (Indirect)	tCO ₂ e / Average no. of employees	4.80	4.35
Energy consumption:			
Electricity consumption	kWh	173,504	177,330
Electricity consumption intensities:			
kWh / Revenue (S\$'000)	-	11.7	18.5
kWh / Average number of employees	-	11,566.9	10,431.2
Water consumption:			
Water consumption	m ³	1,928	6,741
Water consumption intensities:			
m ³ / Revenue (S\$'000)	-	0.1	0.7
m ³ / Average number of employees	-	128.5	396.5
Regulatory and compliance incidents	S\$'000	NIL	NIL
Environmental fines and penalties	S\$'000	NIL	NI

¹ GHG emissions are derived in accordance with the requirements of the GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report.

² The equivalent CO₂ emission for electricity is mainly based on the operating margin factors from the Energy Market Authority of Singapore.

³Above matrix table data is mainly covered Singapore entities, including VibroPower Corporation Limited, VibroPower Pte. Ltd. and VibroPower Sales and Services (S) Pte. Ltd..

Training and development³

Relevant metrics	Units	FY2024	FY2023
Training hours:			
Male	Number of hours	15	9
Female	Number of hours	37	16
Total	Number of hours	52	25
Average training hours per employee:			
Male	Number of hours	1.9	1.1
Female	Number of hours	6.2	2.0
Overall	Number of hours	3.7	1.6

Occupational health and safety³

Relevant metrics	Units	FY2024	FY2023
Fatalities	Number	NIL	NIL
Recordable injuries	Number	NIL	NIL
High-consequence injuries (Refers to injuries from which the employee cannot recover fully to pre-injury health status within 6 months)	Number	NIL	NIL
Recordable work-related ill-health cases	Number	NIL	NIL

Governance³

Relevant metrics	Units	FY2024	FY2023
Total number of directors	Number	4	4
Independent directors	Number	2	2
Independent directors	%	50%	50%
Non-executive directors	Number	1	1
Non-executive directors	%	25%	25%
Women on the Board	Number	1	1
Women on the Board	%	25%	25%
Women on management team	Number	1	1
Women on management team	%	50%	50%
Confirmed incidents of corruption	Number	NIL	NIL
Public legal case regarding corruption brought against any group entity or its employees	Number	NIL	NIL
Instances for which non-monetary sanctions were incurred	Number	NIL	NIL
Significant instances of non-compliance with law and regulations	Number	NIL	NIL
Whistleblowing reports received	Number	NIL	NIL

³Above matrix table data is mainly covered Singapore entities, including VibroPower Corporation Limited, VibroPower Pte. Ltd. and VibroPower Sales and Services (S) Pte. Ltd..

TARGETS AND PLANS

Pillar – Material factors	Targets and plans for FY2025 and FY2026	Performance in FY2024
Environmental – Limiting carbon footprint and consumption of natural resources	Include Scope 3 emissions in the Company's climate-related disclosures from FY2026 onwards [#]	Not applicable
Social – Occupational health and safety	<u>Ongoing and long-term target:</u> Zero incident of fatality and high-consequence injury	Zero incident of fatality and high-consequence injury
Governance – Code of conduct/Anti-corruption	Formalise and conduct in-house training on anti-corruption	Not applicable
Governance – Laws and regulations	<u>Ongoing and long-term target:</u> Zero incident of significant instance of non-compliance with laws and regulations	Zero incident of significant instance of non-compliance with laws and regulations
-	Prepare for enhancements to climate reporting that would be applicable from FY2025 to FY2027: <ul style="list-style-type: none"> - Climate-related disclosures according to International Sustainability Standards Board (ISSB) Standards[#]; and - Conduct of external limited assurance on Scope 1 and 2 GHG emissions[#] 	Not applicable

[#] Management would be building up capabilities to meet these enhanced disclosure requirements.

RESPONSES TO TCFD RECOMMENDATIONS

This is the first year that the Company is providing climate-related disclosures, consistent with TCFD recommendations.

The requirement to make climate-related disclosures give us an opportunity to holistically identify and understand the climate-related risks and opportunities impacting our business. Disclosures made according to TCFD recommendations enable us to better communicate to our stakeholders on the impacts of climate change on our business, the actions we will take to mitigate and adapt to these impacts and give assurance that risks are being assessed and addressed.

Our responses to TCFD recommendations across 4 TCFD pillars are as follow:

TCFD's pillars	Our approach
Governance	<p>Please refer to 'Board Statement – Governance of Sustainability Issues' section in this report for:</p> <ul style="list-style-type: none"> - Board's oversight of material EESG factors and climate-related risk and opportunities; and - Management's role in the assessing and managing material EESG factors and climate-related risks and opportunities.
Strategy	<p>Please refer to 'Climate Risks and Opportunities' section of this report for:</p> <ul style="list-style-type: none"> - Climate-related risks and opportunities over the short, medium and long term; - Relating potential impact to the business and potential financial implications; and - Group's response to these potential impacts. <p>To gain a deeper understanding of the potential financial impacts associated with material climate-related risks and opportunities, the Company will build up capabilities and conduct our first scenario analysis within the next 1 to 2 years. This analysis will provide a detailed assessment of various climate-related outcomes and facilitate the formulation of strategies for risk mitigation.</p>
Risk Management	<p>Please refer to 'Climate Risks and Opportunities' section of this report for:</p> <ul style="list-style-type: none"> - Group's processes for identifying and managing climate-related risks; and - How the above processes integrate with the Group's ERM framework.
Metrics and targets	<p>The Group does not set targets for GHG emissions and electricity and water consumption, the relating climate impacts are not material.</p> <p>Our Scope 1 and 2 emissions and electricity and water consumption are disclosed in 'Performance Review' section of this report. Targets for GHG emissions and electricity and water consumption are not set as the relating climate impacts are not material. Instead, we focus on ways to minimising GHG emissions, electricity and water usage and articulate our measures in 'Environmental' section of this report.</p> <p>We recognise that Scope 3 emissions may make up a significant portion of our total carbon inventory and are building capabilities to calculate material Scope 3 emissions. Management is cognizant that according to 'Climate Reporting and Assurance Roadmap' accepted by ACRA and SGX RegCo, the Company must start to include Scope 3 emissions in its climate-related disclosures from FY2026 onwards.</p>

GRI Content Index

Statement of use	VibroPower Corporation Limited has reported with reference to the GRI Standards for the reporting period from 1 April 2023 to 31 March 2024.
GRI 1 used	GRI 1: Foundation 2021

Disclosure		Annual report section reference (where applicable)
Ref	Description	
GRI 2: General Disclosures 2021		
1. The organisation and its reporting practices		
2-1	Organisational details	Sustainability Report (“SR”) – Board Statement SR – Corporate Profile Annual Report 2024 (“AR2024”) – Statistics of Shareholdings
2-2	Entities included in the organisation’s sustainability reporting	SR – Board Statement
2-3	Reporting period, frequency and contact point	SR – Board Statement
2-4	Restatements of information	Not applicable (“N/A”): No reinstatement of information
2-5	External assurance	SR – Board Statement
2. Activities and workers		
2-6	Activities, value chain and other business relationships	SR – Corporate Profile SR – Economic: Economic Performance SR – Environmental: Reduction of CMM
2-7	Employees	SR – Social: Workforce profile
2-8	Workers who are not employees	N/A: Not significant and not included in headcount
3. Governance		
2-9	Governance structure and composition	AR2024 – Board of Directors SR – Board Statement AR2024 – Corporate Governance Report (“CG Report”) (Disclosures under Principle 2 of the Code of Corporate Governance 2018 (the “Code”))
2-10	Nomination and selection of the highest governance body	CG Report (Disclosures under Principle 4 of the Code)
2-11	Chair of the highest governance body	AR2024 – Board of Directors AR2024 – CG Report (Disclosures under Principle 2 and 3 of the Code)
2-12	Role of the highest governance body in overseeing the management of impacts	SR – Board Statement SR – Determination of Material Factors
2-13	Delegation of responsibility for managing impacts	SR – Board Statement
2-14	Role of the highest governance body in sustainability reporting	SR – Board Statement
2-15	Conflicts of interest	AR2024 – CG Report (Disclosures under Principle 1 of the Code and ‘Interested Person Transactions’) AR2024 – Statistics of Shareholdings
2-16	Communication of critical concerns	AR2024 – CG Report (Disclosures under Principle 10 of the Code) SR – Governance: Whistle-blowing
2-17	Collective knowledge of the highest governance body	SR – Board Statement AR2024 – CG Report (Disclosures under Principle 1 of the Code)
2-18	Evaluation of the performance of the highest governance body	AR2024 – CG Report (Disclosures under Principle 5 of the Code)
2-19	Remuneration policies	AR2024 – CG Report (Disclosures under Principle 7 of the Code)
2-20	Process to determine remuneration	AR2024 –CG Report (Disclosures under Principle 7 of the Code)
2-21	Annual total compensation ratio	N/A: Not analysed as it is not critical for decision-making
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	SR – Board Statement; Economic, Environmental; Social; Governance; Performance Review and

Disclosure		Annual report section reference (where applicable)
Ref	Description	
		Targets and Plans
2-23	Policy commitments	SR – Governance: Code of Conduct/Anti-Corruption
2-24	Embedding policy commitments	SR – Governance: Code of Conduct/Anti-Corruption
2-25	Processes to remediate negative impacts	SR – Governance: Grievance mechanism
2-26	Mechanism for seeking advice and raising concerns	AR2024 – CG Report (Disclosures under Principle 10 of the Code) SR – Governance: Whistle-blowing
2-27	Compliance with laws and regulations	SR – Governance: Performance Review
2-28	Membership associations	SR – Corporate Profile
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	SR – Stakeholder Engagement
2-30	Collective bargaining agreement	N/A: No collective bargaining agreement
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	SR – Determination of Material Factors
3-2	List of material topics	SR – Material Factors
3-3	Management of material topics	SR – Determination of Material Factors; Economic; Environmental; Social; Governance
Material Topics (GRI 201: Economic Performance 2016)		
201-1	Direct economic value generated and distributed	AR2024 – Financial Review AR2024 – Financial Statements
201-2	Financial implications and other risks and opportunities due to climate change	SR – Economic: Climate Change – Risks, Opportunities and Financial Implications
201-3	Defined benefit plan obligations and other retirement plans	AR2024 – Note 2.5 to the Financial Statements
201-4	Financial assistance received from government	AR2024 – Note 2.18 to the Financial Statements
Material Topics (GRI 205: Anti-Corruption 2016)		
205-1	Operations assessed for risks related to corruption	SR – Governance: Code of Conduct and Anti-Corruption
205-2	Communication and training about anti-corruption policies and procedures	SR – Governance: Code of Conduct and Anti-Corruption
205-3	Confirmed incidents of corruption and actions taken	SR – Governance: Code of Conduct and Anti-Corruption
Material Topics (GRI 302: Energy 2016)		
302-1	Energy consumption within the organisation	SR – Performance Review: Environmental Stewardship
302-2	Energy consumption outside of the organisation	N/A: The Company does not track energy consumption outside of the organisation.
302-3	Energy intensity	SR – Performance Review: Environmental Stewardship
302-4	Reduction of energy consumption	SR – Environmental: Energy consumption
302-5	Reductions in energy requirements of products and services	N/A: Scope for reduction is not significant.
Material Topics (GRI 305: Emissions 2016)		
305-1	Direct (Scope 1) GHG emissions	SR – Performance Review: Environmental Stewardship
305-2	Energy indirect (Scope 2) GHG emissions	SR – Performance Review: Environmental Stewardship
305-3	Other indirect (Scope 3) GHG emissions	N/A: Not disclosed in this report.
305-4	GHG emissions intensity	SR – Performance Review: Environmental Stewardship
305-5	Reduction of GHG emissions	N/A: Scope for reduction is not wide.
305-6	Emissions of ozone-depleting substances (ODS)	N/A: Not significant.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A: Not significant.
Material Topics (GRI 403: Occupational Health and Safety 2018)		
403-1	Occupational health and safety management system	SR – Social: Occupational health and safety

Disclosure		Annual report section reference (where applicable)
Ref	Description	
403-2	Hazard identification, risk assessment, and incident investigation	SR – Social: Occupational health and safety
403-3	Occupational health services	SR – Social: Occupational health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	SR – Social: Occupational health and safety
403-5	Worker training on occupational health and safety	SR – Social: Occupational health and safety
403-6	Promotion of worker health	SR – Social: Occupational health and safety
403-7	Prevention and mitigation of occupation health and safety impacts directly linked by business relationships	N/A: No employee was seconded or outsourced to entities outside the Group
403-8	Workers covered by an occupational health and safety management system	SR – Social: Occupational health and safety
403-9	Work-related injuries	SR – Performance Review: Occupational health and safety
403-10	Work-related ill health	SR – Performance Review: Occupational health and safety
Material Topics (GRI 404: Training and Education 2016)		
404-1	Average hours of training per year per employee	SR – Performance Review: Training and development
404-2	Programmes for upgrading employee skills and transition assistance programs	SR – Social: Training and development
403-3	Percentage of employees receiving regular performance and career development reviews	SR – Social: Training and development