VIBROPOWER CORPORATION LIMITED
(Company Registration Number 200004436E)
(Incorporated in the Republic of Singapore on 23 May 2000)

PROPOSED INVESTMENT IN BIOMASS POWER PLANT IN KLUANG, MALAYSIA

1. INTRODUCTION

1.1 The Board of Directors (the "**Directors**") of VibroPower Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that it will be embarking on a biomass power plant project to be carried out in Kluang, Malaysia (the "**Project**").

2. DETAILS OF THE PROPOSED BIOMASS POWER PLANT IN KLUANG

2.1 The Project is in line with one of the Group's business in operating green and clean power plants which the Group first embarked upon in the People's Republic of China in 2012. The proposed biomass power plant project in Kluang will be fuelled mainly by empty fruit bunches (a solid waste product from palm oil mill factories after their extraction of oil from fresh palm fruit) with the capability and flexibility to utilise other biomass fuels such as palm kernel shells, wood chips, forest residues and saw dust. The biomass power plant is expected to have a capacity of 20 megawatt gross power generation and the nett electricity generated will be sold to Tenaga National Bhd's ("TNB") distribution grid.

2.2 VPGE was set up in 2013 as a special purpose vehicle in 2013 to conduct a feasibility study on the viability of the Project. At that point in time, the management of the Company (the "**Management**") had certain concerns on the viability and pre-requisites to be fulfilled before the project can be considered economically viable.

2.3 The Directors are pleased to announce that we will be proceeding with the project and have entered into a shareholders' agreement on 12 December 2015 to invest 25% in VPGE.

2.4 Relative Figures computed pursuant to Rule 1006 of the Listing Manual

Based on the latest published unaudited consolidated financial statements of the Company for the half-year ended 30 June 2015 ("**HY2015**"), the relative figures for the 25% investment in VPGE and the bases of assessment pursuant to Rule 1006 of the Listing Manual, are as follows:-

Rule 1006		
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value	Not applicable to an acquisition
(b)	The net profits attributable to the assets acquired compared with the Group's net profits for HY2015	Not applicable [(1)]

Rule 1006		
(c)	The aggregate value of the consideration given compared with the Company's market capitalisation as at 11 December 2015	88%[(2) (3)]
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:-

(1) Rule 1006(b) is not applicable as VPGE currently does not carry on any business and has no other assets.

(2) The market capitalisation of the Company of approximately S$11,206,037 was determined by multiplying the existing number of issued ordinary shares of the Company of 33,450,856 ordinary shares (excluding such ordinary shares which are held by the Company as treasury shares) by the volume-weighted average price of the ordinary shares of S$0.335 per ordinary share transacted on 11 December 2015, being the market day immediately preceding the date of agreement.

(3) The relative figure reflected is derived by dividing the Company's Investment cost of the Project of RM30,000,000 (equivalent to S$9,813,222[1]) which is 25% of the total Project costs of approximately RM120,000,000 (equivalent to S$39,252,887[1]) by the Company's market capitalisation of approximately S$11,206,037.

2.5 Financial Effects of the Investment in VPGE

The financial effects of the Investment in VPGE on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after completion of the said investment. The financial effects of the Investment in VPGE set out below are based on the Group's audited financial statements for its financial year ended 31 December 2014 and the number of issued ordinary shares of the Company as at 31 December 2014, assuming that the said investment had been effected on (i) 31 December 2014 for the purpose of the financial effects on net tangible assets ("**NTA**") and gearing; and (ii) 31 December 2014 for the purpose of the financial effects on earnings per share ("**EPS**").

[1] Based on the exchange rate of S$1.00 to RM3.0571 on 11 December 2015, extracted from the website, http://sg.finance.yahoo.com, and unless otherwise stated, the said exchange rate has been used in this announcement to convert Malaysian Ringgit into Singapore dollars and vice versa

(a) Share Capital

As at the date of this announcement, the Company has an issued and paid up share capital of S$14,767,000 [1] comprising 34,527,656 [2] ordinary shares (including 1,076,800 treasury shares held by the Company). The Investment in VPGE will have no impact on the share capital of the Company as no new ordinary shares of the Company will be issued.

(b) NTA

The effect of the Investment in VPGE on the Group's NTA per ordinary share as at 31 December 2014, assuming the said investment had been completed on 31 December 2014, is as follows:-

	Before the Investment in VPGE	**After the Investment in VPGE**
NTA	S$23,021,000	S$23,021,000
Number of ordinary shares (excluding treasury shares) as at 31 December 2014	33,450,856 [2]	33,450,856 [2]
NTA per ordinary share (Singapore cents)	68.82	68.82

(c) EPS

The effect of the Investment in VPGE on the Group's EPS as at 31 December 2014, assuming the said investment had been completed on 31 December 2014, is as follows:-

	Before the Investment in VPGE	**After the Investment in VPGE**
Net profit after tax	S$1,686,000	Not applicable(1)
Number of ordinary shares (excluding treasury shares) as at 31 December 2014	33,450,856 [2]	33,450,856 [2]
EPS (Singapore cents)	5.04	Not applicable(1)

Note:-

(1) It is not applicable as VPGE currently does not carry on any business and has no other assets.

[1] Rounded to the nearest thousand and unless otherwise stated, all financial figures contained in this announcement were rounded to the nearest thousand.

[2] Being the total number of issued ordinary shares of the Company (including treasury shares held by the Company) following the completion of the Company's share consolidation exercise on 30 October 2015.

(d) Gearing

The effect of the Investment in VPGE on the gearing of the Group as at 31 December 2014 is as follows:-

	Before the Investment in VPGE	**After the Investment in VPGE**
Total net borrowings	S$8,159,000	S$8,159,000
Total adjusted capital	S$23,021,000	S$23,021,000
Gearing ratio	35%	35%

Notes:-

(1) The total net borrowings includes loans, borrowings and bills payable to banks less cash and cash equivalents.

(2) The total adjusted capital includes share capital, retained earnings and other reserves and excludes non-controlling interests.

(3) Gearing ratio is the ratio of consolidated net borrowings to adjusted capital.

2.6 Financing

2.6.1 The Project is estimated to cost RM120,000,000 (being the equivalent of approximately S$39,252,887). VPGE intends to finance the Project through a combination of internal funds and bank borrowings.

3. INFORMATION ON VPGE SHAREHOLDERS

3.1 Under the shareholder agreement, the shareholding of each party are as follows:-

Name	**No of ordinary shares**	**Percentage**
Kluang Biomass Power (M) Sdn Bhd	1,800,000	45%
VibroPower (HK) Limited	1,000,000	25%
TCK Biomass Energy Sdn Bhd	1,200,000	30%
Total	4,000,000	100%

3.2 Information on its shareholders

Kluang Biomass Power (M) Sdn Bhd is an investment holding company incorporated in Malaysia. The present shareholders of Kluang Biomass Power (M) Sdn Bhd are Ng Swee Tho and Chai Choong Pin.

TCK Biomass Energy Sdn Bhd is an investment holding company incorporated in Malaysia. The present shareholders of TCK Biomass Energy Sdn Bhd are Kong Sau Ho and Tan Hong Gam.

Neither Kluang Biomass Power (M) Sdn Bhd , TCK Biomass Energy Sdn Bhd nor any of its shareholders is related to the Company, its Directors or its substantial shareholders.

4. GENERAL

4.1 None of the Directors or controlling or substantial shareholders of the Company has any interest, direct or indirect, in the proposed investment in VPGE.

4.2 A copy of the Shareholders' agreement is available for inspection during normal business hours at the registered office of the Company at 11 Tuas Avenue 16 Singapore 638929 for a period of three (3) months from the date of this announcement.

4.3 Meanwhile, shareholders and potential investors of the Company should note that the Project is subject to certain conditions being fulfilled and there is no assurance that all the conditions will be fulfilled or satisfied. Accordingly, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. When in doubt, shareholders and potential investors of the Company are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board
VibroPower Corporation Limited

BENEDICT CHEN ONN MENG
Chief Executive Officer
13 December 2015