

VIBROPOWER CORPORATION LIMITED
(Company Registration No.: 200004436E)
(Incorporated in the Republic of Singapore)

**INFORMATION RELATING TO QUESTIONS FROM THE SINGAPORE EXCHANGE SECURITIES
TRADING LIMITED ON THE ANNUAL REPORT 2020**

The Board of Directors (the “Board”) of VibroPower Corporation Limited (the “Company”) wishes to announce information relating to queries raised by the Singapore Exchange Securities Trading Limited on the Annual Report 2020 that was released by the Company on 14 April 2021 via SGXNET:

SGX Query 1:

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 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations were provided for in your FY2020 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:-

The Company refers to page 13 of the Annual Report. The Board recognizes that a diverse Board is an important element which will better support the Company’s achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, knowledge, business experience, industry discipline, gender and age. To this end, the Company endeavours to ensure that the Board and its Board Committees comprise individuals with diverse experience and expertise who, as a group, will provide for diversity and allow for informed and constructive discussion and effective decision making at meetings of the Board and its Board Committees.

Whilst the Company has not adopted a formal board diversity policy, in practice the Board observes and applies the key tenets of diversity. The Nominating Committee (“NC”) reviews board independence and diversity as part of its annual evaluation of the Board’s performance and effectiveness. The Board, supported by the NC, considers factors such as skills, experience, independence, knowledge, age and gender when reviewing the Board composition to ensure an appropriate level of diversity is maintained at the Board. The Board believes that its current composition and size provide an appropriate balance and mix of skills, expertise, experience and gender, and collectively a range of competencies in legal, financial, business management and the requisite industry knowledge to lead the Company effectively, avoid groupthink and foster constructive debate. The Board has one female member, and members’ ages range from 40 to 60 years. The Board’s combined business, management and professional experience, diversity of knowledge and expertise, provide the competencies for diverse and objective perspective on the Group’s business and strategic direction.

The abovementioned practices ensure that collectively, the Board has an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

SGX Query 2:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in 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 8.1(a) of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your FY2020 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company's response:-

Provision 8.1 of the Code of Corporate Governance 2018 ("2018 Code") requires the Company to disclose in its Annual Report the policy and criteria for setting remuneration, as well as names, amount and breakdown of remuneration of:

- (a) each individual director and the CEO; and
- (b) at least the top 5 key management personnel in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

With reference to page 19 of the Annual Report, the Company has disclosed the policies and mechanics of the remuneration packages for its directors, CEO and key management personnel, and their linkages to the performance of the Company and individuals.

The remuneration framework of the executive directors, CEO and key management personnel comprises mainly a fixed component and a variable component. The fixed component is paid in the form of a base salary. The variable component is paid in the form of a bonus, which is linked to Company and individual performance. This is structured to focus on achieving sustainable performance and create value in the short, medium and long term with the interests of shareholders and link rewards to corporate and individual performance, taking into account the strategic objectives and business model of the Group.

Remuneration is fixed in accordance with the individual performance and the duties and responsibilities required of the position. Remuneration of the executive director, CEO and key management personnel is subject to the review of the Remuneration Committee ("RC"). This is to ensure that the remuneration of the executive director, CEO and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group.

As part of its review, the RC ensures that the executive director, CEO and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also ensures that the independent and non-executive directors are not overly-compensated to the extent that their independence may be compromised.

The Company has disclosed in page 20 of the Annual Report the breakdown of the remuneration of each director, the CEO and key management personnel into types of compensation in percentage terms and in bands of \$250,000. While this practice varies from Provision 8.1 of the Code which requires companies to disclose the specific remuneration of each director, CEO and key management personnel, as disclosed in the Annual Report, the Board is of the view that full disclosure of the specific remuneration of each director and key executive is not in the best interest of the Company as this disclosure may hamper its ability to retain and nurture the Group's talent pool, given the sensitive nature of the matter and the competition in the industry for key talent. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the specific remuneration of each director, CEO and key management personnel of the Company. With the Company's disclosure of their remuneration in bands of not wider than S\$250,000, shareholders are provided an insight into the level of remuneration paid to the directors, CEO and key management personnel.

Notwithstanding the deviation, the Company is of the view that the practices the Company had adopted are consistent with the intent of Principle 8 of the Code.

SGX Query 3:

We refer to page 28 of the FY2020 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:-

Refer to the Company's announcement dated 18 February 2020 (the "Announcement") 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	AmountS\$
<i>Working capital expenditures :</i>	
a) Professional fee and Payroll	140,000
b) Repayment of Trust Receipt for purchase of inventories and invoicefinancing	200,000
Total	340,000

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

BY ORDER OF THE BOARD

Benedict Chen Onn Meng
Chief Executive Officer
28 April 2021