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## **RESPONSES TO QUERIES FROM THE SHAREHOLDERS ON THE EXTRAORDINARY GENERAL MEETING AND RECEIPT OF THE LETTERS BY COMPANY**

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The board of directors of the Company (“directors”) of VibroPower Corporation Limited (“the Company” and together with its subsidiaries and associated companies “the Group”) wishes to announce that the Company has received questions from the Shareholders relating to the Company’s Extraordinary General Meeting to be held on 9 November 2020. Further questions from shareholders will be addressed at the Extraordinary General Meeting.

The Company has also received letters from Messrs Chng Beng Hock, Lim Eng Tiong and Zhang Weiquan, Jonathan who have requested that their letters be circulated to the shareholders of the Company. Although the Company is not legally obliged to circulate these letters, it has decided, in the interest of transparency, to do so.

The Company’s responses to the questions from Shareholders are set out below:-

### **Questions 1 to 5 from shareholder, Mr. Chng Beng Hock:**

#### **Question 1:**

On 8 September 2020, the Company announced a proposed placement of up to 9,500,000 new ordinary shares in the capital of the Company (“Placement Exercise”) at an issue price of S\$0.132 per share (the “Issue Price”). The Company entered into separate subscription agreements with Wong Kim Siong (“WKS”) and his son, Wong Chong Heng (“WCH”). WKS and WCH subscribed for 7,000,000 and 2,500,000 new ordinary shares in the capital of the Company respectively, which would give them an aggregate of 14.98% of the Company’s enlarged issued and paid-up share capital.

The Placement Exercise was completed on 5 October 2020 as announced by the Company on SGXNet on 6 October 2020. It is noteworthy that the Issue Price is at the maximum discount permissible pursuant to Rule 811 of the SGX-ST’s Listing Manual and the aggregate percentage of shares issued and allotted is just under the limit of Rule 803 of the SGX-ST’s Listing Manual, which provides that an issuer must not issue securities to transfer a controlling interest (i.e. 15%) which would then have required the prior approval of shareholders in a general meeting.

- (a) How were the Issue Price and the number of shares that were issued and allotted decided?
- (b) It was mentioned in the announcement (insert footnote 1) that the Company’s Chief Executive Officer introduced them (which contradicts another statement therein which indicates that they were already known to the Group, “a (insert footnote 2) owned by WCH and the group are trading partners”). What is the nature and amount of business that the Group has with WKS, WCH and any of their associates? Note: For references made, to provide the references as footnotes.

#### **Company’s response:-**

(a) After negotiations between the parties, taking into account the challenging business environment and the Company’s need for funds, the Company decided to give a discount of up to 10% to the VWAP based on the last traded share price and raised about S\$1,254,000. The Issue Price and number of shares were arrived on this basis.

(b) WCH is a business contact of Benedict Chen, the Company’s Chief Executive Officer. WCH owns WCS Power Sdn Bhd and Siong Engineering and Electrical Works, which are customers of the Group and purchased generators from VibroPower Pte Ltd and VibroPower Generators Sdn Bhd. The value of the business transacted is below 5% of the Group’s total sales for FY2019.

**Question 2:**

On 30 January 2020, the Company announced the filing of writ of summons against an unnamed former business partner to recover a loan made, amounting to approximately S\$1.7 million (the “Loan”). The Company also announce on the same day a profit guidance that the Group is not expected to report a profit for FY2019. These were announced 2 weeks after the Company announced the results of the rights cum warrant issue on 15 January 2020.

- (a) What was the nature and terms of the loan made to the unnamed business partner?
- (b) What is the rationale in extending the loan to the unnamed business partner despite the Group’s declining results and weak financial position?
- (c) When was the Company made aware of the loan repayment difficulties of the unnamed business partner?
- (d) When was loan repayment difficulties of the unnamed business partner first made known to the Board?
- (e) When did the Company decide to commence legal action against the unnamed business partner?
- (f) When were the Letter of Demand, Statement of Claims and Writ of Summons issued to the unnamed partner?
- (g) If the Company had known of the issue prior to the conclusion of the rights cum warrant issue, did the Company or the Board discuss or consider disclosing this material fact to its shareholders?
- (h) What is the prospect of recovery of this loan amount?
- (i) What is the legal cost incurred to date and what is the estimated total legal cost?
- (j) Does this loan or the legal proceedings to recover the loan amount involve any IPT?
- (k) SGX enhanced the disclosure regime to include the provision of loans, guarantees and any other forms of financial assistance, which took effect from 7 February 2020. Are there any other loans, guarantees or any other forms of financial assistance that the Group provided?
- (l) Are there any updates to shareholders regarding this?

**Company’s response:**

(a)The Company would like to clarify that the claim was not a simple straight loan made to its former business partner – instead, the claim constitutes cumulative accounts receivables that arose in the ordinary course of business as a result of the customer-supplier relationship between the Group and its former business partner. The Group is a supplier of generator components while its former business partner engaged subcontractors to assemble the generator components supplied and install generators for end-customers. Certain assemblies were done by the Group as well. End-customers typically do not buy generator components but prescribe the type and requirements of generator sets required.

Part of the claim is a result of the Group's advances of working capital to allow the former business partner to execute its projects, and thereby receive payment to be used to make payment to the Group. These advances have fixed repayment dates and carry interest.

(b) To expand the Group’s market to include the oil and gas industry. The Group sold generator components and services to the former business partner. The Group has made aggregate sales amounting to approximately S\$4.26 million to the former business partner and the receivables arose in the ordinary course of business.

(c) The Company sent its first demand on or about June 2019.

(d)The board was made aware of the default payments in January 2020 when the former business partner defaulted on its payment obligations to the Group in January 2020.

(e) The Group decided to commence legal action in January 2020 against the former business partner to recover the receivables which are all payable on demand.

(f) The Group had sent two letters of demand to its former business partner in June 2019 and October 2019. A mareva injunction was issued by the High Court on 15 January 2020 against its former business partner and director to prevent any dissipation of assets. A Writ of Summons and Statement of claim were filed thereafter in February 2020 against the former business partner.

(g) On 1 October 2019, the Company announced a Rights cum Warrants Issue which was approved at the Company's EGM held on 17 December 2019. The former business partner defaulted on its payment obligations to the Group in early January 2020, which was after the Company's EGM relating to the Rights cum Warrants Issue.

(h) The Company believes it has a strong case for the recoverability of the amount due to the Company, subject to the solvency of the former business partner.

(i) The legal cost incurred to date is below S\$200,000. The Company is unable to estimate the total legal cost as the legal proceedings are still on going.

(j) None of the directors, chief executive officer or controlling shareholders of the Company has any interest (whether direct or indirect) in the former business partner. Accordingly, this is not an interested person transaction under Chapter 9 of the Listing Manual.

The contractual engagement for legal service is made between the Company's subsidiary, VibroPower Pte Ltd, and Unilegal LLC. The Lead ID is the lawyer assigned by Unilegal LLC to represent VibroPower Pte Ltd on the lawsuit. Unilegal LLC is not an associate of the Lead ID and is therefore not an interested person under Chapter 9 of the Listing Manual. Accordingly, the engagement of Unilegal LLC is not an interested person transaction pursuant to Chapter 9 of the Listing Manual.

(k) The Group has complied with the disclosure requirements under the Listing Manual in respect of any loans, guarantees or any other forms of financial assistance that the Group provided, and will continue to make the necessary disclosures, where required.

(l) The legal proceedings are ongoing and the Company will make an announcement where they are any material developments.

### **Question 3:**

Between 2014 and 2019, the Annual Reports of the Company disclosed almost S\$17 million of IPT occurred of which a vast majority of these IPT was with Mason Industries Pte. Ltd. ("Mason") of which Mr Chen Siew Meng, brother of Chen, is a director and 95.5% shareholder.

In the years 2006 to 2014, the annual reports of the group included the following statement in the corporate governance section:

"The Group had appointed Genesis Capital Pte Ltd as an independent financial adviser to review and opine on the adequacy of the procedure governing the transactions with interested parties. The report is included in the circular dated 8th August 2006."

According to documents obtained from a search of the Supreme Court of Singapore's hearings, it appears that Ernest Balasubramaniam is the solicitor representing Vibropower Pte Ltd (a wholly-owned subsidiary of the Company).

- (a) How are the terms of business between the Group and Mason negotiated and concluded? Does the Group source for alternative quotes for services/products provided by Mason?
- (b) Has the Group reviewed the adequacy of procedure in the past 5 years aside from the report as mention above by Genesis Capital Pte Ltd?
- (c) Has the Group conducted checks on the financial health and creditworthiness of Mason?
- (d) What are the credit terms between the Group and Mason? Are there any loans between the Group and Mason?
- (e) Has the Group engaged Ernest Balasubramaniam or his firm in any other legal work? If so, what is the nature and amount of the work incurred and has the Group disclosed this anywhere?

**Company's responses:-**

(a) Alternative quotes are sourced and the procedures under the IPT mandate are adopted. The interested person transactions with Mason had been approved under the Renewal of the Shareholders' General Mandate for Interested Person Transactions at the Company's EGM held on 11 May 2020 with 100% voting for this resolution. Please refer to the Company's circular dated 15 April 2020, a copy of which is attached to this announcement, for details.

(b) The Group has not reviewed its procedures as there have been no material changes to the Interested Person Transactions comprising purchase of parts, supply of skilled labour, provision of administrative services and reimbursement of expenses, which had been previously been reviewed by Genesis Capital Pte Ltd.

(c) The Group does conduct checks on the financial health of Mason on an annual basis.

(d) The credit terms granted to the Group are based on typical standard commercial terms. Any loan to or from any related party is disclosed in the Annual report.

(e) The Group has not engaged Mr Balasubramaniam or his firm in any other matter. The Group has not made any payment to Mr Balasubramaniam other than director fees, which are subject to approval by shareholders at the AGM.

**Question 4:**

Despite reporting a loss for FY2019 and the declining sales of the Group through the past few years, the remuneration of the Executive Director of the Company, Benedict Chen Oon Meng ("Mr. Chen"), remained in the same band with no noticeable reduction.

The Remuneration Committee (RC) of the Company has disclosed the following in the Annual Report of the Company:

"The RC considers all aspects of remuneration (including directors' fees, salaries, allowances, bonuses, benefits in kind and termination payments) and will aim to be fair and avoid rewarding poor performance."

- (a) Can the RC elaborate on any reductions made to the Mr. Chen's remuneration package to address the declining sales of the Group?
- (b) Can the RC provide details of how the metric for performance is established and the methodology of how the remuneration is established?

**Company's response:-**

(a) The RC has taken into account the additional role and responsibilities Mr. Chen has undertaken after the resignation/retirement of the other two executive directors in 2013 and 2016 respectively. The RC would record that the directors' remuneration has reduced in aggregate from S\$1,135,000 in FY2011 to S\$506,000 in FY2019.

(b) The Company has disclosed in its Annual Report the policies and mechanics of the remuneration packages for its directors, and their linkages to the performance of the Company and individuals. Please refer to page 18 of the Company's Annual Report for FY2019 for details. Please also refer to the Company's responses to SGX's questions on the Annual Report for FY2019 announced on 6 May 2020.

**Question 5:**

Mr. Chen had, in his letter dated 23 October 2020 published on SGXNet by the Company attached as "Letter of Representation by a Director", stated that he did not hear about a shareholder of the Company, Chng Beng Hock ("Mr. Chng"), from January 2020 until the receipt of the first notice of requisition for the EGM. Mr. Chng had, in his letter to the Board of the Company dated 29 October 2020, detailed his attempts to contact Mr. Chen through the Company Secretary and Finance Manager of the Company.

- (a) Can Mr. Chen confirm that Mr. Chen was not informed by the Company Secretary and Finance Manager of the Company that Chng was trying to engage Mr. Chen? If so, was there a breakdown of communication within the Company?

**Company's responses:-**

Mr. Chen has only made direct contact with Steven Tham Weng Cheong, a shareholder of the Company, who mentioned that his friend is keen to invest in the Company. In Mr Chen's opinion, if Mr. Chng was seriously concerned as he claimed, Mr. Chng would have tried to contact Mr. Chen directly instead of asking a third party to contact the Company's staff.

**Questions 6 to 10 from shareholder, Mr. Lim Eng Tiong:**

**Question 6:**

Why did the company make a loan of \$1,7m (including cost and interest) to a Business Partner?

**Company's response:**

Please refer to Company's response for Question 2(b).

**Question 7:**

Did the Board approved the loan and if YES, why did they do so?

**Company's response:**

Please refer to Company's response for Question 2(a).

**Question 8:**

Does the company have any more similar loans or other type of loan?

**Company's response:**

No such similar loans.

**Question 9:**

Company to provide more information on the placement shareholders especially the past business achievement.

**Company's response**

Please refer to earlier announcements made by the Company relating to the placement.

**Question 10:**

To provide plan as to how the Board intend to guide the company out of this unusual time.

**Company's response:**

The Group will focus on delivering generators built during the period from April to July 2020 to the site as construction sites began re-opening in August 2020, thereby improving the Group's cash flow. The Group's priority remains to bolster its operations, improve its liquidity whilst keeping an eye on any strategic opportunities locally or overseas which may present itself in this very challenging economic climate.

**Questions 11 to 15 from shareholder, Mr. Lim Sim Beng:**

**Question 11:**

Under Covid-19 environment, what extra cost management will be put in place to manage profitability?

**Company's response:**

The Group will look into re-engineering and purchasing of cheaper source of materials to reduce production cost and improve profitability. More effort will be placed on increasing efficiency and productivity through small group/team ideas.

**Question 12:**

After 8MW running, how many MW can Shanxi Weineng add? Will there be further fund raising required in very near future?

**Company's response:**

Any increase in the capacity of the power plant will be dependent on the increase in the supply of gas to Shanxi Weineng. The Group will continue to work closely with the coal mine owner on their planned expansion and development of resource at the earliest opportunity. Shareholders will be updated through announcements on any developments.

**Question 13:**

What is your plan on government plan to purchase 100MW of electricity from Malaysia using VibroPower Green Energy.

**Company's response:**

In Malaysia, all the electricity generated from renewable energy power plants run by the Group will be supplied to Tenaga Nasional Berhad, Malaysia's national grid operator. Accordingly, the Group will not be able to supply energy directly to Singapore. We will look at the government's plans as they become available, to ensure that the business decisions taken are in the best interests of shareholders.

**Question 14:**

Share price have been trading at huge discount from NAV, are you planning to reinstate dividend policy?

**Company's response:**

The Group has no dividend policy. The distribution of the Group's profit as dividend will be on a fair and prudent basis.

**Question 15:**

Your execution of strategic plan has been very slow to complete and yield results, how can that be expedited?

**Company's response:**

The business climate has been challenging due to the current on-going pandemic and the resulting slowdown in the economy. However, the power generation business still has many opportunities and the management is working hard to drive growth for the Group and its shareholders.

By order of the Board

Benedict Chen Onn Meng  
Chief Executive Officer  
6 November 2020



29 October 2020

**VIBROPOWER CORPORATION LIMITED**      **BY EMAIL AND COURIER ONLY**  
11 Tuas Avenue 16  
Singapore 638929

**Attention: The Board of Directors (the "Board")**

**REQUISITION TO CONVENE AN EXTRAORDINARY GENERAL MEETING ("EGM") PURSUANT TO SECTION 176 OF THE COMPANIES ACT (CHAPTER 50) OF SINGAPORE ("ACT")**

Dear Sirs,

I refer to the lengthy 5-paged letter dated 23 October 2020 signed by Benedict Chen Oon Meng ("**Chen**"), the executive director and Chief Executive Officer of the Company. I am Chng Beng Hock, a substantial shareholder of the Company currently holding 11,101,200 shares in VibroPower Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**"). I am one of the two shareholders requisitioning the Company to convene the EGM.

**1. INTRODUCTION**

In September 2019, I studied the Company's financials and saw great value. The market capitalisation of the Company hovered around S\$4 million (trading around S\$0.112 per share) whereas the Net Tangible Asset value was above S\$0.40 per share. The Group managed to turn a modest profit for the 1<sup>st</sup> Half Year 2019 results and past 3 Financial Years ("**FY**"), recovering from a heavy loss in FY2015. I felt that the core business of the Company remained viable but could benefit from an adjustment in the sales/marketing aspects of the firm, alongside a cost/expense review. In view of the above, I began to accumulate shares in the Company. I would definitely not fall into the category of "long-time" shareholder as mentioned in Chen's letter but I do hope that all shareholders would be accorded the same rights regardless of their shareholding or whether those shares were acquired yesterday or since the establishment of the Company.

In October 2019, the Company announced a fundraising exercise through a rights and warrants issue. However, and to my surprise, barely 2 weeks after the completion of the rights and warrant issue, the Company announced, on 30 January 2020, the filing of writ of summons against an unnamed former business partner to recover a loan made, amounting to approximately S\$1.7 million ("**Loan**"). This would have a severe impact of the Company's financial performance. I wonder why there was no indication of such a large loan during the fundraising exercise, and whether investors knew about such difficulties the Company was facing during the fundraising exercise. I wonder if the Company was aware of the difficulty in recovering the Loan, and it would be helpful if some transparency provided to investors as to the genesis of the Loan, along with the terms of the Loan. For example, if the Loan was set to mature *after* the fundraising exercise, there would be no questions as to whether there was material non-disclosure.



The Company also announced on the same day a profit guidance that the Group is not expected to report a profit for FY2019. In spite of the lackluster performance of the Group and declining sales of the Group through the past few years, the remuneration of Chen remains unchanged.

## **2. REPEATED ATTEMPTS TO ENGAGE THE COMPANY AND CHEN**

Since January 2020, I sought to engage the Company or Chen through my network, including Jonathan Zhang. My intention in speaking with Chen was to seek clarification on the state of affairs of the Company as a shareholder, particularly due to the disquiet caused by the aforementioned events.

When I became a substantial shareholder of the Company on 15 June 2020, I made 4 further attempts to arrange a meeting with Chen through the Company's staff. The reasons given to delay the meetings provided to me include "sensitive period" and "after first half result around 14 Aug 2020". The final reason that was provided to me on 1 September 2020 was "Busy with SP project". I wonder why is it Chen has indicated that he only heard from me at the receipt of the requisition for EGM whereas I had been actively trying to engage him well before the requisition date. For reference, I have appended details of my communication with the Company and/or Chen.

## **3. PLACEMENT EXERCISE**

On 8 September 2020, the Company announced a proposed placement of up to 9,500,000 new ordinary shares in the capital of the Company ("**Placement Exercise**") at an issue price of S\$0.132 per share (the "**Issue Price**"). The Company entered into separate subscription agreements with Wong Kim Siong ("**WKS**") and his son, Wong Chong Heng ("**WCH**"). WKS and WCH subscribed for 7,000,000 and 2,500,000 new ordinary shares in the capital of the Company respectively, which would give them an aggregate of 14.98% of the Company's enlarged issued and paid-up share capital.

This comes to me as a surprise as I had been patiently waiting to hear on Chen's availability for a meeting. Given the timing of the Placement Exercise and the discount provided, I wonder why the Company or Chen as the director did not first try to engage with me. I would have been willing to subscribe for more shares without a discount, as I believed in the value of the Company. I further note that this Placement Exercise was done at the maximum discount, and at the maximum number of shares permitted without having to seek shareholder approval.

## **4. REQUISITION OF EGM**

From the announcement of the Placement Exercise, I lost all confidence in the running of the Company and, as a shareholder holding more than 10% of the Company, exercised the right under Section 176 of the Act to requisite an EGM to consider Resolutions 1 to 8.

I take issue with many of the decisions made by the management of the Company which is why I had, from January 2020 to September 2020, sought clarification through engaging Chen. The extreme step to requisite for this EGM resulted from a company's failure to allay a shareholder's concerns. Chen had deemed the EGM an unnecessary expense for the Company but if my concerns were addressed appropriately at the many opportunities presented, it would not have led to this. I will direct the questions and concerns I have for the management of the



Company, which will include questions relating to interested person transactions, the remuneration of directors, the independence of IDs, *inter alia*, for the EGM.

## 5. PLANS FOR THE COMPANY

Initially, my plans were to engage the Company and Chen to provide insights and collaboration opportunities for the Company's core business. With my access to network and resources, I am confident to be able to help steer the Company back on the track of profitability which will benefit all shareholders including Chen and myself. This can now still be done without Chen if the resolutions I propose at the EGM are voted in favour.

With my extensive experience in listed companies and property development, I will explore a diversification of the Company's business to incorporate my expertise and enhance profitability and in achievement of that, share the rewards by declaring dividends to all shareholders of the Company. The Company last declared dividend in 2015 and Chen has been the Company's sole executive director since 2016.

## 6. CONCLUSION

Being a shareholder of the Company, I am worried and justified to raise concerns about the declining performance and development of the Company. I do not understand why Chen has taken the position that I am a threat to the Company or suggested that I am destabilizing the Company – my intentions are quite the contrary – I have always acted in good faith to try to reach out to Chen, to build the Company and to help all of the shareholders of the Company realize the value of the Company. I wonder why is it Chen would view such a shareholder as a threat or destabilizing the Company.

I continue to see potential and value in the Company. However, if the Company continues to issue shares, I fear that the value of the Company will continue in its current trend, and sales will continue to decline.

I take offence that Chen, in his letter, questions my intentions and agenda. Chen sought to create a perception of the candidates proposed as Independent Directors ("*ID*") of the Company by revealing unrelated details. The candidates proposed are highly qualified and I thank them for agreeing to be IDs of the Company.


As for my work experience, I have been blessed to be given opportunities to learn and prospered along with the companies I have worked with. The listed company that Chen had mentioned in his letter was a good example of how my team and me rescued a heavily debt ridden company as a white knight and turned it debt free and in good shape when we exited our investment.

From the Company's IPO in the year 2000, the market capitalisation of the Company has significantly declined from over S\$28 million based on the issue price, to around S\$4 million when I first looked at the Company in September 2020 to under S\$11.5 million calculated based on the closing price of the Company's shares on 16 October 2020 at S\$0.16 per share. This is after the Company raised more than S\$3.2 million, of which more than S\$2.6 million from the rights cum warrants issue, the Placement Exercise and more than S\$0.65 million from the exercise of warrants as at the date of this letter.



In Chen's letter, he questioned and insinuated my intentions and agenda which is baseless and untrue. I seek for Chen to retract his letter and make the necessary corrections. Chen had given consent to the Company to send a copy of his letter to every member of the Company entitled to receive a notice of general meeting of the Company, or otherwise bring to the attention of shareholders the content of his letter. I request and give consent for the Company to disseminate this letter the same way in the essence of fairness and call for the IDs to remain and act independently.

Sincerely



Chng Beng Hock

Enclosed: Appendix A

## Appendix A

9 September 2020

Sequence of conversation  
(from [REDACTED] to Alex Chng)

\*15 Jul 20\*

call the Company Secretary, Ms [REDACTED] around 1pm to arrange meeting with Mr Benedict, she said will check & revert.

Company Secretary reverted via whatsapp around 7.20pm: "Mr Benedict suggests to meet up after the company announce first half result around 14 Aug 20. sensitive period."

\*20 Aug 20\*

Around 10am I called & whatsapp the Company Secretary to check on the meeting with Mr Benedict . She replied an hour later that she will check but no answer from her after that.

\*25 Aug 20\*

I Whatsapp Company Secretary again at 10.43 am to check on the meeting. She replied at 12.30pm and asked to contact her company Finance Manager, Ms [REDACTED] .

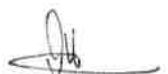
I Called Finance Manager right after that, she said she will check with Mr Benedict & revert.

\*1 sep 20\*

9.23am Finance Manager whatsapp : "these 2 weeks he is busy with SP project , i will keep u updated once he is available"

Mr Chng ask me to text again to inform that he needs just an hour of Benedict's time at Mr Benedict 's office. I texted Finance Manager again as instructed. Finance Manager replied : " Noted , let me check with him again ."

No reply from them since then.



26 October 2020

**VibroPower Corporation Limited**

**By Email and Registered Mail**

11 Tuas Avenue 16

Singapore 638929

Attn: The Board of Directors

Dear Sirs,

**REQUISITION TO CONVENE AN EXTRAORDINARY GENERAL MEETING (EGM)**

I am one of the two shareholders who requested for the EGM and am writing with regards to the letter sent to The Board of Directors by Mr Benedict Chen Oon Meng (Chen) on 23 October 2020.

- 1. My shareholding in VibroPower Corporation Limited (VP)**
  - 1.1 I started investing in VP sometime in late 2019 prior to the Rights & Warrants issue.
  - 1.2 I was allocated my full entitlement of rights and warrants including all excess which I applied for.
  - 1.3 I have 2,522,900 shares as at 25 October 2020.
  - 1.4 As Chen has shared his theories about my actions and agenda, I would like to return the favor and present my concerns based on factual events.
  
- 2. Filing of Writ of Summons**
  - 2.1 My first concerns arose when within 2 weeks of the listing of new shares from the Right & Warrant Issues, the Company announced a Writ of Summons to recover a loan of approximately S\$1.7 million including cost and interest to a "Business Partner". Given that this loan was never mentioned in an AGM/EGM, appropriate questions will have to be raised such as:
    - 2.1.1 Was this a loan or a trade credit that turn bad?
    - 2.1.2 How long was the credit term?
    - 2.1.3 Was/Why had this loan not been make known to the shareholder?
  - 2.2 Subsequently, the Board issued a Profit Guidance for FY 2019 stating that VP is not expected to report a profit for FY 2019 mainly attributable to lower sales recognized in second half of FY 2019.
  - 2.3 On 26 February 2020, company announced a 2<sup>nd</sup> half loss of 2.789 million. The loss amount far exceeded the amount of money raised by the company during the Right & Warrant Issue.
  
- 3. Placement of Shares announced on 8 September 2020**
  - 3.1 The Company announced on 8 Sep 2020, a placement of new shares to 2 new subscribers, a father and son duo, Wong Kim Siong (WKS) and Wong Choon Heng (WCH). This was meant to help the company to expand its business in Malaysia.

- 3.2 Existing shareholders have similarly been kept in the dark regarding these 2 new potential shareholders and how they could add value to the Company's business model. Where a layman would minimally expect a description of the business achievements of WKS and WCH till date, shareholders were instead provided with an empty paragraph listing them as a "Trading Partner" with the company and who were introduced to the company by Chen.
- 3.3 Following the Company's financial troubles with a "Business Partner" as described in Para 2.1, it was only natural that I, as an Ordinary Shareholder, began to have doubts on the decisions made by the board.

#### **4. Inability to meet with Chen**

- 4.1 Contrary to Chen's claims in his letter, my understanding from Mr Chng Beng Hock (Chng), was that he had tried to arrange many meetings with Chen to discuss our concerns, but they never came to pass.
- 4.2 For full transparency, these are the meeting dates that he had sought as below:
- 15 July 2020 – Chen suggested through his secretary to delay till after the company announcement of result around 14 Aug 2020.
  - 20 Aug 2020 – request for meeting but with no reply on availability.
  - 25 Aug 2020 – request for meeting but again no reply on availability.
  - 1 Sept 2020 – received reply from Ms Yuting stating that these 2 weeks Chen is busy with SP
  - 1 Sep 2020 – Chng stated that he only required 1 hour of Chen's time. Ms Yuting's reply was "Noted, let me check with him again". There has been no reply since.
- 4.3 I find it troubling that Chen, whether deliberately or not, would present such a blatant distortion of the facts of the matter. I also think it irresponsible for the CEO and Executive Director to constantly evade meetings with Chng, who is a substantial shareholder.

#### **5. Chen's unwarranted suspicion**

- 5.1 In his letter, Chen spent the first 2 pages second guessing the agendas of Chng and myself. This would not have been necessary if he had managed shareholders' concern well by agreeing to have the conversation that was sought in Para 4 above.
- 5.2 I find it highly irregularly that Chen, as CEO, would deem it necessary to publicly question the motives of any of his shareholders. For the record, I am an ordinary investor who wishes to realise an appropriate return on my investment. There is no other agenda as Chen as insinuated.
- 5.3 Chen has spent a significant outlay of his time to analyse shareholders' details as he has described in Para 2.2 of his letter. As he could not find the time to have an hour conversation with Chng, I can only wonder as to the state of the Company's performance which presently allowed Chen his luxury of time.

#### **6. Consideration for EGM**

- 6.1 The duty of a Board of Directors is to provide shareholders the confidence that our interests are looked after, and that our investment in the company can bear fruit. Regrettably, the Current Board's abysmal record for the last 5 years chalked up more losses that far exceeded its profit.
- 6.2 The Board, which consists of 1 Executive Director and 2 Independent Directors, has remained the same for long time. Based on its historical performance, questions will

have to be asked as to whether they are competent to lead the company while enhancing its value.

- 6.3 Placement shares mentioned in Para 3 were placed below market price and was issued to new shareholders to assist the company to expand its business. But who they are, their background and how they intend to help, nothing else was said beside stating them as "Trading Partners" recommended by Chen.
- 6.4 Company should provide more information and an update pertaining to the Writ of Summon of S\$1.7 million, on whether it is a Trade Credit or Loan, and provide an opinion on the prospect of recovery.

**7. Summary**

It is with the shareholders' interest in mind that I joined Chng in our requisition for EGM. Transparency is key to us being a shareholder and investor. This would allow shareholders to have an alternative and to decide what is best for the company. I am amazed by Chen's suspicion of my intention in his letter and his insinuation of a separate agenda. This is a misrepresentation, and I will have to ask Chen to retract his statement and perform the necessary corrections.

In the spirit of transparency, I have come forward to state my position on these matters and clarify Chen's misgivings. I hope that Chen will focus his full efforts on reversing the almost S\$2.8million loss in FY 2019 and justify his remuneration instead of wasting company resources on misleading letter.

Lastly, I would like to request for the Board to circulate my letter to every member of the Company or as per the Board decision on Chen's letter. This is to allow shareholders to understand, evaluate and vote wisely in the EGM.

Thank You.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized, cursive 'L' followed by a horizontal line extending to the right.

Lim Eng Tiong



**Zhang Weiquan Jonathan**  
c/o Trident Law Corporation  
1 Coleman Street  
#05-15 The Adelphi  
Singapore 179803

4 November 2020

Attention: Shareholders of VibroPower Corporation Limited,

Dear Sirs,

1. I am Jonathan Zhang. As you would know, I have been nominated by Mr. Chng Beng Hock to be appointed as an Independent Director of VibroPower Corporation Limited (“**Company**”) pursuant to the requisition notice dated 14 September 2020.
2. I refer to the letter of representations dated 23 October 2020 (“**Letter of Representations**”) issued by Mr. Benedict Chen Onn Meng (“**Mr. Chen**”) in his capacity as a shareholder, executive director and chief executive officer of the Company. I wish to state that I am presently seeking legal advice on the Letter of Representations insofar as the contents pertain to me.
3. It is my view that the Letter of Representations insofar as it relates to me does not provide an accurate depiction of my independence, experience and track record. That being so, I write to put all relevant matters before you for your consideration.

*The allegation that I will not be independent*

4. Mr. Chen, at paragraph 3.4 of the Letter of Representations, states that I had, on 2 July 2020, emailed and spoken to one of his fellow directors regarding a proposition concerning the Company. Mr. Chen goes on to state that I had not presented any concrete proposal regarding the Company during the telephone conversation with Mr. Chen’s fellow director, Mr. Ernest Balasubramaniam (“**Mr. Bala**”). Mr. Chen then queries, in reliance on the aforesaid, as to whether I am truly independent, and, more significantly, whether I would act in the best interests of all shareholders.
5. I respond as follows.
6. First, I had emailed Mr. Bala on 7 July 2020 and not 2 July 2020 (as alleged by Mr. Chen). Further, I spoke to Mr. Bala by way of telephone conversation on 14 July 2020.
7. Second, nowhere in my email nor in my telephone conversation with Mr. Bala did I allude to any proposition concerning the Company. As Mr. Bala is an Independent Director in the PATEC Group, whose key management personnel were known to me since junior college, I reached out to Mr. Bala for networking purposes (as he would well know). I also told Mr. Bala that I wanted to be connected with Mr. Chen.
8. Third, as is obvious from the above, at no point in time was there any reason / purpose for me to provide a proposition and / or a concrete proposal to the Company. That being so, I fail to see the logic in Mr. Chen’s allegation (that I am not independent) on account of the fact that I had

contacted and/or communicated with Mr. Bala.

9. I also wish to state that any allegation that I will not act in the best interests of all shareholders is baseless.

*The allegation that I operate a karaoke bar*

10. Mr. Chen, at paragraph 4.4 of the Letter of Representations, states that I operate a karaoke bar. He cites a Business Times article dated 8 October 2020 ("**the BT Article**") in support of this assertion.
11. For the record, the BT Article reported that I am the "chief operating officer of a karaoke business" (and not of a karaoke bar). Despite having read the BT Article, and having reviewed my curriculum vitae, I am surprised that Mr. Chen saw it fit to state that I "operate a karaoke bar".
12. As mentioned by the BT Article, I am indeed the chief operating officer of Goodwill Entertainment Holdings which, amongst others, owns and operates 6 karaoke outlets in Singapore under the brand name "HaveFun Karaoke" and "Have Fun Family KTV" located at Bugis Cube, 313@Somerset, Downtown East, SAFRA Toa Payoh, NEX Serangoon and SAFRA Yishun. Even as recent as 22 October 2020, my views, in my capacity as the chief operating officer of HaveFun Karaoke, were sought by Channel News Asia.

*Allegations concerning Pixie Group Limited and the Tonino Lamborghini Club*

13. Mr. Chen, at paragraph 4.5 of the Letters of Representations, states that I was involved with the Pixie Group Limited and the Tonino Lamborghini Club (which was a project of the Pixie Group Limited).
14. Mr. Chen would be aware that the Pixie Group Limited was a company listed on the Australian Securities Exchange ("**ASX**"). Mr. Chen would also glean from my curriculum vitae that I was the Head of Business Development and Communications when Pixie Group Limited was still listed on the ASX. For Mr. Chen to be aware that Pixie Group Limited was sued by three former employees, Mr. Chen would also been aware that I was one of the three that sued the Pixie Group Limited for non-payment of salaries. It perplexes me that Mr. Chen has chosen not to provide you with the full picture.
15. I want to state for the record that I was never involved nor consulted in any financial decisions of the Pixie Group Limited and the Tonino Lamborghini Club.

*Allegations concerning American Express Company ("**AMEX**")*

16. As Mr. Chen pointed out at paragraph 4.6 of the Letter of Representations, AMEX commenced legal proceedings against me for unpaid sums. Those legal proceedings was subsequently discontinued by AMEX.
17. While Mr. Chen did accurately point out that AMEX commenced legal proceedings against me, Mr. Chen did not have the benefit of having all the information in this matter. I wish to clarify the situation. I have been an account holder with AMEX since 2009. However, due to certain internal

miscommunication, AMEX did not update my billing address in their system which resulted in me not receiving my monthly statement of accounts that led to litigation. After some clarification, AMEX discontinued the legal action. To date, I am still an AMEX account holder.

18. I also wish to state that besides this AMEX incident, I have never been involved in any other legal proceedings.

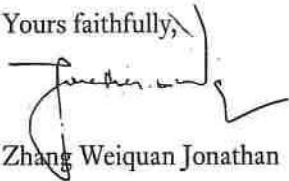
*Allegations on my lack of experience with listed companies*

19. Mr. Chen, at paragraph 4.8 of the Letters of Representations, states that I have not demonstrated my experience with listed companies (including in the capacity of an independent director). Mr. Chen has said so despite having reviewed my curriculum vitae. Even though I have not been an independent director of listed companies, my curriculum vitae would demonstrate that I have been heavily and actively involved in listed companies in Australia and Singapore, namely: -

- (1) Head of Business Development and Communications for Pixie Group Limited which was a listed company on the Australian Securities Exchange;
- (2) Business Development Manager (Americas) of the Pacific Radiance Limited which is a Singapore listed company and was actively involved in the business developments in the Americas namely Mexico and Brazil; and
- (3) Country Manager / Administrator of Radiance Offshore Navegacao (Alagoas) which is a subsidiary of Pacific Radiance Limited. I was responsible for the operational aspect of the company and was the sole signatory. More significantly, I was responsible for securing contracts and contract management in excess of USD40 million with the national oil company Petrobras amongst others.

I trust that the above would provide a holistic account of my independence, experience and track record (as compared to the Letter of Representations). I am aware of the legal duties that accompany the office of a director and affirm my commitment to perform those duties in accordance with the law, should the Members do appoint me as an independent director of the Company.

Yours faithfully,



Zhang Weiquan Jonathan

**From:** Alexander Chng Beng Hock <ax07@hotmail.com>  
**Sent:** 03 November 2020 14:18  
**To:** info  
**Cc:** Alexander Chng Beng Hock  
**Subject:** Questions for the EGM on 9 Nov 2020 (revised)  
**Attachments:** Questions D2 (Review 2 revised).pdf

Dear Sir/ Madam

Pls find attached the revised questions for the egm on 9 nov 2020.

Pls confirm receipt of this.

Thanks

Chng Beng Hock



Virus-free. [www.avg.com](http://www.avg.com)

## Questions to VibroPower Corporation Limited for EGM on 9 November 2020

Dated: 3 November 2020

1. On 8 September 2020, the Company announced a proposed placement of up to 9,500,000 new ordinary shares in the capital of the Company (“*Placement Exercise*”) at an issue price of S\$0.132 per share (the “*Issue Price*”). The Company entered into separate subscription agreements with Wong Kim Siong (“*WKS*”) and his son, Wong Chong Heng (“*WCH*”). WKS and WCH subscribed for 7,000,000 and 2,500,000 new ordinary shares in the capital of the Company respectively, which would give them an aggregate of 14.98% of the Company’s enlarged issued and paid-up share capital.

The Placement Exercise was completed on 5 October 2020 as announced by the Company on SGXNet on 6 October 2020. It is noteworthy that the Issue Price is at the maximum discount permissible pursuant to Rule 811 of the SGX-ST’s Listing Manual and the aggregate percentage of shares issued and allotted is just under the limit of Rule 803 of the SGX-ST’s Listing Manual, which provides that an issuer must not issue securities to transfer a controlling interest (i.e. 15%) which would then have required the prior approval of shareholders in a general meeting.

- (a) How were the Issue Price and the number of shares that were issued and allotted decided?
  - (b) It was mentioned in the announcement(insert footnote 1) that the Company’s Chief Executive Officer introduced them (which contradicts another statement therein which indicates that they were already known to the Group, “*a (insert footnote 2) owned by WCH and the group are trading partners*”). What is the nature and amount of business that the Group has with WKS, WCH and any of their associates? Note: For references made, to provide the references as footnotes.
2. On 30 January 2020, the Company announced the filing of writ of summons against an unnamed former business partner to recover a loan made, amounting to approximately S\$1.7 million (the “*Loan*”). The Company also announce on the same day a profit guidance that the Group is not expected to report a profit for FY2019. These were announced 2 weeks after the Company announced the results of the rights cum warrant issue on 15 January 2020.
  - (a) What was the nature and terms of the loan made to the unnamed business partner?
  - (b) What is the rationale in extending the loan to the unnamed business partner despite the Group’s declining results and weak financial position?
  - (c) When was the Company made aware of the loan repayment difficulties of the unnamed business partner?
  - (d) When was loan repayment difficulties of the unnamed business partner first made known to the Board?
  - (e) When did the Company decide to commence legal action against the unnamed business partner?
  - (f) When were the Letter of Demand, Statement of Claims and Writ of Summons issued to the unnamed partner?
  - (g) If the Company had known of the issue prior to the conclusion of the rights cum warrant issue, did the Company or the Board discuss or consider disclosing this material fact to its shareholders ?
  - (h) What is the prospect of recovery of this loan amount?

- (i) What is the legal cost incurred to date and what is the estimated total legal cost?
  - (j) Does this loan or the legal proceedings to recover the loan amount involve any IPT?
  - (k) SGX enhanced the disclosure regime to include the provision of loans, guarantees and any other forms of financial assistance, which took effect from 7 February 2020. Are there any other loans, guarantees or any other forms of financial assistance that the Group provided?
  - (l) Are there any updates to shareholders regarding this?
3. Between 2014 and 2019, the Annual Reports of the Company disclosed almost S\$17 million of IPT occurred of which a vast majority of these IPT was with Mason Industries Pte. Ltd. (“**Mason**”) of which Mr Chen Siew Meng, brother of Chen, is a director and 95.5% shareholder.

In the years 2006 to 2014, the annual reports of the group included the following statement in the corporate governance section:

“The Group had appointed Genesis Capital Pte Ltd as an independent financial adviser to review and opine on the adequacy of the procedure governing the transactions with interested parties. The report is included in the circular dated 8th August 2006.”

According to documents obtained from a search of the Supreme Court of Singapore’s hearings, it appears that Ernest Balasubramaniam is the solicitor representing Vibropower Pte Ltd (a wholly-owned subsidiary of the Company).

- (a) How are the terms of business between the Group and Mason negotiated and concluded? Does the Group source for alternative quotes for services/products provided by Mason?
  - (b) Has the Group reviewed the adequacy of procedure in the past 5 years aside from the report as mention above by Genesis Capital Pte Ltd?
  - (c) Has the Group conducted checks on the financial health and creditworthiness of Mason?
  - (d) What are the credit terms between the Group and Mason? Are there any loans between the Group and Mason?
  - (e) Has the Group engaged Ernest Balasubramaniam or his firm in any other legal work? If so, what is the nature and amount of the work incurred and has the Group disclosed this anywhere?
4. Despite reporting a loss for FY2019 and the declining sales of the Group through the past few years, the remuneration of the Executive Director of the Company, Benedict Chen Oon Meng (“**Chen**”), remained in the same band with no noticeable reduction.

The Remuneration Committee (RC) of the Company has disclosed the following in the Annual Report of the Company:

*“The RC considers all aspects of remuneration (including directors’ fees, salaries, allowances, bonuses, benefits in kind and termination payments) and will aim to be fair and avoid rewarding poor performance.”*

- (a) Can the RC elaborate on any reductions made to the Chen’s remuneration package to address the declining sales of the Group?
  - (b) Can the RC provide details of how the metric for performance is established and the methodology of how the remuneration is established?
5. Chen had, in his letter dated 23 October 2020 published on SGXNet by the Company attached as “Letter of Representation by a Director”, stated that he did not hear about a shareholder of the Company, Mr Chng Beng Hock (“**Chng**”), from January 2020 until the receipt of the first notice of requisition for the EGM. Chng had, in his letter to the Board of the Company dated 29 October 2020, detailed his attempts to contact Chen through the Company Secretary and Finance Manager of the Company.
- (a) Can Chen confirm that Chen was not informed by the Company Secretary and Finance Manager of the Company that Chng was trying to engage Chen? If so, was there a breakdown of communication within the Company?

**From:** Alexander Chng Beng Hock <ax07@hotmail.com>  
**Sent:** 03 November 2020 12:31  
**To:** info  
**Cc:** Alexander Chng Beng Hock  
**Subject:** Questions for EGM  
**Attachments:** Questions D2 (Review 1).docx

Pls find attached the questions for the egm on 9 nov 2020. Pls confirm receipt of this. Thanks



1. On 8 September 2020, the Company announced a proposed placement of up to 9,500,000 new ordinary shares in the capital of the Company (“**Placement Exercise**”) at an issue price of S\$0.132 per share (the “**Issue Price**”). The Company entered into separate subscription agreements with Wong Kim Siong (“**WKS**”) and his son, Wong Chong Heng (“**WCH**”). WKS and WCH subscribed for 7,000,000 and 2,500,000 new ordinary shares in the capital of the Company respectively, which would give them an aggregate of 14.98% of the Company’s enlarged issued and paid-up share capital.

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2. On 30 January 2020, the Company announced the filing of writ of summons against an unnamed former business partner to recover a loan made, amounting to approximately S\$1.7 million (the “**Loan**”). The Company also announce on the same day a profit guidance that the Group is not expected to report a profit for FY2019. These were announced 2 weeks after the Company announced the results of the rights cum warrant issue on 15 January 2020.

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4. Despite reporting a loss for FY2019 and the declining sales of the Group through the past few years, the remuneration of the Executive Director of the Company, Benedict Chen Oon Meng (“*Chen*”), remained in the same band with no noticeable reduction.

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“The RC considers all aspects of remuneration (including directors’ fees, salaries, allowances, bonuses, benefits in kind and termination payments) and will aim to be fair and avoid rewarding poor performance.”

- (a) Can the RC elaborate on any reductions made to the Chen’s remuneration package to address the declining sales of the Group?
- (b) Can the RC provide details of how the metric for performance is established and the methodology of how the remuneration is established?

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Questions to VibroPower Corporation Limited for EGM on 9 November 2020

Dated: 3 November 2020

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**CIRCULAR DATED 15 APRIL 2020**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of VibroPower Corporation Limited, you should forward this Circular, the Notice of Extraordinary General Meeting and the Proxy Form enclosed herewith immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to such purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (2) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form : 9 May 2020 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 11 May 2020 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : 38 Tuas Crescent  
Singapore 638725

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# DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

"ACRA"	:	Accounting and Corporate Regulatory Authority of Singapore
"AGM"	:	The annual general meeting of the Company to be held on 11 May 2020 at 38 Tuas Crescent Singapore 638725 at 9.30 a.m.
"associate"	:	(a) In relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and</li></ul> (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Board"	:	The board of Directors of the Company for the time being
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular dated 15 April 2020
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified or supplemented from time to time
"Company"	:	VibroPower Corporation Limited
"Controlling Shareholder"	:	A person who: <ul style="list-style-type: none"><li>(a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder); or</li><li>(b) in fact exercises control over the Company</li></ul>
"Directors"	:	The directors of the Company for the time being
"EGM"	:	The extraordinary general meeting of the Company, notice of which is set out on pages 28 to 31 of this Circular
"EPS"	:	Earnings per Share
"Group"	:	The Company and its subsidiaries
"Interested Persons"	:	The interested persons of the Company who fall within the IPT Mandate, as set out under sections 3.2 and 3.3 of this Circular



# DEFINITIONS

“Interested Person Transactions”	:	The categories of transactions with Interested Persons which fall within the IPT Mandate, as set out under section 3.4 of this Circular
“IPT Mandate”	:	The general mandate given by Shareholders to authorise the Directors to enter into any of the mandated transactions with specified classes of the Company’s Interested Persons in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Latest Practicable Date”	:	6 April 2020, being the latest practicable date prior to the printing of this Circular for ascertaining information included herein
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NTA”	:	Net tangible assets
“Relevant Period”	:	The period commencing from the date of the EGM on which the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate is passed and expiring on the date on which the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase”	:	The purchase or acquisition of issued Shares by the Company in accordance with the terms of the Share Purchase Mandate
“Share Purchase Mandate”	:	The general and unconditional mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, issued Shares in accordance with the terms of the Share Purchase Mandate set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose securities accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“subsidiary”	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act
“subsidiary holdings”	:	Any of the Shares held by subsidiaries of the Company in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“treasury shares”	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company

# DEFINITIONS

"S\$" and "cents" : Singapore dollars and cents respectively

"%" : Percentage or per centum

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore, or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

Words importing persons shall, where applicable, include corporations.

Any reference to a time of day and to dates in this Circular is made by reference to Singapore time and dates unless otherwise stated.

Any reference in this Circular to any statute or enactment is a reference to any statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as total in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded to the nearest two decimal places.



# LETTER TO SHAREHOLDERS

## VIBROPOWER CORPORATION LIMITED

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

### Directors

Benedict Chen Onn Meng (*Chief Executive Officer and Chairman*)  
Ernest Yogarajah s/o Balasubramaniam (*Independent and Non-Executive Director*)  
Toh Shih Hua (*Independent and Non-Executive Director*)

### Registered Office

11 Tuas Avenue 16  
Singapore 638929

15 April 2020

To: The Shareholders of VibroPower Corporation Limited

Dear Sir/Madam

**(I) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**

**(II) THE PROPOSED RENEWAL OF THE IPT MANDATE**

### 1. INTRODUCTION

The Directors are convening the EGM to be held at 38 Tuas Crescent Singapore 638725 on 11 May 2020 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM scheduled to be held at 9.30 a.m. on the same day and at the same place) to seek Shareholders' approval for the following proposals:

- (a) the proposed renewal of the Share Purchase Mandate; and
- (b) the proposed renewal of the IPT Mandate.

The purpose of this Circular is to provide Shareholders with information relating to the above proposals to be tabled at the EGM and to seek Shareholders' approval for such proposals at the EGM. The notice of EGM is set out on pages 28 to 31 of this Circular.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular. If any Shareholder is in doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

### 2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

#### 2.1 Background

The Share Purchase Mandate was originally approved by Shareholders at an extraordinary general meeting of the Company held on 15 April 2008 and was renewed at subsequent extraordinary general meetings of the Company held on 30 April 2009, 30 April 2010, 25 April 2011, 23 April 2012, 26 April 2013, 28 April 2014, 28 April 2015, 28 April 2016, 28 April 2017, 30 April 2018 and 29 April 2019.

# LETTER TO SHAREHOLDERS

The Share Purchase Mandate, renewed at the last extraordinary general meeting of the Company held on 29 April 2019, will expire on 30 April 2020, being the last date on which the Company is required by law to hold its annual general meeting.

Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the EGM.

## 2.2 Application

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act and the Listing Manual and such other laws and regulations as may, for the time being, be applicable. During the validity period of the Share Purchase Mandate, the Directors of the Company will have the authority to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Purchase Mandate.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interests of the Company. It should also be noted that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full extent mandated, or to such an extent that would, or in the circumstances which might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

## 2.3 Rationale

The renewal of the Share Purchase Mandate will give the Company the flexibility to undertake Share Purchases at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share Purchase is one of the methods by which return on equity may be enhanced. Share Purchase also provides the Company with a mechanism to return surplus cash over and above its financial and possible investment needs to Shareholders and the opportunity to purchase or acquire Shares when such Shares are undervalued. Share Purchase will also allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share.

## 2.4 Authority and Limits on the Share Purchase Mandate

The authority and limits of the Share Purchase Mandate, if renewed at the EGM, are the same as were first approved by Shareholders at the extraordinary general meeting of the Company held on 15 April 2008. The authority and limits of the Share Purchase Mandate are summarised below:

### 2.4.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the EGM, unless the Company has effected a reduction of its issued share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. For purposes of calculating the percentage of issued Shares above, any Shares which are held as treasury shares or as subsidiary holdings will be disregarded.

**Purely for illustrative purposes only**, on the basis of 53,926,284 issued Shares (excluding 1,076,800 treasury shares currently held by the Company and there being no subsidiary holdings) as at the Latest Practicable Date, and assuming that between the Latest Practicable Date and the date of the EGM (i) no new Shares are issued by the Company and (ii) no further Shares are purchased or acquired by the Company and cancelled or held as treasury shares, not more than 5,392,628 Shares, representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

# LETTER TO SHAREHOLDERS

## 2.4.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may be made, at any time and from time to time, by the Company on and from the date of the EGM, at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; and
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting.

## 2.4.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose (the "**Market Purchases**"); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an "equal access scheme" as defined in Section 76C of the Companies Act (the "**Off-Market Purchases**").

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Purchase Mandate, the Listing Manual, the Companies Act and the Constitution of the Company and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (A) offers for the purchase or acquisition of shares shall be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (B) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (C) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
  - (i) differences in consideration attributable to the fact that the offers may relate to shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that the offers may relate to shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;

# LETTER TO SHAREHOLDERS

- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions of Shares; and
- (7) whether the Shares purchased or acquired by the Company would be cancelled or kept as treasury shares.

## 2.4.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares purchased or acquired pursuant to the Share Purchase Mandate will be determined by a committee of Directors constituted for the purpose of effecting Share Purchases. However, the purchase price to be paid for the Shares pursuant to any Share Purchase must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below) of the Shares;

(the "**Maximum Price**") in either case, excluding related expenses of the Share Purchase.

For the above purposes of determining the Maximum Price:

"**Average Closing Price**" means the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of making of the offer (as defined below) pursuant to an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase or, as the case may be, the date of making of the offer pursuant to the Off-Market Purchase.

"**date of making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

## 2.5 **Status of Purchased or Acquired Shares**

### 2.5.1 Cancellation of Shares

Any Share which is purchased or acquired by the Company shall, unless held as treasury share to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share shall expire on cancellation. All Shares purchased by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

# LETTER TO SHAREHOLDERS

## 2.5.2 Treasury shares held by the Company

Under the Companies Act, Shares which are purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) *Maximum holdings*

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) *Disposal and cancellation*

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of, or pursuant to, any share scheme, whether for its employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribed.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares comprised in the usage.

(c) *Voting and other rights*

The Company cannot exercise any right in respect of the treasury shares, including:

- (a) the right to attend or vote at meetings; and
- (b) the right to receive dividend or any other distribution (whether in cash or otherwise) of its assets (including any distribution of assets to members on a winding up).

However, the Company may allot Shares as fully paid bonus shares in respect of its treasury shares and its treasury shares may be sub-divided or consolidated so long as the total value of the treasury shares after the sub-division or consolidation is the same as before the sub-division or consolidation, as the case may be.

# LETTER TO SHAREHOLDERS

## 2.6 Reporting Requirements

Within thirty (30) days of the passing of the Shareholders' resolution to approve the proposed renewal of the Share Purchase Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition of Shares such as the date of the purchase or acquisition of Shares, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition of Shares and whether the Shares were purchased out of profits or capital of the Company and such other particulars as may be required in the prescribed form.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA, in the prescribed form, the notice of cancellation or disposal of treasury shares.

The Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the market purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company, in a timely fashion, the necessary information which will enable the Company to make the notifications to the SGX-ST.

## 2.7 Source of Funds

The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of its capital and/or profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate. The Directors will only make purchases or acquisitions of Shares pursuant to the Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

## 2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the EPS and NTA per Share as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition of Shares is made out of capital or profits, the purchase price paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions of Shares and whether the Shares purchased or acquired are cancelled or held as treasury shares.

# LETTER TO SHAREHOLDERS

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration will not affect the amount available for distribution in the form of dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for distribution in the form of dividends by the Company.

Where the Company chooses to cancel any of the Shares which it purchased or acquired (as opposed to such Shares being held as treasury shares to the extent permitted under the Companies Act), the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price (including expenses such as brokerage or commission incurred directly by the Company in its purchase or acquisition of Shares) paid by the Company for the Shares cancelled.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group or on the financial position of the Company and the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhance the EPS and/or NTA per Share of the Group.

**Purely for illustrative purposes only**, the financial effects of Share Purchases on the Company and the Group, based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2019 are based on the assumptions set out below:

- (A) based on 53,926,284 Shares in issue (excluding 1,076,800 treasury shares currently held by the Company) as at the Latest Practicable Date and assuming no new Shares are issued and no further Shares are purchased or acquired by the Company and cancelled or held as treasury shares on or prior to the EGM and there being no subsidiary holdings, the exercise in full of the Share Purchase Mandate, on the Latest Practicable Date, would result in the purchase or acquisition of 5,392,628 Shares, representing not more than 10% of the total number of issued Shares of the Company (excluding treasury shares and there being no subsidiary holdings); and
- (B) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 5,392,628 Shares at the Maximum Price of S\$0.121 for each Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the amount of funds required would be approximately S\$652,508.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 5,392,628 Shares at the Maximum Price of S\$0.138 for each Share (being the price equivalent to 20% above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the amount of funds required would be approximately S\$744,183.

# LETTER TO SHAREHOLDERS

**Purely for illustrative purposes only**, and based on the assumptions set out in sub-paragraphs (A) and (B) above and assuming that (i) the purchase or acquisition of Shares was financed solely by internal sources of funds; and (ii) the Share Purchase Mandate had been effective on 1 January 2019, the financial effects of:

- (i) the purchase or acquisition of 5,392,628<sup>1</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are cancelled;
- (ii) the purchase or acquisition of 5,392,628<sup>1</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are cancelled;
- (iii) the purchase or acquisition of 4,423,508<sup>2</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are held as treasury shares; and
- (iv) the purchase or acquisition of 4,423,508<sup>2</sup> Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are held as treasury shares,

on the audited financial statements of the Company and the Group for the financial year ended 31 December 2019 are set out below:

- (I) **Pro-forma financial effects on the Group and the Company assuming that 5,392,628 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are cancelled immediately on purchase or acquisition**

As at 31 December 2019	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Shareholders' Funds (S\$'000)	13,772	13,119	14,786	14,133
Current Assets (S\$'000)	17,051	16,398	1,656	1,003
Current Liabilities (S\$'000)	9,970	9,970	1,784	1,784
Total Borrowings (S\$'000)	7,036	7,036	–	–
Cash and Cash Equivalents (S\$'000)	1,342	689	145	–
Number of Shares <sup>(1)</sup>	53,926,284	48,533,656	53,936,284	48,533,656
<b>Financial Ratios</b>				
NTA <sup>(2)</sup> per Share (cents)	25.54	27.03	27.42	29.12
Weighted average number of Shares	53,926,284	48,533,656	53,926,284	48,533,656
EPS <sup>(3)</sup> (cents)	(5.40)	(6.00)	(0.24)	(0.27)
Gearing <sup>(4)</sup> (%)	41.34	48.38	–	–
Current Ratio <sup>(5)</sup> (times)	1.71	1.64	0.93	0.56

Notes:

- (1) Excluding 1,076,800 Shares held by the Company as treasury shares as at the Latest Practicable Date.
- (2) NTA equals total shareholders' funds less intangible assets.
- (3) EPS is computed based on the loss after tax, for the financial year ended 31 December 2019, of S\$2,912,000 and S\$132,000 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of EPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 January 2019.
- (4) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.

- 1 Being the maximum number of Shares which the Company may purchase or acquire pursuant to the Share Purchase Mandate and such Shares are cancelled. This is based on the assumption that, between the Latest Practicable Date and the date of the EGM, (i) there are no changes to the number of issued Shares and the number of treasury shares held by the Company and (ii) there being no subsidiary holdings.
- 2 Being the maximum number of Shares which the Company may purchase or acquire pursuant to the Share Purchase Mandate and hold such Shares as treasury shares in compliance with Section 76I of the Companies Act. This is based on the assumption that, between the Latest Practicable Date and the date of the EGM, (i) there are no changes to the number of issued Shares and the number of treasury shares held by the Company and (ii) there being no subsidiary holdings.



# LETTER TO SHAREHOLDERS

- (II) **Pro-forma financial effects on the Group and the Company assuming that 5,392,628 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are cancelled immediately on purchase or acquisition**

As at 31 December 2019	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Shareholders' Funds (S\$'000)	13,772	13,028	14,786	14,042
Current Assets (S\$'000)	17,051	16,307	1,656	912
Current Liabilities (S\$'000)	9,970	9,970	1,784	1,784
Total Borrowings (S\$'000)	7,036	7,036	–	–
Cash and Cash Equivalents (S\$'000)	1,342	598	145	–
Number of Shares <sup>(1)</sup>	53,926,284	48,533,656	53,936,284	48,533,656
<b>Financial Ratios</b>				
NTA <sup>(2)</sup> per Share (cents)	25.54	26.84	27.42	28.93
Weighted average number of Shares	53,926,284	48,533,656	53,926,284	48,533,656
EPS <sup>(3)</sup> (cents)	(5.40)	(6.00)	(0.24)	(0.27)
Gearing <sup>(4)</sup> (%)	41.34	49.24	–	–
Current Ratio <sup>(5)</sup> (times)	1.71	1.64	0.93	0.51

Notes:

(1) Excluding 1,076,800 Shares held by the Company as treasury shares as at the Latest Practicable Date.

(2) NTA equals total shareholders' funds less intangible assets.

(3) EPS is computed based on the loss after tax, for the financial year ended 31 December 2019, of S\$2,912,000 and S\$132,000 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of EPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 January 2019.

(4) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.

(5) Current ratio equals current assets divided by current liabilities.

- (III) **Pro-forma financial effects on the Group and the Company assuming that 4,423,508 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Market Purchases and such Shares are held as treasury shares**

As at 31 December 2019	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Shareholders' Funds (S\$'000)	13,772	13,237	14,786	14,251
Current Assets (S\$'000)	17,051	16,516	1,656	1,121
Current Liabilities (S\$'000)	9,970	9,970	1,784	1,784
Total Borrowings (S\$'000)	7,036	7,036	–	–
Cash and Cash Equivalents (S\$'000)	1,342	807	145	–
Number of Shares <sup>(1)</sup>	53,926,284	49,502,776 <sup>(2)</sup>	53,936,284	49,502,776 <sup>(2)</sup>
<b>Financial Ratios</b>				
NTA <sup>(3)</sup> per Share (cents)	25.54	26.74	27.42	28.79
Weighted average number of Shares	53,926,284	49,502,776	53,926,284	49,502,776
EPS <sup>(4)</sup> (cents)	(5.40)	(5.88)	(0.24)	(0.27)
Gearing <sup>(5)</sup> (%)	41.34	47.06	–	–
Current Ratio <sup>(6)</sup> (times)	1.71	1.66	0.93	0.63

# LETTER TO SHAREHOLDERS

Notes:

- (1) Excluding 1,076,800 Shares held by the Company as treasury shares as at the Latest Practicable Date.
- (2) Excluding 5,500,308 treasury shares of which 1,076,800 treasury shares are already held by the Company as at the Latest Practicable Date. Pursuant to Section 76I of the Companies Act, the Company is allowed to hold not more than 10% of its total number of issued Shares as treasury shares, being 5,500,308 Shares.
- (3) NTA equals total shareholders' funds less intangible assets.
- (4) EPS is computed based on the loss after tax, for the financial year ended 31 December 2019, of S\$2,912,000 and S\$132,000 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of EPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 January 2019.
- (5) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (6) Current ratio equals current assets divided by current liabilities.

**(IV) Pro-forma financial effects on the Group and Company assuming that 4,423,508 Shares are purchased or acquired pursuant to the Share Purchase Mandate by way of Off-Market Purchases and such Shares are held as treasury shares**

As at 31 December 2019	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Shareholders' Funds (S\$'000)	13,772	13,162	14,786	14,176
Current Assets (S\$'000)	17,051	16,441	1,656	1,046
Current Liabilities (S\$'000)	9,970	9,970	1,784	1,784
Total Borrowings (S\$'000)	7,036	7,036	–	–
Cash and Cash Equivalents (S\$'000)	1,342	732	145	–
Number of Shares <sup>(1)</sup>	53,926,284	49,502,776 <sup>(2)</sup>	53,926,284	49,502,776 <sup>(2)</sup>
<b>Financial Ratios</b>				
NTA <sup>(3)</sup> per Share (cents)	25.54	26.59	27.42	28.64
Weighted average number of Shares	53,926,284	49,502,776	53,926,284	49,502,776
EPS <sup>(4)</sup> (cents)	(5.40)	(5.88)	(0.24)	(0.27)
Gearing <sup>(5)</sup> (%)	41.34	47.90	–	–
Current Ratio <sup>(6)</sup> (times)	1.71	1.65	0.93	0.59

Notes:

- (1) Excluding 1,076,800 Shares held by the Company as treasury shares as at the Latest Practicable Date.
- (2) Excluding 5,500,308 treasury shares of which 1,076,800 treasury shares are already held by the Company as at the Latest Practicable Date. Pursuant to Section 76I of the Companies Act, the Company is allowed to hold not more than 10% of its total number of issued Shares as treasury shares, being 5,500,308 Shares.
- (3) NTA equals total shareholders' funds less intangible assets.
- (4) EPS is computed based on the loss after tax, for the financial year ended 31 December 2019, of S\$2,912,000 and S\$132,000 for the Group and the Company respectively divided by the weighted average number of Shares as stated above. For calculation of EPS after the purchase or acquisition of Shares, it was assumed that such purchase or acquisition of Shares was made on 1 January 2019.
- (5) Gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (6) Current ratio equals current assets divided by current liabilities.

# LETTER TO SHAREHOLDERS

Shareholders should note that the financial effects illustrated above are based on certain assumptions and are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Group for the financial year ended 31 December 2019 and is not necessarily representative of the future financial performance of the Company or the Group.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of the Share Purchase before execution. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings), ascertained as at the date of the EGM, the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

The Directors do not intend to exercise the Share Purchase Mandate up to the maximum limit if such exercise would materially and adversely affect the financial position of the Company or the Group.

## 2.9 Taxation

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own professional advisers.

## 2.10 Requirements under the Listing Manual

While the Listing Manual does not expressly prohibit the purchase or acquisition of shares by a listed company during any particular time or times, because a listed company would be considered to be an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:

- (a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and
- (b) in the case of Market Purchases, during the period of one (1) month before the announcement of the Company's result for its half year or full financial year.

The Listing Manual requires a company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is held by the public. The term "public" is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders or controlling shareholders of the issuer or its subsidiary companies and associates of such persons.

As at the Latest Practicable Date, there were 39,463,404 Shares in the hands of the public, representing approximately 73.18% of the total number of issued Shares of the Company excluding treasury shares. Assuming that the Company purchases or acquires its issued Shares through Market Purchases up to the full 10% limit or 5,392,628 Shares pursuant to the Share Purchase Mandate from the public, the number of Shares in the hands of the public would be reduced to 34,070,779 Shares, representing approximately 70.20% of the reduced issued share capital of the Company. Accordingly, based on information available as at the Latest Practicable Date, the Company is of the view that there is, at present, a sufficient number of Shares held by public Shareholders which would permit it to undertake purchases and acquisitions of its Shares up to the full 10% limit pursuant to the Share Purchase Mandate, without adversely affecting the listing status of its Shares on the SGX-ST.

In undertaking any Share Purchase, the Directors will use their best efforts to ensure that, notwithstanding such purchases or acquisitions of Shares by the Company, a sufficient float in the hands of the public will be maintained so that Share Purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

# LETTER TO SHAREHOLDERS

## 2.11 Take-over implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### 2.11.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition of Shares for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

### 2.11.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (i) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

# LETTER TO SHAREHOLDERS

## 2.11.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and persons acting in concert with them would increase to 30% or more, or in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

## 2.11.4 Application of the Take-over Code

Mr Benedict Chen Onn Meng is a Director and Controlling Shareholder of the Company. Mr Chen Siew Meng, a Shareholder, is the brother of Mr Benedict Chen Onn Meng. Due to their relationship, Mr Benedict Chen Onn Meng and Mr Chen Siew Meng are presumed under the Take-over Code to be persons acting in concert with each other (the "**Concert Party Group**").

As at the Latest Practicable Date, the shareholdings of each of the persons within the Concert Party Group before and after Share Purchases (assuming (i) the Company acquires or purchases a maximum of 5,392,628 Shares, being 10% of the total number of issued Shares (excluding treasury shares and there being no subsidiary holdings), and (ii) there is no change in the number of Shares held or deemed to be held by such persons) were or would be as follows:

	Interest <sup>(1)</sup> before Share Purchase (%) <sup>(2)</sup>	Interest <sup>(1)</sup> after Share Purchase (%) <sup>(3)</sup>
Benedict Chen Onn Meng	22.50	25.00
Chen Siew Meng	4.32	4.80
<b>Total Interest</b>	<b>26.82</b>	<b>29.80</b>

Notes:

- (1) Interest in the Shares is determined based on the actual number of Shares held by each of the persons within the Concert Party Group and/or through their Depository Agent.
- (2) Based on the issued share capital of 53,926,284 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) Based on the issued share capital of 48,533,656 Shares (excluding treasury shares) assuming the Company acquires or purchases a maximum of 5,392,628 Shares pursuant to the Share Purchase Mandate.

Assuming that the Company acquires or purchases a maximum of 5,392,628 Shares pursuant to the Share Purchase Mandate and assuming that the voting rights of the Concert Party Group as at the Latest Practicable Date of 26.82% remain unchanged, the voting rights of the Concert Party Group will increase from 26.82% to 29.80% solely as a result of Share Purchases up to the full 10% limit pursuant to the Share Purchase Mandate. Accordingly, as the Concert Party Group's combined shareholding interest in the Company before and after such acquisitions or purchases of Shares by the Company remains below 30%, the Concert Party Group will not become obligated to make a mandatory take-over offer in the event that the Company acquires or purchases the maximum number of Shares pursuant to the Share Purchase Mandate.

The Directors are not aware of any other Shareholder who may become obligated to make a mandatory take-over offer in the event that the Company purchases or acquires the maximum number of Shares as permitted under the Share Purchase Mandate.

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**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.**

## **2.12 Shares purchased in the previous 12 months**

The Company has not purchased any Shares in the 12 months immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, an aggregate of 1,076,800 Shares are held by the Company as treasury shares of which (i) 100,000 Shares were purchased or acquired in September 2015 (ii) 248,800 Shares were purchased or acquired on 3 December 2012 and (iii) the balance 728,000 Shares were purchased or acquired during the period from 15 April 2008 to 3 March 2009.

## **3. PROPOSED RENEWAL OF THE IPT MANDATE**

### **3.1 Background**

The Directors propose to seek Shareholders' approval at the EGM in relation to the proposed renewal of the IPT Mandate which was first approved by Shareholders at the extraordinary general meeting of the Company held on 28 August 2006. The IPT Mandate was renewed at subsequent extraordinary general meetings of the Company held on 26 April 2007, 15 April 2008, 30 April 2009, 30 April 2010, 25 April 2011, 23 April 2012, 26 April 2013, 28 April 2014, 28 April 2015, 28 April 2016, 28 April 2017, 30 April 2018 and 29 April 2019.

The IPT Mandate allows the Group and its associated companies to enter into certain transactions with persons who are considered to be "interested persons" under Chapter 9 of the Listing Manual. The salient terms of the IPT Mandate and the types of Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed, remains unchanged.

Chapter 9 of the Listing Manual governs transactions which a listed company or any of its subsidiaries or associated companies proposes to enter into with an interested person of the listed company. Under Chapter 9, where a listed company or any of its subsidiaries or associated companies which is an "entity at risk" proposes to enter into a transaction with an "interested person", shareholders' approval and/or an immediate announcement is required in respect of such transaction if the value of the transaction is equal to or exceeds certain thresholds.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, 3% of the group's latest audited NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited NTA.

Further, shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, 5% of the group's latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the group's latest audited NTA.

For the purposes of aggregation, any transaction with an interested person below S\$100,000 in value will be excluded. While transactions with an interested person below S\$100,000 are not normally aggregated, the SGX-ST may nevertheless aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

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The following definitions under the Listing Manual are relevant:

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) In the case of a company, an “**associate**”:
  - (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
    - (1) his immediate family (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);
    - (2) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
    - (3) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
  - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (c) A “**controlling shareholder**” means a person who:
  - (i) holds directly or indirectly 15% or more of the total voting rights in the company (unless the SGX-ST determines otherwise); or
  - (ii) in fact exercises control over a company.
- (d) An “**entity at risk**” means:
  - (i) the issuer;
  - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
  - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (e) In the case of a company, an “**interested person**” means a director, chief executive officer or controlling shareholder of the issuer or an associate of any such director, chief executive officer or controlling shareholder.
- (f) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2019, the audited NTA of the Group as at 31 December 2019 was approximately S\$15,463,000.

Accordingly, Shareholders’ approval would be required where:

- (a) the transaction is of a value equal to, or more than, S\$773,150 (the “**Threshold**”), being 5% of the latest audited NTA of the Group; or



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- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year (excluding transactions below S\$100,000 in value, as provided for in Rule 906(2) of the Listing Manual), is of a value equal to, or more than, the Threshold.

The Group has entered into various interested person transactions with the Interested Persons and of the nature described in section 3.4 of this Circular. Information on the value of these transactions in the last two financial years appears in the Notes to Financial Statements in the Company's Annual Reports for the respective financial years ended 31 December 2018 and 31 December 2019.

As at the Latest Practicable Date, none of the said transactions with the Interested Persons have crossed the Threshold described above. There is a possibility that the value of such transactions with the Interested Persons may cross the Threshold described above in the current financial year, and upon the recommendation of the Audit Committee, the Company is seeking to renew the IPT Mandate to ensure that it remains in compliance with the requirements of Chapter 9 of the Listing Manual.

## 3.2 Classes of Interested Persons

- (a) Mason Industries Pte Ltd ("**Mason Industries**") is a company incorporated in Singapore. It is principally engaged in the manufacturing of, and trading in, a range of component parts used in the manufacturing of power generators (the "**Parts**").

As at the Latest Practicable Date, 95.5% of the issued and paid-up share capital of Mason Industries is held by Mr Chen Siew Meng, who is the brother of Mr Benedict Chen Onn Meng, a Director and Controlling Shareholder of the Company. The remaining 4.5% of the issued and paid-up share capital of Mason Industries is held by Pineda Epifanio Mendoza (Manny), who is not an interested person. As at the Latest Practicable Date, Mr Benedict Chen Onn Meng holds, directly and indirectly, approximately 22.5% of the issued share capital of the Company (excluding treasury shares).

Pursuant to Chapter 9 of the Listing Manual, Mason Industries is an associate of Mr Benedict Chen Onn Meng, and therefore an interested person. Accordingly, transactions between Mason Industries and the Company constitute interested person transactions.

- (b) Mason Industries (Hong Kong) Limited ("**Mason HK**") is a company incorporated in Hong Kong. As at the Latest Practicable Date, 39% of the issued and paid-up share capital of Mason HK is held by Mr Benedict Chen Onn Meng, a Director and Controlling Shareholder of the Company. The remaining 61% of the issued and paid-up share capital of Mason HK is held by Mr Yiu Kam Chung, who is not an interested person. Mason HK is principally engaged in the manufacturing of, and trading in, the Parts.

Pursuant to Chapter 9 of the Listing Manual, Mason HK is an associate of Mr Benedict Chen Onn Meng, and therefore an interested person. Accordingly, transactions between Mason HK and the Company constitute interested person transactions.

- (c) Vibro Holdings Pte Ltd ("**Vibro Holdings**") is a company incorporated in Singapore. As at the Latest Practicable Date, 43% of the issued and paid-up share capital of Vibro Holdings is held by Mr Chen Siew Meng, who is the brother of Mr Benedict Chen Onn Meng, a Director and Controlling Shareholder of the Company. The remaining 57% of the issued and paid-up share capital of Vibro Holdings is held by Ms Seow Hwee Tiang, who is the wife of Mr Chen Siew Meng.

Pursuant to Chapter 9 of the Listing Manual, Vibro Holdings is an associate of Mr Benedict Chen Onn Meng, and therefore an interested person. Accordingly, transactions between Vibro Holdings and the Company constitute interested person transactions.

- (d) The Company anticipates that it would, in its ordinary course of business, continue to enter into transactions with Mason Industries, Mason HK and Vibro Holdings and possibly other associates of Mr Benedict Chen Onn Meng. These are recurrent transactions of a revenue or trading nature or necessary for the day-to-day operations of the Company, such as the purchase and sale of services, supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses).



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## 3.3 Scope of the IPT Mandate

- (a) The IPT Mandate will apply to transactions in the categories described in section 3.4 of this Circular, between any member of the Group and any of the following (each an “**Interested Person**”, and collectively, the “**Interested Persons**”):
  - (i) Mr Benedict Chen Onn Meng;
  - (ii) Mason Industries;
  - (iii) Mason HK;
  - (iv) Vibro Holdings; and
  - (v) any other associate of Mr Benedict Chen Onn Meng.
- (b) The entity-at-risk group, that is, the entities with whom the Interested Persons may transact for the purposes of the IPT Mandate, comprises:
  - (i) the Company;
  - (ii) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange) from time to time; and
  - (iii) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) from time to time over which the Group, or the Group and its interested person(s) has or have control over.

Reference to the “**Group**” in this section 3 shall include a reference to all the entities in this entity-at-risk group.

- (c) The IPT Mandate will not cover any Interested Person Transaction that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. In addition, the IPT Mandate only covers recurrent transactions of a revenue or trading nature or those necessary for the day-to-day operations such as the purchase and sale of services, supplies and materials but will not cover transactions relating to the purchase or sale of assets, undertakings or businesses.
- (d) Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

## 3.4 Categories of Interested Person Transactions

- (a) Purchase of Parts

In the ordinary course of its business, the Group purchases Parts from Mason HK and Mason Industries, on a job-by-job basis. These Parts are incorporated into the products manufactured by the Group.

Currently, the Parts comprise vibration isolators (both spring and rubber), acoustic attenuators (both intake and discharge), acoustic enclosures, exhaust mufflers and radiator fans. In future, other components may be included.

The Directors are of the view that the price and terms of such Parts offered by the Interested Persons are not less favorable than those offered by unrelated third parties taking into account industry norms.

These transactions are recurrent and of a trading nature.

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(b) Supply of Skilled Labor

Mason Industries is one of the suppliers of skilled factory and site labor to the Group. Using external sources of labor allows the Group to respond more efficiently to changes in its manpower requirements from time to time, without carrying the overheads of a larger workforce.

Mason Industries supplies some of the skilled factory and site labor to the Group to carry out production activities.

The Directors are of the view that the charges offered by the Interested Persons are not less favorable than those offered by unrelated third parties taking into account industry norms.

These transactions are recurrent and necessary to facilitate the day-to-day operations of the Group.

(c) Provision of Administrative Services and Reimbursement of Expenses

Mason Industries bears certain office expenses for the Group companies, for administrative convenience. The Company reimburses these expenses to Mason Industries at cost.

The Company also uses the services of some of Mason Industries' employees who perform clerical duties and technical support for both the Company and Mason Industries. The costs of these employees are shared between the two companies, with the allocation based on the estimated time spent for performing duties for each company. The Company's portion of these costs is reimbursed to Mason Industries at cost.

These transactions are recurrent and necessary to facilitate the day-to-day operations of the Group.

### 3.5 Rationale and Benefit

(a) The Directors are of the view that it will be beneficial to the Group to transact or to continue to transact with the Interested Persons.

(b) The Group can leverage on the familiarity of Mason Industries with the Group's products and the Group's standing as a priority customer of Mason Industries, to ensure a reliable supply of the Parts consistent with the Group's product quality standards.

These advantages will augment the efficiency of the Group's manufacturing process thereby enhancing the timeliness of production and delivery.

(c) The transactions, being recurrent in nature, will occur from time to time at differing intervals.

The IPT Mandate and the subsequent renewals on an annual basis will eliminate the need to prepare and make announcements and/or convene separate general meetings on a continual basis to seek prior approval for the entry into these transactions. This will enhance the ability of the Group to pursue business opportunities which are time-sensitive or cost-sensitive in nature. In addition, it will substantially reduce the time and expenses which would otherwise be incurred to convene general meetings on an *ad hoc* basis, and considerably improve the Company's efficiency in administration of such interested person transactions, without compromising corporate objectives.

### 3.6 Review Procedures for Interested Person Transactions

The Company has an established process of implementing the guidelines and procedures to ensure that interested person transactions, and in particular the Interested Person Transactions are transacted with the Group on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders:

# LETTER TO SHAREHOLDERS

## *Specific Review Procedures*

### (a) Purchases of Parts

In the case of procurement of products and services from an Interested Person, at least two other comparative quotations are obtained from unrelated third party suppliers for similar or substantially similar type of Parts as bases for comparison. These comparative quotations are obtained on a periodical basis and not for each transaction, given the frequency and large volume of the transactions. The price and terms offered by the Interested Person shall not be less favorable than those offered by unrelated third parties.

In the case where it is impractical or not possible to obtain comparable quotes from unrelated third parties, a Director (who has no interest, direct or indirect, in the transaction) will review the price and terms offered, to ensure that the same are fair and reasonable, and beneficial to the Group, taking into account industry norms, and whether the transactions would result in cost savings, increased profit margins or other advantages to the Group.

The Group may enter into transactions with Interested Persons in certain circumstances, notwithstanding that the price offered may be higher than the comparative quotes. The reason is that in order to maintain its product quality and to meet or exceed customer expectations, a choice of supplier must be predicated not only on price but on qualitative factors as well. In selecting a supplier, the Group considers factors such as credit terms, whether the supplier can meet the volume of production required, timeliness and costs of delivery, logistics issues, preferences of customers for particular brands of parts, import or export regulations, consistency of quality and supply, service response, market conditions and many others. Prior approval of a Director (who has no interest, direct or indirect, in the transaction) must be obtained when the price offered by Interested Persons is higher than the comparable quotes.

Notwithstanding the above, all Interested Person Transactions in excess of S\$100,000 in value are subject to the prior approval of the Audit Committee. The Audit Committee will also review all Interested Person Transactions in the Register (as defined in sub-paragraph (d) below) quarterly to ensure that they are transacted on terms and prices not more favorable to the Interested Persons than if they were transacted with an unrelated third party and are not prejudicial to the interests of the Company and/or its minority Shareholders.

### (b) Supply of Skilled Labor

When procuring a supply of skilled labor from the Interested Persons, a Director (who has no interest, direct or indirect in the transaction) will review the charges for the supply of skilled labor to ensure that these are at prevailing market rates, by comparison with quotations from unrelated third parties. In the event that it is impractical or not possible to obtain comparable quotes from unrelated third parties due to special skill requirements, nature of the job or prevailing market conditions, a Director (who has no interest, direct or indirect, in the transaction) will review the charges to ensure that such charges for the supply of skilled labor are fair and reasonable according to industry norms.

### (c) Provision of Administrative Services and Reimbursement of Expenses

The cost of certain administrative services provided by Interested Persons is shared between the Group and the Interested Persons. Such services are obtained on a cost recovery basis. Where possible, comparative costs for the administrative services are obtained. In the event that it is impractical or not possible to obtain comparable quotes from unrelated third parties, a Director (who has no interest, direct or indirect, in the transaction) will review the charges to ensure that such charges are fair and reasonable according to industry norms.

Interested Persons occasionally bear certain office expenses (including utilities bills) for the Group, for administrative convenience. The Group reimburses these expenses to such Interested Persons at cost.

# LETTER TO SHAREHOLDERS

## *General Review Procedures*

(d) Register

The Company's Finance Department maintains a register for all transactions (including transactions below S\$100,000 in value) carried out with interested persons (the "**Register**") recording the basis, including the quotations obtained to support such basis, on which they were entered into. This Register is updated on a monthly basis.

Subsidiaries of the Group are required to inform the Finance Department of any significant upcoming transactions with interested persons so that the Register can be updated, and so as to obtain prior approval of the Audit Committee or Shareholders, where necessary.

The Finance Department will maintain a list of the Group's directors and controlling shareholders and disclose this to the Board to facilitate identification of interested persons. This list of interested persons will be reviewed by the Audit Committee, where necessary.

Further, as part of the Company's internal audit plan, the Audit Committee conducts a review of all Interested Person Transactions entered into in the relevant financial year pursuant to the IPT Mandate.

(e) Review by Audit Committee

The Audit Committee reviews the records and audit reports on a quarterly basis in respect of all ongoing interested person transactions.

All interested person transactions are reviewed by the Audit Committee. Interested person transactions in excess of S\$100,000 in value are subject to prior approval by the Audit Committee. All other interested person transactions having a value up to S\$100,000 (whether or not quotes from unrelated third parties have been secured) are reviewed quarterly by the Audit Committee to ensure that they are on normal commercial terms and on an arms' length basis, consistent with the Group's usual business practices and policies, that is, the transactions are transacted on terms and prices not more favorable to the interested persons than if they were transacted with an unrelated third party and are not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee has the overall responsibility for the determination of the review procedures for all interested person transactions (including the Interested Person Transactions) and has the authority to delegate such responsibility to individuals or committee within the Group.

The Audit Committee will consider whether the established review procedures and the prevailing rules and regulations of the Listing Manual have been complied with. If, during periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures in place have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that the Interested Person Transactions will be at arm's length and on normal commercial basis.

If any member of the Audit Committee has an interest in any interested person transaction to be reviewed, such member will abstain from any decision-making in respect of that transaction and the review and approval of that transaction will be undertaken by the remaining members of the Audit Committee.

(f) Review by the Internal Auditors

All interested person transactions, including the review policy and procedures established by the Group, are reviewed by the Group's internal auditors as part of the Group's standard internal audit process.

# LETTER TO SHAREHOLDERS

- (g) Review by the Board of Directors

As the Audit Committee makes periodic reports to the Board, the Board takes cognizance of the Audit Committee's review of interested person transactions. The Board will ensure that all disclosure requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.

## 3.7 VALIDITY PERIOD OF THE IPT MANDATE

The IPT Mandate will take effect from the date of the passing of the ordinary resolution approving the renewal of the same and will (unless revoked or varied by the Company in general meeting) continue in force until the next annual general meeting of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent annual general meeting, subject to satisfactory review by the Audit Committee of its continued application.

## 3.8 Disclosure of the Interested Person Transactions pursuant to the IPT Mandate

- (a) The Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which the Company reports on, in accordance with applicable financial reporting standards and within the time required for the announcement of such reports.
- (b) Disclosure will also be made in the Company's annual report of the aggregate value of Interested Person Transactions conducted pursuant to the IPT Mandate during the current financial year, and for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

## 3.9 Interest of Directors

Save for Mr Benedict Chen Onn Meng, the other Directors of the Company have no interest, direct or indirect, in the Interested Person Transactions described above.

## 3.10 Statement of the Audit Committee

As at the Latest Practicable Date, the Audit Committee of the Company comprises Ms Toh Shih Hua, Mr Ernest Yogarajah s/o Balasubramaniam and Mr Benedict Chen Onn Meng.

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee (save for Mr Benedict Chen Onn Meng who had abstained from making any recommendation), confirms that:

- (a) the methods and review procedures for determining the transaction prices of the Interested Person Transactions, set out in section 3.6 of this Circular, have not changed since Shareholders first approved the IPT Mandate at the Company's extraordinary general meeting held on 28 August 2006; and
- (b) the methods and review procedures of the Interested Person Transactions established by the Company for determining the transaction prices of the Interested Person Transactions, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, in its review, the Audit Committee is of the view that the review procedures are no longer sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, it will direct the Company to seek a fresh mandate from the Shareholders based on new guidelines and procedures for Interested Person Transactions.

# LETTER TO SHAREHOLDERS

## 3.11 Voting

Rule 919 of the Listing Manual provides that interested persons and their associates must not vote on any shareholders' resolution approving any mandate or renewal thereof in respect of any interested person transactions nor accept appointments as proxies unless specific instructions as to voting are given.

Mr Benedict Chen Onn Meng will abstain from voting his shareholdings, and undertakes to ensure that his associates will abstain from voting in respect of Ordinary Resolution 2 relating to the proposed renewal of the IPT Mandate at the EGM. Further, Mr Benedict Chen Onn Meng undertakes to decline to accept, and undertakes to ensure that his associates will decline to accept, appointment as proxy to vote at the EGM in respect of Ordinary Resolution 2 relating to the proposed renewal of the IPT Mandate unless the Shareholder appointing any of them has given specific instructions as to the manner in which his votes are to be cast for the said resolution.

## 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 4.1 Interests in Shares

As at the Latest Practicable Date, the interests of Directors and substantial shareholders of the Company in the Shares, based on the Company's register of interest of Directors and register of substantial shareholders respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<u>Directors</u>				
Benedict Chen Onn Meng <sup>(2)</sup>	12,000,180	22.25	131,400	0.24
Ernest Yogarajah s/o Balasubramaniam	–	–	–	–
Toh Shih Hua	–	–	–	–
<u>Substantial Shareholder</u>				
Benedict Chen Onn Meng <sup>(2)</sup>	12,000,180	22.25	131,400	0.24

Notes:

(1) Based on the issued share capital of the Company of 53,926,284 Shares excluding 1,076,800 treasury shares held by the Company as at the Latest Practicable Date.

(2) Mr Benedict Chen Onn Meng is deemed interested in 131,400 Shares held through his Central Provident Fund investment account (UOB Kay Hian Pte Ltd).

# LETTER TO SHAREHOLDERS

## 4.2 Interests in warrants under the deed poll dated 17 December 2019

As at the Latest Practicable Date, the interests of Directors in the warrants of the Company, based on the Company's register of interest of Directors, are as follows:

	Direct Interest		Deemed Interest	
	No. of Warrants	% <sup>(1)</sup>	No. of Warrants	% <sup>(1)</sup>
<u>Directors</u>				
Benedict Chen Onn Meng <sup>(2)</sup>	4,000,060	22.25	43,800	0.24
Ernest Yogarajah s/o Balasubramaniam	–	–	–	–
Toh Shih Hua	–	–	–	–

Notes:

(1) As a percentage of the total number of outstanding warrants of 17,975,428 warrants as at the Latest Practicable Date.

(2) Mr Benedict Chen Onn Meng is deemed interested in 43,800 warrants held through his Central Provident Fund investment account (UOB Kay Hian Pte Ltd).

## 5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 28 to 31 of this Circular, will be held at 38 Tuas Crescent Singapore 638725 on 11 May 2020 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM scheduled to be held at 9.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions as set out in the notice of EGM.

## 6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the registered office of the Company at 11 Tuas Avenue 16, Singapore 638929, not less than 48 hours before the time appointed for holding the EGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM if he wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the EGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

# LETTER TO SHAREHOLDERS

## 7. DIRECTORS' RECOMMENDATIONS

### 7.1 Proposed Renewal of the Share Purchase Mandate

Having considered, *inter alia*, the terms, the rationale for and the benefits of the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the proposed renewal of the Share Purchase Mandate at the EGM.

### 7.2 Proposed Renewal of the IPT Mandate

Having considered, *inter alia*, the terms, the rationale for and the benefits of the IPT Mandate, the Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate, namely Mr Ernest Yogarajah s/o Balasubramaniam and Ms Toh Shih Hua, are of the opinion that the proposed renewal of the IPT Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to the proposed renewal of the IPT Mandate at the EGM.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the proposed renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

Yours faithfully,  
for and on behalf of the Board of Directors of  
VibroPower Corporation Limited

Benedict Chen Onn Meng  
Chief Executive Officer and Chairman



# NOTICE OF EXTRAORDINARY GENERAL MEETING

## VIBROPOWER CORPORATION LIMITED

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

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of VibroPower Corporation Limited (the "**Company**") will be held at 38 Tuas Crescent Singapore 638725 on 11 May 2020 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company scheduled to be held at 9.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions:

### ORDINARY RESOLUTION 1

#### Proposed Renewal of the Share Purchase Mandate

That:

(A) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or
- (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(B) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held; and
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out in full to the Maximum Limit mandated;

# NOTICE OF EXTRAORDINARY GENERAL MEETING

(C) in this Ordinary Resolution:

**"Maximum Limit"** means such number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Ordinary Resolution unless the Company has effected a reduction of its issued share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit;

**"Relevant Period"** means the period commencing from the date of the extraordinary general meeting at which the renewal of the Share Purchase Mandate is approved and expiring on the date the next annual general meeting is held or required by law to be held, whichever is earlier, after the date of this Ordinary Resolution; and

**"Maximum Price"**, in relation to a Share to be purchased or acquired pursuant to the Share Purchase Mandate, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

where:

**"Average Closing Price"** means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) market days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as hereinafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

**"date of the making of the offer"** means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

- (D) the Directors of the Company be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Purchase Mandate, in any manner as they think fit, which is permitted under the Companies Act; and
- (E) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

# NOTICE OF EXTRAORDINARY GENERAL MEETING

## ORDINARY RESOLUTION 2

### Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions

That:

- (A) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (the "**Chapter 9**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of interested person transactions set out in section 3.4 of the circular to shareholders of the Company dated 15 April 2020 (the "**Circular**") with any person who is of the class or classes of interested persons described in sections 3.2 and 3.3 of the Circular, provided that such transactions are made on normal commercial terms in accordance with the review procedures for interested person transactions set out in section 3.6 of the Circular (the "**IPT Mandate**");
- (B) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company;
- (C) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and
- (D) the Directors of the Company and/or any of them be and are hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

By Order of the Board

**Sia Huai Peng**  
Company Secretary

15 April 2020

# NOTICE OF EXTRAORDINARY GENERAL MEETING

## NOTES:

- (1) In respect of the Share Purchase Mandate, the Company may use internal sources of funds or external borrowings or a combination of both to finance the purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of Extraordinary General Meeting as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition of Shares is made out of capital or profits, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held as treasury shares or cancelled.

Purely for illustrative purposes only, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 December 2019, based on certain assumptions, are set out in section 2.8 of the circular to shareholders of the Company dated 15 April 2020. Please refer to the said circular for more details.

- (2) A member (other than a relevant intermediary) entitled to attend and vote at the Extraordinary General Meeting (the "EGM") may appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company.
- (3) Relevant Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by such member.
- (4) The instrument appointing a proxy or proxies must be signed by the appointer or his attorney duly authorised in writing. If the appointer is a corporation, the instrument appointing a proxy or proxies must be executed under common seal or the hand of its duly authorised officer or attorney.
- (5) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 11 Tuas Avenue 16, Singapore 638929 not less than 48 hours before the time appointed for holding the EGM.
- (6) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited not less than 72 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

## PERSONAL DATA PRIVACY:

"Personal data" in this notice of EGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name and your proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your personal data and your proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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

## EXTRAORDINARY GENERAL MEETING PROXY FORM

### IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of VibroPower Corporation Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We, \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC/Passport No./Registration No.) of

\_\_\_\_\_ (Address)

being a member/members of VibroPower Corporation Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or failing him/them, the Chairman of the Extraordinary General Meeting (the "**EGM**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the EGM of the Company to be held at 38 Tuas Crescent Singapore 638725 on 11 May 2020 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company scheduled to be held at 9.30 a.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting the ordinary resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for relevant intermediaries such as banks and capital markets services licence holders which provide custodial services.

	Number of Votes For*	Number of Votes Against*	Abstain*
<b>Ordinary Resolution 1</b> To approve the proposed renewal of the Share Purchase Mandate			
<b>Ordinary Resolution 2</b> To approve the proposed renewal of the Shareholders' General Mandate for Interested Person Transactions			

\* Voting will be conducted by poll. If you wish to use all your votes "For" or "Against" or "Abstain", please indicate with an "X" within the relevant box provided. Alternatively, please indicate the number of votes in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Total number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s) / Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**NOTES:**

- (1) A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and also registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.
- (2) A member (other than a relevant intermediary) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) Relevant Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by such member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this instrument of proxy to the Company.
- (4) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and if no proportion is specified, the first-named proxy shall be deemed to represent all of the shareholding and the second-named proxy shall be deemed to be an alternate to the first-named.
- (5) The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 11 Tuas Avenue 16, Singapore 638929 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.
- (6) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or officer duly authorised.
- (7) Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (8) A corporation which is a member may authorise by resolution of its directors or other government body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
- (9) The submission of an instrument appointing a proxy or proxies by a member of the Company does not preclude him from attending and voting in person at the Extraordinary General Meeting if he wishes to do so. However, any appointment of a proxy or proxies by such member shall be deemed to be revoked if the member attends the Extraordinary General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies to the Extraordinary General Meeting.
- (10) The Company shall be entitled to reject any instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 15 April 2020.