

Full Year Financial Statements and Dividend Announcement

The Board of Directors is pleased to make the following announcement of the unaudited results for the financial year ended 31 December 2016.

PART I: INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3) HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Unaudited Consolidated Statement of Comprehensive Income
For the Financial Year ended 31 December 2016**

	Group		Increase (Decrease) (%)
	31 Dec 16 S\$'000	31 Dec 15 Audited S\$'000	
Revenue	25,035	17,685	41.6
Cost of Sales	(21,557)	(17,553)	22.8
Gross Profits	3,478	132	NM
Other items of Income			
Interest Income	44	10	NM
Other Credits	749	34	NM
Other items of Expenses			
Marketing and Distribution Costs	(263)	(363)	(27.5)
Administrative Expenses	(2,700)	(3,218)	(16.1)
Finance Costs	(574)	(446)	28.7
Other Charges	(145)	(4,446)	(96.7)
Share of results of an Associate	22	32	(31.3)
Profit/(Loss) Before Tax	611	(8,265)	NM
Income Tax Expense	(23)	(30)	(23.3)
Profit/(Loss), Net of Tax	588	(8,295)	NM
Other Comprehensive Income, Net of Tax:			
Foreign currency translations, Net of Tax	(85)	1,188	NM
Total Comprehensive Income	503	(7,107)	NM
Profit/(Loss) attributable to:			
Equity holders of the Company	588	(8,295)	NM
Total Comprehensive Income attributable to:			
Equity holders of the Company	503	(7,107)	NM

NM – denotes not meaningful

Notes to the Consolidated Statement of Comprehensive Income

	Group		Increase (Decrease) (%)
	31 Dec 16 S\$'000	31 Dec 15 Audited S\$'000	
<u>Other Credits and (Other Charges)</u>			
Bad debts written off	(3)	(650)	(99.5)
Deposit forfeited	–	(35)	NM
Foreign exchange losses – Net	(128)	(866)	(85.2)
Loss on disposal of shares in a subsidiary	–	(27)	NM
Provision for impairment on trade receivables	(78)	(1,214)	(93.6)
Reversal for impairment on trade receivables	95	–	NM
Provision for impairment on other receivables	(14)	(460)	(96.9)
Reversal/(Provision) for slow moving inventories	611	(857)	NM
Referral fees	–	(276)	NM
Reversal/(Provision) for product warranty expense	33	(61)	NM
Other recoverable	35	–	NM
Others	53	34	55.9
Net	604	(4,412)	NM
<u>Presented in Profit or Loss as:</u>			
Other Credits	749	34	NM
Other Charges	(145)	(4,446)	(96.7)
Net	604	(4,412)	NM
Depreciation and amortization	(749)	(221)	NM
Adjustment for over/(under) provision of tax in respect of prior years	6	(138)	NM

NM – denotes not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement at the end of the immediately preceding financial year.

	Note	Group		Company	
		31 Dec 16 S\$'000	31 Dec 15 Audited S\$'000	31 Dec 16 S\$'000	31 Dec 15 Audited S\$'000
ASSETS					
<u>Non-Current Assets:</u>					
Property, Plant and Equipment		7,061	6,757	–	–
Investments in Subsidiaries		–	–	14,473	14,318
Investments in Associate		583	498	–	–
Deferred Tax Assets		179	190	–	–
Other Receivables		49	51	–	–
Total Non-Current Assets		7,872	7,496	14,473	14,318
<u>Current Assets:</u>					
Inventories	1	7,410	14,605	–	–
Trade and Other Receivables	2	14,703	10,658	2,338	723
Other Assets		497	559	3	11
Cash and Cash Equivalents		3,710	2,355	174	91
Tax recoverable		23	–	–	–
Total Current Assets		26,343	28,177	2,515	825
Total Assets		34,215	35,673	16,988	15,143
EQUITY AND LIABILITIES					
<u>Equity:</u>					
Share Capital		14,934	14,379	14,934	14,379
Retained Earnings		709	121	262	419
Other Reserves		798	883	–	–
Total Equity		16,441	15,383	15,196	14,798
<u>Non-Current Liabilities:</u>					
Finance Leases		286	115	–	–
Other Financial Liabilities	3	2,846	1,399	–	–
Total Non-Current liabilities		3,132	1,514	–	–
<u>Current Liabilities:</u>					
Provisions		27	88	–	–
Income Tax Payable		–	116	–	–
Trade and Other Payables	4	8,434	5,180	392	345
Finance Leases		128	75	–	–
Other Financial Liabilities	5	5,467	12,394	1,400	–
Other Liabilities	6	586	923	–	–
Total Current Liabilities		14,642	18,776	1,792	345
Total Liabilities		17,774	20,290	1,792	345
Total Equity and Liabilities		34,215	35,673	16,988	15,143

Notes to the Consolidated Statement of Financial Position

- 1 The decrease was due to inventories sold.
- 2 The increase was contributed by higher sales during the year.
- 3 The increase was mainly due to new loans obtained during the year.
- 4 The increase was mainly due to higher purchases during the year.
- 5 The decrease was mainly due to repayment during the year.
- 6 The decrease was mainly due to decrease in deposits received from customers.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group (S\$'000)			
As at 31 Dec 16		As at 31 Dec 15	
Secured	Unsecured	Secured	Unsecured
3,033	2,562	6,421	6,048

Amount repayable after 1 year

Group (S\$'000)			
As at 31 Dec 16		As at 31 Dec 15	
Secured	Unsecured	Secured	Unsecured
3,043	89	953	561

Details of any collateral

Secured borrowings are made up of trust receipts, factoring payables, term loans and finance leases. The finance leases amounted to S\$414,000 (31 December 2015: S\$190,000) are secured against the leased assets.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	Group	
	31 Dec 16	31 Dec 15
	S\$'000	Audited S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	611	(8,265)
Adjustments for:		
(Reversal)/Allowance for slow moving inventories	(611)	857
Bad debt written off	3	650
Depreciation of property, plant and equipment	749	221
Interest income	(44)	(10)
Finance costs	574	446
Loss on disposal of shares in a subsidiary	–	27
(Reversal)/Provision for impairment on trade receivables (net)	(17)	1,214
Provision for impairment on other receivables	14	460
(Reversal)/Provision for product warranty expense	(33)	61
Share of results of an associate	(22)	(32)
Currency translation differences	53	515
Operating cash flows before changes in working capital	1,277	(3,856)
Decrease in inventories	7,431	1,695
(Increase)/Decrease in trade and other receivables	(3,878)	2,875
Decrease in other assets	47	302
Increase/(Decrease) in trade and other payables	2,889	(491)
Decrease in other liabilities	(324)	(336)
Decrease in provisions	(29)	(6)
Net cash flows from operations	7,413	183
Income taxes paid	(147)	(218)
Net cash flows from/(used in) operating activities (a)	7,266	(35)
Cash flows from investing activities		
Purchase of plant and equipment	(230)	(1,207)
Proceeds from disposal of plant and equipment	41	–
Disposal of a subsidiary, net of cash disposed of	–	(42)
Interest received	44	2
Additions of investment in an associate	(68)	(517)
Adjustment for dividend receipt arising from treasury shares	–	(3)
Purchase of treasury shares	–	(26)
Net cash flows used in investing activities (b)	(213)	(1,793)
Cash flows from financing activities		
Dividends paid to equity holders of the Company	–	(502)
Proceeds from issuance of shares	555	–
Interest paid	(574)	(446)
Proceeds from borrowings	11,990	25,384
Repayment of borrowings	(17,494)	(21,456)
Repayment of finance lease	(224)	(85)
Net cash flows(used in)/ from financing activities (c)	(5,747)	2,895
Net increase in cash and cash equivalents	1,306	1,067
Effects of exchange rate changes on cash and cash equivalents	49	66
Cash and cash equivalents, Statement of Cash Flows, Beginning Balances	2,355	1,222
Cash and cash equivalents, Statement of Cash Flows, Ending Balances	3,710	2,355

Notes to the Consolidated Cash Flow Statement

- (a) The cash flows from operations were mainly due to inventories sold during the year.
- (b) The cash flows used in investing activities mainly relate to the purchase of plant and equipment.
- (c) The cash flows used in financing activities was mainly due to cash used for repayment of borrowings and finance lease.
- (d) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise of the following:

	Group	
	31 Dec 16	31 Dec 15
	S\$'000	Audited S\$'000
Cash and cash equivalents	3,710	2,355
Cash and cash equivalents in consolidated statement of cash flows	3,710	2,355

- 1(d)(i) A Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Statement of Changes in Equity – Group

	Attributable to equity holders of the Company				
	Share capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:					
Opening Balance at 1 Jan 2016	14,767	(388)	883	121	15,383
Issue of shares	555	–	–	–	555
Total Comprehensive Income for the Year	–	–	(85)	588	503
Closing Balance at 31 Dec 2016	15,322	(388)	798	709	16,441
			(a)		
Previous Year:					
Opening Balance at 1 Jan 2015	14,767	(359)	(305)	8,918	23,021
Transfer from treasury shares to retained earnings arising from adjustment for dividend receipt in prior years	–	(3)	–	–	(3)
Purchase of Treasury Shares	–	(26)	–	–	(26)
Total Comprehensive Income for the Year	–	–	1,188	(8,295)	(7,107)
Dividends Paid	–	–	–	(502)	(502)
Closing Balance at 31 Dec 2015	14,767	(388)	883	121	15,383
			(a)		

- (a) Unrealised and not available for distribution as cash dividends.

1(d)(i) A Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Statement of Changes in Equity – Company

	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:				
Opening Balance at 1 Jan 2016	14,767	(388)	419	14,798
Issue of shares	555	–	–	555
Total Comprehensive Income for the Year	–	–	(157)	(157)
Closing Balance at 31 Dec 2016	15,322	(388)	262	15,196
Previous Year:				
Opening Balance at 1 Jan 2015	14,767	(359)	1,154	15,562
Transfer from treasury shares to retained earnings arising from adjustment for dividend receipt in prior years	–	(3)	–	(3)
Purchase of Treasury Shares	–	(26)	–	(26)
Total Comprehensive Income for the Year	–	–	(233)	(233)
Dividends Paid	–	–	(502)	(502)
Closing Balance at 31 Dec 2015	14,767	(388)	419	14,798

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in Company's share capital arising from Share Placement

Date		Number of Ordinary Shares	Value S\$'000
1 Jan 2016	Beginning balance before Share Placement	33,450,856	14,379
31 Oct 2016	Share Placement	2,500,000	555
31 Dec 2016	Closing balance	35,950,856	14,934

On 31 October 2016, there is shares subscription of 2,500,000 new ordinary shares in the share capital of the Company, at an issue price of S\$0.24 by way of a private placement. The increase in share capital of S\$555,000 is net of proceeds from share placement of S\$600,000 and related professional fee of S\$45,000.

On 26 September 2016, the Company entered into an unsecured convertible loan agreement of S\$1,000,000, at the conversion price of S\$0.24 per share. There would be 4,166,667 new ordinary shares if full conversion of the loan at the conversion price.

Total number of shares held as Treasury Shares as at 31 December 2016 is 1,076,800 shares (31 December 2015: 1,076,800 shares).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 31 December 2016 is 35,950,856 shares (31 December 2015: 33,450,856 shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no shares buy-back carried out by the Group or Company relating to sales, transfers, disposal, cancellation and/or use of treasury shares during the year under review.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review of Financial Statement(s), or an equivalent standard).

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements.

The above financial information has been prepared using the same accounting policies and methods of computation as presented in the financial statements for the year ended 31 December 2015 except as described in paragraph 5.

5. If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons form and the effect of, the change.

There are no changes in the accounting policies and methods of computation used in the preparation of financial information in this announcement except for the adoption of the respective new or revised Financial Reporting Standards ("FRS") which have no significant impact on the financial position or performance of the Group. Where applicable, the presentation of the financial information has been amended to comply with these standards.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	31 Dec 16	31 Dec 15
Earnings per Ordinary Share for the year based on net (loss)/profit attributable to equity holders of the Company:	Cents	Audited Cents
(I) Based on the weighted average number of ordinary shares in issue (cents)	1.74	(24.80)
(II) On a fully diluted basis (cents)	1.75	(24.80)

Basic earnings per share is calculated on the basis of consolidated profit/(loss) after tax attributable to equity holders of the Company of S\$588,000 (31 December 2015: S\$8,295,000) and on 33,868,664 (31 December 2015: 33,450,856) weighted average ordinary shares in issue during the year under review.

6. **Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends (cont'd).**

Diluted earnings per share is calculated on the basis of consolidated profit/(loss) after tax attributable to equity holders of the Company of S\$612,000 (31 December 2015: S\$8,295,000) and on 34,964,555 (31 December 2015: 33,450,856) weighted average ordinary shares in issue during the year under review and after taking into account the converted shares from the convertible loan agreement.

7. **Net Asset Value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period on and (b) immediately preceding financial year**

	Group		Company	
	31 Dec 16 Cents	31 Dec 15 Audited Cents	31 Dec 16 Cents	31 Dec 15 Audited Cents
Net Asset Value per Ordinary Share based on issued Share Capital at the end of the year	45.73	45.99	42.27	44.24

The Group's net asset per ordinary share is calculated based on net assets attributable to equity holders of the Company of S\$16,441,000 (31 December 2015: S\$15,383,000) and the share capital of 35,950,856 (31 December 2015: 33,450,856) ordinary shares.

The Company's net asset per ordinary share is calculated based on net assets of S\$15,196,000 (31 December 2015: S\$14,798,000) and the share capital of 35,950,856 (31 December 2015: 33,450,856) ordinary shares

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Turnover and Profitability

Group revenue for the year ended 31 December 16 ("FY2016") increased by 41.6% to S\$25.0 million compared to S\$17.7 million in FY2015. Revenue increased mainly due to an increase in sales from the Singapore segment. Cost of sales increased by 22.8% to S\$21.6 million compared to S\$17.6 million in FY2015. Gross profit increased to S\$3.5 million mainly due to higher sales achieved in FY2016. Marketing and Distribution Costs decreased by 27.5% to S\$0.3 million mainly due to a reduction in marketing related expenses. Administrative Expenses decreased by 16.1% to S\$2.7 million mainly due to a reduction in personnel costs and administrative expenses. Finance costs increased by 28.7% to S\$0.6 million mainly due to higher interest rate for borrowings. Other credit and other charges movements are disclosed in the Notes to the Consolidated Statements of Comprehensive Income on Page 2 of this announcement.

The foreign exchange loss of \$0.1 million arose from the recognition of translation loss of foreign entities.

The Group registered a net profit after tax of approximately S\$0.6 million in FY2016.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect that group in the next reporting period and the next 12 months.

FY2017 continues to be a challenging year for the Group due to the general global economic slowdown. The Group foresees its core business to remain resilient in FY2017.

11. Dividend

(a) Current Financial Period reported on

None.

(b) Corresponding Period of the immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books Closure Date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommend during the year under review.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Mason Industries Pte Ltd	592,000	4,204,000
Wizdenki Pte Ltd	290,000	-

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Segment information by geographical areas is presented below:-

	Singapore		Asean		Asia		Rest of the World		Total	
	2016 Audited S\$'000	2015 Audited S\$'000	2016 Audited S\$'000	2015 Audited S\$'000	2016 Audited S\$'000	2015 Audited S\$'000	2016 Audited S\$'000	2015 Audited S\$'000	2016 Audited S\$'000	2015 Audited S\$'000
Revenue by segments										
Total Revenue by Segment	18,216	9,291	3,906	5,224	1,960	1,710	953	1,460	25,035	17,685
Interest income	44	10	-	-	-	-	-	-	44	10
Finance costs	(574)	(446)	-	-	-	-	-	-	(574)	(446)
Depreciation	(379)	(205)	(3)	(4)	(365)	(11)	(2)	(1)	(749)	(221)
Segment Profit / (Loss)	1,582	(4,146)	(147)	(2,622)	(889)	(761)	43	(768)	589	(8,297)
Share of results of Associate									22	32
Profit / (Loss) Before Tax									611	(8,265)
Income Tax Expense									(23)	(30)
Profit / (Loss) For the Year									588	(8,295)

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

17. A breakdown of sales as follows:

	Group		
	2016 S\$'000	2015 S\$'000	Increase/ (Decrease) (%)
Sales reported for first half year	11,700	9,693	20.7
Profit / (Loss) before tax for first half year	208	(1,591)	NM
Sales reported for second half year	13,335	7,992	66.9
Profit / (Loss) before tax for second half year	403	(6,674)	NM

NM – denotes not meaningful

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

None

- 19. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director, a chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, VibroPower Corporation Limited ("the Company") confirms that there is no person occupying managerial positions in the Company or any of its principal subsidiary companies who is related to a Director, Chief Executive Officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Benedict Chen Onn Meng
Chief Executive Officer

20 February 2017