

CIRCULAR DATED 11 OCTOBER 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular (this or the “**Circular**”) is issued by VibroPower Corporation Limited (the “**Company**”). If you are in any doubt as to the 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 shares in the Company (the “**Shares**”) held through the Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting (the “**EGM**”) and the enclosed Proxy Form (as defined below) to the purchaser or the transferee as arrangements will be made by the CDP for a separate Circular with the Notice of Extraordinary General Meeting (as defined below) to be sent to the purchaser or the transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with the CDP, you should immediately forward this Circular with the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was completed for onward transmission to the purchaser or transferee.

This Circular (together with the enclosed Notice of Extraordinary General Meeting and the enclosed Proxy Form) may be accessed at the Company’s website at the URL <https://www.vibropower.com> and is also available on the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) website at the URL <https://www.sgx.com/securities/company-announcements>. A printed copy of this Circular **WILL NOT** be sent by post to Shareholders. However, a copy of the Notice of Extraordinary General Meeting (together with the enclosed Proxy Form and Request Form) will be mailed out to shareholders by post.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.



CIRCULAR TO SHAREHOLDERS IN RESPECT OF THE PROPOSED DISPOSAL OF ALL THE REGISTERED AND INVESTED CAPITAL OF SHANXI WEINENG COAL MINE GAS DEVELOPMENT CO., LTD.

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	27 October 2024 at 9:00 a.m.
Date and time of Extraordinary General Meeting	:	29 October 2024 at 9:00 a.m.
Place of Extraordinary General Meeting	:	38 Tuas Crescent, Singapore 638725

DEFINITION AND INTERPRETATION

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

“Act” or “Companies Act”	: The Companies Act 1967 of Singapore.
“associate”	: (a) In relation to any individual, including a Director, chief executive officer, Substantial Shareholder, or Controlling Shareholder (being an individual) means: (i) his immediate family; (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 (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (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, or such other definition as the Listing Rules may from time to time prescribe, and “associates” shall be construed accordingly.
“associated company” and “associate”	: A company in which at least 20% but not more than 50% of its shares are held by the Group.
“Audited FY2023 FS”	: The audited consolidated financial statements of the Company for the financial year ended 31 March 2023, set out in the Company’s annual report published on 14 November 2023, as defined in paragraph 2.12 of this Circular.
“Audited FY2024 FS”	: The audited consolidated financial statements of the Company for the financial year ended 31 March 2024, set out in the Company’s annual report published on 11 September 2024, as defined in paragraph 4.4 of this Circular.
“Board”	: The board of Directors of the Company.
“Business”	: The business activities of the Group, comprising Projects (supplying generators), Power plants (supplying electricity), and others business activities which are either complementary to or from time to time comprise standalone projects.
“Buyer A”	: Means Du XuFang, as defined in paragraph 3.1 of this Circular, and together with Buyer B, are, collectively, also referred to in this Circular as the “Buyers” .
“Buyer-A Disposal”	: Has the meaning given to it in paragraph 3.5 of this Circular.
“Buyer B”	: Means Liu JinJing, as defined in paragraph 3.1 of this Circular, and together with Buyer A, are, collectively, also referred to in this Circular as the “Buyers” .
“Buyer B Deferred Payment Term”	: Has the meaning given to it in paragraph 4.4 of this Circular.
“Buyer-B Disposal”	: Has the meaning given to it in paragraph 3.5 of this Circular.
“Circular”	: This Circular dated 11 October 2024.
“Constitution”	: The constitution of the Company may be amended, modified or supplemented from time to time.

DEFINITION AND INTERPRETATION

"Controlling Shareholder"	: A person who:
	(a) holds directly or indirectly fifteen per cent. (15%) or more of all voting shares in a company; or
	(b) in fact, exercises control over such company.
"Director"	: A director of the Company (whether executive or non-executive) and "Directors" shall mean all the current Directors of the Company.
"EGM" or "Extraordinary General Meeting"	: The extraordinary general meeting of the Company to be held at 9:00 a.m. on 29 October 2024, notice of which is set in the Notice of EGM on pages N1 to N3 of this Circular.
"Equity Transfer Agreement"	: The equity transfer agreement entered into by the Seller with each of the Buyers on 2 August 2024, as defined in paragraph 3.1 of this Circular.
"FY2023"	: Financial year ended on 31 March 2023.
"FY2024"	: Financial year ended on 31 March 2024.
"Group"	: Collectively, the Company, its subsidiaries and associated companies (where applicable).
"Handover Date"	: Has the meaning given to it in paragraph 3.2 of this Circular.
"Independent Valuation Report"	: The report on the valuation of 100% interest in the issued and paid-up equity capital of SXWN issued by Independent Valuer (as defined herein) dated 1 July 2024.
"Independent Valuer"	: Future Asia Advisory Pte. Ltd.
"Intended Use of Proceeds"	: The intended use of net proceeds arising from the Proposed Disposal for general working capital, as further set out in paragraph 11 of this Circular.
"Inter-company Balance"	: Has the meaning given to it in paragraph 3.3 of this Circular.
"IVAS"	: Has the meaning given to it in paragraph 7.11 of this Circular.
"Joint Venture Partner"	: Has the meaning given to it in paragraph 2.1 of this Circular.
"Key Conditions"	: Has the meaning given to it in paragraph 3.2 of this Circular.
"Latest Practicable Date"	: 11 October 2024, being the latest practicable date prior to the issuance of this Circular.
"Listing Rules"	: The Listing Manual of the SGX-ST for issuers listed on the Mainboard, as amended, modified or supplemented from time to time.
"Mainboard"	: The Mainboard of the SGX-ST.
"Market Day"	: A day on which the SGX-ST is open for trading in securities.
"Notice of EGM" or "Notice of Extraordinary General Meeting"	: The notice of EGM, set out on pages pages N1 to N3 of this Circular.
"Parties"	: The Seller and the Buyers, collectively; and each of the Seller and Buyers shall be referred to as a "Party" .
"PRC"	: The Peoples' Republic of China.
"Proposed Disposal"	: The proposed transfer of the entire registered and invested capital of SXWN to the Buyers, as defined in paragraph 3.5 of this Circular.
"Resolution"	: The ordinary resolution, as set out in the Notice of EGM.

DEFINITION AND INTERPRETATION

"Securities Account"	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent.
"Seller"	: VibroPower (HK) Limited, Company Registration No.: 3225013), a private company incorporated in Hong Kong, SAR, a wholly owned subsidiary of the Company.
"SFA"	: Securities and Futures Act 2001 of Singapore.
"SGXNET"	: Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST.
"Shareholders"	: Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited.
"Shares"	: Ordinary shares in the capital of the Company.
"SXWN"	: Shanxi Weineng Coal Mine Gas Development Co., Ltd.
"Substantial Shareholder"	: A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company.
"Subject Assets"	: Has the meaning given to it in paragraph 2.10 of this Circular.
"Audited FY2024 FS"	: The audited full-year financial statements of the Company and the Group for the financial year ended 31 March 2024, announced on 11 September 2024, as defined in paragraph 2.13 of this Circular.
"Valuation Date"	: 30 June 2024.
"YangQuan"	: Has the meaning given to it in paragraph 2.10 of this Circular.
"2012 Circular"	: Has the meaning given to it in paragraph 2.11 of this Circular.
"%" or "per cent."	: Per centum or percentage.
"HK\$"	: The lawful currency of Hong Kong, SAR.
"RMB"	: The lawful currency of the PRC.
"S\$"	: The lawful currency of Singapore.

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them, respectively, in section 81SF of the SFA or any statutory modification thereof, as the case may be.

The term **"treasury shares"**, **"subsidiary"**, **"subsidiary holdings"** and **"related company"** shall have the meaning defined for them, respectively, in the Act.

Where an amount is expressed in its original currency along with an approximate equivalent value is Singapore Dollars, the conversion exchange rate used is based on exchange rates published by the Monetary Authority of Singapore accessible at: [Monetary Authority of Singapore – Exchange Rates \(mas.gov.sg\), as applicable](https://www.mas.gov.sg/exchange-rates).

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall, where applicable, include all other and neuter genders. References to natural persons shall, where applicable, include corporations.

DEFINITION AND INTERPRETATION

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, the SFA, Listing Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meanings ascribed to it under the Act, the SFA, Listing Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Differences between listed amounts and their totals in tables included in this Circular are due to rounding. This means the total figures in some tables may not be exact arithmetic sums of the preceding numbers.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

This Circular includes statements about future expectations, plans, and prospects of the Company that are not based on past events. These statements may contain terms like “**intend**”, “**project**”, “**plan**”, “**anticipate**”, “**aim**”, “**expect**” and other similar phrases suggesting future outcomes. They may also include verbs such as “**will**”, “**would**”, “**should**”, “**could**”, “**may**”, or “**might**”.

Such forward-looking statements are based on our current forecasts and assumptions about future events. They are not meant to be guarantees of future performance, and actual results may vary significantly due to various risks and uncertainties. Shareholders should not place undue reliance on these statements.

Moreover, the Company will not update any forward-looking statements to reflect events or circumstances after the date of this Circular, unless required by law or regulatory requirements.

LETTER TO SHAREHOLDERS

VIBROPOWER CORPORATION LIMITED

(Company Registration Number 200004436E)

(Incorporated in the Republic of Singapore)

Directors

Benedict Chen Onn Meng (Chief Executive Officer)
Ernest Yogarajah s/o Balasubramaniam (Non-Executive Chairman)
Allan Tan Poh Chye (Independent and Non-Executive Director)

Registered Office

11 Tuas Avenue 16
Singapore 638929

To: **The Shareholders of VibroPower Corporation Limited**

Dear Shareholder,

THE PROPOSED DISPOSAL OF ALL THE REGISTERED AND INVESTED CAPITAL OF SHANXI WEINENG COAL MINE GAS DEVELOPMENT CO., LTD.

1. INTRODUCTION

- 1.1 The Directors propose to convene the EGM to be held on 29 October 2024 at 9:00 a.m. to seek Shareholders' approval for the Proposed Disposal.
- 1.2 The purpose of this Circular is to provide the Shareholders with relevant information regarding the Proposed Disposal, so they have all material information to make an informed decision on whether to vote for the Resolution at the EGM. The complete text of the Resolution is set out in the Notice of EGM, which can be found on pages N1 to N3 of this Circular. It is important to underscore that the information provided in this Circular is exclusively for the benefit of Shareholders in the context of the Proposed Disposal.
- 1.3 The SGX-ST assumes no responsibility for the contents of and makes no representation or warranty as to the accuracy or completeness of any statements, opinions, or reports contained in this, Circular.

2. BACKGROUND

- 2.1 **Joint Venture.** SXWN started as a joint venture company, established by the Company and its then joint venture partner, Shanxi Weidi ("**Joint Venture Partner**") in the PRC on 2 November 2010. SXWN's registered capital was agreed by the Company and is Joint Venture Partner to be, on establishment, HK\$30 million (approximately S\$5.0 million, based on the exchange rate at the time). It was initially agreed between the Company and its Joint Venture Partner that each of them would hold SXWN in the shareholding proportions of 49% and 51%, respectively.
- 2.2 **Circumstances leading to SXWN becoming wholly owned.** Around April 17 2012, the Company, through its wholly owned subsidiary, VibroPower (HK) Limited (the "**Seller**"), completed the payment for its 49% shareholding in SXWN, amounting to HK\$14.7 million (approximately S\$2.4 million, based on the exchange rate at the time). Consequently, the Seller was registered as a 49% shareholder of SXWN. The Joint Venture Partner was responsible for paying the remaining 51%, which amounted to HK\$15.3 million.
- 2.3 As announced on 31 March 2014, the Joint Venture Partner failed to contribute its 51% share of the agreed registered capital. Consequently, the shareholders of SXWN agreed to reduce the registered capital from HK\$30.0 million to HK\$17.5 million (approximately RMB 14.58 million, based on the exchange rate at the time). Following this capital reduction, the Seller's shareholding percentage in SXWN increased from 49% to 82%, with the remaining 18% held by the Joint Venture Partner.¹ Prior to the capital reduction, the Joint Venture Partner had paid a sum of HKD2.8 million into the registered and invested capital of SXWN.

¹ The Seller total payment of HK\$14.7 million, when compared to the reduced registered capital of HK\$17.5 million in SXWN, would have represented an 84% equity ownership in SXWN. However, the parties subsequently agreed that the Joint Venture Partner's 18% stake would be valued at HK\$2.8 million. Consequently, the Seller's HK\$14.7 million payment represented an 82% equity interest.

LETTER TO SHAREHOLDERS

- 2.4 Subsequently, the Company decided that the Seller would acquire the remaining 18% share held by the Joint Venture Partner. As announced on 31 March 2014, the Seller acquired the 18% for a consideration of RMB 1.0 million (approximately, S\$0.2 million at the time). After this acquisition, SXWN became a wholly owned subsidiary of the Seller. Please refer to the announcement of the Company on 31 March 2014.
- 2.5 **Operations of SXWN.** SXWN operates a coal-mine methane (“CMM”) power plant (the “CMM Power Plant”) on the premises of a coal mine run by Shanxi Dongsheng (the “Coal Mine Operator”). The coal mine produces CMM as a by-product, which is supplied to SXWN and utilised to generate electricity using the CMM Power Plant. Although it was established at the end of 2010, the Joint Venture Partner did not contribute its agreed share of the registered and investment capital. It was after March 2014, after the Group acquired the Joint Venture Partner’s 18% that the Group commenced work on building the CMM Plant and completing work on the other structures required for the operations. From FY2014 to FY2017, time was spent getting the necessary approvals from the relevant authorities to build, test and commission the CMM Power Plant.
- 2.6 **The Project Agreement.** In 2011, SXWN signed an agreement (the “Project Agreement”) with the Coal Mine Operator. According to the Project Agreement, SXWN agreed to pay the Coal Mine Operator a monthly fee for the supply of CMM to the power plant. This fee is determined based on the volume of electricity generated using the supplied CMM, with the amount contingent upon the current electricity tariff price, as determined by the Shanxi provincial government. The tariff price is reviewed and potentially adjusted by the local government every five years. If an upwards adjustment to the tariff price is made, then the monthly fee SXWN pays to the Coal Mine Operator would be increased correspondingly.
- 2.7 The Project Agreement was entered into on 15 December 2011 and will expire on 30 April 2032. Upon expiry, any further operation of the CMM Power Plant is subject to new terms to be negotiated with the Coal Mine Operator. The CMM Power Plant has also been installed on land that belongs to the Coal Mine Operator which SXWN is permitted to occupy.
- 2.8 **Offtake Agreement.** In respect of the electricity generated by the CMM Power Plant, SXWN has a binding offtake agreement with the regional power grid operator in Shanxi province, the Shanxi Electricity Co. (the “Local Power Company”). This agreement obligates the Local Power Company to purchase all electricity produced by the CMM Power Plant, thereby ensuring a consistent offloading of power generated.
- 2.9 Under the current offtake agreement renewed on 28 May 2021 (the “Offtake Agreement”), the Local Power Company will purchase all electricity produced at RMB0.509/kwh. The CMM Power Plant has been in operation since 2018² and is capable of a maximum output of 8MW.
- 2.10 **Investment Cost.** The total investment cost for constructing and developing the CMM Power Plant was RMB 14.6 million. This amount included the registered and invested capital of SXWN, and the acquisition costs of certain existing assets owned by YangQuan Zhongneng (“YangQuan”), a state-owned company established in the PRC, engaged in the business of coal mine gas development. YangQuan had originally constructed and acquired certain buildings and structures, which included an office building, staff dormitory, and a partially completed electrical room and power generation room located at Yanquan City, Shanxi Province (the “Subject Assets”). The Company understood that YangQuan had intended to use the Subject Assets to operate a similar CMM plant. As announced by the Company previously, on 18 November 2011, SXWN entered into an agreement with YangQuan to acquire the Subject Assets for its own use. SXWN paid a consideration of RMB3.9 million (approximately, S\$0.76 million at the time) for the Subject Assets. As also disclosed in the 2012 Circular (defined below), YangQuan was an independent third party and had no affiliations with the Group.
- 2.11 **Historical Background Information.** Shareholders are encouraged to read the circular dated 19 April 2012 (the “2012 Circular”) for a detailed description of the history of SXWN and the CMM Power Plant. For easy reference, the 2012 Circular is attached to this Circular as **Appendix A**.
- 2.12 **Cost of Investment in SXWN.** As presented in the audited consolidated financial statements of the Group for FY2023 (the “Audited FY2023 FS”), the carrying value of SXWN in the Group’s books was S\$2.4 million. No provision for impairment in the Seller’s book was made of its investment in SXWN.

2 Other than for periods where it has had to undergo repairs and maintenance.

LETTER TO SHAREHOLDERS

2.13 **Net Assets Position of SXWN.** Based on the Group's audited consolidated financial statements for the financial year ended on 31 March 2024 (the "Audited FY2024 FS") the aggregate net assets of SXWN in the Group's books was \$2.63 million.

2.14 **Financial Performance of SXWN.** The financial performance of SXWN over the last three financial years is presented below:

	FY2022 1.1.2021 to 31.3.2022 \$'000	FY2023 1.4.2022 to 31.3.2023 \$'000	FY2024 1.4.2023 to 31.3.2024 \$'000
Revenue	3,628	2,238 ³	1,218
Net Profit/(Loss)	1,208	(199)	(282)
Group's Revenue	15,194	9,576	14,845
Group's Net Profit/ (Loss)	(3,323)	(7,105)	172
Percentage of SXWN's Revenue over Group's Revenue	24%	23%	8%
Percentage of SXWN's net profit(loss) over Group's net profit/(loss)	36%	3%	164%
Exchange Rate (RMB to SGD)	0.2089	0.2010	0.1878

Note: The financial performance of SXWN shown above was extracted from the Group's financial report for financial year ended 31 Mar, whereas the financial performance shown in the Independent Valuation Report was extracted from SXWN's statutory audited report for the period from 1 Jan to 31 Dec.

2.15 **Balance Sheet of SXWN.** A summarised balance sheet of SXWN over the last three financial years is presented below:

	FY2022 \$'000	FY2023 \$'000	FY2024 \$'000
Assets			
Property, plant and equipment	3,022	2,182	1,600
Right of use assets	306	239	193
Cash & Cash Equivalent	171	43	30
Trade and Other Receivables	1,529	1,961	2,546
Total	5,028	4,425	4,369
Liabilities:			
Loans & Borrowings	213	–	373
Trade and Other Payables	1,434	1,292	1,366
Total	1,647	1,292	1,739
Net Tangible Assets ("NTA")	3,381	3,133	2,630
Group's NTA	16,303	8,601	8,188
Percentage of SXWN's NTA over Group's NTA	21%	36%	32%
Exchange Rate (RMB to SGD)	0.2132	0.1934	0.1865

³ The revenue of SXWN has been affected in FY2022, FY2023 and FY2024 owing to a lower volume of CMM supplied by the Coal Mine Operator, which resulted in a loss for FY2023 and FY2024.

LETTER TO SHAREHOLDERS

3. ENTRY INTO OF THE EQUITY TRANSFER AGREEMENT BY THE SELLER AND THE BUYERS

- 3.1 **Equity Transfer Agreement.** As announced by the Company on 4 August 2024, the Seller entered into an Equity Transfer Agreement with each of the Buyers, as follows: (a) an Equity Transfer Agreement for the transfer of 67% of the registered and invested capital of SXWN to Du XuFang ("**Buyer A**"); and (b) an Equity Transfer Agreement for the transfer of 33% of the registered and invested capital of SXWN to Liu JinJing ("**Buyer B**").
- 3.2 **Assumption of Liabilities and Takeover of Assets.** The sale and purchase transactions under the Equity Transfer Agreement entered into with each of Buyer A and Buyer B are on the basis that Buyer A and Buyer B shall assume all liabilities and takeover all assets of SXWN, based on an agreed schedule of assets and liabilities as at a date to be agreed by the Parties (the "**Handover Date**"). The Handover Date may be mutually agreed to be prior to or on completion of the transfer of the equity interest to be purchased by Buyer A and Buyer B. For Shareholders' understanding, the term Handover Date when used here refers to the agreed schedule (or snapshot) of SXWN's assets and liabilities at a specific date to be agreed on by the Parties and does not refer to the handing over of assets and liabilities nor the transfer of equity ownership to the Buyers. In mergers and acquisitions, this is commonly referred to as the locked box date, wherein the buyer assumes the economic risk and benefit of the target from the locked box date, even though legal ownership may only transfer on completion. Under the Equity Transfer Agreements, a proforma schedule of assets and liabilities was provided to the Buyers. Parties will agree on the final schedule once the Company has obtained the approval of its Shareholders at the EGM, and Parties have obtained the approval of the PRC's Ministry of Commerce and Industry for the transfer of the equity ownership ("**Key Conditions**"). The Company expects the schedule to be agreed on with the Buyers once the Key Conditions have been satisfied.
- 3.3 **Inter-company Balance.** The liabilities of SXWN include an inter-company balance in the sum of RMB10 million owing by SXWN to the Group (the "**Inter-company Balance**").
- 3.4 **Supplementary Agreement.** In this connection, the Seller has at the same time as the entry into of the Equity Transfer Agreement, also entered into a supplementary agreement with Buyer A (the "**Supplementary Agreement**"), under which Buyer A agreed to pay to the Seller, or as the Seller may direct, the Inter- company Balance at completion of the transfer of the equity interest to be purchased by Buyer A.
- 3.5 For the purposes of this Circular, the transactions of the sale and transfer of the equity interests in SXWN (including all approvals, consents, procedures and ancillary documents to be signed and delivered) are, collectively, hereinafter also referred to as the "**Proposed Disposal**", and, respectively, the "**Buyer-A Disposal**" and the "**Buyer-B Disposal**", where appropriate and where the context allows.
- 3.6 As stated, SXWN has a registered and invested capital of HK\$17.5 million (following the capital reduction). On completion of the Buyer-A Disposal, Buyer A will own 67% of the registered and invested capital of SXWN, representing approximately HK\$11.73 million, and on completion of the Buyer-B Disposal, Buyer B will own 33% of the registered and invested capital of SXWN, representing approximately HK\$5.77 million.

4. KEY TERMS OF THE EQUITY TRANSFER AGREEMENTS

- 4.1 The key terms of the Buyer-A Disposal are as follows:

- | | |
|--------------------------|--|
| 1. Seller | VibroPower (HK) Limited, a wholly owned subsidiary of the Company. |
| 2. Buyer | Du XuFang (Buyer A), the 54% shareholder of the Coal Mine Operator. |
| 3. Target Company | SXWN (Shanxi Weineng Coal Mine Gas Development Co., Ltd.). |
| 4. Purchase Price | RMB10 million for 67% of the registered and invested capital of SXWN, payable in cash at completion. |

LETTER TO SHAREHOLDERS

5. **Terms of Payment**

Buyer A shall, within 7 days from the date of the Equity Transfer Agreement, apply to its bankers to issue a banker's guarantee in the sum of RMB10 million.

On completion, Buyer-A shall instruct its bankers to pay to the Seller the Purchase Price.
6. **Additional Payment**

Under the Supplementary Agreement, Buyer A shall pay to the Seller the Inter-company Balance (RMB10 million) on completion.
7. **Assumption of liabilities and takeover of assets of the Target Company**

Buyer A shall assume all liabilities and takeover all assets of SXWN based on an agreed schedule of assets and liabilities (excluding the Additional Payment) on the Handover Date⁴. The Handover Date may be mutually agreed to be prior to or on completion of the transfer of the 67% equity interest.

Key conditions to be satisfied prior to completion of the Buyer-A Disposal

 - the receipt of all corporate approvals (including shareholders' approvals, if necessary or required) by the Seller in respect of the Buyer-A Disposal;
 - the receipt of all approvals or consents from the Ministry of Commerce and Industry of the PRC in respect of the Buyer-A Disposal; and
 - all other approvals from relevant governmental departments as required under the laws of the PRC, all registration procedure and the execution of all documents necessary and required to complete the Buyer-A Disposal having been duly performed and satisfied by the parties thereto.

Note: If the Ministry of Commerce and Industry fails to approve the Buyer-A Disposal, the Equity Transfer Agreement in respect of the Buyer-A shall not be effective and will be terminated, notwithstanding that all other conditions may have been satisfied.
8. **Completion**

Completion shall take place upon all the conditions set out above having been satisfied, whereupon the parties to the Buyer-A Disposal shall complete all procedures for the proper and due transfer of the 67% equity interest to Buyer-A, and Buyer-A having paid to the Seller the Purchase Price (of RMB 10 million) and the Additional Payment (of RMB 10 million).
9. **Termination**

There will not be any completion of the Buyer-A Disposal if the conditions set out above are not satisfied. There is no long-stop date specified for the Proposed Disposal.
10. **Representations, warranties and indemnification**

The Buyer-A Disposal contains representations, warranties and indemnifications usual and customary in a sale and purchase of equity interest in the PRC.

4.2 The key terms of the Buyer-B Disposal are as follows:

1. **Seller**

VibroPower (HK) Limited, a wholly owned subsidiary of the Company.
2. **Buyer**

Liu JinJing (Buyer B), a Chinese national, and an individual.
3. **Target Company**

SXWN (Shanxi Weineng Coal Mine Gas Development Co., Ltd.).

⁴ Shareholders should refer to paragraph 3.2 above for an explanation of the term "Handover Date".

LETTER TO SHAREHOLDERS

4. **Purchase Price** RMB10 million for 33% of the registered and invested capital of SXWN, payable in cash, in accordance with the terms of the Buyer-B Disposal.
5. **Terms of Payment**

Buyer-B shall pay the sum of RMB 5 million in cash to the Seller on completion of the Buyer-B Disposal.

The remaining RMB 5 million is payable in accordance with the following installments:

 - RMB 1 million within the final week of the year 2027;
 - RMB 2 million within the final week of the year 2028;
 - RMB 2 million within the final week of the year 2029.

An interest charge of 0.03% per day will be levied on any one or more installments that remain outstanding when due, (the **"Buyer B Deferred Payment Term"**)
6. **Assumption of liabilities and takeover of assets of the Target Company** Buyer B shall assume all liabilities and takeover all assets of SXWN based on an agreed schedule of assets and liabilities (excluding the Additional Payment) on a date to be agreed by the Parties (the **"Handover Date"**). The Handover Date may be mutually agreed to be prior to, or on completion of the transfer of the 33% equity interest.
7. **Key conditions to be satisfied prior to completion of the Buyer-B Disposal**
 - the receipt of all corporate approvals (including shareholders' approvals, if necessary or required) by the Seller in respect of the Buyer-B Disposal;
 - the receipt of all approvals or consents from the Ministry of Commerce and Industry of the PRC in respect of the Buyer-B Disposal; and
 - all other approvals from relevant governmental departments as required under the laws of the PRC, all registration procedure and the execution of all documents necessary and required to complete the Buyer-B Disposal having been duly performed and satisfied by the parties thereto.

Note: If the Ministry of Commerce and Industry fails to approve the Buyer-B Disposal, the Equity Transfer Agreement in respect of the Buyer-B Disposal shall not be effective and will be terminated, notwithstanding that all other conditions may have been satisfied.
8. **Completion** Completion shall take place upon all the conditions set out above having been satisfied, whereupon the parties to the Buyer-B Disposal shall complete all procedures for the proper and due transfer of the 33% equity interest to Buyer-B, and Buyer-B having paid to the Seller the Purchase Price (of RMB 5 million).
9. **Termination** There will not be any completion of the Buyer-B Disposal if the conditions set out above are not satisfied. There is no long-stop date specified for the Proposed Disposal.
10. **Representations, warranties and indemnification** The Buyer-B Disposal contains representations, warranties and indemnifications usual and customary in a sale and purchase of equity interest in the PRC.

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4.3 **Terms of Payment.** Item 5 of paragraph 4.1 and Item 5 of paragraph 4.2 reflect the negotiated outcome by the Seller and the Buyers, balancing the Company's need for assurances of financial commitment and its compliance with the Listing Rules, and each Buyer's individual financial circumstances and concerns, which included the time period seeking Shareholders' approval for the Proposed Disposal would take.

4.4 **Deferred Payment under Item 5 of paragraph 4.2.** In accepting the Buyer B Deferred Payment Term, the Board and the Audit Committee took into consideration the following factors:

- the working capital requirements of the Group, disclosed in Note 2.1 to the audited consolidated financial statements for the financial year ended on 31 March 2024 ("**Audited FY2024 FS**").
- the risk of the negotiations collapsing if the deferred payment term was not accepted, which would result in a material adverse impact on the Group's cash flow forecast for FY2025.
- the financial forecast in respect of SXWN which indicates that, barring any unforeseen circumstances, it will take about 9 years for SXWN to generate profits totaling about RMB37million.
- the Proposed Disposal would allow the Group to realise a gain and redeploy its capital to other projects and investments and for working capital needs.
- the potential of stricter environmental legislations being passed in China in the near future, as it transitions to a more sustainable and low-carbon economy. This poses a risk of SXWN's operations becoming "stranded assets" and losing their economic value prematurely, which supports a timely disposal.
- the appraised value by the Independent Valuer of approximately RMB25.6 million which supports the transaction's financial viability, notwithstanding the Buyer B Deferred Payment Term.
- the legal remedies under PRC laws available to the Seller if Buyer B should default on her deferred payments.

In sum, the Board and the Audit Committee assessed the risks associated with the Buyer B Deferred Payment Term, and determined that they were outweighed by the benefits of the Proposed Disposal. The Proposed Disposal allows the Company to realise value from SXWN, mitigate risks, and pursue new opportunities, ultimately benefiting Shareholders, and other stakeholders.

4.5 **Update on Terms of Payment.** On 16 August 2024, Buyer A transferred RMB 10 million to SXWN, as an advance settlement of the Inter-company Balance, as he was unsuccessful in securing the required banker's guarantee. The Company is in the process of transferring these funds to the Seller's account in Hong Kong for subsequent remittance to Company's Singapore account. **SHAREHOLDERS SHOULD UNDERSTAND THAT IF THE PROPOSED DISPOSAL DOES NOT PROCEED TO COMPLETION, THE AMOUNT OF RMB 10 MILLION WILL HAVE TO BE REFUNDED TO BUYER A.** In this connection, it bears repeating that the Proposed Disposal is subject to 3 key conditions being satisfied: (a) Shareholders giving their approval at the EGM for the Proposed Disposal to proceed to completion, and (b) the approval of the Ministry of Commerce and Industry of the PRC for the transfer of the equity ownership to the Buyers. (c) the receipt of RMB 25 million from the Buyers upon transfer of ownership.

5. BASIS FOR THE PURCHASE PRICE UNDER THE PROPOSED DISPOSAL

5.1 The purchase price of RMB 30 million is derived after taking into consideration of the valuation from Independent Valuer and the rationale set out in Section 9. Pursuant to the Independent Valuation Report, which was commissioned by the Company in compliance with Listing Rule 1014(5) of the Listing Manual (applicable for mainboard issuers), the Independent Valuer appraised the business of SXWN to be approximately RMB25.26 million as at 30 June 2024. At an aggregate purchase consideration of RMB30 million for the Buyer-A Disposal and Buyer-B Disposal, the Company is able to realise its investment cost of RMB14.58 million. The Proposed Disposal, when completed, will represent a surplus over the carrying value of SXWN (of S\$2.63 million) in the Group's books as at 31 March 2024.

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5.2 Upon the completion of the Proposed Disposal, SXWN will no longer be entities within the Group, at which point, SXWN will not have any transaction with the Group. If the Group enters into any transaction with SXWN after completion, it will be on an arms-length basis on commercial terms as with any unrelated third parties. The Seller, however, will continue to be a member of the Group. After the disposal of SXWN, the remaining businesses of the Group is as follows: –

- *Sales of Diesel Generators and Fuel Systems:* The Group will continue to engage in the sales and distribution of diesel generators and fuel systems.
- *11.5MW Biomass Power Plant Project in Malaysia:* The Group is actively developing the biomass power plant project in Malaysia, with a capacity of 11.5MW, as part of its commitment to diversifying into renewable energy projects.

These businesses will represent key areas of growth and development for the Group moving forward.

6. GAIN ON DISPOSAL

The Proposed Disposal upon completion is expected to generate a net gain, computed as follows:

	Buyer-A Disposal S\$	Buyer-B Disposal S\$	Total S\$
Purchase Price (including the Additional Payment under the Buyer-A Disposal)	(RMB 20,000,000) S\$3,730,000	(RMB 10,000,000) S\$1,865,000	(RMB 30,000,000) S\$5,595,000
(A) Based on Net Assets:			
Net Assets			S\$2,630,000 ⁽¹⁾
Gain on disposal			S\$2,965,000
Less: Tax and legal fees			S\$208,000
Net Gain on disposal			S\$2,757,000
(B) Based on Cost of Investment in SXWN			S\$2,987,000⁽²⁾

Notes:

(1) The net asset value of S\$2,630,000 is based on figures presented in the Audited FY2024 FS.

(2) The Cost of Investment in SXWN of S\$2.4 million is the carrying value in the Group's books as presented in the Audited FY2023 FS.

7. THE APPRAISAL AND BASIS OF VALUATION

7.1 **Appraised Value.** The Independent Valuer appraised the business of SXWN to be approximately RMB25.26 million as at 30 June 2024, which took into account the Inter-company Balance of RMB 10 million.

7.2 **Income Method.** The main valuation method used by the Independent Valuer was the "Income Method", arrived at, using a discounted cashflows to the equity value of SXWN.

7.3 The Independent Valuer explained that they had chosen the Income Method because the intrinsic value of SXWN comes from its future cashflows. The Offtake Agreement provides a level of certainty to the cashflows of SXWN. In appraising SXWN, the Independent Value also assessed the financial forecast submitted to it by the management of the Company, which was based on historical trends and what is currently known and foreseeable as of the Valuation Date.

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- 7.4 **Basis of Value.** Market Value, which is defined in the International Valuation Standards as “the estimated amount for which an asset or liability should exchange on the valuation date, between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where parties had each acted knowledgeably, prudently and without compulsion”.
- 7.5 Market Value has been used as a basis of value because:
- (a) SXWN is in the power-generation industry which is mature and well-developed with many market participants in Shanxi.
 - (b) SXWN has a track-record of electricity production since 2018 and has been selling electricity to the local government. It is expected that this arrangement will continue until the end-of-life of the CMM Power Plant.
 - (c) Given the relatively small capacity of the CMM Power Plant (8 MW), there could be many potential buyers including other coal mine owners who may want to expand their supply chain to include electricity production.
 - (d) Although SXWN has a single supplier of gas, it is possible to obtain gas from other suppliers. Shanxi is rich in coal resources and there are many mines which can also supply gas to SXWN with the infrastructure and logistics set up.
- 7.6 The Independent Valuer concluded that the Market Value of SXWN reflected the highest and best use of the CMM Power Plant. This means the CMM Power Plant will be used in a way that maximises its potential in a legally permissible and financially feasible manner. For SXWN, the highest and best use is when the CMM Power Plant continues its operations, and the utilisation rate is gradually increased to an optimal level.
- 7.7 **Key Assumptions and Considerations.** In appraising the value of SXWN, the Independent Valuer made several key assumptions and took into account certain considerations set out below:
- **Utilisation Rate of the CMM Power Plant.** The Independent Valuer relied on historical data and trends (taking into account its maximum capacity) in determining the electricity that would be produced by the plant.
 - **Revenue received per Kwh (in RMB).** The Independent Valuer used the average historical rate received of RMB 0.45 per Kwh as the forecasted rate. This is a reasonable assumption because the actual average rate in FY2021, FY2022 and FY2023 was RMB 0.446/Kwh, RMB 0.451/Kwh and RMB 0.451/Kwh respectively. As of the Valuation Date, there was no evidence to suggest that future rates would be any different from that historically.
 - **Historical Financial and Operational Trends.** The Independent Valuer assessed the forward-looking earnings and cash flow projections as well as historical financial performance of SXWN.
 - **Benchmarking.** The Independent Valuer benchmarked SXWN against comparable companies in the Industry, in relation to its forecasted future financial performance, profit margins and plant utilization rates.
 - **Existing Contracts:** The Independent Valuer also took into account SXWN’s existing contractual obligations, in particular the Offtake Agreement, which would provide a stable revenue stream, and could be relied on to support the forecasted cash flow projections of SXWN.

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7.8 **Assessment of the Key Assumptions and Considerations.** The Board has reviewed and assessed the key assumptions and considerations employed by the Independent Valuer in appraising SXWN and is of the opinion that they are reasonable for the following reasons:

- **Total Investment Cost.** As at the end of FY2023, SXWN's carrying value in the Group's books was S\$2.4 million, which was approximately RMB12.409 million. Based on this, the Proposed Disposal would result in a gain of about S\$2.987 million
- **Specific Nature of the Proposed Disposal.** During negotiations, management highlighted the commercial advantages the Buyers could enjoy, given that Buyer A is the Coal Mine Operator.

Forecasts. The forecasted earnings, cash flow projections and estimates used in the Independent Valuation Report (FY2023 to FY2032) would have netted a total of approximately RMB37 million for the Group for the period from FY2023 to FY2032. The Board noted that the forecasts are based on (a) historical financial and operational trends, (b) benchmarking to the financial performance of comparable companies, noting also that such financial performance covered profit margin forecast and plant utilisation rates, and (c) the terms of the Offtake Agreement, specifically the selling price of electricity to the local government. However, this 9-year forecast is subject to various uncertainties, such as changes in legislation related to fossil fuels mining, operational risks, unforeseen events, the financial stability of the Coal Mine Operator, and potential downwards adjustments to the tariff price due to climate change concerns.

- **Disposal, not an acquisition.** It is important to emphasise that this transaction is a disposal, not an acquisition. The Group is not relying on a forecast of future profits or cash projections as it might in an acquisition, but has, rather, relied on the forecast to achieve the agreed total purchase consideration.

7.9 **Uncertainties.** The Board would like to draw Shareholders' attention to certain underlying uncertainties that could affect the forecasts used by the Independent Valuer. These uncertainties have been set out comprehensively in Section 9 of the Independent Valuation Report. Notwithstanding, the Board would like to highlight certain key material uncertainties that could have an impact on the forecasts:

- **Length of Forecast.** The period covered under the forecasts is 9 years, during which events that are adverse to SXWN that are not currently foreseeable may take place.
- **Regulatory Risks.** Potential changes in legislations in the PRC regarding climate and environmental protection and enhancements could impact the operations and viability of SXWN.
- **Operational Risks.** Risks associated with production, equipment and other operational aspects of SXWN may result in actual financial performance to differ from forecasts made.
- **Financial Risks.** The financial stability of the Coal Mine Operator and other stakeholders could change over time and affect the forecasts made.
- **Changes in Stakeholder expectations.** Stakeholders' sentiments and expectations could change over time, and this could result in the Group having to modify its business strategies to align with such changed expectations; for example a greater push to transition to a purpose driven organisation which places greater emphasis on the impacts the Group's operations have on environmental and social systems.

Conclusions on the Independent Valuation Report. The Board has reviewed the conclusions and limitations outlined in the Independent Valuation Report to be acceptable and is of the view that appraised value of SXWN has been made based on a set of relevant and comprehensive assessments and the limitations that underscore the appraisal are clearly detailed.

7.10 For more information on the other factors considered by the Independent Valuer when it appraised the business of SXWN, please read the Independent Valuation Report attached to this Circular as **Appendix B**. Shareholders may also find the Independent Valuer's track record at the end of report.

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7.11 **About the Independent Valuer.** The Independent Valuer, Mr. Gerald Tan, is a:

- (a) Chartered Valuation Analyst (CVA) – Membership Number; 1018314. <https://www.nacva.com/>;
- (b) Chartered Financial Analyst (CFA) – Membership Number; 863482. <https://www.cfainstitute.org/>; and
- (c) Chartered Accountant (CA) (Singapore), Membership Number: 834419. <https://www.isca.org.sg/>.

7.12 In the past three years, the Independent Valuer has appraised energy-related assets/business for the following companies:

Name of Company	Status of Company	Description of Valuation
Petronas/LG Joint Venture	Listed	Independent valuer for the Decommissioning Provision for the RM 2bn LG Petronas Petrochemicals Plant.
China Huadian	Listed	Independent valuer for the impairment provision of China Huadian's investment in the 470MW Huadian-Teninskaya Combined Cycle Power Plant in Russia. China Huadian Corporation is one of the five largest state-owned power generation enterprises in China, administered by SASAC for the State Council.
Alpina Holdings limited	Listed	Independent valuer for the JV-equity investment in the 105MW solar-power project for the Housing Development Board.
Blue Planet Group	Private	Independent valuer for the purchase price allocation of Blue Planet's acquisitions of green-energy companies. Blue Planet is a Singapore-based holding company focusing on sustainable technologies from waste-recycling to green-energy production. Blue Planet is funded by leading financial institutions, pension funds and environmental-focused funds.

7.13 The Independent Valuer confirms that the Independent Valuation Report is in compliance with Practice Note 2, issued by the Institute of Valuers and Appraisers, Singapore: Minimum Disclosure Requirements for Summary Valuation Letters and contains the information required by SSIV practice guide for valuation reporting.

8. INFORMATION ABOUT THE BUYERS

8.1 **Buyer A.** Du XuFang is a Chinese national and the 54% shareholder of Shanxi Dongsheng, the Coal Mine Operator.

8.2 **Buyer B.** Liu JinJing is a Chinese national, and an individual who was an employee of Shanghai VibroPower Generators Equipment Co., Ltd ("**Vibro Shanghai**"). During Buyer-B's employment with Vibro Shanghai, she was part of the Company's team on the ground to get the Power Plant up and running. She was employed by Vibro Shanghai from March 2012 to June 2024.

Introduction to the Buyers. In early November 2023, the Company was approached by Buyer A, who proposed acquiring the CMM Power Plant. Given Buyer B's familiarity with SXWN's operations, Buyer A initiated contact with Buyer B to propose a joint acquisition of SXWN. Subsequently, after Buyer B's resignation in June 2024, this led to the commencement of formal discussions between the Buyers and the Company and entering of the Equity Transfer Agreements.

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- 8.3 **No association.** There is no connection (including business relationship) amongst the Company, the Directors and the Substantial Shareholders of the Company with the Buyers and their associates.
- 8.4 **Financial Due Diligence on the Buyers.** The Company performed financial due diligence on both Buyers to assess their financial capability to complete the Proposed Disposal which included the following:
- **Buyer A:** Buyer A is the 54% shareholder of Shanxi Dongsheng, the Coal Mine Operator. As part of its due diligence, the Company reviewed the financial statements of Shanxi Dongsheng. Additionally, SXWN has had a business relationship with Shanxi Dongsheng since the commencement of the CMM Plant's operations in 2018, and Shanxi Dongsheng has not defaulted on any material payables. This provided the Company with confidence in Buyer A's financial stability and reliability.
 - **Buyer B.** Buyer B, an individual, was previously employed by Vibro Shanghai. During negotiations, Buyer B provided bank statements to demonstrate her financial ability to make the first part payment of RMB 5 million out of the total purchase consideration of RMB 10 million.

9. RATIONALE FOR THE PROPOSED DISPOSAL

- 9.1 **Good Opportunity.** Primarily, the offer made by the Buyers represented a good opportunity for the Group to exit its investment in the PRC and recover its investment cost. The Board would like to emphasise that the proposed sale and purchase offer arose from the Buyers desiring to own and operate the CMM Plant themselves, and in the Group's view, presented a good and viable opportunity to exit its investment on favourable terms. The Company did not receive any offer other than from the Buyers.
- 9.2 **Climate Change and Sustainability.** Secondly, but no less an important consideration, the PRC and all provinces, including the Shanxi government, have implemented various initiatives to slow down climate change and improve sustainability. In 2022, the Shanxi government released a white paper which set out various climate change and sustainability objectives, as follows:
- (a) Achieve a 12% non-fossil fuel energy consumption by 2025, and 18% by 2030.
 - (b) Attain a 50% installed capacity and 30% electricity generation from new and clean energy sources by 2025.
 - (c) Ensure at least a 60% installed capacity from such sources by 2030.
 - (d) Target a 120 GWh wind and solar energy installed capacity by 2030.
 - (e) Deploy a 10 GW storage capacity by 2025.
 - (f) Construct 10 pumped storage hydropower facilities during the 14th Five-Year Period (2021- 2025).
 - (g) Complete 10 new energy project substations with a capacity of 500 kV by 2025.
 - (h) Aim for a peak load reduction capacity of 5%-10% by 2030.
- 9.3 **CMM.** The Group is of the view that it was a matter of time before the PRC central government legislated to either reduce the number of licenses issued for fossil fuel mining or restrict their operations. CMM is basically a greenhouse gas, with a much higher global warming potential than carbon dioxide. Capturing methane from coal mines and using it for energy prevents it from being released into the atmosphere, thereby reducing greenhouse gas emissions, and improving the environmental impact of coal mining operations. However, using CMM to produce electricity or energy is not considered a renewable energy, because coal mining activities themselves deplete fossil fuel, a non-renewable resource. While the use of coal mine methane is cleaner than letting methane escape into the atmosphere or burning coal directly, it is not as clean as using renewable energy sources like wind,

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solar, or hydro power, which do not produce greenhouse gas emissions. Converting CMM into electricity is a more sustainable and cleaner form of energy production, compared to traditional coal combustion and methane release; however, the production of CMM itself would be impacted by enhanced environmental and sustainability legislation that seeks to curtail coal mines and other fossil-fuel mining operations.

9.4 The Board believes that the terms of the Proposed Disposal are commercially viable, and it is in the interests of the Group. The Proposed Disposal provides:

- (a) the Group with an opportunity to realize a gain on its investment in SXWN;
- (b) the Group with an opportunity to utilise the proceeds of the Proposed Disposal for new investments, other projects, and/ or working capital needs; and
- (c) enable the Group to avoid future legislations aimed at reducing fossil-fuel operations.

10. RELATIVE FIGURES UNDER LISTING RULE 1006

10.1 The relative figures in relation to the Proposed Disposal computed on the bases set out in Listing Rule 1006 of the Mainboard Rules, based on the Group's FY2024 Audited Accounts are as follows:

Listing Rule	Bases	SXWN's value (S\$'000)	Group's value (S\$'000)	Relative Figure (%)
1006(a)	Net asset value of assets to be disposed, compared with the Group's net asset value.	2,630	8,188	32%
1006(b)	Net loss attributable to the assets acquired or disposed of, compared with the Group's net profit.	(282)	187 ⁽¹⁾	(151%) ⁽²⁾⁽³⁾
1006(c)	Aggregate value of consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	5,595	1,548 ⁽⁴⁾	361% ⁽⁴⁾
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	–	–	Not applicable as the transaction is not an acquisition.
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves			Not applicable as the Group is not a mineral, oil or gas company.

Notes:

- (1) The profit before tax and non-controlling interests of the Group is extracted from the Group's FY2024 Audited Accounts.
- (2) In accordance with Practice Note 10.1 ("PN 10.1"), since the numerator under rule 1006(b) is a negative figure, the Company has assessed the relative figure under paragraphs 4.3(e) and 4.4(e) of PN 10.1.
- (3) As the Proposed Disposal does not fall within all the situations delineated under paragraphs 4.3(e) and 4.4(e), Listing Rule 1014 will, nevertheless, apply to the Proposed Disposal.
- (4) This relative figure has been arrived at using the total consideration to be received for the Proposed Disposal of S\$5,595,000 compared with the weighted average price of the Company's shares on the market day preceding the date of the Equity Transfer Agreements on 2 August 2024. The Company's market capitalisation of S\$1,548,000 is derived at multiplying Weighted average price on 2 August 2024 of S\$0.021 and Total number of issued shares excluding treasury shares of 73,696,114.

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- 10.2 Since the Proposed Disposal do not fall within all the [applicable] circumstances set out under PN 10.1, Rule 1014 applies. As the relative figures computed based on Listing Rule 1006(a), 1006(b), and 1006 (c) exceed 20%, the Proposed Disposal is, accordingly, classified as a “major transaction” under Listing Rule 1014(1), and according to Listing Rule 1014(2), must be made conditional upon approval by Shareholders in a general meeting.

11. USE OF PROCEEDS

The Group intends to use the net proceeds from the Proposed Disposal to reinvest in other green and renewable energy projects, as and when an opportunity presents itself, and also for general working capital requirements to fund the Group’s businesses, including its other existing renewable and sustainable energy projects. The proposed use and allocation for each use, including the relevant percentages are set out below:

Proposed use of proceeds	Proceeds (S\$'000)	Percentage (%)
Investment in other green and renewal energy projects	2,595	46
General working capital	3,000	54
Total	5,595	100

Notes:

The S\$ 3 million allocated for general working capital (54% of the net proceeds) will be used for the following purposes:

- *Operational Expenses*
- *Purchase of Genset components for on-going projects*
- *Repayment of bank borrowings, account payables and other current liabilities, to ensure liquidity and maintain financial flexibility.*

12. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

- 12.1 The financial effects of the Proposed Disposal on the Group are set out below. The financial effects are shown for illustrative purposes only and they do not necessarily reflect the exact future financial position and performance of the Group immediately after completion of the Proposed Disposal. In accordance with Listing Rules 1010(8) and 1010(9), the financial effects set out below have been calculated using the audited consolidated financial statements of the Group for the financial year ended 31 March 2024.

- (a) **NTA.** Assuming that the Proposed Disposal was completed on 31 March 2024, the effect of the Proposed Disposal on the NTA per Share of the Group is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	8,188	10,945
Number of Shares ('000)	73,696	73,696
NTA per Share (cents)	11	15

Notes:

- (1) Excludes non-controlling interests and intangible assets.
 (2) Total number of issued shares excluding treasury shares as at 31 March 2024.

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- (b) **EPS.** Assuming that the Disposal had been completed on 1 April 2023, the effect of the Disposal on the EPS of the Group is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit attributable to Shareholders (S\$'000)	172	2,929
Weighted average number of Shares ('000)	73,696	73,696
Profit per share – basic (cents)	0.23	0.40

- 12.2 **Share Capital.** The Proposed Disposal will not have any effect on the share capital and shareholding structure of the Company as the Sale Consideration is wholly satisfied in cash by the Buyers.

13. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 13.1 Altum Law Corporation was engaged as the legal adviser in relation to the Proposed Disposal. Mr. Allan Tan Poh Chye (**“Mr. Allan Tan”**), an Independent Director of the Company, is a director of Altum Law Corporation, and the engagement director for the Proposed Disposal. The aggregate fees paid and payable to Altum Law Corporation (including the Proposed Disposal) is well below the threshold set out in the Practice Guide to the Code of Corporate Governance of Singapore, i.e. below S\$50,000. Due to Mr. Allan Tan’s familiarity with the circumstances of SXWN, the Board was of the view that it was most efficient to engage Mr. Allan Tan. The Board is of the view that the abovementioned engagement does not affect Mr. Allan Tan’s independent judgement on the Proposed Disposal as the fee is one-off fixed fee. Moreover, Mr. Allan Tan, in both his roles as legal adviser and Director, is required to act in the interest of the Company. Other than Altum Law Corporation, the Company has not engaged any other legal adviser for the Proposed Disposal.

Save for their respective interests in the issued capital of the Company or as disclosed in this section (as the case may be), none of the Company’s key management, Shareholders, Directors, has any interest, direct, or indirect in the Proposed Disposal, including directorship in SXWN.

- 13.2 **Interest 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	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Directors</u>				
Benedict Chen Onn Meng(2)	12,000,180	16.28	175,200	0.24
Ernest Yogarajah s/o Balasubramaniam	–	–	–	–
Tan Poh Chye Allan	–	–	–	–
<u>Substantial shareholders</u>				
Benedict Chen Onn Meng(2)	12,000,180	16.28	175,200	0.24
Ong Ai Ling	6,208,100	8.42	–	–
Chen Siew Meng(3)	4,912,800	6.67	2,537,720	3.44
Wong Kim Siong	7,000,000	9.50	–	–

Notes:

- (1) Based on the issued share capital of the Company of 73,696,114 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 175,200 Shares held through his Central Provident Fund investment account (UOB Kay Hian Private Limited).
- (3) Mr. Chen Siew Meng is deemed interested in 12,900 Shares held under OCBC Nominees Singapore Pte Ltd and 2,524,820 Shares held under OCBC Securities Pte Ltd.

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- 13.3 **Interest in Warrants.** 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	% ⁽¹⁾	No. of warrants	% ⁽¹⁾
<u>Directors</u>				
Benedict Chen Onn Meng	4,000,060	51.91	–	–
Ernest Yogarajah s/o Balasubramaniam	–	–	–	–
Tan Poh Chye Allan	–	–	–	–

Notes:

(1) As a percentage of the total number of outstanding warrants of 7,705,598 warrants as at the Latest Practicable Date.

14. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

15. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N1 to N3 of this Circular, will be held on 29 October 2024 at 9:00 a.m. for Shareholders to consider and, if thought fit, pass with or without modifications, the resolutions relating to the Proposed Disposal as set out in the Notice of EGM.

16. DIRECTORS' RECOMMENDATION

- 16.1 The Directors recommend that Shareholders exercise caution when deciding to vote in favour for or against the Proposed Disposal. Any individual Shareholder who may require specific advice is advised to consult its stockbroker, bank manager, solicitor, accountant or other professional adviser. The Directors recommend that Shareholders read this Circular in its entirety and thoroughly.
- 16.2 The Directors having considered, among other things, the terms, rationale and benefits of the Proposed Disposal, the details of the Proposed Disposal and the financial effects of the Proposed Disposal, are of the opinion that the Proposed Disposal is in the best interests of the Company, its Shareholders and all stakeholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Disposal.

17. CONSENTS

- 17.1 Altum Law Corporation, as the legal adviser to the Company for the Circular, has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name and to act in such capacity in relation to this Circular.
- 17.2 The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Independent Valuation Report set out in Appendix B to this Circular, and all references to the Independent Valuation Report, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

18. ACTION TO BE TAKEN BY SHAREHOLDERS

- 18.1 Shareholders unable to attend the EGM are encouraged to appoint a proxy or proxies to attend and vote on their behalf. To appoint a proxy or proxies, Shareholders should duly complete, sign, and submit the Proxy Form attached to the Notice of EGM. Submissions can be made either via email to vote@vibropower.com or by post to the Company's registered office at 11 Tuas Avenue 16, Singapore 638929. Submissions of proxy forms must reach the Company by either of the methods stated no later than 48 hours prior to the scheduled time of the EGM.
- 18.2 Shareholders should understand that submitting a proxy form does not affect their right to attend the EGM in person and cast their votes directly. Should a Shareholder who has appointed a proxy decide to attend and vote at the EGM, the proxy's authority will be nullified for that Shareholder. The Company also reserves the right to deny admission to any individual acting as a proxy if the Shareholder chooses to vote in person.
- 18.3 Shareholders whose names appear in the Depository Register or the Register of Members of the Company (for those who hold scripted shares of the Company) at least 72 hours before the time the EGM is convened will be entitled to attend, speak and vote at the EGM.
- 18.4 Shareholders who hold Shares through Relevant Intermediaries and wish to attend and vote at the EGM should contact their intermediaries as soon as possible to instruct their intermediaries to submit a Proxy Form appointing them as proxies to attend and vote at the EGM. They should contact their intermediaries at least seven (7) working days before the time and date of the EGM in order for their intermediaries to make the necessary arrangements to appoint them as proxies.
- 18.5 CPF and SRS Investors who wish to attend and vote at the EGM may only do so if they are appointed proxies by their CPF Agent banks or SRS operators. They should contact their agent bank or operators at least seven (7) working days before the time and date of the EGM in order for their agent banks or operators to make the necessary arrangements.
- 18.6 Members (including Shareholders, who hold Shares through a Relevant Intermediary, as well as CPF and SRS Investors) may alternatively appoint the Chairman of the EGM as proxy to vote for them at the EGM. For Shareholders, who hold Shares through a Relevant Intermediary and CPF, as well as CPF and SRS Investors, if you wish for the Chairman of the EGM to vote for you as your proxy, you should contact your intermediaries, agent banks or operators (as applicable) at least seven (7) working days before the time and date of the EGM in order for them to make the necessary arrangements.
- 18.7 For Shareholders who are Depositors or whose names are registered in the Register of Members of the Company, you may use the proxy form attached to the Notice of EGM to appoint the Chairman of the EGM as your proxy to vote for you.
- 18.8 Information on how to submit questions regarding the Proposed Disposal before the EGM is set out in the Notice of EGM.

19. DIRECTORS' RESPONSIBILITY STATEMENT

- 19.1 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, the information contained in this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and of 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.
- 19.2 Where information in this 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 this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

20. DOCUMENTS AVAILABLE FOR INSPECTION

20.1 Copies of the following documents are available for inspection at the registered office of the Company at 11 Tuas Avenue 16 Singapore 638929 during normal business hours from the date of this Circular for a period of three months:

- (a) the Constitution of the Company;
- (b) the Equity Transfer Agreements;
- (c) the Independent Valuation Report; and
- (d) the Consent letters from Altum Law Corporation and the Independent Valuer.

20.2 Shareholders who wish to inspect these documents may send an email request to the Company at vote@vibropower.com to make an appointment. The Company will arrange a time and day when Shareholder(s) may visit the Company's registered address during normal office hours to do.

Yours faithfully

For and on behalf of the Board of Directors of
VibroPower Corporation Limited

Benedict Chen Onn Meng

Executive Director and Chief Executive Officer

APPENDIX A

(the 2012 Circular)

CIRCULAR TO SHAREHOLDERS DATED 19 APRIL 2012

THIS CIRCULAR TO SHAREHOLDERS (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is prepared and issued by VibroPower Corporation Limited (the “**Company**”). 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 your ordinary shares in the capital of the Company, please forward this Circular, the Notice of EGM and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser.

This Circular has been reviewed by the Company’s financial adviser, Genesis Capital Pte. Ltd. (“**Financial Adviser**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Financial Adviser has not independently verified the contents of this Circular.

The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular.



VIBROPOWER CORPORATION LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED COLLABORATION ON AND ESTABLISHMENT OF A COAL-MINE METHANE POWER PLANT PROJECT (THE “PROJECT”) IN SHANXI PROVINCE, PEOPLE’S REPUBLIC OF CHINA (A MAJOR TRANSACTION AS DEFINED IN CHAPTER 10 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED)

Financial Adviser to the Company



GENESIS CAPITAL

GENESIS CAPITAL PTE. LTD.

(Company Registration Number: 200403939H)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	2 May 2012 at 9:00 a.m.
Date and time of Extraordinary General Meeting	:	4 May 2012 at 9:00 a.m.
Venue of Extraordinary General Meeting	:	11 Tuas Avenue 16 Singapore 638929

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DEFINITIONS

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

Companies

<i>“Company” or “VibroPower”</i>	VibroPower Corporation Limited
<i>“Financial Adviser”</i>	Genesis Capital Pte. Ltd., being the financial adviser to the Company
<i>“Group”</i>	The Company, its Subsidiaries and Associates as at the date of this Circular
<i>“Shanxi Weineng”</i>	Shanxi Weineng Coal Mine Gas Development Co., Ltd (山西威能煤层气开发有限公司), a joint venture company established in the PRC, in which our Company holds 49% of the interest and our joint venture partner Shanxi Weidi Project Management Co., Ltd holds 51% of the interest
<i>“Shanxi Dongsheng”</i>	Shanxi Dongsheng Coal Mining Group Company Limited, (山西东升煤业集团有限公司), a company established in the PRC and is an independent third party to the Group
<i>“Shanxi Weidi”</i>	Shanxi Weidi Project Management Co., Ltd (山西伟地工程管理有限公司), a company established in the PRC. The Shareholder of Shanxi Weidi is Bai Feng Lu (白泮路), who is an independent third party to the Group
<i>“VibroPower Hong Kong”</i>	VibroPower Hong Kong Limited, being a wholly-owned Subsidiary of the Company
<i>“YangQuan Zhongneng”</i>	YangQuan Zhongneng Coal Gas Development Co., Ltd (阳泉中能煤气开发有限公司), a company established in the PRC and is an independent third party to the Group

General

<i>“Act”</i>	The Companies Act, (Chapter 50) of the laws of Singapore as amended or modified from time to time
<i>“Associate”</i>	(A) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (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 (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and

DEFINITIONS

- (B) in relation to a Substantial Shareholder or 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 thirty per cent. (30%) or more

“Board”	The Board of Directors of the Company as at the date of this Circular
“CDP”	The Central Depository (PTE) Limited
“Circular”	This circular to Shareholders dated 19 April 2012
“Controlling Shareholder”	A person who:- (A) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued Shares (excluding treasury shares) unless the SGX-ST determines that such a person is not a controlling shareholder of the Company; or (B) in fact exercises control over the Company
“Directors”	The directors of the Company as at the date of this Circular
“EGM”	The extraordinary general meeting of the Company to be convened and held on 4 May 2012
“EPS”	Earnings per Share
“FY”	Financial year ending or ended 31 December
“Group”	The Company and its Subsidiaries as at the date of this Circular
“Latest Practicable Date”	17 April 2012, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Notice of EGM”	The notice of the EGM as set out on Page 20 of this Circular
“NTA”	Net tangible assets
“PRC”	The People’s Republic of China
“PRC Legal Adviser”	Team-Run Legal (Shanghai office), the PRC legal adviser to the Company
“Project”	The collaboration on and establishment of a coal-mine methane (“CMM”) power plant project by and between Shanxi Weineng and Shanxi Dongsheng at Shanxi Province, the PRC

DEFINITIONS

<i>“Project Agreement”</i>	The Project Agreement dated 15 December 2011 entered into by and between Shanxi Weineng and Shanxi Dongsheng in relation to the Project
<i>“SGX-ST”</i>	Singapore Exchange Securities Trading Limited
<i>“Shares”</i>	The issued ordinary shares in the capital of the Company
<i>“Shareholders”</i>	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 admits, mean the Depositors whose direct securities accounts maintained with CDP are credited with Shares
<i>“Subsidiaries”</i>	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Act
<i>“Substantial Shareholder”</i>	A person who has an interest in the Shares the nominal amount of which is not less than five per cent (5%) of the nominal amount of all the voting shares of the Company
<i>“HK\$”</i>	Hong Kong dollars, the lawful currency of Hong Kong
<i>“KWH”</i>	Kilowatt-hour
<i>“Mu”</i>	A Chinese unit of area, amounting to approximately 667 square metre
<i>“RMB”</i>	Renminbi, the lawful currency of the PRC
<i>“S\$” or “\$” and “cents”</i>	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<i>“WATT”</i>	Megawatts
<i>“%”</i>	percentage or per centum

The terms ***“Depositor”***, ***“Depository Agent”*** and ***“Depository Register”*** shall have the meanings ascribed to them respectively in Section 130A of the Act.

Unless otherwise specified, the exchange rate of RMB/S\$ is RMB1 to S\$0.194, which is extracted from published information by Bloomberg L.P using the closing exchange rate on 31 December 2010.

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

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

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Certain names with Chinese characters have been translated into English names. Such translations are provided solely for the convenience of investors and may not have been registered with the relevant PRC authorities and as such, should not be construed as representations that the English names actually represent the Chinese characters.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine gender and neuter genders. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or reenacted. Any term defined under the Act or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

LETTER TO SHAREHOLDERS

VIBROPOWER CORPORATION LIMITED

(Company Registration Number: 200004436E)
(Incorporated in the Republic of Singapore)

Director

Benedict Chen Onn Meng (Executive Chairman and Joint Managing Director)
Kang Beng Chiang (Joint Managing Director)
Toh Peng Seong (Executive Director)
Michael Kan Yuet Yun (Independent Director)
Ernest Yogarajah s/o Balasubramaniam (Independent Director)

Registered Office

11 Tuas Avenue 16
Singapore 638929

Date: 19 April 2012

To: The Shareholders of the Company

Dear Sir/Madam

THE PROPOSED COLLABORATION ON AND ESTABLISHMENT OF COAL-MINE METHANE POWER PLANT PROJECT IN SHANXI PROVINCE, THE PRC

1. INTRODUCTION

The Directors of the Company are proposing to convene an EGM to be held at 11 Tuas Avenue 16, Singapore 638929 on 4 May 2012 at 9:00 a.m to seek Shareholders' approval for the proposed Project.

The purpose of this Circular is to provide Shareholders with information relating to the proposed Project to be tabled at the EGM.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED PROJECT

A Background

(i) Information on Shanxi Weineng

Shanxi Weineng is a joint venture company established in the PRC on 2 November 2010, in which the Company holds 49% of the interest and the Company's joint venture partner, Shanxi Weidi holds the balance.

As at the Latest Practicable Date, the registered share capital of Shanxi Weineng is HK\$30 million (approximately S\$5.0million), of which 49% amounting to HK\$14.7million (approximately S\$2.4million) has been fully paid by the Company's wholly-owned Subsidiary, namely, VibroPower Hong Kong.

The board of directors of Shanxi Weineng comprises five (5) directors, three of the directors namely Benedict Chen Onn Meng, Kang Beng Chiang and Ernest Yogarajah s/o Balasubramaniam were appointed by the Company and the remaining two directors namely Bai Fenglu (白津路) and Bai Rong (白榕) were appointed by the Company's joint venture partner, Shanxi Weidi.

(ii) Acquisition of Subject Assets from YangQuan Zhongneng

The Company had on 9 December 2011 announced that Shanxi Weineng had entered into an agreement on 18 November 2011 with YangQuan Zhongneng (the "**Acquisition Agreement**") for the acquisition of certain existing buildings and other structures of YangQuan Zhongneng, including an office building, a staff dormitory and partially completed electrical control room and power

LETTER TO SHAREHOLDERS

generation room (collectively the “**Subject Assets**”) located at Yangquan City, Shanxi Province, the PRC (the “**Acquisition**”) at the Construction Premise (as defined below). The Subject Assets will be utilised by Shanxi Weineng for the Project.

(iii) Background of the Acquisition

YangQuan Zhongneng is a state-owned limited liability company established in the PRC on 29 March 2006 which is principally engaged in the business of coal mine gas development. Prior to the Acquisition by Shanxi Weineng, YangQuan Zhongneng had intended to operate the CMM Power Plant located at the Construction Premise (as defined below) and had entered into an agreement with Shanxi Dongsheng in early 2007 for such operation.

The Company understands that YangQuan Zhongneng's decision to terminate their investment is mainly due to its internal re-organisation and the new management team decided not to carry on the investment after taking into consideration a new industry policy, namely the Policy of Coal Mine Industry promulgated by the National Development and Reform Commission of the PRC (发改委 2007第80号《煤炭产业政策》) in November 2007 requiring smaller coal mine operators to merge with other coal mine operators in order to optimize the operation of the coal mines.

None of the directors or controlling shareholders of the Company or Shanxi Weineng has any interest, direct or indirect in the Acquisition.

(iv) Rationale for Acquisition

The rationale for the Acquisition is that Shanxi Weineng will utilise the entire Subject Assets acquired in the Project. In particular, the electrical control room and power generation room acquired had been constructed and partially completed by YangQuan Zhongneng. Upon completion of the Acquisition, Shanxi Weineng will continue and complete the construction of the electrical control room and power generation room to be utilized in the Project.

The Company is of the view that the Acquisition will expedite the progress of building the CMM Power Plant by Shanxi Weineng for the purpose of operating the Project.

(v) Acquisition Consideration

The total consideration for the Acquisition (the “**Acquisition Consideration**”) is RMB3.9million (approximately S\$0.76million). The Acquisition Consideration was arrived at following arms' length negotiations between Shanxi Weineng and YangQuan Zhongneng on a willing buyer and willing seller basis and taking into account the net book value of the Subject Assets acquired. Pursuant to an independent valuation commissioned by the Company, the replacement costs of the Subject Assets as at 2010 is approximately RMB4.1million (approximately S\$0.8million). The Acquisition Consideration will be satisfied in cash by Shanxi Weineng.

(vi) Payment of the Acquisition Consideration

When the Company negotiated with YangQuan Zhongneng, it was the intention of the Company to minimise cash outflow for the Acquisition. In this regard, instead of making full payment for the Acquisition Consideration for the Subject Assets, the Company, after negotiation with YangQuan Zhongneng agreed that, subject to the conditions precedent as set out in Paragraph 2A(vii) below being fulfilled, RMB2million (S\$0.39million) of the Acquisition Consideration would be payable within 3 months of the Acquisition Agreement, followed by annual payments of RMB0.095million (approximately S\$0.018million) over a period of twenty years. Titles to the Subject Assets acquired will be transferred upon full payment of the Acquisition Consideration.

(vii) Conditions Precedent for the payment of the Acquisition Consideration

According to the Acquisition Agreement and the PRC legal opinion issued by the PRC Legal Adviser, Shanxi Weineng will proceed with completion of the Acquisition, and payment of the Acquisition Consideration will be made only after the conditions precedent (the “**Conditions Precedent**”) as set forth hereunder have been fulfilled:-

LETTER TO SHAREHOLDERS

- (a) YangQuan Zhongneng having complied with all applicable procedures for the transfer of the Subject Assets through an open public tender in a qualified PRC state-owned property exchange square; and
- (b) YangQuan Zhongneng having obtained all the relevant government approvals and permits for the transfer of the Subject Assets including approvals in relation to the building.

As at the date of this Circular, the above two conditions have not been fulfilled. YangQuan Zhongneng has represented to Shanxi Weineng that it will require approximately between 3 to 6 months for the conditions to be fulfilled. Shanxi Weineng's obligation to make payment under the Acquisition Agreement will arise only upon fulfillment of the abovesaid conditions.

B Details of the Project

(i) The Project Agreement

On 16 December 2011, the Company announced that Shanxi Weineng had on 15 December 2011 signed an agreement (the "**Project Agreement**") with Shanxi Dongsheng, in which the agreed terms for the operation of the Project are set out.

The Project Agreement is conditional upon the Company obtaining approval from its Shareholders to undertake the proposed Project.

(ii) Background of Shanxi Dongsheng

Shanxi Dongsheng is a limited liability company incorporated in the PRC on 28 July 2004 which is principally engaged in the business of coal mining and real estate development. Shanxi Dongsheng is owned by 11 individual shareholders and the major shareholder of Shanxi Dongsheng is Wang Shen, who is also the chairman of the board of Shanxi Dongsheng and has more than 30 years of experience in the coal mining industry. Shanxi Dongsheng is not related to the Company, its Directors or Controlling Shareholders.

(iii) Location and Construction of the Project

The proposed CMM power plant ("**CMM Power Plant**") will be located at the premise of Shanxi Dongsheng Group Yangsheng Coal Mining Co., Ltd (山西东升集团阳胜煤业有限公司) located at Yangquan City, Shanxi Province, the PRC (the "**Construction Premise**"). Shanxi Weineng has identified the Construction Premise due to various factors, including the location and accessibility of the Construction Premise, the availability of resources necessary for the operation of the Project, in particular, the CMM gas supplied by Shanxi Dongsheng from the coal mine owned by Shanxi Dongsheng and the accessibility to the local power grid for off-take of electricity generated from the Project.

On 22 February 2011, the Company commissioned Shanxi Fenwei Energy Consulting Co, Ltd. ("**Shanxi Fenwei**"), an independent third party, to the Group and Shanxi Dongsheng, to conduct an evaluation on the gas power generation resources in the coal mine and feasibility of extraction and drainage and construction of a gas power generation. Shanxi Fenwei had, in its report dated 1 January 2012 (the "**Technical Report**"), estimated that the CMM gas supplied extracted from the coal mine will be sufficient for the Operation Period.

As at the date of this Circular, the Company understands that no license is required for such extraction of CMM gas as the CMM gas extracted is a by-product from the coal mine.

The electricity generated from the Project will be supplied to the local power grid company. Please refer to paragraph 2E – Offtake Arrangements and Approvals and Licenses for the Project of this Circular for the approvals required to supply electricity to local power grid company.

The establishment of the CMM Power Plant will include the following:-

LETTER TO SHAREHOLDERS

- (a) the purchase and installation of certain equipments, facilities and power generators (collectively the **“Removable Structures, Facilities and Equipments”**) to be utilised for the operation of the Project;
- (b) the construction of a transmission line from the local power grid to the CMM Power Plant; and
- (c) the completion of the partially completed Subject Assets. The estimated construction cost for the completion of the Subject Assets is approximately RMB1.3million (approximately S\$0.25million) (the **“Construction Cost”**).

Under the Project Agreement, Shanxi Dongsheng will provide the Construction Premise, comprising a total area of 7Mu, during the tenure of the Operation Period (as defined below). The annual rent (**“Rent”**) payable by Shanxi Weineng is agreed at RMB2,000 per Mu (or approximately S\$400 per Mu), which is arrived on a willing buyer and willing seller basis upon negotiation with Shanxi Dongsheng.

(iv) Nature of the Project

The Project involves the installation of eight (8) power generator sets, capable of generating an aggregate 8 Megawatt of electricity.

According to the terms as provided in the Project Agreement, during the Operation Period (as defined below), Shanxi Weineng will be responsible for the construction and establishment of the CMM Power Plant and to operate and manage the CMM Power Plant.

(v) Construction and Operation Period

The construction of the CMM Power Plant is expected to be completed before the end of 2012 (the **“Construction Period”**) and the Project will operate for a minimum of approximately 15 years from the date of the Project Agreement (the **“Operation Period”**). Any operation beyond December 2026 is subject to negotiation with and agreement with Shanxi Dongsheng.

C. Salient Terms of the Project Agreement

(i) Shanxi Dongsheng’s obligations under the Project Agreement

Shanxi Dongsheng will be supplying CMM gas (气源) to Shanxi Weineng for the purposes of generating electricity. In addition, Shanxi Dongsheng will also be providing water (水源) without any additional charges as required by the Project during the Operation Period.

(ii) Fee payable by Shanxi Weineng for use of CMM gas supplied by Shanxi Dongsheng

In consideration of Shanxi Dongsheng’s supply of CMM gas (气源) to Shanxi Weineng for use in the Project during the Operation Period, Shanxi Weineng shall pay to Shanxi Dongsheng a monthly fee, which shall be calculated based on the quantum of electricity generated from CMM gas supplied by Shanxi Dongsheng at an agreed rate, subject to the electricity tariff price of RMB 0.509 per KWH which is set and promulgated by relevant PRC government authority for a period of five (5) years from the commencing of operations of the Project and may be varied from time to time. The price of RMB0.509 per KWH is the prevailing tariff price for the purchase by the local power grid company of electricity from Shanxi Weineng, as prescribed by PRC regulations. Please refer to paragraph 2E – Offtake Arrangements and Approvals and Licenses for the Project of this Circular for more details of the government tariff price. Subsequent to the five year period, the monthly fee payable by Shanxi Weineng for the use of CMM gas supplied by Shanxi Dongsheng shall be re-negotiated between Shanxi Dongsheng and Shanxi Weineng.

(iii) The Construction Premise

Under the Project Agreement, Shanxi Dongsheng will provide the Construction Premise, comprising a total area of 7Mu, during the tenure of the Operation Period. The annual rent (**“Rent”**) payable by Shanxi Weineng is agreed at RMB2,000 per Mu (or approximately S\$400 per Mu) which is arrived on a willing buyer and willing seller basis upon negotiation with Shanxi Dongsheng.

LETTER TO SHAREHOLDERS

(iv) Other obligations of Shanxi Weineng under the Project Agreement

Pursuant to the Project Agreement, Shanxi Weineng shall indemnify Shanxi Dongsheng against all losses from any accident caused by Shanxi Weineng due to its operation of the CMM Power Plant to any of Shanxi Dongsheng's coal mine facilities or equipment or personnel. Shanxi Weineng intends to take up appropriate insurance coverage to cover such losses.

D Investment for the Project

(i) Investment Cost

The total investment cost for the Project (the “**Investment Cost**”) is estimated to be RMB50 million (approximately S\$9.8million), including the registered share capital of Shanxi Weineng of HK\$30million (approximately S\$5million) and the Acquisition Consideration of RMB3.9 million (approximately S\$0.76million).

The cash contribution towards the Investment Cost to be made by each of the Company and the joint venture partner, Shanxi Weidi and their shareholding interest (as a percentage of issued share capital of Shanxi Weineng as at the Latest Practicable Date) in Shanxi Weineng, are as follows:-

Name of Shareholder	Contribution towards Investment Cost	Shareholding Interest in Shanxi Weineng
VibroPower Hong Kong	RMB24.5million (approximately S\$4.8million)	49%
Shanxi Weidi	RMB25.5million (approximately S\$5.0million)	51%
Total	RMB50million (approximately S\$9.8million)	100%

(ii) The Investment Cost will be used in the Project for the following purposes:-

- (a) the purchase and installation of Removable Structures, Facilities and Equipments;
- (b) the construction of transmission line from the local power grid to the CMM Power Plant;
- (c) the Construction Cost for the completion of the partially completed Subject Assets and other structure works; and
- (d) the payment of professional fees and referral fee.

E Offtake Arrangements and Approvals and Licenses for the Project

It is the intention of Shanxi Weineng that the electricity generated from the Project will be supplied to the local power grid company.

As advised by the PRC Legal Adviser, under the laws of the PRC and subject to Shanxi Weineng obtaining all the required regulatory approvals, the local power grid company is obliged to purchase from Shanxi Weineng its entire output of electricity at the government tariff price of RMB0.509 per KWH for the first five (5) years period from the commencing of operations of the Project, as may from time to time be changed. The annual output from the CMM Power Plant is estimated to be 8MW.

According to the advice of the PRC Legal Adviser, prior to commencement of establishment and operation of the Project, Shanxi Weineng will require certain approvals, licenses and permits. A summary of the approvals, licenses and permits and their status as at the date of this Circular are summarized below:-

- (a) The approval granted to the Project by relevant government authority of Shanxi Province regarding Shanxi Weineng's eligibility to develop and operate the Project (the “**Project Approval**”) has been obtained;

LETTER TO SHAREHOLDERS

- (b) The approvals in relation to the building, which are still pending as at the date of this Circular will be transferred from YangQuan Zhongneng to Shanxi Weineng;
- (c) The Electricity Business License granted by Shanxi Electricity Regulatory Office of the State Electricity Regulatory Commission is still pending as at the date of this Circular;
- (d) The approval granted by Shanxi Power Grid Company in relation to the Power Generator Set Access System Program for the approval of the generator sets used in the Project and its connection to the power grid is still pending as at the date of this Circular; and
- (e) The Power Grid Scheduling Agreement and Electricity Sales Contract entered between Shanxi Weineng and Shanxi Power Grid Company will be signed by the relevant parties after obtaining the approval of the Power Generator Set Access System Program from Shanxi Power Grid Company.

F Source of Funds

(i) Capital injection into Shanxi Weineng

The total registered capital of Shanxi Weineng is HK\$30million (approximately S\$5million), of which 49% amounting to HK\$14.7million (approximately S\$2.4million) has been contributed by VibroPower Hong Kong as at the Latest Practicable Date.

(ii) Funding of Investment Cost of the Project

The total Investment Cost of the Project will be entirely funded by Shanxi Weineng. The relevant investment amount contributed by each of the Company and the Company's joint venture partner Shanxi Weidi for the Project is set forth as follows:-

Name of Shareholder	Share of total Investment Cost ⁽¹⁾	Shareholding in Shanxi Weineng
VibroPower Hong Kong	RMB24.5million (approximately S\$4.8million)	49%
Shanxi Weidi	RMB25.5million (approximately S\$5.0million)	51%
Total	RMB50million (approximately S\$9.8million)	100%

It is currently the intention of the Company to fund its share of the Investment Cost of the Project of RMB24.5million (approximately S\$4.8million) (the “**Company's Investment Cost of the Project**”) through a mix of internal reserves from the Group (including cash generated from operations) and borrowings.

Note:

- (1) Inclusive of the registered share capital of Shanxi Weineng of HK\$30million (approximately S\$5.0million) and the Acquisition Consideration of RMB3.9million (approximately S\$0.76million).

G Rationale

The Directors are of the view that the Project is in the interest of the Group for the following reasons:

(i) The Company has sufficient experience, access to expertise for the Project

The Group is currently engaged in the business of designing, manufacturing, supply, installation, commissioning and servicing of generators (the “**Existing Business**”). Each of the Company's Executive Directors, namely Benedict Chen Onn Meng, Kang Beng Chiang and Toh Peng Seong has more than 20 years of working experience in local and foreign multi-national generator companies in the areas of management, marketing and technical knowledge of the generator industry.

LETTER TO SHAREHOLDERS

The Directors believe that with the Group's experience in the Existing Business and the intensive experience of the Executive Directors, the Company has sufficient experience, access to expertise for the Project.

(ii) The Project is sustainable and in line with the Company's business strategy

The Group has been engaged in its Existing Business for more than 10 years and has established expertise and substantial knowledge in the manufacture, technical and operating qualities of generator sets. In undertaking the Project and establishing a power generation facility to generate electricity for sale, the Group will be moving up the value chain and leveraging on this expertise and knowledge. As the Group believes that such types of projects are scaleable and can be replicated at other locations, it is the intention of the Group to continue leveraging on such expertise and, where suitable opportunities arise, to establish further power generation facilities or jointly with suitable partners.

(iii) The Project may have the benefit of PRC policies favoring such projects

According to the Notice of Carry on Utilisation of Natural Resources Projects promulgated by National Development and Reform Commission (国家发改委), the utilisation of CMM gas for power generation is in line with the PRC government's encouragement for the utilisation of natural resource. Further, utilisation of CMM gas as the raw material in the Project helps reduce the emissions of sulfur dioxide (SO₂) and nitrogen oxide (NO_x) and is in line with the state environment protection policy. As such, the Project may secure incentives granted by the PRC government supporting such projects.

The Company, after taking into consideration of the above, is of the view that the Project would be in the interest of the Group and is in line with the Company's intention to expand into the power generation business.

H Future Plans

The Board expects that, barring unforeseen circumstances, the construction of the Project will be completed before end of 2012.

The Company is actively exploring the opportunity to engage in similar CMM power generation projects with other coal mine owners in Shanxi province.

I Risk Factors

The following is a list of identified but by no means exhaustive risk factors, which are associated with the Project. To the best of the knowledge and belief of the Directors, the key risk factors which may materially affect the business operations, financial position and results of the Group have been set out below. If any of the following considerations and uncertainties develops into actual events, the business, financial position, results of operations and prospects of the Group may be materially and adversely affected. There may be additional risks that are not presently known to the Group or that the Group may currently deem immaterial, which could affect the business operations, financial position and results of the Group.

(A) Risk In Relation To The Project Operation

(i) Material breaches by Shanxi Dongsheng of the terms of the Project Agreement may result in disruption to the operation of the Project and/or losses in the Group's investment

The Project will be operated on the Construction Premise to be provided by Shanxi Dongsheng, and the Project is dependent on certain materials, including CMM gas and water supply, to be provided by Shanxi Dongsheng. In the event Shanxi Dongsheng fails to grant access to the site or fails to supply CMM gas or water for the Project, operations of the Project may be disrupted and, depending on the extent of the breach, may adversely affect the Project.

LETTER TO SHAREHOLDERS

In the event of material breaches of the Project Agreement by Shanxi Dongsheng that adversely affects our continued operation of the Project, it is the intention of Shanxi Weineng to lease alternate premises to continue operation of the Project or to shift the Removable Structures, Facilities and Equipments to other premises for the use on other projects.

In the event that Shanxi Weineng is unable to relocate the Project to alternate premises or shift the Removable Structures, Facilities and Equipments to other premises for other projects' use, the entire Project will have to be cancelled and the total loss arising thereof will be approximately RMB15.7million (approximately S\$3.05 million) comprising the total Acquisition Consideration, Construction Cost and other costs including construction cost of transmission line, save for the construction cost on the Removable Structures, Facilities and Equipments since the Removable Structures, Facilities and Equipments can be reserved for more than 10 years and can be utilised in other projects.

(ii) The Project is dependent on the density and quantity of the CMM gas supplied

CMM gas is supplied by Shanxi Dongsheng pursuant to the Project Agreement, however, the operation of the Project is dependent on obtaining CMM gas supply of the requisite density and quality to power the generation of electricity. According to the results of the Technical Report, the CMM gas to be supplied by Shanxi Dongsheng are extracted from the coal mine and the density and quantity of the CMM gas are estimated to be suitable and adequate for the Project during the Operation Period. However, while every reasonable effort has been taken to ensure the density and quantity of all the CMM gas reserves, there is no assurance that the CMM gas available will be suitable for power generation.

(iii) The continued operation of the Project may be affected by unanticipated disruptions

The operation of the Project may be disrupted by circumstances beyond our control including fire, natural calamities and power failures. As a result of such unexpected disruptions, significant operational delays and/or damages to Shanxi Weineng and its assets may result.

(iv) Insurance Coverage

Shanxi Weineng will obtain insurance coverage for the Project as is used for similar industries. However, such insurance coverage may not be sufficient to cover against all possible risks.

(B) Risk In Relation To The Operation In The PRC

(i) Early termination of the Project by the relevant government authorities will adversely affect the financial performance of Shanxi Weineng

While the current Operation Period for the Project under the Project Agreement is fifteen (15) years until December 2026. However, there is no assurance that the government authorities will not seek early termination of the operation as a result of other plans.

Further, consequent to any breach or non-compliance of the PRC laws and regulations, the relevant government authorities may terminate or suspend the business activities of Shanxi Weineng or the Project operation, or impose penalties on Shanxi Weineng. Any termination or suspension of Shanxi Weineng's license would affect our Project operation and will adversely impact the profitability of Shanxi Weineng and our Company.

In addition, it is also possible that PRC government authorities may adopt additional regulations and/or become more stringent in the future, and that may restrict the operation of the Project or incur unanticipated liabilities or additional costs on relevant compliance matters. Therefore, in the event that the Project is terminated prior to the end of the Operation Period will adversely affect the operation and financial performance of Shanxi Weineng.

LETTER TO SHAREHOLDERS

(C) Risk In Relation To The Change of Laws and Regulations and Exchange Control

- (i) Changes in laws and regulations may have a negative impact on the Project and is beyond Shanxi Weineng's control

As the Project is operated outside the legal and regulatory environment of Singapore, it is subject to the laws and regulations promulgated by government and authorities with jurisdiction over the Project. Some of the laws, and the interpretation, implementation and enforcement of such laws may be subject to changes made by the relevant government and authorities. Any such changes may have an adverse impact on the Project.

- (ii) Foreign exchange control may limit the ability to utilise the revenue of the Company effectively and affect the ability to receive dividends and other payments from Shanxi Weineng

As Shanxi Weineng is incorporated outside Singapore, the payment and remittance of dividends and other distributions from Shanxi Weineng to Singapore is subject to foreign currency regulations on the conversion and remittance of funds, and possible regulatory approvals prior to remittances to the Company. As these regulations may change, or the authorities may not grant any requisite approvals, this may affect the repatriation of such dividends or other distributions to the Company.

3. REQUIREMENTS OF CHAPTER 10 OF THE LISTING MANUAL

The proposed Project amounts to a "Major Transaction" as defined under Chapters 10 of the Listing Manual. The relevant provisions of Chapter 10 of the Listing Manual are reproduced below.

A. General Requirements under Chapter 10

Under Chapter 10 of the Listing Manual, where an issuer or its subsidiary enters into a transaction to acquire or dispose of assets, and the transaction is not in the ordinary course of its business or of a revenue nature, such transaction may require Shareholders' approval and/or an immediate announcement depending on the size of the relative figures (the "**Relative Figures**") computed on the following basis pursuant to Rule 1006 of the Listing Manual:

- (i) the net asset value of the assets to be disposed of, compared with the net asset value of the group;
- (ii) the net profits attributable to the assets acquired or disposed of, compared with the net profits of the group;
- (iii) the aggregate value of the consideration given or received, compared with the market capitalisation of the issuer based on the total number of issued shares excluding treasury shares; or
- (iv) the number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue.

No Shareholders' approval or announcement is required where all of the Relative Figures amount to 5% or less and the consideration is in cash or unquoted securities.

Where any of the Relative Figures exceeds 5% but does not exceed 20%, the transaction has to be announced as soon as possible after the terms have been agreed.

Where any of the Relative Figures exceeds 20%, the transaction has to be announced immediately after the terms have been agreed and such transaction must be made conditional upon approval by shareholders in a general meeting and a circular containing the prescribed information must be sent to all shareholders.

LETTER TO SHAREHOLDERS

B. Application of Rule 1006

The Relative Figures for the proposed Project, where the Company's share of the Investment Cost of the Project shall be RMB24.5million (approximately S\$4.9million) computed on the applicable basis set out in Rule 1006 of the Listing Manual are as follows:-

Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable
Rule 1006 (b) The net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the group's net profits	Not applicable
Rule 1006 (c) Aggregate value of consideration given or received, compared with the Company's market capitalisation as at 14 December 2011 based on the total number of issued shares excluding treasury shares	38% ^{(2) (3)}
Rule 1006 (d) Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable, the Company does not intend to issue equity securities to fund the Project

Notes:

- (1) Under Rule 1002 (3), "net profit" means profit or loss before income tax, minority interests and extraordinary items.
- (2) The Company's market capitalization used in the computation is approximately S\$12.78million as at 14 December 2011, being the last market day preceding the signing of the Project Agreement.
- (3) The relative figure reflected is derived by dividing the Company's Investment Cost of the Project of RMB24.5million (approximately S\$4.8million) which inclusive of the 49% registered share capital of Shanxi Weineng of HK\$14.7million (approximately S\$2.4million) paid by VibroPower Hong Kong, by the Company's market capitalization of approximately S\$12.78million.

Based on the above, as the Relative Figure under Rule 1006(c) has exceeded 20% but falls below 100%, the proposed Project constitutes a "Major Transaction" pursuant to Chapter 10 of the Listing Manual and accordingly, the Company is required to convene the EGM in accordance with Rule 1014 of the Listing Manual to seek the approval of Shareholders for the proposed Project.

4. FINANCIAL EFFECTS OF THE PROPOSED PROJECT

The financial effects of the Project on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Project. The financial effects of the Project set out below are based on the Group's audited financial statements for FY2010 and unaudited financial statements for HY2011, assuming that the Project had been effected on (i) 31 December 2010 and 30 June 2011 for the purpose of the financial effects on NTA and gearing, and (ii) 1 January 2010 for the purpose of the financial effect on EPS.

(i) Share Capital

As at the Latest Practicable Date, the registered and paid-up share capital of the Company is S\$14,508,000 comprising 337,997,000 Shares. The Project will have no impact on the share capital of the Company as no new Shares of the Company will be issued.

LETTER TO SHAREHOLDERS

(ii) NTA

The effect of the Project on the Group's NTA⁽¹⁾ per Share as at 31 December 2010 and 30 June 2011, assuming the Project had been completed on 31 December 2010 and 30 June 2011, are as follows:

	FY2010		HY2011	
	Before the Project	After the Project	Before the Project	After the Project
NTA (S\$'000) ⁽¹⁾	22,116	22,116	19,618	19,618
Number of Shares ('000) ⁽²⁾	337,997	337,997	337,997	337,997
NTA per share (SGD cents)	6.5	6.5	5.8	5.8

Notes:

⁽¹⁾ Excludes non-controlling interests and intangible assets.

⁽²⁾ Total number of issued shares excluding treasury shares as at 31 December 2010 and 30 June 2011.

(iii) EPS

The effect of the Project on the EPS of the Group is not applicable as the Project has not commenced operation.

	FY2010		HY2011	
	Before the Project	After the Project	Before the Project	After the Project
Net loss after tax (S\$'000)	(609)	Not applicable	(960)	Not applicable
Number of Shares ('000) ⁽¹⁾	337,997	337,997	337,997	337,997
Loss per share (SGD cents)	(0.18)	Not applicable	(0.28)	Not applicable

Note:

⁽¹⁾ Total number of issued shares excluding treasury shares as at 31 December 2010 and 30 June 2011.

Gearing ⁽¹⁾

The effect of the Project on the gearing of the Group as at 31 December 2010 and 30 June 2011 are as follows:

	FY2010		HY2011	
	Before the Project	After the Project	Before the Project	After the Project
Total net borrowings ⁽²⁾ (S\$'000)	1,502	8,941	876	8,315
Total adjusted capital ⁽³⁾ (S\$'000)	22,116	22,116	19,618	19,618
Gearing ratio	0.07	0.40	0.04	0.42

Notes:

⁽¹⁾ Gearing ratio is the ratio of consolidated net borrowings to adjusted capital.

⁽²⁾ Includes loans, borrowings and bills payable to banks less cash and cash equivalents.

⁽³⁾ Includes share capital, retained earnings and other reserves exclude non-controlling interests.

LETTER TO SHAREHOLDERS

5. DIRECTORS' AND SUBSTANCIAL SHAREHOLDERS' INTEREST

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Act, were set forth as follows:

	Direct Interests		Deemed Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Benedict Chen Onn Meng	45,603,500	13.49	18,675,000 ⁽²⁾	5.53
Kang Beng Chiang	50,100,750	14.82	-	-
Toh Peng Seong	300,000	0.09	-	-
Michael Kan Yuet Yun	150,000	0.04	-	-
Ernest Yogarajah s/o Balasubramaniam	-	-	-	-
Substantial Shareholders				
Benedict Chen Onn Meng	45,603,500	13.49	18,675,000 ⁽²⁾	5.53
Kang Beng Chiang	50,100,750	14.82	-	-
Freddie Fong Chee Eng	21,994,750	6.51	-	-

Notes:

⁽¹⁾ Based on the issued share capital of the Company comprising 337,997,121 Shares excluding 7,280,000 treasury shares being held by the Company as at the Latest Practicable Date.

⁽²⁾ Of 18,675,000 Shares in which Benedict Chen Onn Meng is deemed to be interested, 876,000 Shares are held through his CPF investment account (UOB Kay Hian Pte Ltd) and 17,799,000 shares are held through Mayban Nominees (S) Pte Ltd.

6. INTERESTS OF DIRECTORS AND SUBSTANCIAL SHAREHOLDERS IN THE PROJECT

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Project.

No person will be appointed to the Board in connection with the Project and no service contracts in relation thereto will be entered into by the Company.

7. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the Project is in the best interest of the Company and accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution to be proposed at the EGM to be held in respect of the proposed Project.

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 enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Project, the Company and the Group, 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.

LETTER TO SHAREHOLDERS

9. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Project, the Company and the Group, and the Financial Adviser is not aware of any facts the omission of which would make any statement in the document misleading.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 20 of this Circular, will be held on 4 May 2012 at 11 Tuas Avenue 16 Singapore 638929 for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolution set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders of the Company who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf are requested to 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 fixed for the EGM. The completion and sending of the Proxy Form by a Shareholder of the Company will not preclude him from attending and voting in person at the EGM if he wishes to do so.

A Depositor shall not be entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, as at a time not earlier than 48 hours before the EGM.

12. CONSENT

The PRC Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of and references to its name and opinion.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at 11 Tuas Avenue 16, Singapore 638929, during normal business hours from the date of this Circular up to the date of the EGM:

- (i) the Acquisition Agreement dated 18 November 2011;
- (ii) the Project Agreement dated 15 December 2011;
- (iii) the Memorandum & Articles of Association of the Company;
- (iv) the Annual Report of the Company for FY2010 and the unaudited financial statements for HY2011;
- (v) the Technical Report; and
- (vi) the Referral Agreement between the Company and Grand Pacific Asia Holding Co. Ltd.

Yours faithfully,
For and on behalf of the Board

Benedict Chen Onn Meng
Executive Chairman and Joint Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

VIBROPOWER CORPORATION LIMITED

(Unique Entity 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 11 Tuas Avenue 16 Singapore 638929 on 4 May 2012 at 9:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution.

ORDINARY RESOLUTION

THE PROPOSED COLLABORATION ON AND ESTABLISHMENT OF COAL-MINE METHANE POWER PLANT PROJECT (THE “PROJECT”)

THAT:

- (A) approval be and is hereby given for the Group to perform the Project Agreement and to undertake the Project; and
- (B) the Directors and/or any one of them be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they or he may consider desirable, necessary, or expedient to give effect to this Ordinary Resolution including, without limitation, to negotiate, execute and authorize the release of, in the name of and on behalf of the Company all such agreements, deeds, undertakings, forms, circulars, announcements, instruments, notices, communications and other documents and things, and to approve any amendment, alteration or modification to any such document.

By Order of the Board

Benedict Chen Onn Meng
Executive Chairman and Joint Managing Director
Singapore
19 April 2012

Notes:-

- (1) A Member entitled to attend and vote at the Extraordinary General Meeting (the “Meeting”) may appoint not more than two proxies to attend and vote in his/her stead. Where a Member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a Member of the Company.
- (2) If the appointer is a corporation, the proxy form must be executed under seal or the hand of its duly authorised officer or attorney.
- (3) The instrument appointing a proxy 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 Meeting.

VIBROPOWER CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Unique Entity Number 200004436E)

**PROXY FORM -
EXTRAORDINARY GENERAL MEETING**

(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy VibroPower Corporation Limited shares, this Circular to Shareholders 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, _____ NRIC/Passport No./Company

Registration No. _____ of _____

_____ (Address)

being a member/members of VIBROPOWER CORPORATION LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at 11 Tuas Avenue 16 Singapore 638929 on 4 May 2012 at 9:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

Ordinary Resolution	For	Against
To approve the proposed Project		

Dated this _____ day of _____ 2012

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

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder



Notes:

- (1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- (2) A member 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) Where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (4) 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 Extraordinary General Meeting.
- (5) 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.
- (6) A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- (7) The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy.
- (8) In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have shares against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
- (9) The submission of an instrument or form appointing a proxy or proxies by a member of the Company does not preclude him/her from attending and voting in person at the Extraordinary General Meeting if he/she wishes to do so.

APPENDIX B

(Independent Valuation Report)



VibroPower Corporation Limited

Equity Valuation of the Subsidiary – Shanxi
Weineng Coal Mine Gas Development Co. Ltd,
as of 30 June 2024

Valuation Report

Prepared for VibroPower Corporation Limited (SGX: BJD)

1 July 2024

Private and Confidential

1 July 2024

VibroPower Corporation Limited

No. 11 Tuas Avenue 16

Singapore 189675

Attention: The Board of Directors

Dear Sirs, Madams

Equity Valuation of the Subsidiary Shanxi Weineng Coal Mine Gas Development Co, Ltd

VibroPower Corporation Limited (“VibroPower”, the “Company”) is listed on the Mainboard of the SGX-ST (Ticker: BJD). The Company and its subsidiaries are collectively known as “the Group”. The Group principal activities are in the design, manufacturing, supply and servicing of power generators. The Group has three business segments, namely – Projects, Power Plant and Others.

The Company has an indirectly wholly-owned subsidiary Shanxi Weineng Coal Mine Gas Development Co, Ltd (“SXWN”). Based in Shanxi, China, SXWN today operates an 8MW coal-mine methane gas (“CMM”) fired power plant and sells electricity to the local government.

The Company is contemplating a disposal of the ordinary shares of SXWN to identified investors (“Investors”). Hence, we have been instructed by the Company to value the equity of SXWN (“Valuation”). The Valuation reflects the current and anticipated financial performance, industry development and identified risks of SXWN.

The Valuation Date is 30 June 2024.

We certify that the Basis of Value is Market Value. Market Value is defined in the International Valuation Standards (“IVS”) as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where parties had each acted knowledgeably, prudently and without compulsion.”

The Valuation which we independently calculated is expressed as a conclusion of value. We followed the guidelines, and the professional requirements of the IVS issued by the International Valuation Standards Council (“IVSC”) when preparing this report.

We assume no liability for any losses incurred by you or any third party because of unauthorised circulation, publication, reproduction of this report in any form and/or if used contrary to the purpose stated herein.

We were not required to and did not audit the financial statements or components of the financial statements of SXWN. This Final Report has been prepared solely for the Board of Directors of VibroPower and is to be used for appropriate announcements to the Singapore Exchange. The Valuation Report is not to be used for any other purpose without our prior written consent.

We declare our professional independence in this valuation exercise. We do not have any current or contemplated financial and non-financial interest in the Group or the Investors. Our professional fees for this valuation are not dependent on the outcome of valuation results.

During our evaluation, we have held discussions with, inter alia, the Management, regarding their assessment of the Proposed Disposal and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable).

We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the way it has been classified or presented.

We confirm that this summary valuation report complies with IVAS Practice Note 2: Minimum Disclosure Requirements for Summary Valuation Letters and contains the information required by SISV practice guide for valuation reporting

Any valuation is subject to uncertainties because a valuation is based on assumptions about the future which is unknown. **The financial forecasts have been based on assumptions provided by VibroPower.**

The valuation of SXWN depends on whether SXWN can achieve the financial forecasts stated in this valuation report. We do not express any views on the pros and cons of the disposal of SXWN.

We completed the valuation on 1 July 2024 and we have not updated this report after this date.

If you have questions about this report, please contact us.

Yours faithfully,

For and on behalf of Future Asia Advisory Pte Ltd



Gerald Tan (Director)(CVA, CFA, CA)

Executive Summary

Valuation Summary	
Name of Instructing Client	VibroPower Corporation Limited ("Vibropower")
Name of Company being valued	Shanxi Weineng Coal Mine Gas Development Co., Ltd ("SXWN")
Financial year end of SXWN	31 December
Nature of Business of SXWN	Operating of an 8MW coal-mine methane power plant and the sale of electricity to the local government grid.
Functional currency of SXN	Renminbi ("RMB")
Subject of Valuation	Ordinary shares of SXWN
Intended use of valuation report	Independent valuation of SXWN for assessment of the sale of SXWN to identified investors.
Valuation Date	30 June 2024
Standard of value	Market Value. Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where parties had each acted knowledgeably, prudently and without compulsion.
Premise of value	Going concern
Nature of shares being valued	Non-marketable and controlling.
Selected Valuation Method	Discounted cashflows to equity ("DCF") and cross-check of the DCF valuation to valuation multiples of public listed comparable companies.

Valuation Summary						
<u>Equity valuation as of 30 June 2024</u>						
Equity valuation (RMB)	29,279,417	Marketable and controlling-basis				
Less: Discount for Lack-of-Marketability	(4,020,064)	DLOM of 13.73% (3-year holding period, tenor-matched annual volatility of 35.73% based on Finnerty (2012) model)				
Equity valuation (RMB)	25,259,353	Non-marketable and controlling basis				
Cost of equity	14.03%					
Implied Multiples	SXWN*	SXWN^	Comparable Companies			
			Low	First Quartile	Median	
	EV/EBITDA	3.50x	6.71x	3.41x	9.76x	17.14x
	EV/Revenue	1.73x	2.67x	1.29x	14.27x	8.51x
Price/Earnings	5.88x	2.69x	2.86x	11.92x	30.80x	
*Based on average EBITDA from FY2024 to FY2032 (F)		^Based on EBITDA in FY2024(F)				
*Based on average revenue from FY2024 to FY2032 (F)		^Based on revenue in FY2024(F)				
*Based on average profit after tax from FY2024 to FY2032 (F)		^Based on average profit after tax in FY2024(F)				

Section 1: Background of VibroPower, SXWN and Valuation Summary

Section 1: Background of VibroPower, SXWN and Valuation Summary

The reporting currency used in this report is Renminbi (RMB) or Singapore Dollars (SGD) unless otherwise stated

Background of VibroPower

- Listed on the Singapore Exchange, VibroPower Corporation Limited (Ticker: BJD) (“VibroPower”, the “Company”) principal activities are in the design, manufacturing, supply installation, commissioning and servicing of power generators. VibroPower and its subsidiaries, collectively “the Group”, have three business segments – Power Projects, Power Plant and Others.
- The Group operates in Singapore, Malaysia, China and Hong Kong.
- The financial year end of the Group is 31 March unless stated otherwise.

Background of Shanxi Weineng Coal Mine Gas Development Co., Ltd

- VibroPower indirectly owns a wholly-owned subsidiary Shanxi Weineng Coal Mine Gas Development Co., Ltd (“SXWN”). SXWN is based in Shanxi, China and SXWN principal activities are the operating of an 8MW coal-mine methane (“CMM”) power plant in Shanxi. A CMM power plant is a facility that generates electricity by using methane gas extracted from the coal mines. Methane is often found in coal seams and can be released during the mining process. Instead of allowing methane to escape into the atmosphere where the methane contributes to global warming, the methane can be captured and used as a fuel source of power generation.
- There is an electricity offtake contract between SXWN and 国网山西省电力公司阳泉供电公司 (Shanxi Electricity Co) signed on 28 May 2021. Shanxi Electricity Co is controlled by the Shanxi government.
- SXWN is obliged to sell all its electricity generated to Shanxi Electricity Co at an agreed government tariff price. Shanxi Electricity Co is owned by the Shanxi government. Based on the latest offtake agreement which was signed in 2021, the offtake price is RMB 0.509/kwh from 1 May 2021.
- SXWN purchases the methane gas and water from 山西东升煤业集团有限公司 (Shanxi Dongsheng Coal Mining Group Company Limited) (“Shanxi Dongsheng”). Shanxi Dongsheng is a third-party and is principally engaged in the business of coal mining and real estate development. During the operation period of the CMM power plant, SXWN will pay to Shanxi Dongsheng a monthly fee which is based on the quantum of electricity generated from the supplied methane gas.
- SXWN was set up at the end of 2010 as a joint-venture where VibroPower Hong Kong Limited (“VibroPower HK”) was a 49% shareholder. SXWN became a wholly-owned subsidiary of VibroPower HK in 2014. VibroPower HK is a wholly-owned subsidiary of VibroPower.
- The construction of the CMM Plant started in 2014 and by 2017, all construction had been completed and regulatory approvals obtained. The CMM Plant started commercial operations from 2018 onwards.
- SXWN financial year end is 31 December and the total investment cost in the equity of SXWN is HKD 17,500,000.

Section 1: Background of VibroPower, SXWN and Valuation Summary

Proposed Disposal of all the shares in SXWN

- VibroPower is contemplating a disposal of all the shares in SXWN (“Transaction”) to two identified investors (“Investors”):
 - i. Party A who will acquire 67.0% of the equity of SXWN from VibroPower HK.
 - ii. Party B who will acquire 33.0% of the equity of SXWN from VibroPower HK.
- The proceeds from the disposal will allow VibroPower to pursue other high-potential projects.

Valuation of the shares of SXWN and Valuation Methodology

- We have been appointed by the Board of Directors of VibroPower to value the shares of SXWN for the purpose of the Transaction. The Valuation Date is 30 June 2024.
- There are generally three methods which could be used to value the equity of a company. They are the Income, Market and Cost/Asset Method. For each method, there are sub-methods which could be used. Choosing the right valuation method is fundamental.
- When choosing the most suitable valuation method, we need to consider the business current situation, its prospects, market, industry and regulatory factors.
- **We used the Income Method – Discounted Cashflows to Equity (“DCF”) to value SXWN Equity.** This is because the intrinsic value of SXWN comes from its future cashflows. The Offtake Contract also provides a level of certainty to SXWN cashflows. In addition, Management has provided a 9-year financial forecast which has been based on historical trends and what is known and foreseeable as of the Valuation Date. Management expects SXWN to reach steady state from FY2026 onwards.
- **We did not use the Market Method as the main valuation method.** There are generally two Market Methods of valuation. They are the Guideline Public Company Method (“GPCM”) and the Precedent Transactions Method.
- The GPCM values a business based on trading multiples derived from publicly-listed companies which are similar to the business. Trading multiples include revenue and profit multiples. We did not use the GPCM method as the main valuation method to value SXWN because its financial performance has not stabilised as of the Valuation Date. This is evidenced by:
 - i. The CMM Plant started commercial operations only in 2018. The first 12 to 18 months was the "run-in" period where SXWN had to resolve technical and engineering issues which surfaced.
 - i. In 2023, there were operational and maintenance issues which needed to be resolved (3 months of downtime) and 2024 showed a recovering trend.
 - ii. If we compared the capacity factor in 2023 and 2024 to that in 2021 and 2022, we observe that the plant in 2023/2024 was operating at lower than historical levels.
 - iii. More ramp up after 30 June 2024 is expected.

Section 1: Background of VibroPower, SXWN and Valuation Summary

- The Precedent Transactions Method values a business based on the multiples of historical M&A transactions for a comparable business. We did not use the Precedent Transactions Multiple as the main valuation method to value SXWN because there is limited disclosure of M&A transactions multiple information in the public domain for the acquisition of CMM power plant businesses in China.
- **We did not use the Cost/Asset method to value SXWN.** Whilst SXWN is a capital-intensive business, there are significant intangible assets such as the Offtake Contract and business know-how which are not recorded on the balance sheet. Hence, we are of the opinion that the value of the business comes also from its intangible assets. Hence, using the Cost/Asset Method would undervalue SXWN in our view

Basis of Value

- The Basis of Value is Market Value. Market Value is defined in the International Valuation Standards (“IVS”) as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where parties had each acted knowledgeably, prudently and without compulsion.”
- We used Market Value as the basis of value because Market Value most appropriately reflects the circumstances of the Transaction:
 - i. SXWN is in the power-generation industry which is mature and well-developed with many market participants in Shanxi.
 - ii. SXWN has a track-record of electricity production since 2018 and SXWN has been selling electricity to the local government. It is expected that this arrangement will continue until the end-of-life of the CMM power plant.
 - iii. Given the relatively small capacity of the CMM power plant (8 MW), there could be many potential buyers including other coal mine owners who may want to expand their supply chain to include electricity production.
 - iv. Although SXWN has a single supplier of gas, it is possible to obtain gas from other suppliers. Shanxi is rich in coal resources and there are many mines which can also supply gas to SXWN with the infrastructure and logistics set up.
- **The Market Value of SXWN reflects the *highest and best use* of the CMM power plant. This means the CMM power plant will be used in a way that maximises its potential in a legally permissible and financially feasible manner. For SXWN, the highest and best use is when the CMM power plant continues its operations and the utilisation rate is gradually increased to an optimal level.**

Valuation Discounts and Premiums

- The hierarchy of value is an economic and financial model used in valuation to describe the underlying financial behaviour of individual owners and businesses when buying and sell businesses and business interests.

Section 1: Background of VibroPower, SXWN and Valuation Summary

- When valuing businesses, it is generally accepted that Discounts for Lack-of-Marketability (“DLOM”), Discount for lack-of-control (“DLOC”) or Control Premiums may be applied depending on where the business sits in the hierarchy of value.
- **Because we used the Income Method (Discounted Cashflows to Equity)(“DCF”) to value SXWN, the DCF method assumes a marketable and controlling basis of SXWN.** Therefore, to value SXWN, we applied a DLOM because SXWN is a private company and its shares are not publicly listed. We did not apply a DLOC or a Control Premium because VibroPower expects to dispose the entire 100% interest in SXWN to a market buyer.
- We used the Finnerty Model (2012) to calculate the DLOM. This Finnerty Model (2012) is an option-pricing method commonly used to calculate DLOM when the asset is expected to be illiquid for relatively short periods (up to 3 years). For longer periods, the Finnerty Model (2018) would need to be used.
- Management explained that it is reasonable to be able to sell SXWN within three years to buyers in the market and industry.

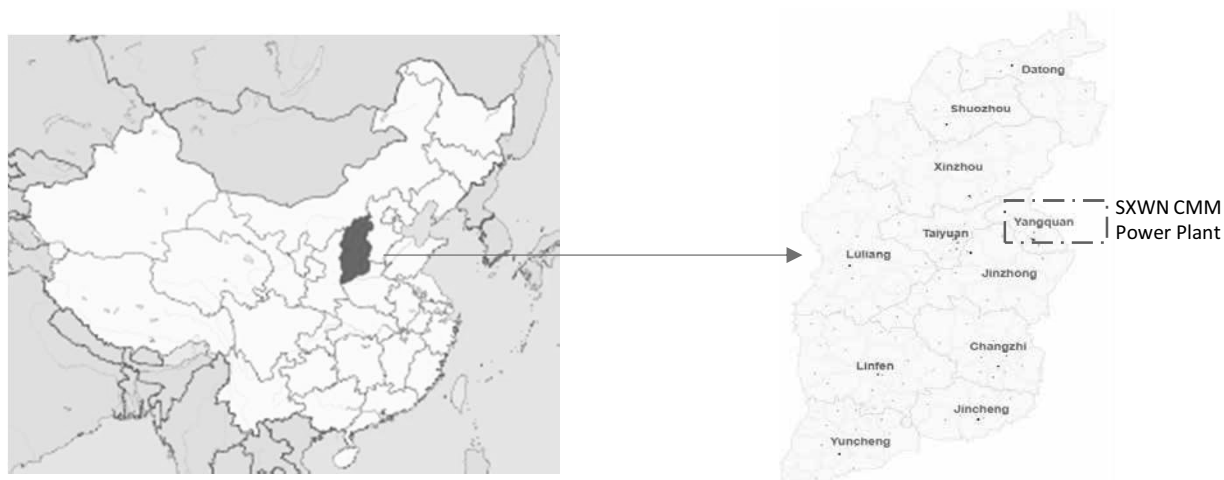
Valuation Results

- **Based on the Discounted Cashflows to Equity valuation, the Market Value of the equity of SXWN is RMB 25,300,000 as of 30 June 2024. This valuation is on a non-marketable and controlling basis.**

Section 2: Analysis of Power Infrastructure and Policy in Shanxi

Section 2: Analysis of Power Infrastructure and Policy in Shanxi

Shanxi Province (山西省), China



Key Facts about Shanxi Province, China

Capital city	Taiyuan
Area (Sqkm)	156,000
Population (2020)	34,915,616
GDP (2023)	RMB2,570 bn or USD365bn
GDP ranking in China	20th
GDP per capita	RMB73,984 or USD10,499
GDP per capita ranking in China	19th
Official website	www.shanxi.gov.cn

* - Number of provinces in China -23

Energy in Shanxi

- Shanxi Province, located about 120 km west of Beijing has long been a major hub for China's coal industry and unconventional natural gas resources, such as coalbed and coal mine methane.
- In 2023, its coal production reached 1.38 billion tons, making up 29% of China's total and about one-sixth of the global output. Additionally, Shanxi led China in non-conventional methane production with 14.9 billion cubic meters. The province's coal mine methane emissions are significant, roughly equal to the rest of the world's combined emissions.
- Shanxi has also made strides in renewable energy, ranking among China's top five provinces for wind and solar power generation. From 2021 to 2023, its wind and solar capacity and generation increased by 18% and 11%, respectively, accounting for 37.5% of its generating capacity and 18.3% of its actual power generation. The annual growth rates for wind and solar energy were 24.16% and 63.22%, respectively.
- Notably, Shanxi plans to add 300 MW of solar capacity along its highways, with an investment of around 1.4 billion yuan.

Section 2: Analysis of Power Infrastructure and Policy in Shanxi

Power Capacity in Shanxi (2023)

Energy Source	Installed Capacity (MW)	Percentage
Coal	72,063 MW	54.20%
Natural Gas, Heat, and Steam Recovery	7,887 MW	5.90%
Hydro	2,251 MW	1.70%
Solar	24,905 MW	18.70%
Onshore Wind	24,997 MW	18.70%
Biomass	938 MW	0.70%
<i>Total</i>	<i>133,041 MW</i>	<i>100.00%</i>

- By the end of 2022, Shanxi Province had an installed capacity of 120.8 GW in its operating system, with coal-fired power plants contributing 71,067 MW, accounting for 58.8% of the total capacity.
- By February 2023, the solar installed capacity reached 17.73 GW, making up 14.6% of the total installed capacity and marking a 20.12% increase compared to the previous year.
- From January to May 2023, electricity generation from solar energy in Shanxi totaled 10.177 TWh, reflecting an 11.48% increase from the previous year. During the same period, wind energy contributed 23.371 TWh, which was a 26.53% increase compared to the previous year.

Future Power Capacity

Energy Source	Announced	Pre-construction	Construction	Total
Coal	4,000 MW	20,120 MW	1,400 MW	25,520 MW
Hydro	2,700 MW	18,600 MW	1,500 MW	22,800 MW
Solar	2,365 MW	14,485.4 MW	7,315 MW	24,165.4 MW
Onshore Wind	520 MW	4,041 MW	1,729 MW	6,290 MW

- Shanxi is still adding new power capacity. Coal will still be the dominant source of energy although renewables relative contribution has been increasing.

Section 2: Analysis of Power Infrastructure and Policy in Shanxi

Transition to Renewable Energy

- In 2019, the General Office of the Chinese Communist Party and the General Office of the State Council issued the "Opinions on Pilot Projects for Comprehensive Reform of Energy Revolution in Shanxi." (关于在山西开展能源革命综合改革试点的意见).
- This initiative aims to leverage Shanxi's energy resources, including green energy, unconventional natural gas, and coal, to serve as a national model for energy development.
- Since 2022, the Shanxi government has released several documents on energy development, including the "山西省关于完整准确全面贯彻新发展理念切实做好碳达峰碳中和工作的实施意见" (Implementation Opinions on Carbon Peaking and Carbon Neutralisation). The objectives are:
 1. Achieve 12% non-fossil fuel energy consumption by 2025 and 18% by 2030.
 2. Attain 50% installed capacity and 30% electricity generation from new and clean energy sources by 2025.
 3. Ensure at least 60% installed capacity from such sources by 2030.
 4. Target 120 GWh wind and solar energy installed capacity by 2030.
 5. Deploy 10 GW storage capacity by 2025.
 6. Construct 10 pumped storage hydropower facilities during the 14th Five-Year Period (2021-2025).
 7. Complete 10 new energy project substations with a capacity of 500 kV by 2025.
 8. Aim for a peak load reduction capacity of 5%-10% by 2030.

Conclusions

- Over the next decade, coal will continue to be an important and inexpensive source of energy for Shanxi. However, the Shanxi Government is actively diversifying its energy sources to renewable energy and wants to be less reliant on coal by the end of 2030.

Source: “中华人民共和国2023年国民经济和社会发展统计公报,” National Bureau of Statistics, February 29 2024, 山西全省高速公路分布式光伏发电项目获备案, 中国能源网, Nov-29-2023, <https://m.bjx.com.cn/mnews/20240208/1360979.shtml>, 山西全省高速公路分布式光伏发电项目获备案, 中国能源网, Nov-29-2023, 山西省“双碳”战略实践 Institute for Global Decarbonization Progress, July-6-2023

Section 3: Operational Analysis of SXWN

Section 3: Operational Analysis of SXWN

Electricity Production and Capacity Factor of the CMM Power Plant

Calendar Year	Electricity Production (Kwh)			
	2021	2022	2023	YTD June 2024
Average number of kwh per producing month	2,582,895	2,520,228	1,421,653	1,745,905
Total electricity produced (Kwh) (A)	30,994,740	30,242,730	12,794,880	10,475,430
Number of months with production	12	12	9	6
Number of months without production	0	0	3	
Number of months per year	12	12	12	12
Maximum Power (MW)	8.0	8.0	8.0	8.0
Maximum Possible Energy Produced in a year (Kwh) (B)	70,080,000	70,080,000	70,080,000	70,080,000
Capacity Factor (A)/ (B)	44.2%	43.2%	18.3%	29.9%

Source: Management data, Valuer's analysis

- The CMM power plant started operations only in 2018 and it took one to two years for the operations to stabilise, only to get disrupted by the restrictions implemented during the Covid-19 pandemic.
- To obtain enough operational data, we relied on data for the past three and a half years (2021 to June 2024).
- The capacity factor is the ratio of the actual output of a power plant over a period to its potential output if it had operated at full capacity the entire time.
- The capacity factor of the CMM power plant had been stable at about 44% in 2021 and 2022. The capacity factor dropped to 18% in 2023 because of the temporary disruption of gas supplies. With gas supplies resumed, the capacity factor for YTD June 2024 has increased to 30%.

Industry Reasons for Varying Capacity Factors

- It is not possible for a power plant to run continuously at the full power. Most power plants operate at lower than their rated power. The capacity factor therefore would be lower than 100%.
- The reasons why the capacity factor is lower than 100% and could vary are:
 1. **Maintenance:** Power plants require regular maintenance to ensure safe and efficient operation. This includes both scheduled maintenance and unexpected repairs, which can cause downtime.

Section 3: Operational Analysis of SXWN

2. **Operational Issues:** Unexpected technical problems, equipment failures, and other operational issues can cause unplanned outages.
 3. **Fuel Supply:** For fossil fuel and biomass plants, fuel supply interruptions can affect continuous operation. Renewable energy sources like wind and solar depend on weather conditions.
 4. **Demand Fluctuations:** Power plants may not run at full capacity if the demand for electricity is lower than the plant's capacity. Grid operators may also curtail production to balance supply and demand or manage grid stability.
 5. **Regulatory and Environmental Constraints:** Regulations may require power plants to reduce output or shut down to comply with environmental standards or other regulatory requirements.
- **Management has represented that the optimal capacity factor of the CMM power plant is about 55%.**
 - We are of the opinion that the 55% is reasonable based on historical utilisation trends and market benchmarking:
 - i. The optimal capacity varies from plant to plant because of engineering, technical and economic factors. In 2021 and 2022, the actual capacity utilisation of the CMM plant was about 44% and the CMM plant had only been operating for three years. Hence, the ramp up an optimal level of 55% is reasonable.
 - ii. There is a United Nations market study of the capacity utilisation of 3 CMM power plants in Taiyuan, Shanxi. The target utilisation is 80% and actual rates achieved were 59%, 66% and 75%^[1]. Hence, the 55% utilisation level of the SXWN CMM plant is within industry range in the same region.
 - iii. There is market study on utilisation rates of gas-powered plants in the United States, and the average capacity factor from 2010 to 2022 is 64%^[2].

Source:

[1] https://unece.org/energy/pdfs/cmm/CS_BPG

[2] US Energy Information Administration, Forms EIA-860M, Monthly Electric Power Industry Report

Section 4: Financial Analysis of SXWN

Section 4: Financial Analysis of SXWN

Profit and Loss

Shanxi Weineng Coal Mine Gas Development Co., Ltd

Profit and Loss

Financial year-end - 31 December

<u>In RMB</u>	Audited		
	FY 2021(A)	FY 2022(A)	FY2023(A)
Revenue	13,824,471	13,622,610	5,763,357
Cost of sales	(3,314,649)	(3,183,532)	(1,414,775)
Gross profit	10,509,822	10,439,078	4,348,582
Other operating expenses	(1,107,728)	(1,956,311)	(956,687)
Administrative expenses	(2,475,965)	(2,735,013)	(2,245,254)
EBITDA	6,926,129	5,747,754	1,146,641
Depreciation	(2,152,867)	(2,259,871)	(2,260,397)
EBIT	4,773,262	3,487,883	(1,113,756)
Finance credit/(expenses)	190,372	(1,166,394)	(333,295)
Operating profit/(loss) before taxation	4,963,634	2,321,489	(1,447,051)
Other income/(expenses)	(10,000)	10,610	128,643
Profit before tax	4,953,634	2,332,099	(1,318,408)
Tax (expense)/credit	(134,964)	(17,855)	(80,435)
Profit/(loss) after tax	4,818,670	2,314,244	(1,398,843)

Section 4: Financial Analysis of SXWN

Operating metrics

	FY2021(A)	FY2022(A)	FY2023(A)
Annual Growth (% change)			
Revenue growth		-1.5%	-57.7%
EBITDA growth		-17.0%	-80.1%
Operating expenses		76.6%	-51.1%
Administrative expenses		10.5%	-17.9%

Efficiency Metrics

Cost of sales as a % of revenue	24.0%	23.4%	24.5%
Operating expenses as a % of revenue	8.0%	14.4%	16.6%
Administrative expenses as a % of revenue	17.9%	20.1%	39.0%
Gross profit margin	76.0%	76.6%	75.5%
EBITDA margin	50.1%	42.2%	19.9%
EBIT margin	34.5%	25.6%	-19.3%
Operating profit/(loss) margin	35.9%	17.0%	-25.1%
Profit/(loss) after tax margin	34.9%	17.0%	-24.3%

Working capital Days

Receivables turnover days	113.9	211.8	510.8
Payables turnover days	368.5	885.3	1,355.4
Other receivables days	31.6	77.0	199.1

Others

Depreciation as a percentage of revenue	16%	17%	39%
Operating expenses (excluding depreciation and interest)	6,898,342	7,874,856	4,616,716
Annual growth in operating expenses		14.2%	-41.4%

- FY2021 and FY2022 revenue were relatively stable. FY2023 revenue decreased by -58% because of significantly lower electricity production. This was attributed to a temporary disruption in gas supplies in FY2023.
- Gross margins have been stable at about 76%.
- EBITDA margins were positive from FY2021 to FY2023. The decline in FY2023 to 20% was because of significantly lower revenues.
- SXWN was profitable in FY2021 and FY2022 but was unprofitable in FY2023 because the significantly lower revenues in FY2023 were not enough to cover the fixed costs.
- SXWN working capital days have been increasing over time. This is because the provincial government takes a long time to pay for the electricity. In turn SXWN takes a longer time to pay for the gas supplies.

Section 5: Financial Forecasts of SXWN

Section 5: Financial Forecasts of SXWN

- The financial forecast were provided by Management and is based on what is known and foreseeable as of the Valuation Date. We have used a combination of historical trend analysis, market benchmarking and Management inputs to calibrate the forecasts to reflect the CMM power plant operating under normal market conditions.

Key Assumptions in Financial Forecast

Remaining useful life of plant	About 9 years (up to FY2032). The plant is aging and there is no intention to invest to refurbish the plant. There is also technology and functional obsolescence. With the government's push towards renewable energy sources, there could be less incentive to continue to operate traditional power plants.
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	Year	Capacity Factor	Electricity produced (Kwh)	Rationale
Capacity Factor	FY2021(A)	44.2%	30,994,740	Based on industry research, the market capacity factor is about 60%. Management expects the CMM power plant to ramp up the capacity factor to a peak of 55% in FY2026 and remain at this level until FY2030.
	FY2022(A)	43.2%	30,242,730	
	FY2023(A)	18.3%	12,794,880	
	FY2024(F)	30.0%	21,024,000	
	FY2025(F)	53.0%	37,142,400	
	FY2026(F)	55.0%	38,544,000	From FY2031 onwards, there is a gradual tapering of the capacity factor until it reaches 20% in FY2032 which is the end-of-life of the plant. The efficiency of the plant declines over time from wear-and-tear as the plant ages.
	FY2027(F)	55.0%	38,544,000	
	FY2028(F)	55.0%	38,544,000	
	FY2029(F)	55.0%	38,544,000	
	FY2030(F)	55.0%	38,544,000	
	FY2031(F)	40.0%	28,032,000	
	FY2032(F)	20.0%	14,016,000	

	Year	RMB/Kwh	Rationale
Revenue received per Kwh (RMB)	FY2024(F)	0.45	Average of FY2022 and FY2023, to capture short-term average price
	FY2025(F) to FY2032(F)	0.45	Average of FY2021, FY2022 and FY2023 actuals, to capture long-term average price.

Profit margin forecast	Historical average (FY2021 to FY2023)	Average FY2024(F) to FY2032(F)	Rationale
Gross margin	76.0%	75.5%	Stable because prices are largely fixed by contract.
EBITDA margin	37.4%	46.3%	Economies of scale achieved from higher revenues.
Operating profit	9.3%	25.5%	Economies of scale achieved from higher revenues.

Section 5: Financial Forecasts of SXWN

Benchmarking of SXWN Forecast Metrics to Operating Metrics of Publicly-listed Comparable Companies

	SWXN	Comparable Companies
Average revenue (FY2024 to FY2032)(F) - RMB'm	14.6	
Average revenue (FY2024 to FY2032)(F) - USD'm equivalent	2.0	
2023 revenue (median) (USD'm)		6.8
Operating profit margin	Forecast (Average 2024 to 2032)	Actuals (Median)
Average	25.5%	28.5%
Median	37.0%	26.1%
High	38.1%	53.5%
Low	-28.0%	6.0%

- We assessed the reasonableness of SXWN's financial forecast metrics with the operating metrics of public-listed comparable companies. See Appendix 1 for the list of comparable companies.
- We selected comparable companies whose principal activities are in the operating of power plants. These companies are also very small in terms of revenue. However, there is a limit to how low the revenues of public-listed companies can be.
- The comparable companies are also profitable and SXWN is expected to be profitable during the forecast period.
- Every power plant economics is different. We are of the opinion that SXWN forecasted profit margin of 37% on average is reasonable. This is because:
 - In 2021, the actual operating profit margin of SWXN was 36%. The forecasted operating margin is trended to peak at 36% which was achieved by SXWN in 2021. 2021 was a normal operating year.
 - Based on data of the comparable companies, the 3rd quartile operating margin is 43%. Therefore, SWXN "median" forecasted operating margin of 37% is between the median and 3rd quartile of comparable companies. Hence, 37% is reasonable based on historical achievement and market benchmarking.

Section 5: Financial Forecasts of SXWN

Financial Forecast- Profit and Loss

Shanxi Weineng Coal Mine Gas Development Co., Ltd

Profit and Loss

Financial year-end - 31 December

		Forecast 1 January 2024 30 December 2024	Forecast 1 January 2025 31 December 2025	Forecast 1 January 2026 31 December 2026	Forecast 1 January 2027 31 December 2027	Forecast 1 January 2028 30 December 2028	Forecast 1 January 2029 31 December 2029	Forecast 1 January 2030 31 December 2030	Forecast 1 January 2031 31 December 2031	Forecast 1 January 2032 30 December 2032	
	Audited FY2023(A)	Year 1 FY2024	Year 2 FY2025	Year 3 FY2026	Year 4 FY2027	Year 5 FY2028	Year 6 FY2029	Year 7 FY2030	Year 8 FY2031	Year 9 FY2032	End of Life
In RMB											
Revenue	5,763,357	9,470,102	16,675,839	17,305,116	17,305,116	17,305,116	17,305,116	17,305,116	12,585,539	6,292,769	-
Cost of sales	(1,414,775)	(2,324,698)	(4,093,545)	(4,248,018)	(4,248,018)	(4,248,018)	(4,248,018)	(4,248,018)	(3,089,468)	(1,544,734)	-
Gross profit	4,348,582	7,145,404	12,582,294	13,057,098	13,057,098	13,057,098	13,057,098	13,057,098	9,496,071	4,748,036	-
Other operating expenses	(956,687)	(1,093,483)	(1,345,224)	(1,381,818)	(1,398,116)	(1,414,739)	(1,431,694)	(1,448,989)	(1,312,005)	(1,123,833)	-
Administrative expenses	(2,245,254)	(2,290,153)	(2,335,956)	(2,382,675)	(2,430,329)	(2,478,935)	(2,528,514)	(2,579,084)	(2,630,666)	(2,683,279)	(3,000,000)
EBITDA	1,146,641	3,761,768	8,901,114	9,292,604	9,228,654	9,163,424	9,096,890	9,029,024	5,553,400	940,923	(3,000,000)
Depreciation	(2,260,397)	(2,701,154)	(2,701,154)	(2,701,154)	(2,701,154)	(2,701,154)	(2,701,154)	(2,701,154)	(2,701,154)	(2,701,154)	-
EBIT	(1,113,756)	1,060,615	6,199,960	6,591,450	6,527,500	6,462,270	6,395,736	6,327,871	2,852,246	(1,760,231)	(3,000,000)
Finance credit/(expenses)	(333,295)	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before taxation	(1,447,051)	1,060,615	6,199,960	6,591,450	6,527,500	6,462,270	6,395,736	6,327,871	2,852,246	(1,760,231)	(3,000,000)
Other income/(expenses)	128,643	11,447,321	-	-	-	-	-	-	-	-	-
Profit before tax	(1,318,408)	12,507,936	6,199,960	6,591,450	6,527,500	6,462,270	6,395,736	6,327,871	2,852,246	(1,760,231)	(3,000,000)
Tax (expense)/credit	(80,435)	(3,126,984)	(1,549,990)	(1,647,863)	(1,631,875)	(1,615,567)	(1,598,934)	(1,581,968)	(713,061)	-	-
Profit/(loss) after tax	(1,398,843)	9,380,952	4,649,970	4,943,588	4,895,625	4,846,702	4,796,802	4,745,903	2,139,184	(1,760,231)	(3,000,000)
Annual Growth (% change)											
Revenue growth	-57.7%	64.3%	76.1%	3.8%	0.0%	0.0%	0.0%	0.0%	-27.3%	-50.0%	
EBITDA growth	-80.1%	-34.6%	136.6%	4.4%	-0.7%	-0.7%	-0.7%	-0.7%	-38.5%	-83.1%	
Operating expenses	-51.1%	14.3%	23.0%	2.7%	1.2%	1.2%	1.2%	1.2%	-9.5%	-14.3%	
Administrative expenses	-17.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Efficiency Metrics											
Cost of sales as a % of revenue	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	
Operating expenses as a % of revenue	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	
Administrative expenses as a % of revenue	39.0%	24.2%	14.0%	13.8%	14.0%	14.3%	14.6%	14.9%	20.9%	42.6%	
Gross profit margin	75.5%	75.5%	75.5%	75.5%	75.5%	75.5%	75.5%	75.5%	75.5%	75.5%	
EBITDA margin	19.9%	39.7%	53.4%	53.7%	53.3%	53.0%	52.6%	52.2%	44.1%	15.0%	
EBIT margin	-19.3%	11.2%	37.2%	38.1%	37.7%	37.3%	37.0%	36.6%	22.7%	-28.0%	
Operating profit/(loss) margin	-25.1%	11.2%	37.2%	38.1%	37.7%	37.3%	37.0%	36.6%	22.7%	-28.0%	
Operational Metrics											
Electricity produced (Kwh)	12,794,880	21,024,000	37,142,400	38,544,000	38,544,000	38,544,000	38,544,000	38,544,000	28,032,000	14,016,000	0
Capacity factor	18.3%	30.0%	53.0%	55.0%	55.0%	55.0%	55.0%	55.0%	40.0%	20.0%	0.0%

- The financial forecast is based on a scenario which assumes the CMM power plant is operating under normal market conditions.
- Other income in FY2024 relates mainly to the gains of the writeoff of the payables due to other VibroPower entities. We assumed that the gain from the write-off of the payables are taxable.
- As the capacity factor increases, the profit after tax margins increase because of economies of scale.
- The capacity factor peaks at 55% in FY2026 and remains at this level until FY2030, after which it will start to decline as the CMM power plant reaches end of life.

Section 5: Financial Forecasts of SXWN

Financial Forecast- Cashflows

Shanxi Weineng Coal Mine Gas Development Co., Ltd
Cashflows Forecast
Financial year-end - 31 December

In RMB	Forecast									End of Life
	1 Jan 2024 30 Dec 2024	1 Jan 2025 31 Dec 2025	1 Jan 2026 31 Dec 2026	1 Jan 2027 31 Dec 2027	1 Jan 2028 30 Dec 2028	1 Jan 2029 31 Dec 2029	1 Jan 2030 31 Dec 2030	1 Jan 2031 31 Dec 2031	1 Jan 2032 30 Dec 2032	
	Year 1 FY2024	Year 2 FY2025	Year 3 FY2026	Year 4 FY2027	Year 5 FY2028	Year 6 FY2029	Year 7 FY2030	Year 8 FY2031	Year 9 FY2032	
Revenue	9,470,102	16,675,839	17,305,116	17,305,116	17,305,116	17,305,116	17,305,116	12,585,539	6,292,769	-
After tax cashflows before working capital changes	3,788,927	5,774,130	7,742,614	7,580,791	7,531,549	7,481,322	7,430,091	3,971,432	227,862	(3,000,000)
Change in working capital	(1,808,662)	(3,515,953)	(307,048)	-	-	-	-	2,302,861	3,070,481	4,153,814
Cashflows from operations (A)	1,980,266	2,258,177	7,435,566	7,580,791	7,531,549	7,481,322	7,430,091	6,274,293	3,298,343	1,153,814
Cashflow from other income (B)	-	-	-	-	-	-	-	-	-	-
Capex	-	-	-	-	-	-	-	-	-	-
Cashflows from investing activities (C)	-	-	-	-	-	-	-	-	-	-
Cashflows to enterprise (A) + (B) + (C) = (I)	1,980,266	2,258,177	7,435,566	7,580,791	7,531,549	7,481,322	7,430,091	6,274,293	3,298,343	1,153,814
Cashflows from financing activities (E)	(518,231)	-	-	-	-	-	-	-	-	-
Cashflows to equity holders (D) + (E)	1,462,035	2,258,177	7,435,566	7,580,791	7,531,549	7,481,322	7,430,091	6,274,293	3,298,343	1,153,814
Opening cash	1,151,850	2,613,885	4,872,062	12,307,628	19,888,419	27,419,968	34,901,290	42,331,381	48,605,674	51,904,017
Change in cash for the period	1,462,035	2,258,177	7,435,566	7,580,791	7,531,549	7,481,322	7,430,091	6,274,293	3,298,343	1,153,814
Closing cash	2,613,885	4,872,062	12,307,628	19,888,419	27,419,968	34,901,290	42,331,381	48,605,674	51,904,017	53,057,832

- There is no material capex during the forecast period and the CMM power plant will be mothballed at the end of life.
- There is a release of working capital at the end of life of the CMM power plant.

Section 6: Cost of Capital of SXWN

Section 6: Cost of Capital of SXWN

Cost of Capital of SXWN

Methodology	Modified Capital Asset Pricing Model
Valuation date	30 Jun 2024
Functional currency of SXWN	Renminbi (RMB)

Cost of Equity

Risk-free rate (RMB) (A)	2.22%	10-year China government bond yield
Relevered industry beta (B)	0.54	Based on comparable companies. See Appendix 1.
Equity risk-premium of China (RMB)(C)	4.97%	Damodaran as of 1 July 2024 (Latest available)
Cost of equity (D)	4.91%	(A)+(B)x (C) Based on CAPM model before adding risk premiums
Small-company risk premium (E)	8.12%	Duff and Phelps (10b decile - USD2m to USD95m)
Company specific risk premium (F)	1.00%	Risk of regulatory change which could accelerate Shanxi's adoption of renewable energy. The local government may impose more stringent rules on traditional power-stations.
Cost of equity (RMB)	14.03%	(D) + (E) + (F). Based on modified CAPM.

- We used the Modified Capital Asset Pricing Model to calculate the cost of equity of SXWN.
- We added a company specific risk premium of 1% to reflect the regulatory changes afoot in Shanxi where there is a push towards renewable energy. The pace of change is not known or knowable as of the Valuation Date.
- **The cost of equity of SXWN is 14.03%.**

Section 7: Valuation of SXWN

Section 7: Valuation of SXWN

- We used the Discounted Cashflows to Equity method to value SXWN.

Shanxi Weineng Coal Mine Gas Development Co., Ltd Discounted Cashflows Forecast - Equity Valuation

	Forecast									
Start Date	1 Jul 2024	1 Jan 2025	1 Jan 2026	1 Jan 2027	1 Jan 2028	1 Jan 2029	1 Jan 2030	1 Jan 2031	1 Jan 2032	
End Date	30 Dec 2024	31 Dec 2025	31 Dec 2026	31 Dec 2027	30 Dec 2028	31 Dec 2029	31 Dec 2030	31 Dec 2031	30 Dec 2032	
Midpoint Date	30 Sep 2024	2 Jul 2025	2 Jul 2026	2 Jul 2027	1 Jul 2028	2 Jul 2029	2 Jul 2030	2 Jul 2031	1 Jul 2032	
In RMB	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	End of Life
Cashflows from operations	990,133	2,258,177	7,435,566	7,580,791	7,531,549	7,481,322	7,430,091	6,274,293	3,298,343	1,153,814
Cashflows from investing activities	-	-	-	-	-	-	-	-	-	-
Cashflows to enterprise	990,133	2,258,177	7,435,566	7,580,791	7,531,549	7,481,322	7,430,091	6,274,293	3,298,343	1,153,814
Cashflows from financing activities	(259,116)	-	-	-	-	-	-	-	-	-
Cashflows to equity	731,017	2,258,177	7,435,566	7,580,791	7,531,549	7,481,322	7,430,091	6,274,293	3,298,343	1,153,814
Net present value of cashflows to equity	707,419	1,978,962	5,714,648	5,109,590	4,453,590	3,878,306	3,377,955	2,501,616	1,153,735	403,595
Equity value	29,279,417	Marketable and controlling basis.								
Add: Cash	-	No surplus cash. All cash is needed for operations.								
	29,279,417									
Midpoint discount factor	0.9677	0.8764	0.7686	0.6740	0.5913	0.5184	0.4546	0.3987	0.3498	0.3498
Cost of equity	14.03%	See Section 6.								

- Based on the Discounted Cashflows to Equity valuation, as of 30 June 2024, the market value of the equity of SXWN is RMB 29,300,000 (rounded) on a marketable and controlling basis.

Shanxi Weineng Coal Mine Gas Development Co., Ltd As of 30 June 2024

In RMB

Equity value	29,279,417	Marketable and controlling basis.
Less: Discount for lack-of-marketability	(4,020,064)	DLOM of 13.73% based on Finnerty Model (2012), 3-year holding period, tenor-matched median volatility of 35.73%. Risk-free rate of 2.22%.
Equity value	25,259,353	Non-marketable and controlling basis

- After applying a DLOM of 13.73%, the equity value of SXWN on a non-marketable and controlling basis is RMB 25,300,000 as of 30 June 2024.

Section 8: Benchmarking of SXWN Valuation

Section 8: Benchmarking of SXWN Valuation

Implied Valuation Multiples

	Comparable Companies							
	SXWN*	SXWN^	Average	Median	High	Low	First Quartile	Third Quartile
EV/EBITDA	3.50x	6.71x	22.10x	17.14x	41.69x	3.41x	9.76x	38.45x
EV/Revenue	1.73x	2.67x	8.85x	8.51x	18.20x	1.29x	14.27x	14.27x
Price/earnings	5.88x	2.69x	29.85x	30.80x	56.92x	2.86x	11.92x	42.50x

*Based on average EBITDA from FY2024 to FY2032 (F)

*Based on average revenue from FY2024 to FY2032 (F)

*Based on average profit after tax from FY2024 to FY2032 (F)

^Based on EBITDA in FY2024(F)

^Based on revenue in FY2024(F)

^Based on average profit after tax in FY2024(F)

- Based on the equity valuation of RMB 25,300,000 (rounded), we calculated the implied valuation multiples and compared them to that of the comparable companies.
- The implied valuation multiples of SXWN fall in the Low to First Quartile of the comparable companies.

Section 9: Risk Factors to the Valuation

Section 9: Risk Factors to the Valuation

- The valuation of SXWN is dependent it being able to achieve the financial forecast. The risks to the valuation include:

Regulatory Risks

Policy Changes: Changes in government policies regarding energy production, environmental regulations, and emissions standards can significantly impact operational costs and profitability.

Subsidies and Incentives: Reduction or removal of government subsidies and incentives for renewable energy sources can affect revenue projections.

Market Risks

Energy Prices: Fluctuations in energy prices, influenced by supply and demand dynamics, can impact revenue.

Competition: Increased competition from other energy producers, including those using different technologies, can affect market share and pricing power.

Operational Risks

Plant Efficiency: The efficiency and reliability of the power plant affect operational costs and output capacity. Any unexpected maintenance or operational issues can lead to downtime and reduced revenues.

Supply Chain Disruptions: Disruptions in the supply of essential inputs (e.g., fuel for coal plants) or delays in maintenance and repairs can impact operations.

Financial Risks

Interest Rates: Changes in interest rates can affect borrowing costs and the cost of capital, influencing the overall valuation.

Environmental Risks

Climate Change: Increased frequency of extreme weather events can disrupt operations and damage infrastructure.

Environmental Compliance: Costs associated with meeting environmental regulations and potential penalties for non-compliance can affect profitability.

Appendices

Appendix 1 – Peer Companies (Public-Listed)

Exchange	Symbol	Company	Business Description	Country (Headquarter)	Market Cap (USD'm)
XNEP	CHCL	Chilime Hydropower Co Ltd	Chilime Hydropower Co Ltd is a company operating in the utility sector. The company is mainly engaged in the generation of hydroelectricity. It owns and operates a power plant with a 22.1 MW installed capacity and is located in the capital city of Kathmandu. The company sells bulk electricity to Nepal Electricity Authority. The company through its subsidiaries develops hydropower projects.	Nepal	270.33
SHSE	600868	Guangdong Meiyang Jixiang Hydropower Co Ltd	Guangdong Meiyang Jixiang Hydropower Co Ltd is mainly engaged in power generation and hydropower generation in China. The company's main business is hydropower generation. Its business divisions include hydroelectric generation, copper foil production, cement industry, silver mining, education services business and sales. The company mainly operates its business in Guangdong Province.	China	607
XNEP	NHPC	National Hydro Power Co Ltd	National Hydro Power Co Ltd is engaged in the development of hydropower projects. The company's projects include Indrawati-III Hydropower Project, Lower Indrawati Hydropower Project and Lower Erkuwa Hydropower Project.	Nepal	22.45
IST	AKSUE	Aksu Enerji Ve Ticaret AS	Aksu Enerji Ve Ticaret AS is a Turkey-based company involved in generation and distribution of electricity. It generates Hydroelectric Energy by taking its source from the rivers, Solar energy and Wind energy generated by the construction of turbines in high zones.	Turkey	31.10
IST	PAMEL	PAMEL Yenilenebilir Elektrik Uretim	PAMEL Yenilenebilir Elektrik Uretim operates in the renewable energy sector. It holds two hydroelectric power plants with an installed capacity of 6.744 MW in Ad?yaman and 7.49 MW in Tortum district in Erzurum province.	Turkey	144.63
PHS	ALTER	Alternergy Holdings Corp	Alternergy Holdings Corp is a renewable energy holding company. The company's segments include Wind Energy; Hydro Energy; Solar Energy and Retail Energy Supplier (RES). It generates maximum revenue from the Solar Energy segment. The Solar Energy segment includes Generation and supply of solar power to various customers under power supply contracts.	Philippines	54.06
WAR	GNG	G-Energy SA	G-Energy SA is an alternative energy company. The company is focused on producing and distributing electricity from wind energy, biomass, and solar energy.	Poland	8.29
SHSE	605028	Ningbo Shimao Energy Co Ltd	Ningbo Shimao Energy Co Ltd is a cogeneration company with domestic waste and coal as the main raw materials. It provides central heating for the Sino-Italian Ningbo Ecological Park and the surrounding electroplating and food parks for the only regional cogeneration company in the area.	China	335
HKSE	00090	Puxing Energy Ltd	Puxing Energy Ltd is a provider of clean energy. The company is engaged in the development, operation, and management of natural gas-fired power plants. It owns five natural gas-fired power plants located in Zhejiang province with an aggregate installed capacity of 688.07MW with a maximum heating capacity per hour of 360 tons.	China	21
XKLS	5614	ILB Group Bhd	ILB Group Bhd is an investment holding firm. The company and its subsidiaries are engaged in operating solar power plants, procurement of solar photovoltaic (PV) modules, and investment holding. Its operating segment is solar energy and related businesses in Malaysia. The company generates revenue from the sale of electricity, rental and interest income, sale of solar photovoltaic modules which accounts for the firm's majority of the revenue, construction contracts, and operation and maintenance of solar energy systems.	Malaysia	26.67

Average	152.07
Median	42.58
High	606.62
Low	8.29
First Quartile	23.51
Third Quartile	238.91

Appendix 1 – Peer Companies (Public-Listed)

Exchange	Symbol	Company	Revenue (USD'm)	Operating Margin %	Relevered beta	3-year volatility (%)
XNEP	CHCL	Chilime Hydropower Co Ltd	9.61	44.95	0.44	27.22
SHSE	600868	Guangdong Meiyang Jixiang Hydropower Co Ltd	51	22.37	0.81	25.51
XNEP	NHPC	National Hydro Power Co Ltd	1.14	12.33	0.53	41.38
IST	AKSUE	Aksu Enerji Ve Ticaret AS	1.22	49.95	0.87	62.87
IST	PAMEL	PAMEL Yenilenebilir Elektrik Uretim	1.02	38.50	0.43	71.31
PHS	ALTER	Alternergy Holdings Corp	2.55	29.88	0.78	NA
WAR	GNG	G-Energy SA	4.34	8.29	0.34	21.56
SHSE	605028	Ningbo Shimao Energy Co Ltd	57	53.54	0.76	NA
HKSE	00090	Puxing Energy Ltd	91	18.74	0.37	30.08
XKLS	5614	ILB Group Bhd	9.33	6.01	0.56	41.65

Average
Median
High
Low
First Quartile
Third Quartile

22.78	28.46	0.59	40.20
6.84	26.13	0.54	35.73
90.91	53.54	0.87	71.31
1.02	6.01	0.34	21.56
1.56	13.93	0.43	26.79
40.59	43.34	0.78	46.96

Appendix 2 – Principal Assumptions and Limitations

Sources of Information

- This valuation has been performed based on the information obtained from Management discussions, and where appropriate, available published market data from Bloomberg.
- Information and representations made to us by Management during discussions.

Limitations

- We are not required to and have not carried out an audit of the financial statements or components of the financial statements of the SXWN. In addition, our scope of work does not include advising on the treatment of accounting issues.
- Our report is reliant on information provided by the Management being complete and accurate in all respects. In addition, we have relied on unaudited financial statements to cross-check Management's assumptions. We have used available published market data and other public information, where appropriate, for which we are not responsible for in terms of content and accuracy.

Principal Assumptions

- Our valuation is subject to specific assumptions we consider necessary or appropriate. Financial statements are in Renminbi (RMB) where appropriate. The principal assumptions made for the purpose of the valuation are as follows:
 - Information provided fairly reflect SXWN's financial and operating position;
 - The industry and competitive risks which the Company is exposed to cannot be quantified with certainty, but those risks are a key threat to the Company's operations and financial performance;
 - The current business model of SXWN is not likely to materially change in the foreseeable future
 - Any one-off revenue and expense items are based on Management's representations;
 - There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor any litigation pending or threatened, which would have a material impact on the value of acquired assets and liabilities;

Appendix 2 – Principal Assumptions and Limitations

Exclusion and Limitation of Liabilities

- We have used appropriate skill and reasonable care in our engagement. In no event should we be liable for damages or losses that are not a direct result of breach of contract or negligence on our part in respect of services provided in connection with or arising out of the engagement or for any consequential losses or loss of profits of whatsoever nature. In any event, our liability, the liability of our partners and staff (whether in contract, negligence or otherwise) shall not exceed 1.0 times fee paid specifically for the work in question which allegedly entailed a breach of contract or negligence on our part.
- In no event shall we, our partners and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any misrepresentations or any default on the part of your directors, employees or agents.
- Unless we have specifically agreed in writing to accept such liability, we shall not be liable to any third party in any event whether or not they are shown a copy of our work pursuant to the terms of our engagement and whether or not we have consented to such work being shown to them.
- Any legal proceedings against us, arising from or in connection with the engagement must be formally commenced within one year from the date when the party bringing the proceedings become aware, or ought reasonably to have become aware of the facts which give rise to the liability alleged and in any event not later than one year after alleged breach of contract, negligence or other act or omission.
- Should we find ourselves subject to a claim or incur legal costs from another party arising out of this engagement (other than as a result of our own negligence or wilful default), any claim established against us and the costs we necessarily incur in defending it would form part of the expenses we would look to recover from you.

NOTICE OF EXTRAORDINARY GENERAL MEETING

VIBROPOWER CORPORATION LIMITED

(Company Registration Number: 200004436E)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**” or the “**Meeting**”) of **VIBROPOWER CORPORATION LIMITED** (“**Company**”) will be held at 38 Tuas Crescent, Singapore 638725 on 29 October 2024 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:

*This Notice of EGM adopts the meanings of defined terms given to them in the Company’s circular dated 11 October 2024 (“**Circular**”).*

This Notice of Extraordinary General Meeting (this “**Notice**”) of the Company has been made available on SGXNET at: <https://www.sgx.com/securities/company-announcements> and the Company’s website at: <https://www.vibropower.com> and will in accordance with the Listing Rules of the SGX-ST be sent to members of the Company. The Circular and this Notice will also be made available on SGXNET and the Company’s website. Physical copies of the Circular will not be posted to members.

ORDINARY RESOLUTION:

THE PROPOSED DISPOSAL OF THE ENTIRE REGISTERED AND INVESTED CAPITAL OF SHANXI WEINENG COAL MINE GAS DEVELOPMENT CO., LTD., AS A MAJOR TRANSACTION

RESOLVED THAT:

- (a) pursuant to Rule 1014 of the Listing Rules, approval be and is hereby given, for the Seller to complete the Proposed Disposal pursuant to the terms and conditions of the Equity Transfer Agreements entered into with Buyer A and Buyer B, respectively;
- (b) the Directors be and are hereby authorised to, from time to time, amend, modify and/or supplement the terms of the Proposed Disposal and/or the Equity Transfer Agreement as such Directors or any of them may deem appropriate or necessary; and
- (c) the Directors be and are hereby authorised to take all steps, approve all matters and enter into all transactions, arrangements and agreements, and execute all documents and notices associated with the Equity Transfer Agreements or the Proposed Disposal as may be necessary or expedient to give full effect to the Proposed Disposal and the transactions contemplated under the Equity Transfer Agreements as such Directors or any of them may deem fit or expedient and to give effect to this ordinary resolution.

By Order of the Board

Sia Huai Peng
Company Secretary
Singapore

11 October 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTES ON THE EXTRAORDINARY GENERAL MEETING:

1. The EGM will be held on 29 October 2024 at 9:00 a.m. (Singapore time) at the Company's registered address. Printed copies of this Notice of EGM and the accompanying Proxy Form will be sent by post to members. These documents will also be available for downloading and printing at the Company's website at <https://www.vibropower.com> and the SGXNet at <https://www.sgx.com/securities/company-announcements>.
2. Shareholders (including CPF and SRS investors) may: (a) attend the EGM in person; (b) submit questions to the Chairman of the Meeting in advance of, or at, the EGM; and/or (c) vote at the EGM (i) themselves, or (ii) through their duly appointed proxy(ies). For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the Meeting) to vote at the EGM on their behalf.
3. Information on how to register, submit questions and vote at the EGM for all Shareholders is set out in N-2, together with the Notice of EGM and accompanying proxy form. These documents may be downloaded from the SGXNet within the announcement notifying Shareholders of the EGM. CPF and SRS investors who wish to attend and vote at the EGM should contact their CPF Agent Banks or SRS Operators at least seven (7) working days prior to the date of the EGM, i.e., by 9:00 a.m. on 18 October 2024 in order for their agent banks or operators to make the necessary arrangements.
4. A member who is not a Relevant Intermediary (as defined under Section 181(6) of the Companies Act) is entitled to appoint a maximum of two (2) proxies to attend and vote at the EGM on its behalf. Where a member appoints more than one (1) proxy, the proportion of its Shares to be represented by each proxy must be specified in each proxy form. If no proportion is specified, the Company is entitled to treat the first named proxy as representing the total number of Shares held by that member and any second named proxy as an alternate to the first named.
5. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM. Each proxy appointed can only exercise the rights attached to a different Share or Shares held by the Relevant Intermediary. Where a Relevant Intermediary appoints more than two (2) proxies, the number and class of Shares to which each proxy has been appointed to vote must be specified in the relevant proxy form.
6. Shareholders, who hold Shares through Relevant Intermediaries, as well as CPF and SRS investors who wish to: (a) attend the EGM in person; (b) submit questions to the Chairman of the Meeting in advance of, or at, the EGM; and/or (c) vote at the EGM should contact their Relevant Intermediaries, or agent banks or operators to appoint them as proxies at least seven (7) working days before the time and date set for the EGM, i.e., by 9:00 a.m. on 18 October 2024, in order for their Relevant Intermediaries, agent banks or operators to make the necessary arrangements.
7. A proxy need not be a member of the Company.
8. Members (including Shareholders, who hold Shares through a Relevant Intermediary, as well as CPF and SRS Investors) may alternatively appoint the Chairman of the EGM as proxy to vote for them at the EGM. For Shareholders, who hold Shares through a Relevant Intermediary, as well as CPF and SRS Investors, if you wish for the Chairman of the EGM to vote for you as your proxy, you should contact your intermediaries, agent banks or operators (as applicable) at least seven (7) working days before the time and date of the EGM in order for them to make the necessary arrangements.
9. For Members who are Depositors or whose names are registered in the Register of Members of the Company, you may use the proxy form attached to the Notice of EGM to appoint the Chairman of the EGM as your proxy to vote for you.
10. All voting will be carried out by way of a poll.

NOTICE OF EXTRAORDINARY GENERAL MEETING

11. The duly completed and executed proxy form must be submitted to the Company in the following manner:

- by post to the Company's registered address at 11 Tuas Avenue 16 Singapore 638929; or
- via email to vote@vibropower.com,

in any case no later than forty-eight hours before the time and day fixed for the EGM, being by 9:00 a.m. on 27 October 2024, falling which, the proxy form may not be treated as valid.

12. The proxy form must be signed by the appointor, or his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed under its common seal or under the hand of any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the proxy form submitted.
13. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed, illegible, or if the true intentions of the appointor are not ascertainable from the instructions provided in the proxy form.
14. A Depositor's name must appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001) maintained by The Central Depository (Pte) Limited at least seventy-two (72) hours before the time set for the EGM for the Depositor to attend and vote at the EGM.

PERSONAL DATA PRIVACY TERMS:

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 personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 for the Company (or its agents or service providers) 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 or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) 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.

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VIBROPOWER CORPORATION LIMITED

(Company Registration Number: 200004436E)
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

- For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "**CPF Investors**" or "**SRS Investors**"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF or SRS investors:
 - may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM, i.e., by 9:00 a.m. on 18 October 2024, to allow sufficient time for their respective relevant intermediaries to, in turn, submit a Proxy Form to appoint the Chairman of the Meeting to vote on their behalf.
- By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in this proxy form and the Notice of Extraordinary General Meeting dated 11 October 2024.

I/We _____ (Name) _____ (NRIC/Passport No./Company Registration No.) of _____ (Address)

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

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or*

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing the person, or either or both of the persons referred to above, the Chairman of the Extraordinary General Meeting ("**EGM**" or the "**Meeting**") as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the EGM to be held at 38 Tuas Crescent Singapore 638725 on 29 October 2024 at 9:00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting the Resolution to be proposed at the EGM as indicated hereunder. If no specified directions as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the EGM and at any adjournment thereof.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

The Resolution put to the EGM will be decided by way of a poll.

No.	Resolution	Number of votes		
		For**	Against**	Abstain**
1.	Proposed Disposal			

Please note that the short description given above of the Ordinary Resolution to be passed does not in any way whatsoever reflect the intent and purpose of the Ordinary Resolution. The short description has been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM dated 11 October 2024 for the full purpose and intent of the Ordinary Resolution to be passed.

Dated this _____ day of _____ 2024.

Total no. of shares in	No. of shares
(a) in CDP Register	
(b) in Register of Members	

Signature(s) of Member(s)/Common Seal of Corporate Member(s)

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO THE PROXY FORM

1. For this EGM, members of the Company (including relevant intermediaries) may vote by using this Proxy Form to appoint proxy or proxies, or the Chairman of the Meeting to vote at the EGM.
2. Please insert the total number of Shares held by you: (a) if you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number; (b) if you have Shares registered in your name in the Register of Members of the Company, you should insert that number; (c) if you have Shares entered against your name in the Depository Register and the Register of Members of the Company, you should insert the total of the numbers in the Depository Register and the Register of Members. If no number is inserted, that number will be the total number of Shares held by you, as recorded in the Depository Register and/or the Register of Members of the Company.
3. A member who is not a Relevant Intermediary (as defined under Section 181(6) of the Companies Act) is entitled to appoint a maximum of two (2) proxies to attend and vote at the EGM on its behalf. Where a member appoints more than one (1) proxy, the proportion of its Shares to be represented by each proxy must be specified in each proxy form. If no proportion is specified, the Company is entitled to treat the first named proxy as representing the total number of Shares held by that member and any second named proxy as an alternate to the first named.
4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM. Each proxy appointed can only exercise the rights attached to a different Share or Shares held by the Relevant Intermediary. Where a Relevant Intermediary appoints more than two (2) proxies, the number and class of Shares to which each proxy has been appointed to vote must be specified in the relevant proxy form.
5. Shareholders, who hold Shares through Relevant Intermediaries, as well as CPF and SRS investors who wish to: (a) attend the EGM in person; (b) submit questions to the Chairman of the Meeting in advance of, or at, the EGM; and/or (c) vote at the EGM should contact their Relevant Intermediaries, or agent banks or operators to appoint them as proxies at least seven (7) working days before the time and date set for the EGM, i.e., by 9:00 a.m. on 18 October 2024, in order for their Relevant Intermediaries, agent banks or operators to make the necessary arrangements.
6. A proxy need not be a member of the Company.
7. Members (including Shareholders, who hold Shares through a Relevant Intermediary, as well as CPF and SRS Investors) may alternatively appoint the Chairman of the EGM as proxy to vote for them at the EGM. For Shareholders, who hold Shares through a Relevant Intermediary, as well as CPF and SRS Investors, if you wish for the Chairman of the EGM to vote for you as your proxy, you should contact your intermediaries, agent banks or operators (as applicable) at least seven (7) working days before the time and date of the EGM in order for them to make the necessary arrangements. Please note that if you appoint the Chairman of the EGM as your proxy to vote at the EGM, you must give direction as to how he should vote for each resolution (if there are more than one resolution). If there is no direction as to how he should vote for any resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
8. For Members who are Depositors or whose names are registered in the Register of Members of the Company, you may use this Proxy Form to appoint the Chairman of the EGM as your proxy to vote for you.
9. All voting will be carried out by way of a poll.
10. "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore.
11. This Proxy Form must be signed under the hand of the appointor or of his attorney duly authorised in writing. If you are a corporation, you must sign this Proxy Form by affixing your common seal in accordance with your Constitution, or under the hand of your attorney or a duly authorised officer. A copy of the power of attorney or such other authority must be submitted together with this Proxy Form.
12. This duly completed and signed Proxy Form must be submitted to the Company in the following manner:
 - by post to the Company's registered address at 11 Tuas Avenue 16 Singapore 638929; or
 - via email to vote@vibropower.com,in any case no later than forty-eight (48) hours before the time and date fixed for the EGM, failing which, the Proxy Form may not be treated as valid.
13. By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 11 October 2024.