

**Full Year Financial Statements and Dividend Announcement**

The Board of Directors is pleased to make the following announcement of the unaudited results for the financial year ended 31 December 2014.

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

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

**Unaudited Consolidated Statement of Comprehensive Income  
For the Financial Year ended 31 December 2014**

	Group		Increase (Decrease) (%)
	31 Dec 14 S\$'000	31 Dec 13 Audited S\$'000	
Revenue	28,200	31,005	(9.0)
Cost of Sales	(22,609)	(25,434)	(11.1)
<b>Gross Profit</b>	<b>5,591</b>	<b>5,571</b>	<b>0.4</b>
<b>Other items of Income</b>			
Interest Income	69	205	(66.3)
Other Credits	440	72	511.1
<b>Other items of Expenses</b>			
Marketing and Distribution Costs	(516)	(605)	(14.7)
Administrative Expenses	(3,403)	(4,373)	(22.2)
Finance Costs	(374)	(264)	41.7
Other Charges	(19)	(120)	(84.2)
Profit Before Tax	1,788	486	267.9
Income Tax Expenses	(102)	(143)	(28.7)
Profit, Net of Tax	1,686	343	391.5
<b>Other Comprehensive Income, Net of Tax:</b>			
Foreign currency translation	682	630	8.3
Total Comprehensive Income	2,368	973	143.4
<b>Profit/(Loss) attributable to:</b>			
Equity Holders of the Company	1,686	352	379.0
Non-Controlling Interests	–	(9)	(100.0)
	1,686	343	391.5
<b>Total Comprehensive Income attributable to:</b>			
Equity Holders of the Company	2,368	958	147.2
Non-Controlling Interests	–	15	(100.0)
	2,368	973	143.4

NM – denotes not meaningful

NA – denotes not applicable

**Notes to the Consolidated Statement of Comprehensive Income**

	Group		Increase (Decrease) (%)
	31 Dec 14 S\$'000	31 Dec 13 Audited S\$'000	
<b><u>Other Credits and (Other Charges)</u></b>			
Allowance for impairment on trade receivables – (Loss)/Reversal	(10)	23	NM
Foreign exchange adjustment (losses) gains – Net	(5)	22	NM
Gain on disposal of plant and equipment	–	1	(100.0)
Reversal (Provision) for slow moving inventories	391	(103)	NM
Provision for product warranty expense – provision	(4)	(17)	(76.5)
SME Grant	–	5	(100.0)
Others	49	21	133.3
Net	421	(48)	NM
<u>Presented in Profit or Loss as :</u>			
Other Credits	440	72	511.1
Other Charges	(19)	(120)	(84.2)
Net	421	(48)	NM
Depreciation and amortization	(154)	(108)	42.6
Adjustment for over (under) provision of tax in respect of prior years	83	(37)	NM

NM – denotes not meaningful

NA – denotes not applicable

1. Interest Income  
The decrease was due to lower interest earned from an advance made to an investment project.
2. Marketing and Distribution Costs  
The decrease was mainly attributed by lower expenses incurred by the representative office in Russia.
3. Finance Costs  
The higher finance cost incurred was mainly due to interest costs incurred for invoice financing, renovation loans and bank overdrafts.
4. Income tax expense  
The decrease in income tax expense was due to the overprovision of income tax adjusted for in the current year.
5. Depreciation and Amortization  
The increase was mainly due to depreciation from the additions of property, plant and equipment during the year.

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

	Notes	Group		Company	
		31 Dec 14 S\$'000	31 Dec 13 Audited S\$'000	31 Dec 14 S\$'000	31 Dec 13 Audited S\$'000
<b>ASSETS</b>					
<b><u>Non-Current Assets:</u></b>					
Property, Plant and Equipment	(i)	5,543	3,154	–	–
Investments in Subsidiaries		–	–	14,167	14,336
Deferred Tax Assets		78	82	–	–
Other Receivables		43	22	–	–
Other Financial Assets		4	4	–	–
<b>Total Non-Current Assets</b>		<b>5,668</b>	<b>3,262</b>	<b>14,167</b>	<b>14,336</b>
<b><u>Current Assets:</u></b>					
Inventories	(ii)	14,234	16,673	–	–
Trade and Other Receivables		16,259	17,115	1,460	760
Other Assets		829	945	3	2
Cash and Cash Equivalents	(iii)	2,101	5,504	77	129
<b>Total Current Assets</b>		<b>33,423</b>	<b>40,237</b>	<b>1,540</b>	<b>891</b>
<b>Total Assets</b>		<b>39,091</b>	<b>43,499</b>	<b>15,707</b>	<b>15,227</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity:</u></b>					
Share Capital		14,408	14,408	14,408	14,408
Retained Earnings		8,918	7,634	1,154	690
Other Reserves		(305)	(987)	–	–
<b>Total Equity</b>		<b>23,021</b>	<b>21,055</b>	<b>15,562</b>	<b>15,098</b>
<b><u>Non-Current Liabilities:</u></b>					
Finance Leases		158	168	–	–
Other Financial Liabilities	(vi)	1,219	2,223	–	–
<b>Total Non-Current liabilities</b>		<b>1,377</b>	<b>2,391</b>	<b>–</b>	<b>–</b>
<b><u>Current Liabilities:</u></b>					
Provisions		34	40	–	–
Income Tax Payable	(iv)	194	145	–	–
Trade and Other Payables	(v)	4,260	8,530	145	129
Finance Leases		63	67	–	–
Other Financial Liabilities	(vi)	8,820	9,105	–	–
Other Liabilities	(vii)	1,322	2,166	–	–
<b>Total Current Liabilities</b>		<b>14,693</b>	<b>20,053</b>	<b>145</b>	<b>129</b>
<b>Total Liabilities</b>		<b>16,070</b>	<b>22,444</b>	<b>145</b>	<b>129</b>
<b>Total Equity and Liabilities</b>		<b>39,091</b>	<b>43,499</b>	<b>15,707</b>	<b>15,227</b>

## Notes

- (i) The increase was mainly due to upgrading of factory and office in Singapore and construction of Coal mine methane gas power plant in Shanxi, China.
- (ii) The decrease was due to inventories sold.
- (iii) Cash decreased due to purchase of plant and equipment as per Note (i) as well as repayment of trade and other payables and other financial liabilities.
- (iv) The increase was mainly due to additional income tax provision made for the profits earned for the year.
- (v) The decrease was mainly due to repayments made to trade payables during the year.
- (vi) The decrease was due to the repayment of loans and other borrowings.
- (vii) The decrease was mainly due to reduction in the deposits received from customers.

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

#### Amount repayable in one year or less, or on demand

Group (S\$'000)			
As at 31 Dec 14		As at 31 Dec 13	
Secured	Unsecured	Secured	Unsecured
5,330	3,553	6,017	3,155

#### Amount repayable after 1 year

Group (S\$'000)			
As at 31 Dec 14		As at 31 Dec 13	
Secured	Unsecured	Secured	Unsecured
1,377	–	2,116	275

#### Details of any collateral

Secured borrowings are made up of trust receipts, factoring payables, term loans and finance leases. The finance leases amounted to S\$225,000 (FY2013: S\$235,000) are secured against the leased assets.

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

**Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>31 Dec 14</b>	<b>31 Dec 13</b>
	<b>S\$'000</b>	<b>Audited S\$'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	1,788	486
Adjustments for:		
Interest Income	(69)	(205)
Interest Expense	374	264
Depreciation of Property, Plant and Equipment	154	108
Gain on Disposal of Plant and Equipment	–	(1)
Currency translation differences	28	19
Provision for Warranty – loss	4	17
<b>Operating Cash Flows before Changes in Working Capital</b>	<b>2,279</b>	<b>688</b>
Inventories	3,192	2,991
Trade and Other Receivables	995	(557)
Other Assets	117	(232)
Trade and Other Payables	(4,376)	601
Other Liabilities	(896)	1,205
Provisions	(10)	(30)
Bank deposit (pledged)	–	32
Net Cash Flows From Operations	1,301	4,698
Income Taxes Paid	(34)	(192)
Net Cash Flows From Operating Activities (a)	1,267	4,506
<b>Cash Flows From Investing Activities</b>		
Purchase of Plant and Equipment	(2,411)	(2,354)
Disposal of Plant and Equipment	–	2
Acquisition of Non-controlling Interests	–	(701)
Interest Received	2	6
Net Cash Flows Used In Investing Activities (b)	(2,409)	(3,047)
<b>Cash Flows From Financing Activities</b>		
Dividends paid to Equity Holders of the Company	(402)	(1,778)
Proceeds from Borrowings (c)	1,045	385
Repayments of Borrowings	(2,648)	(2,771)
Finance Lease Repayments	(28)	(55)
Interest Paid	(374)	(264)
Net Cash Flows Used In Financing Activities	(2,407)	(4,483)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(3,549)</b>	<b>(3,024)</b>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	146	247
<b>Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balances</b>	<b>5,504</b>	<b>8,281</b>
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balances</b>	<b>2,101</b>	<b>5,504</b>

**Notes:**

- (a) The decrease in the cash from operations mainly relate to the repayment to trade and other payables and decrease in other liabilities partially offset by the decrease in inventories and trade and other receivables.
- (b) The deficit in cash from investing activities mainly relate to the purchase of property, plant and equipment.
- (c) The increase in proceeds from borrowings mainly relate to loans obtained for working capital purposes.
- (d) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise of the following:

	Group	
	31 Dec 14 S\$'000	31 Dec 13 Audited S\$'000
Cash and cash equivalents	2,101	5,504
Cash and cash equivalents in consolidated statement of cash flows	2,101	5,504

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

**Statement of Changes in Equity – Group**

	Attributable to Equity Holders of the Company					Non-Controlling Interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Treasury Shares	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000		
Current Year:							
<b>Opening Balance at 1 Jan 2014</b>	14,767	(359)	(987)	7,634	21,055	–	21,055
Acquisition of non-controlling interest							
Total Comprehensive Income for the Year	–	–	682	1,686	2,368	–	2,368
Dividends Paid	–	–	–	(402)	(402)	–	(402)
<b>Closing Balance at 31 Dec 2014</b>	14,767	(359)	(305)	8,918	23,021	–	23,021
			(a)				
Previous Year:							
<b>Opening Balance at 1 Jan 2013</b>	14,767	(359)	(1,593)	9,265	22,080	481	22,561
Acquisition of non-controlling interest	–	–	–	(205)	(205)	(496)	(701)
Total Comprehensive Income for the Year	–	–	606	352	958	15	973
Dividends Paid	–	–	–	(1,778)	(1,778)	–	(1,778)
<b>Closing Balance at 31 Dec 2013</b>	14,767	(359)	(987)	7,634	21,055	–	21,055
			(a)				

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

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

**Statement of Changes in Equity – Company**

	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:				
<b>Opening Balance at 1 Jan 2014</b>	14,767	(359)	690	15,098
Total Comprehensive Income for the Year	–	–	866	866
Dividends Paid	–	–	(402)	(402)
<b>Closing Balance at 31 Dec 2014</b>	<b>14,767</b>	<b>(359)</b>	<b>1,154</b>	<b>15,562</b>
Previous Year:				
<b>Opening Balance at 1 Jan 2013</b>	14,767	(359)	1,106	15,514
Total Comprehensive Income for the Year	–	–	1,362	1,362
Dividends Paid	–	–	(1,778)	(1,778)
<b>Closing Balance at 31 Dec 2013</b>	<b>14,767</b>	<b>(359)</b>	<b>690</b>	<b>15,098</b>

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

There are no changes to the Company's share capital during the financial year ended 31 December 2014.

There are no convertibles as at 31 December 2014.

Total number of shares held as Treasury Shares as at 31 December 2014 is 9,768,000 shares (31 December 2013: 9,768,000)

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

Total number of issued shares excluding treasury shares as at 31 December 2014 is 335,509,121 shares (31 December 2013: 335,509,121 shares).

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

There were no share buy-back carried out by the Group or Company relating to sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 December 2014.

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

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

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

Not applicable.

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

The above financial information has been prepared using the same accounting policies and methods of computation as presented in the financial statements for the year ended 31 December 2013 except as described in paragraph 5.

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

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



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

	Group	
	31 Dec 14	31 Dec 13
<b>Earnings per Ordinary Share for the year based on net profit attributable to Equity Holders of the Company:</b>	<b>Cents</b>	<b>Audited Cents</b>
(I) Based on the weighted average number of ordinary shares in issue (cents)	0.50	0.105
(II) On a fully diluted basis (cents)	0.50	0.105

Basic earnings per share is calculated on the basis of consolidated profit after tax attributable to Equity Holders of the Company of S\$1,686,000 (31 Dec 13: S\$352,000) and on 335,509,121 (31 Dec 13: 335,509,121) weighted average ordinary shares in issue during the year under review.

There is no dilution effect in earnings per share as there are no shares under option.

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

	Group		Company	
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
	<b>Cents</b>	<b>Audited Cents</b>	<b>Cents</b>	<b>Audited Cents</b>
Net Asset Value per Ordinary Share based on issued Share Capital at the end of the year (in cents)	6.86	6.28	4.64	4.50

The Group's net asset per ordinary share is calculated based on net assets attributable to Equity Holders of the Company of S\$23,021,000 (31 Dec 13: S\$21,055,000) and the share capital of 335,509,121 (31 Dec 13: 335,509,121) ordinary shares.

The Company's net asset per ordinary share is calculated based on net assets of S\$15,562,000 (31 Dec 13: S\$15,098,000) and the share capital of 335,509,121 (31 Dec 13: 335,509,121) ordinary shares.

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

#### **Turnover and Profitability**

Group revenue for the year ended 31 Dec 14 ("FY2014") decreased by 9.0% to S\$28.2 million compared to S\$31.0 million achieved a year ago ("FY2013"). Revenue decreased due to reduced sales from the Rest of the World to S\$2.2 million from S\$4.8 million in FY2013.

In line with the reduced revenue and manufacturing costs, cost of sales decreased by 11.1% to S\$22.6 million. The gross profit margin improved to 19.8% in FY2014 from 18.0% in FY2013. This was mainly due to better sales mix and various cost savings measures implemented during the year.

Marketing and Distribution Costs decreased by 14.7% to S\$0.5 million mainly due to reduced expenses incurred by the Rest of the World.

Administrative Expenses decreased by 22.2% to S\$3.4 million due to general reduction in personnel costs, administrative expenses and other operating expenses.

Accordingly, the Group registered a net profit after tax of S\$1.7 million for FY2014, compared to net profit after tax of S\$0.3 million in FY2013.

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

Not applicable.

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

While enquiries for power generators remain healthy, we foresee 2015 to be a challenging year due to the uncertain global economic conditions and volatile currency markets. However, the Group will continue to implement various productivity and efficiency initiatives to ensure the Group's competitiveness in the market.

Barring unforeseen circumstances, the Group expects to remain profitable in the financial year 2015.

Update on the Shanxi Project

We are pleased to report that all the installation works for the power plant and transmission lines have been completed. The relevant authorities have also inspected all static installation works and we are awaiting for their formal approval. Thereafter, state approval will be required for supplying electricity to the state grid. We expect to supply electricity to the state grid by Q3 2015.

**11. Dividend**

**(a) Current Financial Period reported on**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (Cents)	0.15 cents (Exempt 1 tier)
Tax Rate	NA

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (Cents)	0.12 cents (Exempt 1 tier)
Tax Rate	NA

**(b) Corresponding Period of the immediately Preceding Financial Year**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (Cents)	0.15 cents (Exempt 1 tier)
Tax Rate	NA

**(c) Date payable**

The date of payment of dividend will be announced later.

**(d) Books Closure Date**

The date of the book closure date will be announced later.

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

NA

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Mason Industries Pte Ltd	–	1,829,664
Dee Engineering Works Pte Ltd	–	38,487
Wizdenki Pte Ltd	104,445	–

**PART II – ADDITIONAL INFORMATION REQUIRED FULL YEAR ANNOUNCEMENT**

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

Segment information by geographical areas is presented below:-

	<u>Asean</u>		<u>Asia</u>		<u>Rest of the World</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		Audited		Audited		Audited		Audited
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue by segments</b>								
Total Revenue by Segment	22,841	22,949	3,137	3,280	2,222	4,776	28,200	31,005
Profit (Loss) Before Interest and tax	2,008	353	95	134	(10)	58	2,093	545
Interest income							69	205
Finance costs							(374)	(264)
Profit Before Tax							1,788	486
Income Tax Expense							(102)	(143)
Profit For the Year							1,686	343

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

Not applicable.

- 16. A breakdown of sales as follows:**

	<u>Group</u>		
	<u>2014</u> <u>\$'000</u>	<u>2013</u> <u>\$'000</u>	Increase/ (Decrease) (%)
Sales reported for first half year	16,282	14,121	15.3
Profit before tax for first half year	1,014	273	271.4
Sales reported for second half year	11,918	16,884	(29.4)
Profit before tax for second half year	774	213	263.4

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

	<u>Latest full year</u> <u>\$'000</u>	<u>Previous full year</u> <u>\$'000</u>
Ordinary	906	503
Preference	–	–
Total	906	503

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

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

BY ORDER OF THE BOARD

Benedict Chen Onn Meng  
Chief Executive Officer

28 February 2015