

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 2013.

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 2013**

	Group		Increase (Decrease) (%)
	31 Dec 13 S\$'000	31 Dec 12 Audited S\$'000	
Revenue	31,005	39,139	(20.8)
Cost of Sales	(25,434)	(30,268)	(16.0)
Gross Profit	5,571	8,871	(37.2)
Other items of Income			
Interest Income	205	9	NM
Other Credits	72	413	(82.6)
Other items of Expenses			
Marketing and Distribution Costs	(605)	(742)	(18.5)
Administrative Expenses	(4,373)	(5,126)	(14.7)
Finance Costs	(264)	(496)	(46.8)
Other Charges	(120)	(479)	(74.9)
Profit Before Tax	486	2,450	(80.2)
Income Tax Expenses	(143)	(316)	(54.7)
Profit, Net of Tax	343	2,134	(83.9)
Other Comprehensive Income (Loss), Net of Tax:			
Exchange Differences on Translating Foreign Operations, Net of Tax	630	(1,000)	NM
Total Comprehensive Income	973	1,134	(14.2)
Profit/(Loss) attributable to:			
Equity Holders of the Company	352	2,167	(83.8)
Non-Controlling Interests	(9)	(33)	(72.7)
	343	2,134	(83.9)
Total Comprehensive Income attributable to:			
Equity Holders of the Company	958	1,072	(10.6)
Non-Controlling Interests	15	62	(75.8)
	973	1,134	(14.2)

NM – denotes not meaningful

NA – denotes not applicable

Notes to the Consolidated Statement of Comprehensive Income

	Group		Increase (Decrease) (%)
	31 Dec 13 S\$'000	31 Dec12 Audited S\$'000	
<u>Other Credits and (Other Charges)</u>			
Allowance for impairment on trade receivables – Reversal	23	–	NA
Bad debts recovered	–	3	(100.0)
Fair value gain on financial instrument	–	65	(100.0)
Foreign exchange adjustment gains (losses) – Net (Note 4)	22	(437)	NM
Gain on disposal of plant and equipment	1	30	(96.7)
(Provision) Reversal for slow moving inventories	(103)	261	NM
Provision for product warranty expense – provision	(17)	(42)	(59.5)
SME Grant	5	–	100.0
Others	21	54	(61.1)
Net	(48)	(66)	(30.3)
<u>Presented in Profit or Loss as :</u>			
Other Credits	72	413	(82.6)
Other Charges	(120)	(479)	(74.9)
Net	(48)	(66)	(27.3)
Depreciation and amortization	(108)	(212)	(49.1)
Adjustment for (under) over provision of tax in respect of prior years	(37)	43	NM

NM – denotes not meaningful
NA – denotes not applicable

1. Interest Income
The increase was due to interest earned from an advance made to an investment project.
2. Finance Costs
The decrease was mainly due to reduced borrowings.
3. Administrative Expenses
The decrease was mainly due to reduction in legal and professional fees, employee benefits and depreciation charges as compared to previous year.
4. The movement in exchange rates of United States Dollar against Singapore Dollar resulted in foreign exchange gain.

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 13 S\$'000	31 Dec 12 Audited S\$'000	31 Dec 13 S\$'000	31 Dec 12 Audited S\$'000
ASSETS					
<u>Non-Current Assets:</u>					
Property, Plant and Equipment	(i)	3,154	641	–	–
Investments in Subsidiaries		–	–	14,336	14,201
Deferred Tax Assets		82	97	–	–
Other Receivables	(ii)	22	104	–	–
Other Financial Assets		4	4	–	–
Total Non-Current Assets		3,262	846	14,336	14,201
<u>Current Assets:</u>					
Inventories	(iii)	16,673	19,050	–	–
Trade and Other Receivables		17,115	16,117	760	1,417
Other Assets	(iv)	945	713	2	2
Cash and Cash Equivalents	(v)	5,504	8,313	129	42
Total Current Assets		40,237	44,193	891	1,461
Total Assets		43,499	45,039	15,227	15,662
EQUITY AND LIABILITIES					
<u>Equity:</u>					
Share Capital		14,408	14,408	14,408	14,408
Retained Earnings		7,634	9,265	690	1,106
Other Reserves		(987)	(1,593)	–	–
		21,055	22,080	15,098	15,514
Non-Controlling Interests		–	481	–	–
Total Equity		21,055	22,561	15,098	15,514
<u>Non-Current Liabilities:</u>					
Finance Leases	(vi)	168	27	–	–
Other Financial Liabilities	(viii)	2,223	2,983	–	–
Total Non-Current liabilities		2,391	3,010	–	–
<u>Current Liabilities:</u>					
Provisions		40	53	–	–
Income Tax Payable	(vii)	145	217	–	13
Trade and Other Payables		8,530	7,722	129	135
Finance Leases	(vi)	67	23	–	–
Other Financial Liabilities	(viii)	9,105	10,526	–	–
Other Liabilities	(ix)	2,166	927	–	–
Total Current Liabilities		20,053	19,468	129	148
Total Liabilities		22,444	22,478	129	148
Total Equity and Liabilities		43,499	45,039	15,227	15,662

Notes

- (i) The increase was mainly due to improvements made to leasehold property and purchase of plant and equipment.
- (ii) The decrease was due to receipts collected.
- (iii) The decrease was due to inventories sold.
- (iv) The increase was mainly due to advance payments made to suppliers and contractors towards the purchase of equipment and construction costs of the Shanxi project.
- (v) The decrease was due to repayments of loans and purchase of plant and equipment.
- (vi) The increase was due to additional assets purchased under finance leases.
- (vii) The decrease was mainly due to settlement of tax liabilities during the year partially offset by under provision of tax liabilities in prior years.
- (viii) The decrease was due to the repayment of loans and other borrowings.
- (ix) The increase was mainly contributed by deposit received from a customer.

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 13		As at 31 Dec 12	
Secured	Unsecured	Secured	Unsecured
6,017	3,155	7,255	3,294

Amount repayable after 1 year

Group (S\$'000)			
As at 31 Dec 13		As at 31 Dec 12	
Secured	Unsecured	Secured	Unsecured
2,116	275	3,010	–

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\$235,000 (FY2012: S\$50,000) are secured against the leased assets.

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

Consolidated Statement of Cash Flows

	Group	
	31 Dec 13	31 Dec 12
	S\$'000	Audited S\$'000
Cash Flows From Operating Activities		
Profit before tax	486	2,450
Adjustments for:		
Interest Income	(205)	(9)
Interest Expense	264	496
Depreciation of Property, Plant and Equipment	108	212
Fair Value Gain on Derivative Financial Instruments	–	(65)
Gain on Disposal of Plant and Equipment	(1)	(30)
Currency translation differences	19	(16)
Provision for Warranty – loss	17	42
Operating Cash Flows before Changes in Working Capital	688	3,080
Inventories	2,991	1,721
Trade and Other Receivables	(557)	(4,421)
Other Assets	(232)	(149)
Trade and Other Payables	601	(1,196)
Other Liabilities	1,205	147
Provisions	(30)	(26)
Bank deposit (pledged)	32	(32)
Net Cash Flows From (Used In) Operations	4,698	(876)
Income Taxes Paid	(192)	(32)
Net Cash Flows From (Used In) Operating Activities (a)	4,506	(908)
Cash Flows From Investing Activities		
Purchase of Plant and Equipment	(2,354)	(305)
Disposal of Plant and Equipment	2	30
Acquisition of Non-controlling Interests (b)	(701)	–
Interest Received	6	9
Net Cash Flows Used In Investing Activities (c)	(3,047)	(266)
Cash Flows From Financing Activities		
Dividends paid to Equity Holders of the Company	(1,778)	(676)
Proceeds from Investment by Non-controlling Interests	–	419
Purchase of Treasury Shares	–	(100)
Other Financial Liabilities	–	1
Proceeds from Borrowings (d)	385	4,154
Repayments of Borrowings	(2,771)	(514)
Finance Lease Repayments	(55)	(136)
Interest Paid	(264)	(496)
Net Cash Flows (Used In) From Financing Activities	(4,483)	2,652
Net (Decrease) Increase in Cash and Cash Equivalents	(3,024)	1,478
Effects of Exchange Rate Changes on Cash and Cash Equivalents	247	(272)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balances	8,281	7,075
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balances	5,504	8,281

Notes:

- (a) The surplus in cash from operations mainly relate to the decrease in inventories, increase in other liabilities and increase in trade and other payables partially offset by the increase in trade and other receivables and other assets.
- (b) Acquisition of the remaining shares in Shanxi Weineng Coal Mine Gas Development Co., Ltd
- (c) The deficit in cash from investing activities mainly relate to the increased purchase of property, plant and equipment and acquisition of non-controlling interests.
- (d) The proceeds from borrowings was used for the improvement of the Group's leasehold property.
- (e) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise of the following:

	Group	
	31 Dec 13	31 Dec 12
	S\$'000	Audited S\$'000
Cash and cash equivalents	5,504	8,313
Bank deposit pledged	–	(32)
Cash and cash equivalents in consolidated statement of cash flows	5,504	8,281

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:							
Opening Balance at 1 Jan 2013	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)
Closing Balance at 31 Dec 2013	14,767	(359)	(987)	7,634	21,055	–	21,055
(a)							
Previous Year:							
Opening Balance at 1 Jan 2012	14,767	(259)	(498)	7,774	21,784	–	21,784
Investment by Non-Controlling Interests	–	–	–	–	–	419	419
Purchase of Treasury Shares	–	(100)	–	–	(100)	–	(100)
Total Comprehensive (Loss)/Income for the Year	–	–	(1,095)	2,167	1,072	62	1,134
Dividends Paid	–	–	–	(676)	(676)	–	(676)
Closing Balance at 31 Dec 2012	14,767	(359)	(1,593)	9,265	22,080	481	22,561
(a)							

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

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

Statement of Changes in Equity – Company

	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:				
Opening Balance at 1 Jan 2013	14,767	(359)	1,106	15,514
Total Comprehensive Income for the Year	–	–	1,362	1,362
Dividends Paid	–	–	(1,778)	(1,778)
Closing Balance at 31 Dec 2013	<u>14,767</u>	<u>(359)</u>	<u>690</u>	<u>15,098</u>
Previous Year:				
Opening Balance at 1 Jan 2012	14,767	(259)	363	14,871
Purchase of Treasury Shares	–	(100)	–	(100)
Total Comprehensive Income for the Year	–	–	1,419	1,419
Dividends Paid	–	–	(676)	(676)
Closing Balance at 31 Dec 2012	<u>14,767</u>	<u>(359)</u>	<u>1,106</u>	<u>15,514</u>

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 2013.

There are no convertibles as at 31 December 2013.

Total number of shares held as Treasury Shares as at 31 December 2013 is 9,768,000 shares (31 December 2012: 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 2013 is 335,509,121 shares (31 December 2012: 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 2013.

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 2012 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 13	31 Dec 12
Earnings per Ordinary Share for the year based on net profit attributable to Equity Holders of the Company:	Cents	Audited Cents
(I) Based on the weighted average number of ordinary shares in issue (cents)	0.105	0.642
(II) On a fully diluted basis (cents)	0.105	0.642

Basic earnings per share is calculated on the basis of consolidated profit after tax attributable to Equity Holders of the Company of S\$352,000 (31 Dec 12: S\$2,167,000) and on 335,509,121 (31 Dec 12: 337,806,261) 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 13	31 Dec 12	31 Dec 13	31 Dec 12
	Cents	Audited Cents	Cents	Audited Cents
Net Asset Value per Ordinary Share based on issued Share Capital at the end of the year (in cents)	6.28	6.58	4.50	4.62

The Group's net asset per ordinary share is calculated based on net assets attributable to Equity Holders of the Company of S\$21,055,000 (31 Dec 12: S\$22,080,000) and the share capital of 335,509,121 (31 Dec 12: 335,509,121) ordinary shares.

The Company's net asset per ordinary share is calculated based on net assets of S\$15,098,000 (31 Dec 12: S\$15,514,000) and the share capital of 335,509,121 (31 Dec 12: 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 13 ("FY2013") was S\$31.0 million compared to S\$39.1 million achieved a year ago ("FY2012"). Revenue decreased significantly due to the deferment of two local projects to FY2014 and reduced sales from the Rest of the World to S\$4.8 million from S\$9.9 million in FY2012.

Cost of Sales decreased by 16.0% to S\$25.4 million, due to decreased revenue. The gross profit margin decreased to 18.0% for FY2013, as compared to 22.7% for FY2012. This was due to a poorer mix of sales in FY2013.

Administrative Expenses decreased by 14.7% to S\$4.4 million mainly due to reduced legal and professional fees, employee benefits expense and depreciation charges.

Finance Cost decreased by 46.8% to S\$0.3 million due to reduced borrowings.

In HY2013, the Group has registered a profit, net of tax of S\$0.27 million.

The second half performance has been adversely impacted by additional provision of S\$0.26 million for slow moving inventories and foreign exchange losses of S\$0.19 million.

Accordingly, the Group registered a net profit after tax of S\$0.34 million for FY2013, compared to net profit after tax of S\$2.13 million in FY2012.

Statement of Financial Position

The Group's total assets as at 31 Dec 2013 decreased by S\$1.5 million over the previous year, mainly due to decrease in inventories of S\$2.4 million, cash and cash equivalents of S\$2.8 million and offset by the increase in property, plant and equipment of S\$2.5 million and trade and other receivables of S\$1.0 million.

Statement of Cash Flow

As at 31 Dec 2013, the Group's cash and cash equivalents stood at S\$5.5 million (FY2012: S\$8.3 million).

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.

Demand for power generators is expected to remain healthy within the ASEAN and Asia regions. Rest of the World is expected to remain at level achieved in 2013.

Updates on the Shanxi Project

There has been a delay in the construction schedule due to prolonged harsh weather and re-routing of the electrical cables and transmission lines that require fresh approval from the local power grid in Shanxi and negotiation with the contractors and land owners. These negotiations have now been finalized. Construction activities will resume as soon as the harsh weather conditions abate. The project is expected to be operational by Q3 of 2014.

Barring unforeseen circumstances, the Group expects to remain profitable in the financial year 2014.

11. Dividend

(a) Current Financial Period reported on

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

(b) Corresponding Period of the immediately Preceding Financial Year

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (cents)	0.38 cents (Exempt 1 tier)
Tax Rate	NA

(c) Date payable

Not Applicable.

(d) Books Closure Date

Not Applicable.

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

No final dividends have been declared.

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	–	1,843,576
Dee Engineering Works Pte Ltd	–	57,859
Wizdenki Pte Ltd	370,305	–

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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue by segments								
Total Revenue by Segment	22,949	16,719	3,280	7,744	4,776	14,676	31,005	39,139
Profit Before Interest and tax	353	811	134	351	58	1,775	545	2,937
Interest income							205	9
Finance costs							(264)	(496)
Profit Before Tax							486	2,450
Income Tax Expense							(143)	(316)
Profit For the Year							343	2,134

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>2013</u> <u>\$'000</u>	<u>2012</u> <u>\$'000</u>	Increase/ (Decrease) (%)
Sales reported for first half year	14,121	15,246	(7.4)
Profit before tax for first half year	273	226	20.8
Sales reported for second half year	16,884	23,893	(29.3)
Profit before tax for second half year	213	2,224	(90.4)

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	1,778	676
Preference	–	–
Total	1,778	676

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
Executive Chairman

25 February 2014