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

RESPONSES TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

The Board of Directors (the "Board") of VibroPower Corporation Limited (the "Company" (the "Company" and together with its subsidiaries, the "Group") refers to the questions received from the Securities Investors Association (Singapore) ("SIAS") and would like to provide the following information in response to questions raised.

SIAS Question 1:

For the year ended 31 March 2026, revenue from continuing operations increased by 123% to $11.3 million, compared to $5.1 million in FY2025, driven by a higher volume of project deliveries. Geographically, revenue was derived solely from customers in Singapore.

The company has stated that its order book for the projects segment increased compared with the previous financial year, supported mainly by higher demand from healthcare and infrastructure-related projects in Singapore.

(i) Can management disclose the current order book for the projects segment, including the expected timing of project deliveries?

Company's response:

The Group's Projects segment has an order book comprising projects at various stages of execution, with delivery expected progressively based on project schedules and customer requirements.

Subject to commercial sensitivities and confidentiality obligations, the Group may provide further forward-looking information where appropriate.

(ii) How much of the group's current order book and revenue is related to data-centre projects, and what capabilities or competitive advantages does management have to capture a larger share of this growth?

Company's response:

Data-centre-related projects are not a significant component of the Group's Projects segment, and form part of the broader business considered by the Group. The Company does not separately disclose detailed order book or revenue breakdowns by end-user industry due to commercial sensitivities.

The Group evaluates potential projects based on technical capabilities, execution requirements, commercial viability and available resources.

The group is also involved in two ongoing arbitrations with a project customer, which resulted in the group recognising total provisions of $2.94 million for potential back charges and liquidated damages.

(iii) What has the board identified as the underlying causes of the potential back charges and liquidated damages? What changes has the board made to its oversight of project contracting and execution, including contract review, pricing of project risks, variation orders, project monitoring and escalation procedures, to reduce the risk of similar disputes and margin erosion in future?

Company's response:

The underlying matters relating to the potential back charges and liquidated damages, including the relevant project disputes and provisions, have been disclosed in the Company's SGX announcements dated 5 August 2024 and 15 October 2024, and in Notes 19 and 2(a) of the FY2026 Financial Statements.

As the arbitrations are ongoing, further disclosure of details may prejudice the proceedings.

The Board recognises the importance of appropriate level of oversight of project contracting and execution, including project risk assessment, contract management, project monitoring and timely escalation of material issues. The Board and management continue to monitor project execution and strengthen relevant controls to mitigate similar risks.

Without prejudice to the ongoing arbitrations, the Board has reviewed with Management the lessons arising from the affected projects. The principal areas identified include clear definition and documentation of scope of work, payment terms and project timelines, and the need for these matters to be clearly communicated and agreed with customers.

Arising from this review, the following measures are being implemented:

(a) contract review: tenders and contracts are reviewed by management and, where appropriate, external legal counsel before submission or signing;

(b) pricing of project risks: tender pricing takes into account an assessment of liquidated damages exposure, delivery timelines, supply chain risks and raw material price risks with contingencies priced accordingly;

(c) variation orders: variations are documented and confirmed in writing by the customer before the related works proceed;

(d) project monitoring: each project is tracked against its budget, project schedule and cash flow, with monthly reporting to Management; and

(e) escalation: the Board receives a quarterly report on the status of major projects, including delays, disputes, claims and potential liquidated damages exposure.

The internal audit plan for FY2027 will include a review of the Group's project contracting and execution controls, and the Audit Committee will review the scope, findings and Management's follow-up actions.

Separately, under Note 27 (Significant related party transactions), the company disclosed that certain payments were made without the prior approval by, or contemporaneous reporting to, the board and the audit committee.

(iv) Has the board considered commissioning an independent, group-wide review of the group's management, operations and internal controls to assess whether it has the capabilities, discipline and processes to execute its business profitably and in accordance with the standards expected of a listed company?

Company's response:

The Board has not, at this stage, commissioned a separate independent, group-wide review of management, operations and internal controls. Having regard to the size of the Group and the specific nature of the issues identified, the Board considers that a focused review of the control areas concerned, namely RPTs and IPTs, payment authorisation and project contracting (see our response to Q1(iii)), carried out by the internal auditor under the direction of the Audit Committee, is at this stage a more proportionate and effective response than a separate group-wide review. The Company will update shareholders on the outcome of these reviews and the enhancements implemented in its FY2027 Annual Report.

The company's external auditor in their audit report has in their opinion stated that the "accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the consolidated position of the Group and the financial position of the Company as at 31 March 2026, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date".

Arising from the payments matter, the Audit Committee has independently reviewed the underlying documents and arrangements relating to the matters which have been disclosed in Notes 27 and 28(iv) of the Annual Report and is satisfied that these matters have been concluded.

As set out in Note 28, to address the reporting and disclosure lapses and prevent recurrence, the Audit Committee will work with the internal auditor to strengthen controls over related party transactions ("RPTs") and interested person transactions ("IPTs"). Enhancements will include formal transaction registers, pre-approval and authorisation protocols, threshold monitoring, staff training and periodic reporting to the Audit Committee. The Audit Committee will oversee implementation.

In addition, the Audit Committee has required the IPT mandate and its procedure be updated. External legal counsel and an independent financial adviser ("IFA") have also been engaged in connection with this exercise, which is expected to be submitted for shareholders' approval at the upcoming EGM before end of the year.

The Board has also taken the following steps to strengthen the Group's finance function and control environment:

(a) the Group appointed Mr Jonathan David Veluz as Financial Controller with effect from 15 September 2026 as announced on 7 September 2026]. During FY2026, the finance function had been led by an Acting Group Financial Controller; and

(b) as stated in the Corporate Governance Report, the Audit Committee considers that a major review in FY2027 of the internal controls over the identification, evaluation, review, approval and reporting of IPTs is required, as there had been no major review for several years. This review will be carried out by the internal auditor, Baker Tilly TFW LLP, under the direction of the Audit Committee.

SIAS Question 2:

The group's 40%-owned associated company, Vibro Biomass Energy Sdn. Bhd. (VBE), has secured banking facilities of RM50.7 million to acquire and upgrade the biomass power plant in Sandakan, Sabah, Malaysia.

In the chairman's message to shareholders, the project timeline included financial close by 31 July 2026, commencement by 1 September 2026 and initial operation by 31 December 2027.

(i) Given that the chairman's message was dated 8 September 2026 and the annual report was published on 10 September 2026, can the company confirm whether financial close was achieved by 31 July 2026 and whether project commencement had taken place by 1 September 2026?

Company's response:

The financial close was not achieved by 31 July 2026 and project commencement did not take place by 1 September 2026. VBE is continuing to work towards the revised project milestones, including financial close and project commencement, with initial operation currently targeted for on or before 31 December 2027.

The revised timeline reflects delays primarily arising from the procurement of the required financing facilities and changes in green financing requirements which were largely outside the Group's control.

(ii) As a 40%-owned associated company, what influence does the group have over VBE's key decisions, particularly in relation to project execution, financing and capital expenditure? What specific capabilities, resources or expertise does the group bring to the Sandakan project beyond its financial investment? And what contributions are expected of the partner(s)?

Company's response:

The Group exercises significant influence through its shareholder and governance rights, subject to the applicable agreements and arrangements with the other partners.

The respective contributions, responsibilities and commitments of VibroPower, VBE management and the other JV partner(s) are governed by the applicable commercial arrangements, taking into account commercial confidentiality and applicable disclosure requirements.

In practical terms, the Group's influence over VBE is exercised through the following:

(a) board representation: the Group has 2 nominees in the Board;

(b) reserved matters: key decisions such as budget, material financing, capital expenditure and the appointment of the main contractors require the approval of the Group's nominees; and

(c) information rights: the Group receives monthly management accounts and project progress reports from VBE.

Beyond its financial investment, the Group brings its experience in power generation and green power plant (Shanxi, China) built up since 1995, including the design, supply, installation, testing and commissioning of generator sets and power systems. The other JV partners contribute local knowledge, access to biomass feedstock from palm oil mills, and relationships with Sabah Electricity Sdn Bhd and the relevant Sabah authorities.

More than a year ago, on 18 February 2025, the company's announcement titled "Reactivation of biomass power plant in Sandakan" stated that VBE has entered into a renewable energy power purchase agreement with Sabah Electricity Sdn Bhd (SESB) and targeted an initial operation date by 31 October 2026. The current target of 31 December 2027 therefore represents a delay of more than 14 months.

(iii) Can management identify the principal factors behind the delay and explain which of these are within VBE's control? More importantly, what has the board changed in its oversight, project governance and monitoring approach to give shareholders confidence that the revised timeline and budget are achievable?

<u>*Company's response:*</u>

The revised timeline reflects delays primarily arising from the procurement of the required financing facilities and changes in green financing requirements.

Of these factors, the timing of the lender's credit approval and the requirements for green financing under Malaysia's Green Technology Financing Scheme 5.0 were largely outside VBE's control.

As VBE is a 40%-owned associated company, VibroPower's oversight and influence are exercised through its shareholder and board governance rights. The Group will continue to engage with VBE management and the relevant partners to monitor the project's key milestones, financing arrangements, budget and overall progress, and will make the necessary disclosures in accordance with applicable requirements.

To strengthen the Board's oversight of the project, the Board will adopt the following:

(a) the project is a standing agenda item at every Board meeting, with Management reporting progress against the key milestones (financial close, commencement, construction, commissioning and initial operation), the approved budget and funding;

(b) the Group's nominees on VBE's board will report promptly to the Board any material deviation from the approved budget or timeline; and

(d) the Company will announce via SGXNet the achievement of financial close and project commencement, and any material change to the project's timeline or budget, in accordance with its continuing disclosure obligations.

(iv) Do the independent directors collectively have relevant expertise or experience in power generation, power plants or power-related projects, including project development, engineering, procurement, installation, commissioning and operations? If not, how does the board ensure that it has sufficient independent technical expertise to effectively oversee an investment of this nature?

<u>*Company's response:*</u>

The three independent directors bring legal, accounting, corporate finance and corporate governance and cross-borders expertise to the Board. None of them has a professional background in power plant engineering or operations. The Board's technical expertise in power generation resides principally in the CEO, Mr Benedict Chen, who co-founded the Group and has led its power generation business for more than 40 years.

The Board recognises the technical and operational complexities of the Sandakan biomass power plant project. While the Board has collective experience in the power generation sector, specialist expertise may be required for biomass plant development, engineering, commissioning and operations.

As VBE is a 40%-owned associated company, the Company exercises oversight within the scope of its shareholder and governance rights. The Board will assess the need for additional technical, engineering, financial or other professional expertise and seek advice from suitably qualified professionals where appropriate.

Given the Group's strategic move into renewable energy, the Nominating Committee will, as part of its review of Board composition and succession planning under the Board Diversity Policy, consider whether the Board would benefit from the appointment of an additional independent director with expertise in power generation or renewable energy projects.

In the meantime, the Board has engaged an independent technical adviser to advise on the key technical and commercial aspects of the Sandakan project at major milestones, and will also have regard to the reports of the lender's technical adviser.

SIAS Question 3:

According to SGX StockFacts, the company trades at a price-to-book value of 0.8 times and has a negative enterprise value of $1.08 million. Long-standing shareholders may remember that the company traded as high as $1.28 in 2005[1]. Over the past two decades, the share price has declined significantly.

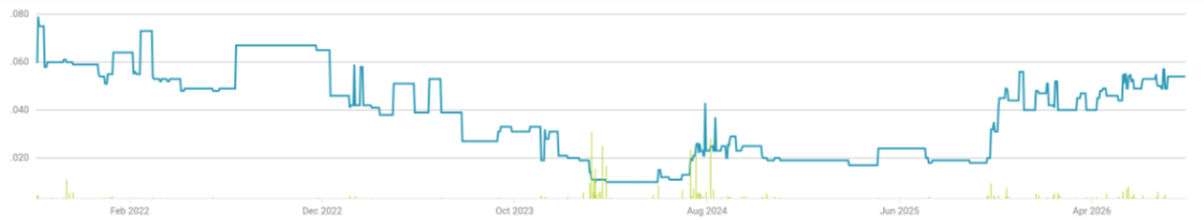
A negative enterprise value can reflect a number of factors, including the market's assessment of the group's ability to generate sustainable earnings from its assets and capital, confidence in management's ability to execute its strategy, and the credibility and attractiveness of its growth plans.

VibroPower (BJD)

Industry: Industrials, Specialty Industrial Machinery

0.054
0.000 (0.000%)

Prices & Chart | Company Announcements | Financial Statements | Corporate Actions | Market Updates | Market Dialogues | Analyst Research | Company Inform



Overview | **Valuation** | Financials | Dividends | Ownership

Price/Book Value ⓘ	0.820	Enterprise Value ⓘ	SGD -1.08M	Price/Sales ⓘ	0.334
Price/CF ⓘ	1.979	Dividend Yield (%) ⓘ	-	P/E Ratio ⓘ	5.74
Dividend Yield 5-yr avg (%) ⓘ	-	Net Debt ⓘ	SGD -	5 Years PE Ratio	0.90

(Source:https://investors.sgx.com/market/securities?code=BJD&type=stocks&lang=en)

As at 31 March 2026, accumulated losses have increased to $(14.35) million.

(i) **Can the board or audit committee confirm whether there were any audit adjustments to the unaudited full year results announced on 30 June 2026 following the finalisation of the audit for FY2026 by the independent auditors? If so, what were the principal adjustments and how did the audit committee assess their materiality and determine whether an immediate announcement was required under the SGX Listing Rules?**

Company's response:

The adjustments primarily related to the accounting treatment of the redeemable convertible bond, including finance costs and the fair value of the derivative financial instrument, as well as corrections to the share of results of an associate and foreign currency translation. These were principally non-cash technical accounting and valuation adjustments.

The Audit Committee reviewed the adjustments with Management and the external auditors, including their nature and impact on the Group's financial position and results. In assessing the overall impact, the Audit Committee and the Board considered, among other factors, the cash and non-cash effects, and the impact on profit or loss, net assets, liabilities and cash position. The adjustments did not impact the Group's underlying cash position or operations.

After more than 25 years as a listed company, the group continues to report accumulated losses of $14.35 million as at 31 March 2026.

(ii) Has the board undertaken a fundamental review of the group's long-term value creation record, including the effectiveness of its strategy, capital allocation and management execution? What specific financial and operational metrics does the board use to assess management performance, and how are these linked to management accountability and remuneration?

Company's response:

The Board recognises its responsibility to provide strategic direction, oversee management performance and safeguard the long-term interests of shareholders.

As disclosed in the FY2026 Annual Report, the Board's responsibilities include reviewing management performance, approving budgets and funding requirements, overseeing capital investment and major corporate proposals, and monitoring strategic and business-planning matters.

Over the past few years, the Board has overseen a repositioning of the Group. This has included the disposal of a subsidiary in September 2024, the striking off of a dormant subsidiary in February 2026, and the proposed disposals of the Tuas property and the Kluang land, so as to focus the Group's capital and management attention on its core Projects business and its entry into renewable energy.

Management performance and remuneration are assessed with reference to the Group's overall performance and the individual's contribution and performance. The variable component of remuneration is linked to performance, where applicable.

The Board monitors the Group's performance each quarter with reference to financial metrics, including revenue, gross profit margin, profit before tax, operating cash flow, working capital and gearing (measured by the debt-to-adjusted capital ratio set out in Note 31 to the FY2026 financial statements), and operational metrics, including order book, project delivery against schedule and budget, and claims and disputes.

The CEO's annual incentive bonus is pegged to the Group's financial performance. Consistent with this, and as disclosed in the Corporate Governance Report, no performance-related bonus was paid to the CEO or to the Company's other key management personnel for FY2026.

The Remuneration Committee will review whether these metrics should be formalised as key performance indicators with defined targets, and, as contemplated in the Corporate Governance Report, whether a long-term incentive scheme that aligns management's rewards with sustained shareholder returns would be appropriate.

The Board continues to review the Group's strategy, capital allocation, management execution and performance, and will consider appropriate enhancements to its performance monitoring and management accountability framework as the Group progresses.

In addition to improving the execution and delivery processes in its Projects segment, the Board regards the Group's entry into renewable energy, beginning with the Sandakan biomass power plant, as a strategic shift towards stable and recurring revenue, which the Board believes will support better growth and financial results over the longer term.

The Monetary Authority of Singapore's Equities Market Review Group has introduced a $30 million "Value Unlock" programme to support listed companies in strengthening corporate strategy, capital optimisation and investor engagement.

(iii) Has the board assessed whether the group could benefit from any of the initiatives under the programme, particularly in strengthening its strategy, capital allocation and investor engagement? If so, what specific measures is the board considering?

Company's response:

The Board and Management have not undertaken a specific assessment of the initiatives under the Value Unlock programme. The Board has since noted that the programme offers two grants. The Equip Grant co-funds training in areas such as investor relations, corporate communications and corporate strategy. The Elevate Grant co-funds external professional services in investor relations, corporate strategy and financial management for companies seeking to close a valuation gap. Given the Company's current valuation, the Board has asked Management to assess the Group's eligibility for both grants, and in particular whether the Elevate Grant could support the engagement of an investor relations adviser to help the Group communicate its strategy and progress more clearly to the market.

In addition to the Group's strategic move into renewable energy, the Company is reviewing its corporate website and investor communication channels to engage more effectively with shareholders, investors and other stakeholders. The enhancements under consideration include:

(a) a refreshed Investor Relations section that brings together the Group's announcements, results, annual reports, sustainability reports and minutes of general meetings;

(b) a clearer presentation of the Group's strategy, businesses and key projects, including updates on the Sandakan biomass power plant that have been announced via SGXNet;

(c) more accessible information on the Group's corporate governance, including its Board committees and the remuneration of directors and key executives; and

(d) a dedicated channel through which shareholders may submit questions to the Company.

All material information will continue to be released first via SGXNet. The website will supplement, and not replace, the Company's announcements on SGXNet.

The group has disposed of its property at 11 Tuas Avenue 16 for $3.93 million, and has entered into a sale and purchase agreement to sell the freehold land in Kluang, Johor for RM17.5 million, or approximately $5.6 million. The company last paid a dividend[2] in November 2015, more than a decade ago.

(iv) Has the board developed or refined its capital management framework to address capital efficiency, reinvestment requirements and potential shareholder distributions? Specifically, following the asset disposals, has the board considered returning part of the proceeds to shareholders via a special dividend or capital reduction, so that they can make their own capital allocation decisions?

Company's response:

The Group has taken steps to unlock value from its non-core assets in Singapore and Malaysia. For clarity, neither disposal has been completed. The option to purchase the property at 11 Tuas Avenue 16 was exercised on 25 June 2026, and the sale and purchase agreement for the freehold land in Kluang, Johor was entered into on 10 July 2026. Completion of both disposals remains subject to conditions precedent, including shareholders' approval and, in the case of the Tuas property, the approval of JTC, and in the case of the Kluang land, the issuance of an amalgamated title and the approval of the relevant State Authority.

The Board appreciates the continued support of our shareholders and rewarding them through distributions remains an aspiration of both the Board and management. The Group's return to profitability in the first half of FY2026, and its net profit of S$0.9 million for the first quarter of FY2027, are encouraging steps in that direction.

At this stage, however, the Board considers that the net disposal proceeds are needed for the Group's cash flow. As stated in the Chairman's Message, the Group expects to apply the net proceeds mainly towards working capital, supporting its growing order book, project execution requirements and the Group's overall liquidity. The Group's order book for the Projects segment has strengthened, and larger and more numerous projects require the Group to fund materials, equipment and subcontracting costs ahead of progress billings. At the same time, the Group is embarking on its renewable energy business through the biomass power plant project in Sandakan, Sabah, which is intended to provide stable, recurring revenue and anchor the Group's diversification strategy.

Shareholders may also wish to note the following:

(a) as disclosed in Note 2(a) to the FY2026 financial statements, the timely completion of the two disposals is one of the key assumptions on which the financial statements have been prepared on a going concern basis;

(b) as at 31 March 2026, the Company had accumulated losses of S$6.74 million (Group: S$14.35 million), which would need to be taken into account in any proposed distribution; and

(c) the Kluang land is held by Agrimal Project Sdn. Bhd., in which the Company has an effective interest of 68.2%, and the net proceeds from the Tuas property will be applied in part towards repaying the associated borrowings. The amount available to the Group is therefore lower than the headline consideration for the two disposals.

For these reasons, the Board does not propose to return any part of the disposal proceeds to shareholders through a special dividend or capital reduction at this time.

The Group's capital management objectives are set out in Note 31 to the FY2026 financial statements, and are reviewed by the Audit Committee and the Board. As the Group's earnings and operating cash flows strengthen, including from the renewable energy business, the Board will revisit its capital management priorities and dividend policy, with a view to balancing the funding of its growth initiatives with returns to shareholders.

BY ORDER OF THE BOARD

Benedict Chen Onn Meng
Chief Executive Officer
25 September 2026