VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

DISPOSAL OF SHARES IN A SUBSIDIARY

1. INTRODUCTION

The board of directors (the "Board") of Vibrant Group Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that its 60%-owned subsidiary, Vibrant Properties Pte Ltd via its wholly-owned subsidiary Vibrant Investment & Management (Shanghai) Co., Ltd's 100% subisidiary Vibrant Development (Changshu) Co., Ltd, has entered into an agreement (the "Sale Agreement") to dispose its entire 60% equity interest in Master Development (Jiangyin) Co., Ltd (the "Disposal"). The Group's effective interest in MDJ is 36%.

2. INFORMATION ON MASTER DEVELOPMENT (JIANGYIN) CO., LTD

Master Development (Jiangyin) Co., Ltd ("MDJ") is a private company limited by shares incorporated in China. MDJ is a 60%-owned subsidiary of Vibrant Development (Changshu) Co., Ltd ("VDC"), with 江阴峰腾国际贸易有限公司 holding the remaining 40% of the shares. The registered share capital of MDJ is RMB 20 million.

MDJ's principal activitiy is in the business of property development. In October 2016, MDJ had acquired a 70 years leashold mixed residential and commercial development site in Jiangyin City with a total land area of 30,249 square metres. A total of 508 units of residential apartments and 148 units of commercial units with 400 basement car park lots had been built and completed in October 2018 ("Master-Riviera Project").

3. CONSIDERATION

The purchase consideration of RMB 50 million (approximately S$10 million) was agreed for the sale of MDJ. The consideration was arrived at after arm's length negotiations and on a willing-buyer-willing-seller basis, taking into account the unaudited net assets of MDJ which is RMB 51.9 million (approximately S$10.3 million) as at 31 October 2018. As VDC holds 60% interest in MDJ, this represents a deficit of RMB 1.1 million (approximately S$0.2 million) of the proceeds over the book value.

The payment terms are as follows:

i. 10% upon signing of the Sale Agreement;
ii. 70% upon hand-over of management control to the purchaser;
iii. 20% upon completion of registration of ownership with local government.

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("LISTING MANUAL") IN RELATION TO THE DISPOSAL

For the purposes of Chapter 10 of the Listing Manual, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the audited consolidated financial statements of the Group for the financial year ended 30 April 2018 are set out below:

Bases in Rule 1006

(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	3.43%
(b)	Net profits attributable to the assets to be disposed of, compared with the Group's net profits.	-14.72%
(c)	Aggregate value of the Consideration to be received, compared with the Company's market capitalization of S$119,155,291 based on the total number of issued Shares excluding treasury Shares	8.35%
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

5. RATIONALE AND BENEFITS OF THE DISPOSAL

Substantially all residential units in the Master-Riviera Project has been sold. However, sales of its commercial units have been dampened by the slow market seen in China.

The sale presents a good opportunity for the Group to realise its investment in the project, which is in line with the Group's strategy.

6. INTENDED USE OF PROCEEDS FROM THE DISPOSAL

The proceeds are intended to be used to repay debt and bank borrowings.

7. FINANCIAL EFFECTS OF THE DISPOSAL

The financial effects of the Disposal on the Group 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 Disposal. In accordance with Rule 1010(8) of the Listing Manual, the financial effects set out below have been calculated using the audited consolidated financial statements of the Group for the financial year ended 30 April 2018.

NTA

Assuming that the Disposal had been completed on 30 April 2018, the effect of the Disposal on the NTA per Share of the Group is as follows:

	Before the Disposal	**After the Disposal**
NTA (S$'000)	208,203	208,064
Number of Shares ('000)	692,763	692,763
NTA per Share (S$ cents)	30.05	30.03

EPS

Assuming that the Disposal had been completed on 1 May 2017, the effect of the Disposal on the EPS of the Group is as follows:

	Before the Disposal	**After the Disposal**
Net loss attributable to Shareholders (S$'000)	(88,688)	(88,827)
Weighted average number of Shares ('000)	677,700	677,700
EPS – basic (S$ cents)	(13.09)	(13.11)

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and controlling shareholder(s) of the Company have any interest, direct or indirect, in the Disposal, other than through their respective shareholdings in the Company.

By Order of the Board

Eric Khua Kian Keong
Executive Director & CEO
19 December 2018