



RESPONSE TO SGX-ST QUERIES

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's announcement dated 23 October 2019 (the "Announcement").

The Board of Directors (the "**Board**") of Vibrant Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the queries from Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 29 October 2019 and 30 October 2019 regarding the Announcement and sets out its response as follows:

Query 1

We refer to the announcement issued by the Company on 23 October 2019 entitled "Entry into a sale and purchase agreement in relation to the proposed acquisition of 49% of the entire issued and paid up share capital of Shentoncil Pte. Ltd.". Please disclose the information required under Listing Rule 1010(5), namely the book value of the assets being acquired.

Company's response:

In respect of the Proposed Transaction, the net book value attributable to the Sale Shares as at 31 July 2019 is approximately S\$36.73 million.

Query 2

Please provide further elaboration on the condition precedent relating to written consent from the relevant bank.

Company's response:

Ececil Pte. Ltd. ("**Ececil**") currently has outstanding banking facilities from a bank with, *inter alia*, the Target being a surety. Hence, Ececil and the Target must seek and obtain prior written consent from the said bank for the Proposed Transaction prior to Completion of the Sale Shares.

Query 3

It is stated that, "In the event that certain condition precedents are not satisfied or met before the long stop date or such other later date to be mutually agreed between the Seller and the Purchaser in writing, the SPA shall cease and determine, and the Seller shall elect to, *inter alia*, (i) return the Deposit to the Purchaser within five (5) Business Days of the long stop date free of interest in accordance with the terms and conditions of the SPA, or (ii) notify the Purchaser that it shall not be returning the Deposit to the Purchaser and that the Purchaser may take possession of the Sale Shares."

- (i) Please provide further elaboration on the "certain conditions precedent" as aforementioned.
- (ii) Please clarify if the remaining consideration is still payable under the situation that the Seller elect to not return the Deposit to the Purchaser and that the Purchaser may take possession of the Sale Shares.

Company's response:

- (i) The "certain conditions precedents" (which were disclosed in the Company's announcement dated 23 October 2019) refer to the following:-
 - (a) approval of the shareholders of the Company in general meeting for the purchase of the Sale Shares, if required;
 - (b) the prior written consents from the bank for the Proposed Transaction being obtained; and
 - (c) the Purchaser and the Company having received the requisite approval(s) from its board of directors for the purchase of the Sale Shares from the Seller, and such approvals have already been obtained as of the date hereof.
- (ii) In the event that the Seller elects to not return the Deposit to the Purchaser and the Purchaser does take possession of the Sale Shares, the remaining consideration will not be payable to the Seller.

Query 4

Please identify the party holding the remaining 60% of Ececil.

Company's response:

The Seller holds 110 ordinary shares, representing the remaining 55% of the total issued and paid up capital of Ececil and Heng Bo International Investment Pte. Ltd. ("**Heng Bo**"), a company incorporated in Singapore, holds 10 ordinary shares, representing the remaining 5% of the total issued and paid up capital of Ececil. Heng Bo's sole shareholder is a Singapore permanent resident, Zhao Boguo.

Query 5

Please provide information on the party who has control over the Proposed Disposal of the Property and Ececil.

Company's response:

The Seller owns 55% of Ececil and the Company, after the Proposed Transaction will own 40% of Ececil. The Seller and the Company have jointly undertaken to use all reasonable efforts to complete the sale of the Proposed Disposal as soon as reasonably practicable.

Query 6

Is there a timeline for the Proposed Disposal? If yes, please provide details of the timeline.

Company's response:

There is no timeline for the Proposed Disposal. As mentioned in the response to Query 5, the Seller and the Company have jointly undertaken to use all reasonable efforts to complete the sale of the Proposed Disposal as soon as reasonably practicable. The completion of the Proposed Disposal would determine the timeline to make payment and the amount of balance consideration payable to the Seller.

Query 7

What is the Company's plan for acquiring the remaining 49% of the Target with a view of disposing the Property or Ececil?

Company's response:

The Purchaser currently owns 51% of the total issued and paid up share capital of the Target, and by acquiring the remaining 49% of the total issued and paid up share capital of the Target, the Purchaser would then own 100% of the Target and would have total control. It is the intention of the Company to ultimately dispose of the Property or Ececil should the opportunity present itself. The Purchaser is acquiring the Target at approximately 40.4% discount to the unaudited net tangible assets attributable to the Target as at 31 July 2019. In the event that the Proposed Disposal is completed at its fair value, the Purchaser is then able to capitalise on the discount received on the acquisition of the Target. However, even in the event that should the Proposed Disposal be completed at a value where the net tangible assets attributable to the Target is lower than S\$21,883,422.91, the Purchaser would then be able to claim a proportionate and corresponding downward adjustment to the Consideration. In this respect, the Purchaser has full recourse in the event of a downside risk, while at the other end, it has the full benefit of any upside gain in the value of the Proposed Disposal.

Query 8

Please provide information on other key assets and businesses of the Target.

Company's response:

The Target is primarily in the business of real estate investment holding, a special purpose vehicle established to own 40% of the total issued and paid up capital of Ececil, which in turn owns 100% of the Property which is located at 139 Cecil Street, Singapore 069539.

Query 9

Please provide the latest market valuation of the Property.

Company's response:

Based on a valuation report dated 12 July 2019 carried out by an independent valuer, the market value of the Property as at 30 April 2019 was S\$203.0 million. A copy of the valuation report will be available for inspection during normal business hours at the registered office of the Company at 51 Penjuru Road #04-00 Singapore 609143 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Eric Khua Kian Keong
Executive Director & CEO
30 October 2019