VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

THE PROPOSED ACQUISITION OF BLACKGOLD INTERNATIONAL HOLDINGS AS A DISCLOSEABLE TRANSACTION PURSUANT TO CHAPTER 10 OF THE LISTING MANUAL

1. INTRODUCTION

1.1 The Scheme

The Board of Directors (the "**Board**") of Vibrant Group Limited (the "**Company**" or the "**Bidder**", and together with its subsidiaries, the "**Vibrant Group**") is pleased to announce the proposed acquisition (the "**Acquisition**") by the Company of the entire issued and paid-up ordinary shares (the "**Scheme Shares**") in the capital of Blackgold International Holdings Limited ("**BIH**" or the "**Target**", and together with its subsidiaries, the "**BIH Group**"). The Acquisition will be effected by way of a scheme of arrangement (the "**Scheme**") in accordance with Part 5.1 of the Corporations Act 2001 of Australia (the "**Corporations Act**").

1.2 Scheme Implementation Deed

In connection with the Acquisition, the Company and BIH (each, a "**Party**" and collectively, the "**Parties**") have today entered into a scheme implementation deed (the "**Scheme Implementation Deed**") setting out the terms and conditions on which the Company and BIH will implement the Scheme for the purposes of the Acquisition.

1.3 Definitions

All capitalised terms used herein, unless otherwise defined, are defined in Schedule 1 of this announcement (the "**Announcement**").

2. INFORMATION ON THE PARTIES

2.1 The Company

Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited) was incorporated in 1986 and listed on the SGX-ST in 1995. The Vibrant Group is a leading logistics, real estate and financial services group headquartered in Singapore. It offers a comprehensive range of integrated logistics services including international freight forwarding, chemical storage and logistics, warehousing and distribution, and record management. The Vibrant Group is also engaged in the real estate business of property management, development and investment.

Its financial services include fund management, financial leasing services, and asset and trust management. The Vibrant Group is the sponsor and manager of Sabana Real Estate Investment Trust (REIT), the world's largest listed Shari'ah compliant REIT.

2.2 BIH

BIH is a Chongqing, China-based producer of thermal coal predominantly sold for industrial power generation to power plant customers in Shanghai. BIH listed on ASX on 22 February 2011. For more information, please visit http://www.blackgoldglobal.net.

BIH currently owns four underground thermal coal mines, strategically located near the Yangtze River, and operates through its controlled entities wholly-owned by Blackgold

Holdings HongKong Limited, an investment holding company. BIH is also engaged in the commodity logistics and coal trading business.

As at the date of this Announcement, the Vibrant Group owns 51,651,103 shares of BIH, representing approximately 5.8165% of the total issued share capital of BIH, based on the 888,003,622 issued ordinary shares in the capital of BIH.

3. THE SCHEME

3.1 The Acquisition

Subject to the Scheme becoming Effective (as defined in paragraph 3.3 below), the Bidder covenants in favour of Target that in consideration for the transfer to Bidder of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, the Bidder will provide or cause to be provided the Scheme Consideration to Scheme Shareholders (for each Scheme Share held on the Record Date) in accordance with the terms of the Scheme, the Deed Poll and the Scheme Implementation Deed.

3.2 The Explanatory Memorandum

Information relating to the Scheme, an explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act and registered with ASIC, the Independent Expert's Report, the Deed Poll, a copy of the Scheme Implementation Deed and the notice convening the Scheme Meeting (together with proxy forms) (the "**Explanatory Memorandum**") will be dispatched by BIH to Scheme Shareholders and approved by the Federal Court of Australia.

3.3 Effective Date

The Scheme will become effective ("**Effective**"), pursuant to section 411(10) of the Corporations Act, upon the order of the Court made under section 411(4)(b) of the Corporations Act and that Court order being lodged with ASIC.

3.4 Delisting/Compulsory Acquisition

Upon the Scheme becoming implemented, BIH will become a wholly-owned subsidiary of the Company and will be delisted from the ASX.

3.5 Classification of Transaction under Rule 1006

The Acquisition constitutes a "discloseable transaction" under Rule 1006 of the Listing Rules. Further information in relation to the above is set out in paragraph 6.1 of this Announcement.

4. SCHEME CONDITIONS

The material terms of the Scheme include the following:-

4.1 Scheme Conditions

The Scheme will not become Effective until each of the following conditions has been fulfilled or validly waived (as the case may be) (the "**Scheme Conditions**"):-

(a) no Material Adverse Change in respect of Target occurs or becomes known to Bidder, and no Material Adverse Matter in respect of Target becomes known to Bidder, after the date of the Scheme Implementation Deed and before 8.00 am on the Second Court Date;

(b) no Target Prescribed Event occurs or becomes known to Bidder after the date of the Scheme Implementation Deed and before 8.00 am on the Second Court Date;

(c) the Target Warranties are true and correct in all material respects on the date of the Scheme Implementation Deed and as at 8.00 am on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date);

(d) the Bidder Warranties are true and correct in all material respects on the date of the Scheme Implementation Deed and as at 8.00 am on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date);

(e) the Independent Expert issues the Independent Expert's Report which concludes that the Scheme is in the best interests of Scheme Shareholders before the date on which the Explanatory Memorandum is registered by ASIC under the Corporations Act and the Independent Expert does not change that conclusion or withdraw its report prior to 8.00 am on the Second Court Date;

(f) Scheme Shareholders approve the Scheme by the majorities required under section 411(4)(a) of the Corporations Act in relation to the Scheme Meeting convened by the Court;

(g) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;

(h) the Treasurer of the Commonwealth of Australia has either:

(i) provided written notice which is unconditional or subject only to conditions reasonably acceptable to both Bidder and Target that there is no objection under the Foreign Acquisitions and Takeovers Act 1975 (Cth) or Australian foreign investment policy to the Scheme; or

(ii) become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the Scheme;

(i) before 8.00 am on the Second Court Date, ASIC has issued or provided such consents, waivers or approvals or done such other things as are reasonably necessary to implement the Scheme;

(j) before 8.00 am on the Second Court Date, Bidder Shareholders approve the Bidder Shareholder Resolutions by the requisite majorities (if applicable);

(k) before 8.00 am on the Second Court Date, ASX provides such consents and approvals as are reasonably necessary to implement the Scheme, subject to any conditions which ASX may reasonably require, including implementation of the Scheme;

(l) no Regulatory Authority has:

(i) undertaken a judicial proceeding seeking to enjoin, restrain or otherwise prohibit or impose adverse conditions on the Scheme which remain in effect as at 8.00 am on the Second Court Date; or

(ii) issued an order, decree or ruling prohibiting or imposing adverse conditions on or otherwise preventing completion of the Scheme which remains in effect as at 8.00 am on the Second Court Date; or

(iii) declined to issue an order, decree, ruling, notification or communication by 8.00 am on the Second Court Date that is required for the Scheme to be implemented in accordance with the Scheme Implementation Deed;

(m) Bidder receives all consents and/or approvals required by the Ministry of Commerce in People's Republic of China for the implementation of the Scheme on terms acceptable to Bidder, acting reasonably (if applicable); and

(n) before 8.00am on the Second Court Date, all required Third Party Consents are granted or obtained by the relevant member of the Target Group in respect of or in connection with the Scheme, on terms acceptable to Bidder (acting reasonably), and those Third Party Consents are not withdrawn, cancelled or revoked before that time.

4.2 **Scheme Consideration**

Subject to the Scheme becoming Effective, in consideration of the transfer to the Company of each Scheme Share held by each BIH shareholder registered in the Target Share Register as a holder of a Scheme Share as at the Record Date (other than the Bidder) (the "**Scheme Shareholders**") under the Scheme, the Company will provide or cause to be provided A$37,635,863 in cash, or such other amount as agreed between Company and BIH, for each Scheme Share held by such Scheme Shareholders (the "**Scheme Consideration**"). Scheme Consideration payments to individual Scheme Shareholders will be rounded down to the nearest whole cent.

Subject to the obligations of the Bidder under the Deed Poll, the Bidder undertakes in favour of each Scheme Shareholder to deposit, or procure the deposit of, in cleared funds, by no later than 5pm Australian Western Standard Time on the Business Day before the Implementation Date, an amount equal to the total amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme, to the share registry of BIH, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to the Bidder's account subject to and in accordance with the terms of the Scheme.

The aggregate consideration for the Acquisition was determined to be A$37,635,863[1], based on a price of A$0.045 per Scheme Share. The consideration price per Scheme Share was determined based on a willing-buyer-willing-seller basis. The Acquisition will be funded through a combination of internal resources and bank borrowings.

4.3 **Termination**

4.3.1 Termination by the Bidder

The Scheme Implementation Deed provides, *inter alia*, that the Bidder may terminate the Scheme Implementation Deed:-

4.3.1.1 at any time before 8.00 am on the Second Court Date, by notice in writing to BIH:-

(a) if a Scheme Condition becomes incapable of satisfaction or has not been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 28 April 2017 and the parties cannot agree on proceeding with the Scheme by way of an alternative approach;

(b) or at any time before 8.00 am on the Second Court Date:

[1] The calculation of the aggregate consideration excludes the Company's relevant interest of 5.8165% in BIH.

(i) if there is a material breach of any of the Target Warranties, or a Target Prescribed Event occurs, or a Material Adverse Change occurs in respect of Target, provided that in each case Bidder is only entitled to terminate if it has given notice to Target setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by Target;

(ii) if a majority of the Target Board publicly change their recommendation in relation to the Scheme or publicly recommends a Superior Proposal;

(iii) if Target is in material breach of the Scheme Conditions, its obligations in respect of the Scheme or the Bidder Shareholder Resolutions (if applicable), its obligations in relation to its conduct of business or request for access, or the exclusivity arrangements, as set out in the Scheme Implementation Deed, before that time, provided that Bidder is only entitled to terminate if it has given notice to Target setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by Target; or

(iv) if Target is in material breach of Target's obligations in respect of the Target Board recommendation, or the Target Director intentions of the Scheme Implementation Deed; or

4.3.1.2 at any time before the Explanatory Memorandum is provided to ASIC if the due diligence results carried out by the Bidder:-

(a) show that the total net asset position of the Target is less than the total net asset position as shown in the Target's 31 July 2016 balance sheet by an amount of A$10 million or more; or

(b) identifies any matters which have not been disclosed to the ASX prior to the date of this deed which have or will have an material adverse effect on the net assets of the Target of A$10 million or more, including but not limited to the following events:

(i) any matter being a Material Adverse Matter;

(ii) any change of control provision is identified which may be applicable to the Target as a result of implementing the Scheme or entering into this deed; and

(iii) any requirement is identified for the Bidder to provide guarantees following implementation of the Scheme; or

4.3.1.3 at any time before the Explanatory Memorandum is provided to ASIC if the Target fails to provide due diligence information reasonably requested by Bidder to determine the matters above in paragraph

4.3.1.2 in a timely manner and the Bidder provides 5 Business Days prior notice of the default and the Target fails to remedy the default within that time period.

4.3.2 Termination by the Target

The Scheme Implementation Deed provides, *inter alia*, that the Target may terminate the Scheme Implementation Deed:-

4.3.2.1 at any time before 8.00 am on the Second Court Date by notice in writing to Bidder:-

(a) if a Scheme Condition becomes incapable of satisfaction or has not been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 28 April 2017 and the parties cannot agree on proceeding with the Scheme by way of an alternative approach; or

(b) at any time before 8.00 am on the Second Court Date:

(i) if there is a material breach of any of the Bidder Warranties as set out in the Scheme Implementation Deed, or a Material Adverse Change occurs in respect of Bidder, provided that in each case Target is only entitled to terminate if it has given notice to Bidder setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by Bidder;

(ii) if the Target Board publicly changes or withdraws its recommendation or publicly recommends to Scheme Shareholders pursuant to any Superior Proposal;

(iii) if Bidder is in material breach of its general obligations in relation to the Scheme Conditions and the Regulatory Conditions, its obligation to provide to the Court at the Second Court Hearing a certificate confirming that all Conditions have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed (if necessary), its obligations in respect of the Scheme and Bidder Shareholder Resolutions as set out in the Scheme Implementation Deed, before that time, provided that Target is only entitled to terminate if it has given notice to Bidder setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is received by Bidder;

(iv) if Bidder is in material breach of Bidder Board recommendation clause, being the requirement that if there is a Circular, the announcement relating to such Circular and such Circular must indicate that the Bidder Board has recommended that Bidder Shareholders vote in favour of the Bidder

Shareholder Resolutions and that all Bidder Directors intend to vote any Bidder Shares in respect of which they have the power to direct a vote in favour of the Bidder Shareholder Resolutions; or

(v) if the Bidder is insolvent or is unable to pay its debts when they fall due or a liquidator, provisional liquidator, administrator or official manager is appointed to the Bidder or a receiver (or a receiver and manager) is appointed to any property or any business of the Bidder.

5. RATIONALE FOR THE ACQUISITION

The Acquisition will result in the integration of BIH's logistics business into the Company's logistics business, accordingly expanding the Vibrant Group's existing commodity logistics and commodity trading business, and is in line with the Vibrant Group's investment strategy to redeploy its capital more efficiently for higher yield investments.

6. FINANCIAL EVALUATION OF THE ACQUISITION

6.1 Relative Figures Under Chapter 10 of The Listing Rules

Relative figures of the Acquisition under Listing Rule 1006 of the Listing Manual, based on the Company's latest announced financial results for financial year ended 30 April 2016 ("**FY2016**"), are set out below.

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Vibrant Group's net asset value	Not applicable [(1)]
(b)	Net profits[(2)] attributable to the assets acquired, compared with the Vibrant Group's net profits[(2)]	42.2 [(3)]
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	19.25 [(4)]
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable [(1)]
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Vibrant Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable [(1)]

Notes:

(1) This basis is not applicable to the Acquisition.

(2) Pursuant to Rule 1002(3)(b) of the Listing Manual, "net profits" means profit before income tax, minority interests and extraordinary items.

(3) The net profit attributable to the Acquisition is determined based on the latest announced net profit of the Vibrant Group of approximately S$32,386,000 for FY2016.

(4) The market capitalisation is calculated based on the volume weighted average price of S$0.3453 on 27 October 2016, being the last market day on which the shares of the Company were traded, preceding the date of the Scheme Implementation Deed.

As the only relative figure that exceeds 20% is Rule 1006(b) of the Listing Manual, under Rule 1014(2), the Acquisition is not conditional upon the approval of shareholders in a general meeting.

Pursuant thereto, the Acquisition is considered a “discloseable transaction” as defined under Rule 1010 of the Listing Manual since the other remaining relative figure calculated under Rule 1006(c) of the Listing Rules is greater than 5% but less than 20%.

6.2 **Financial Effects of the Acquisition**

The pro forma financial effects of the Acquisition on the Company as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Vibrant Group after the Acquisition. The financial effects of the Acquisition set out below have been prepared based on the Vibrant Group's audited consolidated financial statements for FY2016.

6.2.1 Earnings per Share ("**EPS**")

The effects of the Acquisition on the EPS of the Vibrant Group for FY2016, assuming that the Acquisition had been effected at the beginning of FY2016, are summarised below:

EPS	**Before the Acquisition**	**After the Acquisition**
Earnings[(1)] (S$'000)	10,023	20,269
Weighted average number of issued shares	539,636,487	539,636,487
EPS - Basic (cents)	1.86	3.76
EPS - Diluted (cents)	1.86	3.76

Notes:

(1) Represents net profit attributable to the shareholders of the Company.

6.2.2 NTA

The effects of the Acquisition on the NTA per share of the Vibrant Group for FY2016, assuming that the Acquisition had been effected as at 30 April 2016, are summarised below:

NTA	Before the Acquisition	After the Acquisition
Consolidated NTA (S$'000)[(1)]	370,699	588,176
Number of issued shares	553,787,202	553,787,202
Consolidated NTA per share (cents)	66.94	106.21

Notes:

(1) Represents consolidated NTA attributable to the shareholders of the Company.

6.3 **Other Financial Information**

Based on the management accounts of the Target for FY2016, the net profit attributable to the Scheme Shares is approximately S$13,655,000 and the one-month weighted average price of the Scheme Shares as at 27 October 2016, being the market day preceding the date of the Scheme Implementation Deed, is A$0.02537.

A valuation of the coal mining assets of BIH was commissioned by BIH, and conducted by Asset Appraisal Limited (the "**Valuation Report**") as part of BIH's routine annual processes. The valuation is recorded at a lower of its carrying amount or recoverable amount, and such recoverable amount is measured based on the values in use. Based on the Valuation Report dated 21 January 2016, the total recoverable amount coal mining assets being acquired is measured at RMB 2,662,000,000 as at 31 October 2015.

BIH has informed the Company that it has commissioned an updated valuation report (thereby also containing a refresh to the valuation of the coal mining assets being required) and a copy of the same will be furnished to the Company when it is available.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Company (the "**Directors**" and each, a "**Director**") (other than in his capacity as a Director or Shareholder) or controlling shareholders of the Company (other than in its capacity as a Shareholder) has any interest, direct or indirect, in the Acquisition.

8. SERVICE CONTRACTS

No person will be appointed to the Board of the Company in connection with the Acquisition.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143 for a period of three (3) months commencing from the date of this Announcement:-

(a) the Constitution of the Company;

(b) the Scheme Implementation Deed;

(c) the Valuation Report; and

(d) the annual report of the Company for FY2016.

10. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

11. RESPONSIBILITY STATEMENT BY THE DIRECTORS

The Directors of the Company (who may each have delegated detailed supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that, as at the date hereof, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Acquisition and the Group. The Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

By Order of the Board

Eric Khua Kian Keong
Executive Director & CEO
28 October 2016

This Announcement has not been examined or approved by the SGX-ST. The SGX-ST assume no responsibility for the contents of this Announcement, including the correctness of any of the statements or opinions made or reports contained in this Announcement.

SCHEDULE 1 – DEFINITIONS

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited ACN 008 624 691 or the financial market it operates, where the context requires.

"ASX Listing Rules" means the official listing rules of ASX.

"**Bidder Shareholder**" means each person who is registered as a holder of a fully paid, ordinary share in the share capital of Bidder.

"**Bidder Shareholder Resolutions**" means such ordinary resolutions (unless specified to the contrary) of Bidder Shareholders as may be necessary.

"**Bidder Warranties**" means the representations and warranties made by Bidder in the Scheme Implementation Deed.

"**Business Day**" is any day that is both a Business Day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and in Singapore are open for business.

"**Circular**" means the circular to be prepared by Bidder in respect of the Bidder Shareholder Resolutions (if applicable) in accordance with the terms of this deed and to be despatched to Bidder Shareholders, and includes the notice of meeting, proxy form and voting instruction form to be delivered to Bidder Shareholders together with such circular.

"**Corporations Act**" means the Corporations Act 2001 (Cth) of Australia.

"Deed Poll" means a deed poll to be executed by Bidder in favour of Scheme Shareholders, which is consistent or materially consistent with the terms set out in the Scheme Implementation Deed.

"Effective" means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

"Effective Date" means the date on which the Scheme becomes Effective.

"**Excluded Shares**" means any Target Shares held by, or by any person on behalf of or for the benefit of, Bidder or its Related Bodies Corporate.

"Explanatory Memorandum" means the information to be dispatched to Scheme Shareholders and approved by the Court, including the Scheme, explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act and registered with ASIC, the Independent Expert's Report, the Deed Poll, a copy of the Scheme Implementation Deed and the notice convening the Scheme Meeting (together with proxy forms).

"Implementation Date" means the date which is 5 Business Days after the Record Date (or such other date as Target and Bidder agree in writing).

"Independent Expert" means the independent expert to be engaged by Target to express an opinion on whether the Scheme is in the best interests of Scheme Shareholders.

"Independent Expert's Report" means the report from the Independent Expert for inclusion in the Explanatory Memorandum, and any updates to such report that the Independent Expert issues.

"Material Adverse Change" means, in respect of a Party, any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category, has (or would be likely to have):

(a) a material adverse effect on:

(i) the business, properties, financial condition, results, operations or prospects of the Target's Group, taken as a whole; or

(ii) the Target's consolidated net assets of at least A$10 million, other than:

(A) an event, occurrence or matter required to be undertaken or procured pursuant to this deed, or the Scheme;

(B) to the extent that an event, occurrence or matter was announced to the Stock Exchange or otherwise fairly disclosed in the Disclosure Materials or in writing to the other Party prior to the date of this deed;

(C) as a result of the release of the Announcement;

(D) any change (excluding changes to taxation laws or policies) in accounting standards, law, regulation or policy;

(E) a change in the price of coal, or any other event, occurrence or matter affecting the coal mining industry generally;

(F) general economic, financial, currency exchange, securities or commodity market conditions;

(G) any outbreak or escalation of hostilities or armed conflict;

(H) any change in the market price of Target Shares; or

(I) an event that affects the other Party in a substantially consistent and proportionate manner

(b) without limiting the generality of paragraph (a):

(i) the effect of diminishing the value of the net assets of the BIH Group by an amount of A$10 million or more, as compared to the value of the net assets of the BIH Group set out in its consolidated balance sheet as at 31 July 2016; or

(ii) the effect of reducing in any financial year earnings before interest, tax, depreciation, amortisation and impairments of the BIH Group by an amount of A$3 million or more, which would not otherwise have occurred but for that event, occurrence or matter.

"Material Adverse Matter" means, in respect respect of the Target, any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category which has occurred but is not in the public domain at the date of the Scheme Implementation Deed or has not been disclosed to the Bidder before the date of the Scheme Implementation Deed and which had it occurred after the date of the Scheme Implementation Deed would have been a Material Adverse Change.

"**Record Date**" means the date which is 5 Business Days after the Effective Date.

"**Scheme Meeting**" means the meeting to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

"**Scheme Share**" means each Target Share on issue at 5.00 pm Perth time on the Record Date other than the Excluded Shares.

"**Scheme Shareholder**" means each person who is registered in the Target Share Register as a holder of a Scheme Share as at the Record Date (other than the Bidder).

"**Second Court Date**" means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

"**Subsidiary**" means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.

"**Superior Proposal**" means a Target Competing Proposal which:

(a) in the determination of the Target Board acting in good faith, is reasonably capable of being completed without undue delay, taking into account both the nature and all terms and conditions of the Target Competing Proposal and the person or persons making it; and

(b) in the determination of the Target Board acting in good faith, after receiving the advice of its external legal and financial advisers, would, if completed substantially in accordance with its terms, result in a transaction more favourable to the Scheme Shareholders.

"**Target Board**" means the board of directors of Target.

"**Target Director**" means a director of Target.

"**Target Prescribed Event**" means the occurrence of any of the following events:-

(a) Target or any of its Subsidiaries converts all or any of its securities into a larger or smaller number of securities;

(b) Target or any of its Subsidiaries:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(I) of the Corporations Act;

(c) Target or any of its Subsidiaries issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option, other than:

(i) to a wholly owned Subsidiary of Target; or

(ii) pursuant to the Convertible Bonds;

(d) Target or any of its Subsidiaries issues, or agrees to issue, convertible notes or any other security convertible into shares, other than to a wholly-owned Subsidiary of Target;

(e) Target or any of its Subsidiaries agrees to pay, declares or pays a dividend or any other form of distribution of profit or capital, other than the declaration and payment by any Subsidiary of Target of a dividend where the recipient of that dividend is Target or a wholly-owned Subsidiary of Target;

(f) Target makes any change to its constitution;

(g) Target or any of its Subsidiaries acquires or agrees to acquire any assets, properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the BIH Group, whether in one or more transactions, where the amounts or value involved in such transaction, transactions, commitments or series of commitments exceeds A$5 million in aggregate;

(h) Target or any of its Subsidiaries disposes of, or agrees to dispose of, any assets, properties or businesses, whether in one transaction or a number of such transactions, where the amount or value involved in such transaction or transactions exceeds A$5 million in aggregate;

(i) Target or any of its Subsidiaries creates, or agrees to create, any mortgage, charge, lien or other encumbrance over its business or any part of its property other than in the ordinary course of its business;

(j) Target or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of the Scheme Implementation Deed where the funds drawn pursuant to those advances are used in the ordinary course of business or in connection with a purpose that is contemplated and permitted in paragraph (g) or (h) of this definition;

(k) Target or any of its Subsidiaries makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in Target or any wholly-owned Subsidiary of Target in the ordinary course of business), other than in the ordinary course of business;

(l) Target or any of its Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of Target or any of its Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;

(m) a liquidator or provisional liquidator of Target or any of its Subsidiaries is appointed;

(n) a court makes an order for the winding up of Target or any of its Subsidiaries;

(o) an administrator of Target or of any of its Subsidiaries is appointed under sections 436A, 436B or 436C of the Corporations Act;

(p) Target or any of its Subsidiaries ceases, or threatens to cease, to carry on business;

(q) Target or any of its Subsidiaries executes a deed of company arrangement;

(r) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or any of its Subsidiaries;

(s) Target or any of its Subsidiaries is deregistered as a company or otherwise dissolved;

(t) Target or any of its Subsidiaries is or becomes unable to pay its debts when they fall due;

(u) Target or any of its Subsidiaries entering into any arrangement, commitment or agreement with a related party (as that term is defined in section 228 of the Corporations Act), other than in the ordinary course of business;

(v) Target or any of its Subsidiaries makes or amends any tax election, changes any method of tax accounting, settles or compromises any tax liability, files any material amended tax return, enters into a closing agreement, surrenders any right to claim a material tax refund or consents to the extension or waiver of the limitation period applicable to any material tax claim or assessment, other than in the ordinary course of business;

(w) Target or any of its Subsidiaries pays, discharges, settles, satisfies, compromises, waives, assigns or releases any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Target's financial statements or incurred in the ordinary course of business consistent with past practice;

(x) Target or any of its Subsidiaries authorizes, recommends or proposes any release or relinquishment of any contractual right, except in the ordinary course of business consistent with past practice;

(y) Target or any of its Subsidiaries enters into or renews any agreement, contract, lease, licence or other binding obligation containing:

(i) any limitation or restriction on the ability of Target or any of its Subsidiaries or, following completion of the transactions contemplated by the Scheme Implementation Deed, the ability of Bidder, to engage in any type of activity or business;

(ii) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Target or, following completion of the transactions contemplated by the Scheme Implementation Deed, all or any portion of the business of Bidder, is or would be conducted; or

(iii) any limit or restriction on the ability of Target or any of its Subsidiaries or, following completion of the transactions contemplated by the Scheme Implementation Deed, the ability of Bidder, to solicit customers or employees,

or that would reasonably be expected to materially delay or prevent the completion of the transactions contemplated by the Scheme Implementation Deed, other than in the ordinary course of business; or

(z) the trustee of any trust in which Target or any of its Subsidiaries has an interest of more than 50% and which would, if it were a company, be a Subsidiary of Target undertaking an action in respect of that trust if the corresponding action, in the case of Target and its Subsidiaries, would (mutatis mutandis) constitute an event in paragraphs (a) to (z) above, other than in the ordinary course of business;

other than as required to be undertaken or procured by the Target Group pursuant to the Scheme Implementation Deed or the Scheme, and provided that a Target Prescribed Event will not include a matter:

(a) required to be done or procured by Target pursuant to the Scheme Implementation Deed or the Scheme;

(b) which a Party is permitted to do, or not to do, under the exceptions set out in the Scheme Implementation Deed whilst the Exclusivity Period continues;

(c) in relation to which Bidder has expressly consented in writing; or

(d) fairly disclosed in the Target Disclosure Materials or which has been announced by Target on a Stock Exchange prior to the date of the Scheme Implementation Deed.

"**Target Share Register**" means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

"**Target Warranties**" means the representations and warranties made by Target in Schedule 3 of the Scheme Implementation Deed.

"**Third Party Consent**" means a consent, agreement, waiver, licence, permit or approval from or by a party (other than the Bidder or its associates) that is required in respect of the Target or any of its subsidiaries in relation to the change of control of the Target Group or is otherwise required so as to not cause or give rise to a termination right or a breach of an agreement, permit, licence or approval to which that Target Group member is a party.