



---

## RESPONSES TO SGX-ST QUERIES

---

The board of directors (the “**Board**”) of Vibrant Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 4 July 2024 in relation to the Company’s announcement on its interim financial statements for the year ended 30 April 2024 (“**FY2024**”) announced on 28 June 2024. The Company’s responses to the queries are set out below.

### Query 1

It is noted that the Group has recognised non-trade amounts due from associates amounting to \$14,649,000 as at 30 April 2024.

Please disclose:

- (a) the identity of these associates;
- (b) the underlying transactions, the terms of the transactions and nature of these non-trade amounts due from associates;
- (c) whether these associates are still in operation; and
- (d) the Board’s assessment on the recoverability of the Group’s trade and other receivables, and the basis for such an assessment.

### Company’s Response

- (a) Please refer to the following for the breakdown of the non-trade amounts due from respective associates, amounting to \$14,649,000 as at 30 April 2024:

<b>Name of Associate</b>	<b>Amount (\$)</b>	<b>Impairment (\$)</b>	<b>Net receivables (\$)</b>
Vibrant Pucheng Logistics (Chongqing) Co., Ltd (“Vibrant Pucheng”)	8,813,000	-	8,813,000
Ececil Pte Ltd (“Ececil”)	1,001,000	-	1,001,000
Figtree Holdings Ltd (“Figtree”)	6,000	-	6,000
Vibrant Pucheng Holdings Pte Ltd (“VPH”)	2,000	-	2,000
Others <sup>(1)</sup> (fully impaired)	4,827,000	(4,827,000)	-
<b>Total</b>	<b>14,649,000</b>	<b>(4,827,000)</b>	<b>9,822,000</b>

<sup>(1)</sup> China Southwest Energy Corporation Limited (ceased operation) and O&G Eng Kong Container Co., Ltd (ceased operation).

- (b) Please refer below for the underlying transactions, the terms of the transactions and nature of these non-trade amounts due from associates:

<b>Name of Associate</b>	<b>Underlying, terms and nature of transactions</b>
Vibrant Pucheng	- Interest on loans to Vibrant Pucheng; - Amount due is repayable on demand.
Ececil	- Interest on loans to Ececil; - Amount due is repayable on demand.
Figtree	- Payment on behalf; - Amount due is repayable on demand.
VPH	- Payment on behalf; - Amount due is repayable on demand.

- (c) Operation status of the respective associates is as follows:

<b>Name of Associate</b>	<b>Operation Status</b>
Vibrant Pucheng	In operation
Ececil	In operation
Figtree	In operation
VPH	Dormant

- (d) The management has taken into consideration all reasonable and supportable information available that includes both qualitative and quantitative information such as payment history, financial conditions of each receivable, and the age of the debts, to assess the recoverability of the trade and other receivables. The management also uses an allowance matrix to measure the expected credit losses (“ECL”) on trade receivables from individual customers which comprise a very large number of small balances. Loss rates are calculated using a “roll rate” method based on the probability of a receivable progressing through successive stages of delinquency to write-off. It is also noted that its external auditors have carried out a review on the assumptions and reasonableness on the recoverability of the trade and other receivables. It is sufficed to state that the Board is satisfied with the methodologies adopted by management on the assessment of the recoverability of the trade and other receivables.

## **Query 2**

On page 24 of the unaudited financial statements, it was stated that “For FY2024, the Group reversed an impairment loss of \$2.5 million on its investments in associates, primarily due to the impairment reversal on Vibrant Pucheng Logistics (Chongqing) Co., Ltd (“Vibrant Pucheng”) and Figtree Holdings Limited.”

Please disclose:

- (a) the factors that resulted in the reversal of impairment loss on investment in associates amounting to \$2.5 million in FY2024, including an explanation why the Group had reversed the impairment loss in FY2024, one year after recognizing a \$2.6 million impairment loss on its investment in Vibrant Pucheng in FY2023;
- (b) how the impairment loss amount reversed was determined; and
- (c) the Board’s confirmation as to whether it is satisfied with the reasonableness of the methodologies used to determine amount of impairment reversed.

### **Company's Response**

(a) The reversal of impairment of \$2.5 million in FY2024 resulted primarily from the following associates:

- (i) Vibrant Pucheng - \$1.4 million
- (ii) Figtree Holdings Limited ("Figtree") - \$1.0 million

The Group has assessed that the recoverable amount of Vibrant Pucheng to be \$1.0 million as at 30 April 2024 (FY2023: \$0.8 million), arrived based on the difference between the recoverable amount determined using the Residual Net Assets Value ("RNAV") of Vibrant Pucheng and the carrying amount of the Group's investment in Vibrant Pucheng as at 30 April 2024. The carrying amount of the Group's investment in Vibrant Pucheng took into account the Group's share of losses of \$1.2 million during the financial year (FY2023: share of losses of \$1.2 million), and comparing with the recoverable amount of \$1.0 million, the Group recorded a reversal of impairment of \$1.4 million in FY2024.

The RNAV of Vibrant Pucheng is highly dependent on the valuation of the multi-modal logistics distribution center (the "Property") in Chongqing, People's Republic of China, determined based on independent external valuation at each reporting date.

For the impairment reversal of Figtree, management recorded a reversal of \$1.0 million. Management estimated the recoverable amount of Figtree based on fair value less cost of disposal determined by reference to the Figtree's stock exchange quoted bid price as at 30 April 2024.

(b) As explained in (a) above.

(c) Based on the methodologies undertaken by the management of the Company, the Board is satisfied with the reasonableness of the methodologies used to determine the amount of impairment reversed.

### **Query 3**

It was further disclosed in the Company's response to SGX queries dated 28 September 2023 that, there were on-going legal proceedings made against Vibrant Pucheng. Please provide an update with regard to the legal proceedings by the Contractor (as defined in the announcement) and Figtree Projects (Shanghai) Co., Ltd.

### **Company's Response**

As at the date of this announcement, the Group has no further updates with regards to the legal proceedings made against Vibrant Pucheng by the Contractor and Figtree Projects (Shanghai) Co., Ltd.

### **BY ORDER OF THE BOARD**

Eric Khua Kian Keong  
Executive Director & CEO  
9 July 2024