VIBRANT GROUP LIMITED
(formerly known as Freight Links Express Holdings Limited)
Company Registration Number: 198600061G

INCORPORATION OF AN ASSOCIATED COMPANY AND PROPOSED ACQUISITION OF EQUITY PLAZA BY ASSOCIATED COMPANY

1. INTRODUCTION

The Board of Directors (the "**Board**") of Vibrant Group Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce the following:

(a) **Incorporation of an Associated Company**

The Company had on 23 June 2014, through its 51%-owned subsidiary, Vibrant DB2 Pte Ltd ("**Vibrant DB2**") incorporated a 35% associated company, Plaza Ventures Pte Ltd ("**Plaza Ventures**") with GSH Properties Pte Ltd ("GSH Properties") and TYJ Group Pte Ltd ("TYJ Group"). GSH Properties and TYJ Group each holds 51% and 14% of the shares in Plaza Ventures respectively.

(b) **Proposed acquisition of Equity Plaza**

The Plaza Ventures **("Purchaser")** had on 25 June 2014 entered into sale and purchase agreement **("SPA")** with DL Properties Ltd **("Vendor")**, for the proposed acquisition of the whole of Equity Plaza at 20 Cecil Street, Singapore 049705 ("**Property**") for an aggregate purchase consideration of S$550 million (excluding goods and services tax thereon) from the Vendor ("**Proposed Acquisition**").

2. INFORMATION ON EQUITY PLAZA

Equity Plaza is a 28-storey, office tower located at the Raffles Place precinct with a leasehold term of 99 years commencing from 7 December 1989. The Property is located at 20 Cecil Street, at the junction of Cecil Street and Church Street. It is also located near the Raffles Place Mass Rapid Transit station and near major expressways.

Equity Plaza is fully owned by the Vendor, which is a subsidiary of Keppel Land Limited.

3. PURCHASE CONSIDERATION

The aggregate purchase consideration ("**Purchase Consideration**") of S$550 million for the Proposed Acquisition, is on a willing-buyer and willing-seller basis, after taking into account the current market price of properties in the surrounding vicinity.

The deposit of S$27.5 million ("**Deposit**"), payable by Purchaser to the Vendor under the SPA, is 5% of the aggregate purchase consideration of S$550 million. The balance 95% of the Purchase Consideration amounting to S$522.5 million will be paid by Purchaser to Vendor on completion of the Proposed Acquisition, which is expected to take place around 20 August 2014 or such other date as the parties may otherwise agree in writing.

4. RATIONALE

(a) **Rationale for Incorporation of Plaza Ventures**

Plaza Ventures is set up primarily as an investment holding company for the purpose of the Proposed Acquisition, with an initial and issued paid up share capital of S$46 million, consisting of 46,000,000 shares of S$1 each.

(b) **Rationale for Purchase of Equity Plaza**

The Proposed Acquisition is in line with one of the Group's core business activities in property development and investments. The Group views the Proposed Acquisition as a good opportunity to participate in a strategic investment of a prime office building located at the Raffles Place precinct where the Group can derive both rental returns and gain from subsequent sale of Property on strata lots basis, which will contribute to the earnings of the Group.

As the Proposed Acquisition is in line with the Group's ordinary course of business and is of a revenue nature, Chapter 10 of the Singapore Exchange Securities Trading Limited's listing manual, in particular, seeking Shareholders' approval under Rule 1014, where the relative figures as computed on the bases set out in Rule 1006 exceeds 20%, does not apply to the Proposed Acquisition.

As Plaza Ventures is an associated company of the Company which it owns effectively 17.85% of the total equity, the aggregate cost to be borne by the Group for the Proposed Acquisition (including its share of the guaranteed liability under the financing facilities to be obtained by Plaza Ventures to fund the Proposed Acquisition) is approximately 17.85% of the Purchase Consideration, being S$98.175 million. Based on the market capitalization of the Company as at the date of the SPA being S$265.1 million, the aggregate cost to be borne by the Group for the Proposed Acquisition exceeds 20% but is below 100% of the relative figures computed under Rule 1006 of the Listing Manual.

5. OTHER PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

The principal terms of the SPA includes, among others, the following:

(a) the Property is sold on an "as is where is" basis, together with the Mechanical and Electrical Equipment and related fixtures and fittings, located in or on or which otherwise relate to the Property; and

(b) the Property is sold subject to and with the benefit of the Occupation Agreements (which mean any tenancy, lease, licence or occupation agreement in respect of the Property or any part thereof), electricity agreements, building maintenance contracts, building warranties and other contracts in respect of the Property which are subsisting as at the date of completion.

6. SOURCE OF FUNDS

The Group will finance its share of the cost of the Proposed Acquisition and the share subscription by internal sources and external borrowings.

7. FINANCIAL EFFECTS

The Proposed Acquisition is not expected to have any material impact on the earnings and net tangible assets per share of the Group, for the current financial year ending 30 April 2015.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect in the Proposed Acquisition.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA 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
25 June 2014