



## VIBRANT GROUP LIMITED

Company Registration Number: 198600061G

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### SETTLEMENT AGREEMENT IN CONNECTION WITH STSB

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#### 1. INTRODUCTION

- 1.1. The Board of Directors of Vibrant Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Company's announcement on 22 January 2019 and disclosures in Annual Reports for the financial years ended 2019, 2020, and 2021 in relation to the Winding-Up Petition by Desa Tiasa Sdn Bhd ("**DTSB**") to wind-up Saujana Tiasa Sdn Bhd ("**STSB**") and the Writ Action by Singapore Enterprises Private Limited ("**SEPL**") against DTSB and Tan Sri Lim Cheng Pow (the "**Previous Announcements**"). SEPL is a wholly-owned subsidiary of the Group and STSB is a joint venture between SEPL and DTSB formed in August 2013 for the purpose of acquiring a freehold property known as Palas Condominium located in Kuala Lumpur, Malaysia (the "**Property**").
- 1.2. Further to the Previous Announcements, the Board wishes to announce that the Company has, on 20 November 2021, entered into a settlement agreement (the "**Settlement Agreement**") with DTSB and Tan Sri Lim Cheng Pow in relation to the legal proceedings to withdraw both the Winding-Up Petition (Kuala Lumpur High Court Companies Winding-Up Petition No. WA-28NCC-1162-12/2018) and the Writ Action (Kuala Lumpur High Court Writ Action No. WA-22NCC-281-05/2019) subject to the terms and conditions of the Settlement Agreement (the "**Settlement**").

#### 2. SALIENT INFORMATION ON THE SETTLEMENT

- 2.1. Under the Settlement Agreement, 50% of the shares in STSB that were pledged to SEPL by DTSB (the "**Pledged Shares**") for securing the advances from SEPL to DTSB (the "**Advances**") will be transferred to SEPL and/or its nominee within thirty (30) days from the date of the Settlement Agreement or such other period as the parties thereto may mutually agree in writing (the "**Completion Period**"). DTSB will procure (i) the resignations of the directors of STSB nominated by DTSB and (ii) the resignation of the company secretary of STSB, inter alia, within the Completion Period. DTSB will not own any shares in STSB, and STSB will become a wholly-owned subsidiary of the Group following the completion of the transfer of the Pledged Shares (the "**Completion Date**").
- 2.2. SEPL will pay to DTSB (i) RM500,000.00 on the Completion Date, and (ii) RM1,000,000.00 two (2) years from the date of the Settlement Agreement (collectively the "**Settlement Sum**") or upon the completion of sale of the Property to a third-party purchaser, whichever is earlier during which period DTSB will not be entitled to any dividends declared by STSB.
- 2.3. The parties will withdraw the legal proceedings above with no order as to cost and no liberty to file afresh, save for any breach of the Settlement Agreement.
- 2.4. The Settlement Agreement will constitute a full and final settlement of all sums due and owing by DTSB and Tan Sri Lim Cheng Pow to SEPL and, any of SEPL's related companies or affiliated companies and/or any directors of SEPL.

- 2.5. SEPL will from the Completion Date have no further claims against DTSB or Tan Sri Lim Cheng Pow.
- 2.6. DTSB and/or Tan Sri Lim Cheng Pow will have no further interest or claims in STSB and/or the Property upon the Pledged Shares being transferred to SEPL, and undertake to waive such interest or claims.

### 3. RATIONALE FOR THE SETTLEMENT

The out-of-court Settlement will resolve the disputes as well as the shareholders' deadlock and enable the Group to restore and focus on acting in the best interest of realising the fair value of its investments in STSB, which owns the Property – a freehold and unencumbered 24-storey residential condominium tower comprising 76 units located at Lorong Palas, off Jalan Ampang, Kuala Lumpur City. Based on an independent valuation report dated 28 May 2021 commissioned by the Company, the market value of the Property is RM148,000,000 as at 30 April 2021.

### 4. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures for the Settlement computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") and based on the latest announced audited consolidated accounts of the Group for its most recently completed FY2021 are as follows:-

<b>Listing Rule</b>	<b>Bases of calculation</b>	<b>Relative Figures</b>
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	n.a.
1006(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	-0.48% <sup>(1)</sup>
1006(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	12.86% <sup>(2)(3)</sup>
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	n.a.
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	n.a.

## Notes

(1) The net loss attributable to the Pledged Shares is S\$27,920 based on the STSB's unaudited financial statements for the period ended 31 October 2021, and the net profits before income tax of the Group of S\$5,873,000 for the year ended 30 April 2021.

(2) The aggregate value of the Advances and the guaranteed annual return and facility fees in connection therewith together with the Settlement Sum after netting of amounts due to DTSB is approximately RM25,505,808 or equivalent to S\$8,416,916 (the "**Aggregate Value of Total Settlement Sum**"). The value of the Pledged Shares is approximately RM21,972,733 or equivalent to S\$7,251,002, based on fair value adjustment over the initial cost of the Property attributable to DTSB plus initial fund contribution by DTSB.

(3) The Company's market capitalization is determined by multiplying the number of ordinary shares in issue (i.e. 692,491,317) excluding treasury shares by volume weighted average price of S\$0.0945 per share on 18 November 2021, being the full market day immediately preceding the signing of the Settlement Agreement.

Having regard to the above, the Settlement Agreement is a "disclosable transaction" under Rule 1010 of the Listing Manual.

## 5. FINANCIAL EFFECTS OF THE SETTLEMENT

5.1. **Assumptions:** As these financial effects are based on the Group's audited consolidated accounts for its most recently completed FY2021 and are presented for illustration purposes only, they will not reflect the future financial position of the Group after the Settlement has taken place.

5.2. The financial effects of the Settlement are set out as follows:

### (a) **Net Tangible Assets ("NTA")**

For illustrative purposes only and assuming that the transactions contemplated by the Settlement Agreement had taken place at the end of FY2021, the estimated financial effects of the Settlement on the consolidated NTA of the Group are as follows:

	<b>Before the Settlement</b>	<b>After the Settlement<sup>(1)</sup></b>
NTA (S\$'000)	227,500	219,519
Number of Shares ('000)	692,491	692,491
NTA per Share (cents)	32.85	31.70

### Note

(1) The Group's NTA is expected to decrease by approximately S\$7,981,000 to record the accounting effects on the acquisition of the remaining 50% equity interest in STSB. The adjustment represents the difference between the amounts by which the non-controlling interests are adjusted, and the Aggregate Value of Total Settlement Sum.

(b) **Earnings**

For illustrative purposes only and assuming that the transactions contemplated by the Settlement Agreement had taken place at the beginning of FY2021, the estimated financial effects of the Settlement on the consolidated earnings per share of the Group are as follows:

	<b>Before the Settlement</b>	<b>After the Settlement</b>
Profit before tax (S\$'000)	5,873	5,873
Weighted average number of Shares ('000)	692,491	692,491
Earnings per Share (cents)	0.85	0.85

**6. SOURCE(S) OF FUNDS**

The Settlement and in particular, the Settlement Sum to be paid by SEPL as set out in paragraph 2.2 above, shall be fully funded with the Group's internal resources.

**7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Settlement (save through their respective shareholdings in the Company).

**8. SERVICE CONTRACT(S)**

No person will be appointed to the Board of Directors of the Company in connection with the Settlement and no service contracts in relation thereto will be entered into by the Company.

By Order of the Board  
**Vibrant Group Limited**

Eric Khua Kian Keong  
Executive Director & CEO  
22 November 2021