VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

COMMENCEMENT OF LEGAL PROCEEDINGS

1. INTRODUCTION

The board of directors (the "**Board**") of Vibrant Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's earlier announcement dated 27 December 2022. Following the withdrawal of the appeal by Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("**Vibrant Pucheng**"), a 31% owned Chinese associated company of the Group, against the decision of the People's Republic of China court ("**Court**") in relation to the legal proceedings commenced by 中铁建工集团有限公司, the Board has considered all the options available, and with a view to protect the assets and legal position of the Group, the Board wishes to announce that legal proceedings have been commenced by the following subsidiaries of the Group against Vibrant Pucheng in the Court:

(i) Vibrant Development (Changshu) Co., Ltd (常熟市斐环置业有限公司) ("**Vibrant Development**");

(ii) New Vibrant (Jiangsu) Supply Chain Management Co., Ltd (江苏新辉联供应链管理有限公司) ("**New Vibrant Jiangsu**"); and

(iii) Sinolink Financial Leasing Co., Ltd ("**Sinolink Financial**"),

(hereafter collectively referred to as the "**Claims**").

The Board is of the view that it is in the best interests of the Group to file the Claims.

2. CLAIM BROUGHT BY VIBRANT DEVELOPMENT AGAINST VIBRANT PUCHENG

Vibrant Development, a company incorporated in the People's Republic of China, is 100% owned by Vibrant Land Pte Ltd, which is in turn 60% owned by the Group.

New Vibrant Jiangsu, a company incorporated in the People's Republic of China, and a wholly-owned subsidiary of the Company, had granted loans amounting to RMB 177,599,161.83 to Vibrant Pucheng pursuant to two loan agreements entered into by the parties dated 20 March 2020 and 18 August 2020 (collectively, the "**Loan Agreements**").

New Vibrant Jiangsu subsequently assigned all its rights to loan receivables for the loan amount of RMB 19,970,000 to Vibrant Development, with effect from 1 January 2021, pursuant to an assignment agreement dated 1 January 2021 ("**Assignment Agreement**").

Vibrant Pucheng had failed to make repayment to Vibrant Development upon its demand in accordance with the Assignment Agreement, and Vibrant Development is therefore claiming against Vibrant Pucheng for an aggregate amount of RMB 21,917,823.23, comprising the sum of (i) the principal loan amount of RMB 19,970,000, and (ii) interest amounting to RMB 1,947,823.23, calculated at the rate of 6% per annum up to 10 January 2023.

3. CLAIM BROUGHT BY NEW VIBRANT JIANGSU AGAINST VIBRANT PUCHENG

Prior to the Assignment Agreement, Vibrant Pucheng owed to New Vibrant Jiangsu a principal amount of RMB 177,599,161.83, and interest amounting to RMB 4,275,621.28, pursuant to the Loan Agreements.

Following the assignment of part of the loans pursuant to the Assignment Agreement, Vibrant Pucheng owes New Vibrant Jiangsu a principal amount of RMB 96,460,589.83, and interest amounting to RMB 4,275,621.28.

Vibrant Pucheng had failed to make repayment to New Vibrant Jiangsu upon its demand in accordance with the Loan Agreements and the Assignment Agreement, and New Vibrant Jiangsu is therefore claiming against Vibrant Pucheng for an aggregate amount of RMB 110,144,732.65, comprising the sum of (i) the principal loan amount of RMB 96,460,589.83, and (ii) interest amounting to RMB 13,684,142.82, calculated at the rate of 6% per annum up to 10 January 2023.

4. CLAIM BROUGHT BY SINOLINK FINANCIAL AGAINST VIBRANT PUCHENG

Sinolink Financial, a company incorporated in the People's Republic of China, is 51% owned subsidiary of the Group.

On 13 December 2021, Vibrant Pucheng had entered into a loan agreement with Sinolink Financial, pursuant to which, Sinolink Financial had granted a loan of RMB 5,000,000 to Vibrant Pucheng.

Vibrant Pucheng had failed to make repayment to Sinolink Financial upon its demand in accordance with the loan agreement, and Sinolink Financial is therefore claiming against Vibrant Pucheng for an aggregate amount of RMB 5,324,166.66, comprising the sum of (i) the principal loan amount of RMB 5,000,000, and (ii) interest amounting to RMB 324,166.66, calculated at the rate of 6% per annum up to 10 January 2023.

5. OTHER INFORMATION

The aggregate amount owed by Vibrant Pucheng to the Group arising from the Claims is RMB 137,386,722.54, comprising the principal amount of RMB 121,430,589.83, and interest amounting to RMB 15,956,132.71. As at 30 April 2022, the property owned by Vibrant Pucheng was valued at RMB 404,440,000.

In the event the Group does not succeed in the Claims or the Group succeeds in the Claims but does not recover the full amounts owed by Vibrant Pucheng, there may be a material impact on the financial performance of the Group for the current financial year ending 30 April 2023. However, the Group is currently unable to quantify the financial impact, if any, arising from the Claims.

The Company will make further announcements to update its shareholders when there are material updates to the Claims, as may be necessary or appropriate.

Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Eric Khua Kian Keong
Executive Director & CEO
Singapore, 18 January 2023