



VIBRANT GROUP LIMITED

Company Registration Number: 198600061G

ACQUISITION OF DEBT OF RMB 37,200,000 OWING BY VIBRANT PUCHENG LOGISTICS (CHONGQING) CO., LTD TO CHINA RAILWAY CONSTRUCTION ENGINEERING GROUP CO., LTD BY WAY OF ASSIGNMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Vibrant Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that a wholly-owned subsidiary of the Group, New Vibrant (Jiangsu) Supply Chain Management Co., Ltd (“**New Vibrant**”), had on 22 January 2025 entered into a debt transfer agreement (the “**Debt Transfer Agreement**”) with China Railway Construction Engineering Group Co., Ltd (中铁建工集团有限公司)(“**CRCE**”), pursuant to which CRCE has agreed to sell and assign, and New Vibrant has agreed to acquire, a portion of the debt owed by Vibrant Pucheng Logistics (Chongqing) Co., Ltd (“**Vibrant Pucheng**”), a 31%-owned Chinese associated company of the Group, amounting to approximately RMB 37,200,000 (“**Assigned Debt**”), subject to the terms and conditions set out in the Debt Transfer Agreement for a consideration of RMB 30,000,000 (the “**Transaction**”). The Assigned Debt, which includes accrued interest and penalties, is part of the total sum of RMB 59,385,282 plus accrued interest and penalties (the “**Relevant Debt**”) relating to outstanding progress payments for the construction of the Multi-Modal Logistics Distribution Centre in Chongqing, People’s Republic of China (the “**Property**”).

2. INFORMATION ON THE ASSIGNED DEBT

- 2.1 **Relevant Debt.** The Relevant Debt arose from an agreement entered into between Vibrant Pucheng and CRCE on 2 August 2019 in relation to the construction of the Multi-Modal Logistics Distribution Centre project. However, the project was suspended after the financing bank terminated the financing. Following Vibrant Pucheng’s default on the outstanding payment, CRCE initiated legal proceedings against Vibrant Pucheng. A judgment was issued by the People’s Republic of China Court dated 14 April 2022 (“**Judgement**”), ordering, *inter alia*, Vibrant Pucheng to pay CRCE the sum of RMB 59,385,282 plus accrued interest and penalties. Please refer to the Company’s announcement dated 4 May 2022.
- 2.2 **Security.** Pursuant to the Judgement, CRCE has priority to receive the sales proceeds as compensation from a disposal of the Property.
- 2.3 **Value of the Property.** Based on the last valuation report commissioned by a court-appointed valuer, as at October 2024, the Property was valued at RMB 407,418,500.

3. KEY TERMS OF THE DEBT TRANSFER AGREEMENT

- 3.1 **Consideration for the debt transfer.** New Vibrant will pay CRCE a sum of RMB 30,000,000 as consideration for the Assigned Debt (“**Consideration**”). The Assigned Debt comprises the

principal amount of RMB 28,270,000, together with accrued interest and penalties, and as of 22 January 2025, the total value of the Assigned Debt amounts to approximately RMB 37,200,000 based on internal calculations using the formulae provided in the Judgement. By paying RMB 30,000,000, New Vibrant effectively takes over approximately RMB 37,200,000 worth of debt from CRCE.

- 3.2 **Payment Terms.** New Vibrant shall pay the Consideration within three working days of signing of the Debt Transfer Agreement. The Debt Transfer Agreement shall become effective upon receipt of payment, thereupon, completion of the Transaction shall take place and CRCE will transfer the Assigned Debt to New Vibrant.
- 3.3 **Warranties.** Under the Debt Transfer Agreement, CRCE warrants the legality and validity of the Assigned Debt.
- 3.4 **Rights and Obligations.** New Vibrant shall be entitled to all rights, title, interests and benefits associated with the Assigned Debt, including the right to enforce the Assigned Debt. Further, pursuant to the Debt Transfer Agreement, CRCE shall not have the right to transfer any remaining part of the Relevant Debt without New Vibrant's approval. In the event CRCE does so without New Vibrant's approval, CRCE is liable to pay New Vibrant a sum of RMB 1,000,000 as compensation, as well as penalties based on the formulae set out in the Judgement, calculated up to 30 June 2026.
- 3.5 **Undertaking.** Within three days of receiving payment, CRCE undertakes to apply to the People's Republic of China Court to suspend enforcement of its claim against Vibrant Pucheng. Additionally, CRCE undertakes that it shall not, at any time before 31 December 2025, pursue court enforcement of its claim against Vibrant Pucheng without New Vibrant's consent.

4. INTEREST

New Vibrant will be entitled to receive interest accrued and penalties calculated using the formulae provided in the Judgement, based on the principal amount of RMB 28,270,000.

5. SOURCE OF FUNDS

The Consideration will be funded by the Group's internal resources.

6. RATIONALE FOR AND BENEFITS OF THE TRANSACTION

The Group approached CRCE to take over the Assigned Debt for a consideration of RMB 30,000,000 under the agreed terms. The purchase of the Assigned Debt of approximately RMB 37,200,000 for the consideration of RMB 30,000,000 represents an opportunity for the Group to acquire part of the Relevant Debt at a discounted value.

Further, it is a condition under the Debt Transfer Agreement that CRCE will not pursue enforcement of its claim against Vibrant Pucheng before 31 December 2025. This would give the Group greater assurance that Vibrant Pucheng will be protected from legal action up to such date, and allow it to focus on its long-term business and growth strategies.

7. RELATIVE FIGURES COMPUTED UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest announced consolidated financial statements of the Group for the half year as at 31 October 2024, the relative figures for the Transaction as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	The net profits attributable to the assets to be acquired of, compared with the Group's net profits	4.35 ⁽¹⁾
(c)	The 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	13.50 ⁽²⁾
(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	Not applicable
(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	Not applicable

Notes:

- (1) The net profits attributable to the Transaction refers to interest accrued and penalties calculated based on the formulae provided in the Judgement for the relevant period, and the net profit before income tax of the Group for the period ended 31 Oct 2024.
- (2) Calculated based on the Consideration of S\$5.6 million (equivalent to RMB 30.0 million) and the market capitalisation of the Company of approximately S\$41.5 million. The Company's market capitalisation is determined by multiplying the number of ordinary shares in issue (excluding treasury shares) by volume weighted average price of S\$0.061 per share on 21 January 2025, being the full market day immediately preceding the date of the Debt Transfer Agreement.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 20%, the Transaction will constitute a "discloseable transaction" under Rule 1010 of the Listing Manual, which does not require the approval of the shareholders of the Company at a general meeting.

8. FINANCIAL EFFECTS OF THE TRANSACTION

As these financial effects are based on the Group's audited consolidated accounts for its most recently completed FY2024 and are presented for illustration purposes only, they will not reflect the future financial position of the Group after the Transaction has taken place. In this regard, the said illustrative financial effects have been prepared on the following assumptions:

- (a) the financial effects of the Transaction on the Group's net tangible assets (the "NTA") per share is based on the assumption that the Transaction had been completed on 30 April 2024; and
- (b) the financial effects of the Transaction on the Group's earnings per share ("EPS") are computed based on the assumption that the Transaction was completed on 1 May 2023.

(i) **NTA per share**

The pro forma financial effects on the consolidated NTA per share of the Group as at 30 April 2024, assuming the Transaction had been effected on 30 April 2024, are as follows:

	Before the Transaction	After the Transaction
NTA (S\$'000)	221,770	223,125
Number of issued shares of the Company (excluding treasury shares) ('000)	684,228	684,228
NTA per share (cents)	32.41	32.61

(ii) **EPS**

The pro forma financial effects on the consolidated EPS of the Group as at 30 April 2024, assuming the Transaction had been effected on 1 May 2023, are as follows:

	Before the Transaction	After the Transaction
Net profit attributable to shareholders (S\$'000)	600	2,476
Weighted average number of issued shares of the Company (excluding treasury shares) ('000)	688,426	688,426
Earnings per share (cents)	0.09	0.36

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction (other than through their respective shareholding interests in the Company, if any).

10. DIRECTOR'S SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DOCUMENTS FOR INSPECTION

A copy of the Debt Transfer Agreement is available for inspection at the registered office of the Company during normal business hours for a period of three (3) months from the date of this announcement.

12. CAUTIONARY STATEMENT

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Eric Khua Kian Keong
Executive Director & CEO
23 January 2025