VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

The Board of Directors (the "Board") of Vibrant Group Limited (the "Company" and together with its subsidiaries, the "Group") refers to its audited financial statements for the financial year ended 30 April 2020 in the Group's Annual Report 2020 (the "Audited Financial Statements") and the announcement on the unaudited financial statements for the financial year ended 30 April 2020 on 28 July 2020 (the "Unaudited Financial Statements").

Pursuant to Rule 704(6) of the listing Manual of the Singapore Exchange Trading Limited (the "SGX-ST"), the Board wishes to highlight that there are certain reclassifications and material differences between the Audited Financial Statements and the Unaudited Financial Statements following the finalisation of the audited financial statements for the financial year ended 30 April 2020.

A summary of the differences between the Audited Financial Statements and Unaudited Financial Statements with the relevant explanatory notes are as follows:-

Consolidated Income Statement for the Financial Year ended 30 April 2020

	Audited Financial Statements S$'000	Unaudited Financial Statements S$'000	Variance S$'000
Profit before taxation	13,004	13,004	-
Tax credit/(expense)	2,581	1,630	951
Profit from continuing operations	15,585	14,634	951
Profit from discontinued operation (net of tax)	319	319	-
Profit for the year	15,904	14,953	951
Attributable to:			
Owners of the Company	5,466	4,515	951
Non-controlling interests	10,438	10,438	-
Profit for the year	15,904	14,953	951

The variance was due to the reversal of deferred tax liabilities following the completion of the sale and leaseback transaction of the property located at 121 Banyan Drive Singapore 627570 (the "Property").

Statement of Financial Position

		30 April 2020			30 April 2019 (Restated)		
	Note	Audited Financial Statements	Unaudited Financial Statements	Variance	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Assets							
Property, plant and equipment	(a)	118,898	118,898	-	130,127	127,730	2,397
Assets held-for-sale	(a)	-	-	-	141,546	143,943	(2,397)
		118,898	118,898	-	271,673	271,673	-

Statement of Financial Position (Cont'd)

	Note	30 April 2020			30 April 2019 (Restated)		
		Audited Financial Statements	Unaudited Financial Statements	Variance	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Equity							
Retained earnings	(b)	30,161	29,210	951	27,095	27,095	-
Liabilities							
Non-current							
Loans and borrowings	(c)	49,946	49,946	-	123,385	55,949	67,436
Notes payable	(c)	-	-	-	-	65,753	(65,753)
Lease liabilities (2019 – finance lease liabilities)	(c)	116,479	116,479	-	-	1,683	(1,683)
Deferred tax liabilities	(b)	9,377	10,328	(951)	10,637	10,637	-
		175,802	176,753	(951)	134,022	134,022	-
Current							
Loans and borrowings	(c)	84,184	33,203	50,981	206,848	180,314	26,534
Notes payable	(c)	-	50,981	(50,981)	-	25,159	(25,159)
Lease liabilities (2019 – finance lease liabilities)	(c)	17,814	17,814	-	-	1,375	(1,375)
Trade and other payables	(c)	69,521	69,065	456	73,272	73,272	-
Deferred income	(c)	-	456	(456)	-	-	-
		171,519	171,519	-	280,120	280,120	

Notes:

(a) As at 30 April 2019, the carrying amount of the Property at the point of reclassification to "asset held-for-sale" was overstated. Accordingly, a prior year reclassification between "property, plant and equipment" and "asset held-for-sale" was recorded.

(b) The variance was due to the reversal of deferred tax liabilities following the completion of the sale and leaseback transaction of the Property.

(c) Variances arising from reclassification between the line items for the audited and unaudited financial statements.

Consolidated Statement of Cash Flows

	Note	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	S$'000
Net cash from operating activities		**25,315**	**53,784**	**(28,469)**
Depreciation of property, plant and equipment	(a)	8,495	-	8,495
Depreciation of right-of-use assets	(a)	12,588	-	12,588
Depreciation	(a)	-	21,127	(21,127)
Gain on rights transferred in a sale and leaseback transaction	(a)	(41,313)	-	(41,313)
(Gain)/loss on disposal of property, plant and equipment	(a)	(93)	(41,406)	41,313
Tax (credit)/expense	(b)	(2,538)	(1,587)	(951)
Changes in trade and other receivables	(c)	(38,070)	7,002	(45,072)
Changes in trade and other payables	(c)	38,765	22,119	16,646

Consolidated Statement of Cash Flows (Cont'd)

	Note	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	S$'000
Net cash generated from investing activities		**227,895**	**228,738**	**(843)**
Dividend received	(d)	953	-	953
Dividend received				
- associate	(d)	-	641	(641)
- financial assets at FVOCI	(d)	-	309	(309)
- other investment	(d)	-	3	(3)
Finance income received	(e)	947	1,790	(843)
Proceeds from sale of property, plant and equipment	(d)	291	210,659	(210,368)
Proceeds from sale and leaseback transaction	(d)	210,368	-	210,368
Net cash used in financing activities		**(249,354)**	**(278,623)**	**(29,269)**
Dividend paid to non-controlling interests of a subsidiary	(c)	(136)	(28,562)	28,426
Finance costs paid	(e)	(14,700)	(15,543)	843
Proceeds from borrowings	(f)	21,070	14,070	7,000
Net proceed from issuance of notes payable	(f)	-	7,000	(7,000)

Notes:

(a) The differences relate mainly to reclassification between the line items within cash flows from operating activities.

(b) The variance was due to the reversal of deferred tax liabilities following the completion of the sale and leaseback transaction of the Property.

(c) The variance arose from the changes in trade and other receivables and trade and other payables which are non-cash in nature and have been set off against dividend paid to non-controlling interests of a subsidiary as reflected under financing activities.

(d) The difference relates to reclassification between the line items within cash flows from investing activities.

(e) The variance arose from the set-off of finance income received and finance costs paid as reported under net cash used in financing activities.

(f) The variances relate mainly to reclassification between the line items within cash flows from financing activities.

BY ORDER OF THE BOARD
Vibrant Group Limited

Eric Khua
Executive Director & CEO
9 September 2020