



DISPOSAL OF WAREHOUSE PROPERTY IN A SUBSIDIARY

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 its wholly owned subsidiary, Sanlu Logistics Co., Ltd (“SLL”), has entered into an Asset Transfer Agreement (the “Agreement”) with 江阴保税物流中心有限公司 (the “Transferee”) to dispose its warehouse property located at 江阴市海港路18号 (the “Property”). The Transferee is also the current lessor of the land where the Property occupies.

2. INFORMATION ON SANLU LOGISTICS CO., LTD

SLL is a private company limited by shares incorporated in China. SLL’s principal activity is in the provision of warehousing services. SLL owns a warehouse property with gross floor area of 13,667 square metres in Jiangyin bonded warehouse sector.

3. CONSIDERATION

A cash consideration of RMB29.0 million (approximately S\$5.7 million) (the “Consideration”) was agreed for the disposal of the Property (the “Disposal”). The Consideration was arrived at after arm’s length negotiation and on a willing-buyer-willing-seller basis, taking into account the net book value the Property which is RMB27.7 million (approximately S\$5.5 million) as at 30 November 2018. This represents a gain on disposal of RMB1.3 million (approximately S\$0.2 million). The net profit attributable to the Property for the period 1 May 2018 to 30 November 2018 was RMB2.1 million (approximately S\$0.4 million). SLL had commissioned a valuation on the Property by 常州市正信房地产评估事务所有限公司 (the “Valuer”). The Valuer assessed the Property’s valuation at RMB28.7 million in its valuation report dated 8 January 2019.

The payment terms are as follows:

- i. 20% within 5 days of signing the Agreement;
- ii. 80% within 10 days of transfer of the Warehouse title to the Transferee.

There is no other material condition attached to the Sale.

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("LISTING MANUAL") IN RELATION TO THE DISPOSAL

For the purposes of Chapter 10 of the Listing Manual, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the unaudited consolidated financial statements of the Group for the financial period ended 31 October 2018 are set out below:

Bases in Rule 1006

(a)	Net book value of the asset to be disposed of, compared with the Group's net asset value.	1.82%
(b)	Net profits attributable to the asset to be disposed of, compared with the Group's net profits.	2.40%
(c)	Aggregate value of the Consideration to be received, compared with the Company's market capitalization of S\$103,458,203 based on the total number of issued Shares excluding treasury Shares.	5.52%
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

5. RATIONALE AND BENEFITS OF THE DISPOSAL

The disposal presents a good opportunity for the Group to realise its investment in China. The cash proceed from the disposal would further strengthen the Group's financial position.

6. INTENDED USE OF PROCEEDS FROM THE DISPOSAL

The sale proceeds are intended to be used to repay debt and bank borrowings.

7. FINANCIAL EFFECTS OF THE DISPOSAL

The financial effects of the Disposal on the Group are set out below. The financial effects are shown for illustrative purposes only and they do not necessarily reflect the exact future financial position and performance of the Group immediately after completion of the Disposal. In accordance with Rule 1010(8) of the Listing Manual, the financial effects set out below have been calculated using the audited consolidated financial statements of the Group for the financial year ended 30 April 2018.

NTA

Assuming that the Disposal had been completed on 30 April 2018, the effect of the Disposal on the NTA per Share of the Group is as follows:

	Before the Disposal	After the Disposal
NTA (S\$'000)	208,203	208,443
Number of Shares ('000)	692,763	692,763
NTA per Share (S\$ cents)	30.05	30.09

EPS

Assuming that the Disposal had been completed on 1 May 2017, the effect of the Disposal on the EPS of the Group is as follows:

	Before the Disposal	After the Disposal
Net loss attributable to Shareholders (S\$'000)	(88,688)	(88,448)
Weighted average number of Shares ('000)	677,700	677,700
EPS – basic (S\$ cents)	(13.09)	(13.05)

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and controlling shareholder(s) of the Company have any interest, direct or indirect, in the Disposal, other than through their respective shareholdings in the Company.

By Order of the Board

Eric Khua Kian Keong
Executive Director & CEO
28 January 2019