

For Immediate Release



VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

Singapore, 31 October 2018

VIBRANT GROUP REPORTS FINANCIAL YEAR 2018 RESULTS REVIEWING STRATEGY FOR SUSTAINED GROWTH

Highlights:

- Full impairment on its Blackgold investment even as action continues to be taken to resolve issue and to pursue recovery of investment in Blackgold; Net loss recorded for FY2018 largely on Blackgold impairment
- In stable financial position with strong stakeholder support
- Operations remain sound with steady growth pipeline of projects coming onstream
- Reviewing strategy and business structure to strengthen business and deliver sustainable growth for all stakeholders

Key Financial Highlights:

- Revenue: S\$175.5 million
- Net loss attributable to owners of the company: S\$88.7 million
- Adjusted net loss after adding back impairment of investments and receivables: S\$1.95 million
- Cash and cash Equivalent: S\$70.5 million
- Total assets: S\$957.0 million
- Total debts: S\$344.1 million
- Net tangible asset per share (cents): 30.12

Statement from Mr Eric Khua, Chief Executive Officer of Vibrant Group

We have had a challenging year, weighed down by issues at Blackgold. Even as we are continuing to take action to resolve the issue and to pursue recovery, we have decided to take the difficult but prudent decision to write Blackgold down in its entirety, while remaining focused on our business.

This full impairment has had a substantial and negative impact on Vibrant's FY2018 while the improvement in our freight and logistics business were offset by performance in our real estate and financial services divisions. Overall, however, the Group is in a stable financial position, with strong support from our stakeholders.

Vibrant has a steady growth pipeline, with projects that will progressively come onstream and contribute to the business growth. In recent months, we have announced multiple projects including: The potential \$220 million sale and leaseback of 121 Banyan Drive to unlock value of our assets; full tenancy of 139 Cecil Street that will give us steady revenue stream for 6 years; a Joint Venture with Chongqing Connectivity Initiative (CCI) Eurasia Land Bridge Logistics Development that extends our logistics network; and the Pucheng

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Project which builds our connectivity in Chongqing, an important hub in China's One Belt One Road Initiative.

We thank our shareholders, bondholders and lenders for their support during this trying period. The coming months will be spent evaluating and restructuring our business and strategy. We are confident that we will emerge from this episode to deliver sustainable growth for all stakeholders.

FINANCIAL REVIEW

FY2018 Ended 30 April 2018:

- Net loss (loss attributable to owners of the company) of S\$88.7 million (FY2017: net profit of S\$3.4 million) largely on impairment taken on investments in Blackgold and receivables from Blackgold
- Excluding Blackgold, net loss for FY2018 would have been S\$25.5 million as improvements in the freight and logistics business were offset by performance in financial services and real estate businesses
- Revenue down 5.0% year-on-year to S\$175.5 million (FY2017: S\$184.6 million), as improvement from freight and logistics services business is offset by lower contribution from real estate and financial services businesses. The reduction in contribution is due to timing of real estate projects being recognised on completion.

Financial position:

- Solid cash position of S\$70.5 million as at 30 April 2018; net asset value per ordinary share of 30.12 Singapore cents
- Strong support from stakeholders in Consent Solicitation Exercise:
 - 97.35% of Noteholders voted in favour of Extraordinary Resolution to amend the Trust Deed and Conditions for its S\$66 million 7.5% Notes due in 2020
 - A total of 257 votes were cast, of which 257 votes or 100% of the votes cast were in favour of the Extraordinary Resolution in the meeting held on 26 October 2018
 - Vibrant has since also received all waivers from its lenders in relation to non-compliance to the relevant provisions contained in the facilities agreements

Segmental Performance:

Freight and logistics:

- Revenue grew 3.9% to S\$158.3 million (FY2017: S\$152.3 million) on stronger business activity from chemical logistics, and higher occupancy rate from warehousing storage and services

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Financial services:

- Revenue decreased by 31.6% to S\$11.9 million (FY2017: S\$17.4 million) due to lower interest income from financial service business

Real estate:

- Revenue down by 64.4% to S\$5.3 million (FY2017: S\$14.9 million) against high base in the previous financial year, which included recognition of revenue upon completion of Jiangyin project, a China government-approved resettlement housing development project, in May 2017

ONGOING OPERATIONAL PIPELINE AND ACTIVITIES

Unlocking value of assets and securing steady income:

- Actively looking to monetise assets, including exclusive discussions with international real estate fund for possible sale and leaseback of 121 Banyan Drive property for consideration of at least S\$220 million
- Secured six-year steady revenue stream after Vibrant's associated company, Ececil Pte. Ltd., had secured a binding lease with a co-working space company for the whole of 139 Cecil Street

Sustained progress in China real estate developments:

- Steady sales of existing projects, with sales of 97% of the 508 units of residential apartments launched and approximately 40% of total commercial units launched at the Master-Riviera project
- Upon completion of Master-Riviera mixed-use residential and commercial project in Jiangyin, China in October 2018, the estimated sales profit of S\$8.0 million will be recognised

Capturing opportunities with One-Belt One-Road initiative:

- Expansion of Vibrant's existing logistic network by entering into strategic partnership with The CCI Eurasia Land Bridge Logistics Development Co Ltd ("CEL") to provide warehousing and transshipment solutions for the Chongqing-based global logistics player in Singapore.
- Deepening of connectivity in logistics hub Chongqing with construction of multi-modal logistics distribution centre at Yufu Industrial Park by Vibrant's 31%-owned Vibrant Pucheng Logistics (Chongqing) Co., Ltd, which is expected to commence in December 2018

STRATEGY UPDATE

- Group will carry out review of current strategy and will strengthen organisational structure
- Will ensure Vibrant delivers sustainable growth for all stakeholders
- Will continue to disclose updates on investigations into Blackgold

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About Vibrant Group Limited

Listed on SGX-ST in 1995, Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited) is a leading logistics, real estate and financial services group headquartered in Singapore. It offers a comprehensive range of integrated logistics services including international freight forwarding, chemical storage and logistics, warehousing & distribution and record management. The Group is also engaged in the real estate business in property management, development and investment. Its financial services include fund management, financial leasing services and asset and trust management.

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APPENDIX

1. Vibrant Corporate Structure

