VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

SIGNING OF CONDITIONAL SALE AND PURCHASE AGREEMENT FOR THE PROPOSED SALE OF SHARES IN PLAZA VENTURES PTE. LTD.

1. INTRODUCTION

1.1 The board of directors (the "**Board**" or "**Directors**") of Vibrant Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 6 February 2017 ("**6 February Announcement**") in relation to, *inter alia*, the binding Term Sheet entered into on the same date for the proposed sale by the Vendors of the entire issued and paid-up share capital of Plaza Ventures ("**Sale Shares**"). Unless otherwise defined or as the context otherwise requires, all capitalised terms used herein shall have the meanings ascribed to them in the 6 February Announcement.

1.2 Further to the Term Sheet, the Board is pleased to announce that the Vendors have, on 3 March 2017 entered into a conditional sale and purchase agreement ("**SPA**") with Five Seasons XXII Pte. Ltd. (being the Purchaser nominated by FHL) ("**Purchaser**") in respect of the Proposed Sale and the Proposed Assignment of Shareholder Loans, the terms of which supersedes the Term Sheet.

1.3 Contemporaneously with the execution of the SPA:-

a. FHL, which holds the entire issued and paid-up share capital of the Purchaser, entered into a deed of guarantee with the Vendors, pursuant to which FHL guarantees, *inter alia*, the performance of the obligations of the Purchaser under the SPA, including but not limited to the payment in full of the Consideration; and

b. deeds of guarantee were entered into by GSH Corporation Limited (a company listed on the Main Board of the SGX-ST) to guarantee the obligations of GSH Properties, Mr Sam Goi Seng Hui (who owns the entire issued and paid-up capital of TYJ Group) for the obligations of TYJ Group, and the Company together with Mr Dennis Leong Chee Seng and Mr Tan Swee Meng (who collectively own the entire issued and paid-up share capital of Vibrant DB2) for the obligations of Vibrant DB2.

1.4 Plaza Ventures is 35%-owned by Vibrant DB2, with GSH Properties and TYJ Group holding the remaining 51% and 14% of the shares in Plaza Ventures respectively. Upon completion of the Proposed Sale and Proposed Assignment of Shareholder Loans ("**Completion**"), Vibrant DB2 would have disposed of its entire shareholding interest in Plaza Ventures for a consideration of S$81,180,363, being 35% of the Consideration, in proportion with its shareholding percentage in Plaza Ventures. In addition, Vibrant DB2 would be paid S$46,025,000 for the proposed assignment of Vibrant DB2's portion of the Shareholder Loans (including accrued interest, if any).

1.5 Post-Completion, Plaza Ventures will cease to be an associated company of the Group, and the Purchaser would have acquired the entire issued and paid-up share capital of Plaza Ventures.

2. THE PROPOSED SALE

2.1 Information on Plaza Ventures

As mentioned in the 6 February Announcement, Plaza Ventures is a private company limited by shares incorporated in Singapore, and the registered owner and developer of the development project known as GSH Plaza (the "**Project**"), which is situated at 20 Cecil Street, Singapore 049705 (Lot 604P of Town Sub-division 1) (the "**Property**").

Save for the Vendors, there are no other shareholders of Plaza Ventures. The shareholding percentage in Plaza Ventures and corresponding number of Sale Shares held by the respective Vendors, as at the date of the SPA, are as illustrated in the table below:

Name	Number of Sale Shares	Percentage of Shares held
GSH Properties	23,460,000	51%
TYJ Group	6,440,000	14%
Vibrant DB2	16,100,000	35%
Total:	**46,000,000**	**100%**

Plaza Ventures does not have any subsidiaries.

2.2 Information on the Purchaser

The Purchaser, a company incorporated in Singapore and having its registered office at 501 Orchard Road, #19-01 Wheelock Place, Singapore 238880, is a special purpose vehicle incorporated for the purpose of this Proposed Sale.

This Section 2.2 is based solely on information and representations provided by the Purchaser.

2.3 Consideration

The Consideration for the sale of the Sale Shares to the Purchaser under the SPA is S$231,943,895, subject to the adjustments as set out below, which shall be paid to each Vendor in accordance with their shareholding percentage in Plaza Ventures. Accordingly, the consideration payable by the Purchaser to Vibrant DB2 is S$81,180,363, being 35% of the Consideration.

The Consideration is to be paid by the Purchaser to the Vendors on Completion.

2.3.1 Determination of Consideration

The Consideration was determined based on the following formula:

Adjusted NAV less Profit to be Allocated

Where:

"**Adjusted NAV**" means the net asset value of Plaza Ventures based on the unaudited management accounts of Plaza Ventures for the period from 1 January 2016 to 30 November 2016 ("**Management Accounts**"), as at 30 November 2016 ("**Management Accounts Date**") as adjusted and prepared on the following assumptions and bases:

(a) THAT construction of the Project is completed with the temporary occupation permit being issued by the Building and Construction Authority in respect thereof such that:

(i) all construction costs of the Project are fully recognised as incurred as at the Management Accounts Date in the Management Accounts ("**Accrued Construction Costs**"); and

(ii) revenue attributable to Sold Units prior to the Management Accounts Date is fully recognised as earned as at the Management Accounts Date;

(b) THAT the Retail Units have been sold to Rplace Investment Pte Ltd (a corporate entity wholly-owned by Dennis Leong Chee Seng who is one of the ultimate shareholders of Vibrant DB2) on the terms set out in the Retail Units SPAs such that the revenue attributable to such sale is fully recognised as earned as at the Management Accounts Date;

(c) THAT the Unsold Units are valued at S$2,900 per square foot; and

(d) THAT provisions are made for taxation including for deferred taxation on the premise of all Sold Units and Retail Units being sold at a sale revenue of S$2,900 per square foot;

"**Aggregate Floor Space Sold**" means the aggregate of the floor space comprised in Sold Units and Retail Units;

"**Average Net Sales Price PSF**" = (Aggregate of sale revenue attributable to sale of the Sold Units and Retail Units (less sale rebates given for such sale) ÷ Aggregate Floor Space Sold);

"**Profit To Be Allocated**" = (Average Net Sales Price PSF – S$2,900) x Aggregate Floor Space Sold;

"**Retail Units**" means all retail units located at the first and second floor of the Project;

"**Retail Units SPAs**" means sale and purchase agreements in relation to the sale and purchase of the Retail Units entered into between Rplace Investment Pte Ltd and Plaza Ventures;

"**Sold Units**" means units within the Project for which sale and purchase agreements have been executed by the Company and purchasers thereof on or prior to the Management Accounts Date; and

"**Unsold Units**" means the remaining units within the Project, which exclude the Sold Units and Retail Units.

2.3.2 Pre-Completion Adjustments

Prior to Completion, the Consideration shall be adjusted ("**Adjusted Consideration**"):

(a) to deduct S$3,923,069 being the estimated costs and liabilities, as agreed between the Purchaser and the Vendors, which may be incurred by Plaza Ventures up to Completion and which were not taken into account for the original Consideration; and

(b) where the construction costs of the Project as determined by Langdon & Seah Singapore Pte Ltd, a quantity surveyor appointed by Plaza Ventures for the Project, and set out in a report to be shared with the Purchaser not less than 10 Business Days prior to Completion ("**Surveyed Construction Costs**") is greater than the Accrued Construction Costs, to deduct the Consideration by the amount of such difference; and

(c) where the Surveyed Construction Costs is less than the Accrued Construction Costs, to increase the Consideration by the amount of such difference.

2.3.3 Post-Completion Adjustments

(a) **Completion Accounts and Completion Adjusted NAV** – The Vendors and the Purchaser agree that within 30 days of Completion, a balance sheet of Plaza Ventures as at Completion to the extent compliant with International Financial Reporting Standards ("**Completion Accounts**") and a calculation of the Adjusted NAV based on the same assumptions and bases under its definition in Section 2.3.1 above but as at the Completion date and based on the Completion Accounts ("**Completion Adjusted NAV**") shall be arranged by the Vendors to be delivered to the Purchaser.

Where the final consideration based on the Completion Adjusted NAV ("**Adjusted Final Consideration**") is higher than the Adjusted Consideration, the Purchaser shall be obliged to make payment of such difference to the Vendors in the proportion to the Vendors' shareholdings in Plaza Ventures prior to Completion (the "**Relevant Proportion**"). Where the Adjusted Final Consideration is lower than the Adjusted Consideration, the Vendors shall be obliged (in the Relevant Proportion of each Vendor) to make payment of such difference to the Purchaser.

(b) **Final Accounts with Main Contractor** – The Vendors and the Purchaser agree, and shall procure that, as soon as possible after Completion, and in any case within 24 months after Completion, Plaza Ventures shall finalise its accounts of the construction contract with the main contractor for the Project, which shall be inclusive of all costs relating to any variation of orders and/or additional works which were instructed by Plaza Ventures to the main contractor, or agreed between them, prior to Completion ("**Final Accounts**").

Where the final construction costs set out in the Final Accounts ("**Final Construction Costs**") are higher than all construction costs of the Project fully recognised as incurred as at the Completion date in the Completion Accounts, the Vendors shall be obliged (in the Relevant Proportion of each Vendor) to make payment of such difference (the "**Relevant Amount**") to the Purchaser, and where the Accrued Construction Costs are

higher than the Final Construction Costs, the Purchaser shall be obliged to make payment of such Relevant Amount to the Vendors in the Relevant Proportion.

2.4 Salient terms of the SPA

In addition to the Consideration and the adjustments thereto as stated in Section 2.3 above, the other salient terms of the SPA are as follows:

Conditions Precedent

Completion of the Proposed Sale is conditional upon the fulfillment, satisfaction or waiver of the conditions precedent set out below ("**Conditions Precedent**") on or before 12 May 2017 or such other date as the Vendors and the Purchaser may mutually agree in writing (the "**Back-Stop Date**"). Subject to applicable laws and regulations, the Purchaser may, at any time on or before the Back-Stop Date, at its sole discretion, waive in whole or in part and conditionally or unconditionally the Conditions Precedent set out in paragraphs (e), (f), (g), (j), (k), (l) and (m) below, and the Vendors may, at any time on or before the Back-Stop Date, waive in whole or in part and conditionally or unconditionally the Conditions Precedent set out in paragraph (h) below.

(a) all approvals, consents, statement of no objection, waivers, licences, authorizations, orders, grants, confirmations, permissions and/or registrations as required for or in relation to the Proposed Sale:

(i) under all applicable laws and regulations to which the Vendors are subject; and/or

(ii) of any government and/or regulatory bodies or competent authorities having jurisdiction over the Vendors,

being obtained;

(b) (if applicable) approval by the shareholders of the Company, and/or shareholders of Vibrant Group Limited (being the ultimate parent company of Vibrant DB2), to the extent required under the listing manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") as applicable thereto, being obtained;

(c) all approvals, consents, statement of no objection, waivers, licences, authorizations, orders, grants, confirmations, permissions and/or registrations as required for or in relation to the Proposed Sale:

(i) under all applicable laws and regulations to which the Purchaser is subject; and/or

(ii) of any government and/or regulatory bodies or competent authorities having jurisdiction over the Purchaser,

being obtained;

(d) all approvals, consents, statement of no objection, waivers, licences, authorizations, orders, grants, confirmations, permissions and/or registrations as required for or in relation to the Proposed Sale:

(i) under all applicable laws and regulations to which Plaza Ventures is subject; and/or

(ii) of any government and/or regulatory bodies or competent authorities having jurisdiction over the Plaza Ventures,

being obtained;

(e) delivery of a formal valuation report on the Unsold Units to the Purchaser, prepared by an independent Singapore professional valuer engaged by the Purchaser which shall be either Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Savills Valuation and Professional Services (S) Pte. Ltd. or Cushman & Wakefield (S) Pte. Ltd. and the value of the Unsold Units as stated in such valuation report to be no less than S$2,900 per square foot;

(f) no event or matter has occurred that results in a Material Adverse Change on the Project, the Property or Plaza Ventures;

(g) all the warranties of the Vendor (as set out in the SPA) being complied with and being true, accurate and not misleading in all material aspects as at the Completion date;

(h) all the warranties of the Purchaser (as set out in the SPA) being complied with and being true, accurate and not misleading in all material aspects as at the Completion date;

(i) there having been no restriction, prohibition, injunction, invalidation or others which prevent (or seek to prevent) the Proposed Sale or other transactions contemplated under the SPA by any government authorities;

(j) (i) Plaza Ventures not being engaged in, or having taken any steps to defend or strike off, any material litigation or arbitration proceedings as defendant (other than those of a frivolous or vexatious nature), which might materially and adversely affect the financial position of Plaza Ventures; and (ii) Plaza Ventures and the directors of Plaza Ventures not being aware of any litigation, claim or proceeding or steps being taken to defend or strike off any litigation, claim or proceeding (other than those of a frivolous or vexatious nature) pending or threatened against Plaza Ventures or of any fact likely to give rise to any such proceeding, which might materially and adversely affect the financial position of Plaza Ventures;

(k) all covenants and undertakings of the Vendors under the SPA having been complied with as at the Completion date;

(l) the shareholders' agreement dated 23 June 2014 between Plaza Ventures and each Vendor having been terminated with effect from the Completion date; and

(m) approval from the Singapore Land Authority having been obtained, by the Purchaser using best endeavours, for the mortgage of the Property in favour of the Purchaser's financier.

Other material terms

Other material terms of the SPA include, *inter alia*:

(a) **Assignment of Shareholder Loans**

The Vendors shall, by way of a deed of assignment ("**Deed of Assignment**") to be executed on Completion, assign and transfer absolutely to the Purchaser, and the Purchaser shall accept, the assignment of all the Vendors' rights, title, interest and benefits in the following respective Shareholder Loans of each Vendor, together with all rights and advantages attaching thereto in accordance with the respective Deeds of Assignment:

(i) the loan(s) from GSH Properties to Plaza Ventures;

(ii) the loan(s) from TYJ Group to Plaza Ventures; and

(iii) the loan(s) from Vibrant DB2 to Plaza Ventures.

The aggregate amount of the Shareholder Loans shall be paid by the Purchaser to the Vendors on Completion, based on the management accounts of Plaza Ventures as at 31 March 2017 ("**31 March Management Accounts**"). Assignment of the Shareholder Loans by the Vendors to the Purchaser shall be subject to, and shall take place contemporaneously with, payment of the Shareholder Loans by the Purchaser to the Vendors.

If a Vendor's Shareholder Loans based on the Completion Accounts ("**Completion Shareholder Loans**") differs from such Vendor's Shareholder Loans based on the 31 March Management Accounts ("**31 March Shareholder Loans**"), then:

(i) where the Completion Shareholder Loans of such Vendor is greater than such Vendor's 31 March Shareholder Loans, such Vendor shall be obliged to make payment of such difference to the Purchaser; and

(ii) where the 31 March Shareholder Loans of such Vendor is greater than such Vendor's Completion Shareholder Loans, then the Purchaser shall be obliged to make payment of such difference to such Vendor.

2.5 Discharge of Bank Loans and Security

On Completion, the Purchaser shall repay and/or (as the case may be) procure the repayment of, the principal amount outstanding under certain bank loans of Plaza Ventures as at the Completion date, documentary evidence of which shall be provided to the Vendors. Subject to, amongst others, such repayment, the Vendors and the Purchaser shall procure the termination of such bank loans and the full and final discharge of the related security thereunder with effect

from Completion. The quantum of such bank loans outstanding as at the date of this Announcement is S$359,691,367.

3. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL IN RELATION TO THE PROPOSED SALE

3.1 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 year ended 31 October 2016 are set out below:

Bases in Rule 1006

(a)	Net asset value of the Sale Shares to be disposed of, compared with the Group's net asset value	4.00%
(b)	Net profits attributable to the Sale Shares to be disposed of, compared with the Group's net profits	11.50%
(c)	Aggregate value of the Consideration to be received, compared with the Company's market capitalization of S$219,915,929[(1)] based on the total number of issued Shares excluding treasury Shares	39.75%[(2)]
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) As per Rule 1002(5) of the Listing Manual, the Company's market capitalisation is computed based on the number of issued Shares on 2 March 2017 of 602,509,395 Shares, and the weighted average price of Shares transacted on 2 March 2017 of S$0.365 per Share, being the market day preceding the date of the SPA.

(2) The aggregate value of the consideration for the purposes of this calculation comprises the Consideration and the Shareholder Loans (being S$87,426,985) which shall be paid to the Company.

3.2 As the Proposed Sale is in line with the Group's ordinary course of business and is of a revenue nature, Chapter 10 of the Listing Manual, in particular, seeking Shareholders' approval under Rule 1014, where the relative figures as computed on the bases set out in Rule 1006 exceeds 20%, does not apply to the Proposed Sale.

4. RATIONALE AND BENEFITS OF THE PROPOSED SALE

The Group acquired the 28-storey GSH Plaza in 2014 with the intention to retrofit the building to be on par with the top buildings in the Raffles Place precinct. Its refurbishment commenced in early 2015, which involved a total revamp to its exterior, and a reconfiguration of its interior spaces to 259 strata office units, and two floors of retail space comprising 21 shops.

The Proposed Sale presents a good opportunity for the Group to realise its investment in the Project, which is in line with the Group's strategy.

5. INTENDED USE OF PROCEEDS FROM THE PROPOSED SALE

The Company expects to receive net proceeds of approximately S$87.4 million from the Proposed Sale. The net proceeds are intended to be used to repay debt and bank borrowings.

6. FINANCIAL INFORMATION

6.1 Value Attributable to the Sale Shares

(a) NTA

Based on the Group's unaudited consolidated financial statements of the Group for the period ended 31 October 2016, the NTA attributable to the Sale Shares as at 31 October 2016 is approximately S$13,863,382.

(b) Latest Available Open Market Value

The open market value of the Sale Shares is not available as the Sale Shares are not publicly traded. No valuation of the Sale Shares was commissioned.

6.2 Excess of Proceeds over the Book Value

Based on the Group's unaudited consolidated financial statements of the Group for the period ended 31 October 2016, the completion of the Proposed Sale is expected to result in a gain of approximately S$27,538,603 to the Group.

7. FINANCIAL EFFECTS OF THE PROPOSED SALE

The financial effects of the Proposed Sale on the Group 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 Proposed Sale. 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 2016.

Share Capital

As the Proposed Sale does not involve the issue and allotment of any new Shares, the Proposed Sale will not have any impact on the share capital of the Company.

NTA

Assuming that the Proposed Sale had been completed on 30 April 2016, the effect of the Proposed Sale on the NTA per Share of the Group is as follows:

	Before the Proposed Sale	**After the Proposed Sale**
NTA (S$'000)	370,699	398,450
Number of Shares ('000)	553,787	553,787
NTA per Share (S$ cents)	66.94	71.95

EPS

Assuming that the Proposed Sale had been completed on 1 May 2015, the effect of the Proposed Sale on the EPS of the Group is as follows:

	Before the Proposed Sale	**After the Proposed Sale**
Net (loss)/profit attributable to Shareholders (S$'000)	10,023	37,774
Weighted average number of Shares ('000)	539,636	539,636
EPS – basic (S$ cents)	1.86	7.00

Net Gearing Ratio

Assuming that the Proposed Sale had been completed on 30 April 2016, the effect of the Proposed Sale on the net gearing ratio of the Group is as follows:

	Before the Proposed Sale	**After the Proposed Sale**
Total borrowings (S$'000)	448,916	361,489
Total equity ('000)	451,459	505,872
Gearing (times)	0.99	0.71

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

9. SERVICE CONTRACTS

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 51 Penjuru Road #04-00 Singapore 609143 during normal business hours for a period of 3 months from the date of this Announcement.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcements when there are material developments in respect of the Proposed Sale and/or the Proposed Assignment of Shareholder Loans.

12. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their Shares. The Proposed Sale and Proposed Assignment of Shareholder Loans is subject to numerous conditions, and there is no certainty or assurance as at the date of this Announcement that the Proposed Sale will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments in relation thereto. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Eric Khua Kian Keong
Executive Director & CEO
3 March 2017