VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

PROPOSED CHANGE OF AUDITORS FROM KPMG LLP TO FOO KON TAN LLP

1. PROPOSED CHANGE OF AUDITORS

1.1 The Board of Directors (the "**Board**") of Vibrant Group Limited (the "**Company**"), and together with its subsidiaries, (the "**Group**") wishes to announce the Company's intention to undertake a change of auditors from KPMG LLP ("**KPMG**") to Foo Kon Tan LLP ("**FKT**") (the "**Proposed Change of Auditors**").

1.2 An extraordinary general meeting ("**EGM**") shall be convened on 13 March 2020 at 9:30 a.m. at 51 Penjuru Road, #04-00, Freight Links Express Logisticentre, Singapore 609143, to obtain approval from the shareholders of the Company (the "**Shareholders**") for the Proposed Change of Auditors.

1.3 KPMG, the Company's outgoing auditor, has served as auditors of the Company since the financial year ended 2007. KPMG was re-appointed as auditors at the last annual general meeting of the Company to hold office until the conclusion of the next annual general meeting of the Company.

1.4 The Proposed Change in Auditors is recommended by the audit committee of the Company (the "**Audit Committee**") for the following reasons:

(a) As part of good corporate governance initiatives and the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be appropriate and timely to effect a change of auditors of the Company. A change of auditors would also enable the Company to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit of the Group.

(b) The Audit Committee, in reviewing and deliberating on the suitability of other audit firms, had evaluated proposals from other audit firms and taken into consideration the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") in ACRA's Audit Quality Indicators Disclosure Framework, and various factors such as the adequacy of resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm's other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned. After evaluation, the Audit Committee recommended the appointment of FKT as auditors of the Company in place of KPMG. The Proposed Change of Auditors will not result in any change to the scope of the audit currently provided by KPMG. The change of auditors will allow the Group to save approximately S$255,000, a reduction of 47% in audit fees based on the previous audit fees for the financial year ended 30 April 2019.

1.5 The Board has taken into account, *inter alia,* that the Proposed Change of Auditors, the Audit Committee's recommendation and the factors taken into consideration by the Audit Committee in its evaluation, and are satisfied that FKT is the best suited to meet the existing needs and audit requirements of the Group. The Board has therefore accepted the Audit Committee's recommendation to appoint FKT in place of KPMG, subject to the approval of the Shareholders at the EGM.

1.6 In light of the above, KPMG had on 20 December 2019 applied to ACRA to seek its consent to resign as the auditors of the Company, and had received a letter from ACRA approving

its resignation as auditors of the Company on 14 February 2020. KPMG had also notified the Company on 17 February 2020 and provided its letter notifying the Company of its resignation as auditors of the Company.

1.7 In accordance with Section 205AB(5) of the Companies Act (Cap. 50) of Singapore (the "**Companies Act**"), the resignation of KPMG as the auditors of the Company took effect on 14 February 2020.

1.8 FKT had on 18 December 2019 given its written consent to act as the auditors of the Company, which will be subject to the approval of the Shareholders at the EGM. Pursuant to Rule 712(3) of the Listing Manual and Section 205AF of the Companies Act, the appointment of FKT in place of KPMG must be specifically approved by Shareholders at a general meeting. The appointment of FKT will therefore take effect upon obtaining the approval of the same by Shareholders at the EGM and, if appointed, FKT will hold office until the conclusion of the next annual general meeting of the Company.

1.9 In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(a) the Company has received a copy of KPMG's professional clearance letter dated 17 December 2019 to FKT confirming that they are not aware of any professional reasons why FKT should not accept appointment as the new auditors of the Company;

(b) the Board confirm that there were no disagreements with KPMG on accounting treatments within the last 12 months from the date of this Announcement;

(c) the Board confirm that the Company is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Announcement;

(d) the reasons for the Proposed Change of Auditors are disclosed in this Announcement; and

(e) the Board confirm that the Company is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of FKT.

1.10 The Board wishes to express their appreciation for the services rendered by KPMG in the past.

2. DESPATCH OF CIRCULAR

The Company will dispatch a circular to the Shareholders containing information on the Proposed Change of Auditors on or before 27 February 2020.

BY ORDER OF THE BOARD

Eric Khua
Executive Director & CEO
17 February 2020