VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL IN RELATION TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

The Board of Directors (the "**Board**") of Vibrant Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the independent auditors of the Company, KPMG LLP, in its Independent Auditor's Report ("**Auditor's Report**") has issued a Disclaimer of Opinion on the financial statements for the financial year ended 30 April 2018 ("**FY 2018**") due to the significance of the matters as described in the 'Basis for disclaimer of opinion' section of the Auditor's Report.

An extract of the Auditor's Report is set out below:

I. Disclaimer of Opinion

We were engaged to audit the financial statements of Vibrant Group Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 April 2018, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 138. Because of the significance of the matters described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. Accordingly, we do not express an opinion on the accompanying financial statements.

II. Basis for disclaimer of opinion

As described in note 2 to the financial statements, during our audit of Blackgold Group, we identified irregularities and discrepancies in relation to certain invoices and receipts. The accounting records of Blackgold Group were destroyed in a fire incident in August 2018. Accordingly, we were not able to complete our audit procedures, as we were not able to obtain sufficient and appropriate audit evidence over the account balances of Blackgold Group as at the acquisition date and 30 April 2018 as well as transactions of Blackgold Group for the period from the acquisition date to 30 April 2018. Management has not consolidated the balances and transactions relating to Blackgold Group in the Group's consolidated financial statements for the year ended 30 April 2018, as required by FRS 110 Consolidated Financial Statements. The Special Audit of the irregularities identified and the accounting records of the Blackgold Group, conducted by the Company's investigating auditors, has not been completed. We are unable to determine the extent of adjustments necessary in respect of the Group's consolidated financial statements for the year ended 30 April 2018 and in particular, the implications of any findings which may arise out of the Special Audit.

In relation to the redeemable cumulative convertible preference shares (RCCPS) in China GSD Logistics Pte. Ltd., amounting to $11,632,000 as at 30 April 2018 (described in note 9 to the financial statements), we are unable to obtain sufficient and appropriate supporting information with respect to the recoverability of these RCCPS. This is due to difficulties in accessing information pertaining to the overseas associate. Accordingly, we are unable to determine the extent of adjustments and disclosures necessary in respect of these RCCPS.

We also draw attention to note 2 to the financial statements. The Group has incurred a net loss of $88,688,000 for the year ended 30 April 2018. As at 30 April 2018, the Group and the Company are

in a net current liabilities position of $189,662,000 and $129,382,000, respectively. As at 30 April 2018, the Group's current liabilities include loans and borrowings of $160,290,000 which were classified as current liabilities, as a result of the Company and some of its subsidiaries being in breach of certain loan covenants. Although waivers have been obtained after the year-end in respect of all of the loan covenant breaches, the waivers will lapse at the earlier of 31 December 2018 or issuance of the Special Audit Report. At the expiration of these waivers, the loans will contractually become immediately due. The Group plans to seek an extension of these waivers from the respective lender banks, upon issuance of the Special Audit Report.

The Group is currently in discussions to sell and leaseback the property located at 121 Banyan Drive in Singapore, for an anticipated consideration of at least $220 million. The ability of the Group and the Company to generate sufficient cash flows to pay its debts as and when they become due over the next twelve months is primarily dependent upon the completion of this transaction, along with the receipt of sales proceeds.

These factors indicate the existence of material uncertainties which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

Shareholders are advised to refer to the Auditor's Report and the audited financial statements as set out in the Company's annual report for FY2018.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Where in doubt as to the action they should take, Shareholders should consult their financial, tax, legal or other professional advisors.

By Order of the Board
Vibrant Group Limited

Eric Khua
Executive Director & CEO
12 December 2018