VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

UPDATES TO THE SUBSCRIPTION AGREEMENT – ENTRY INTO IMPLEMENTATION AGREEMENT

1. BACKGROUND

1.1. The board of directors (the "**Board**") of Vibrant Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement on 7 January 2022 in relation to the entry into a conditional subscription agreement (the "**Subscription Announcement**") and the announcements dated 25 March 2022, 15 August 2022, 31 May 2023 and 6 October 2023 in relation to the entry into the supplemental agreements to the Subscription Agreement (the "**Supplemental Announcements**") and the announcement dated 6 October 2023 in relation to the updates to the subscription agreement (together with the Subscription Announcement and Supplemental Announcements, the "**Previous Announcements**"). Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings in the Previous Announcements.

2. INFORMATION ON HIAP SENG INVESTMENT

2.1. Hiap Seng Investment was incorporated in Singapore in 2022 and for the sole purpose of the Proposed Transfer Listing.

2.2. As at the date of this announcement:

(a) the name of Hiap Seng Investment has been changed to Hiap Seng Industries Limited (the "**New Listco**") and the New Listco is a public company limited by shares;

(b) the shareholding and directorship of the New Listco has been transferred from an independent third party to Vibrant Equities and Mr. Khua Kian Hua (a 30.0% shareholder and director of Vibrant Equities) respectively; and

(c) the New Listco has an issued and paid-up capital of S$1.00 comprising one (1) ordinary share, does not have any treasury shares or subsidiary holdings, and does not have any outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into the shares of the New Listco.

3. ENTRY INTO IMPLEMENTATION AGREEMENT

3.1. The Company wishes to announce that the New Listco, has on 11 October 2023, entered into an implementation agreement (the "**Implementation Agreement**") with Hiap Seng Engineering. The Implementation Agreement sets out the terms for the proposed transfer of Hiap Seng Engineering's listing status on the Mainboard of the SGX-ST to the New Listco (the "**Proposed Transfer Listing**") by way of a scheme of arrangement under Section 210 of the Companies Act 1967 of Singapore (the "**Companies Act**") (the "**Shareholders' Scheme**").

3.2. The Proposed Transfer Listing is undertaken by Hiap Seng Engineering in conjunction with the Proposed Transactions (being the Proposed Subscription and the Grant of Options) and the Proposed Debt Restructuring and the completion of the Proposed Transfer Listing is inter-conditional with the Proposed Transactions and the Proposed Debt Restructuring. Please refer to the Previous Announcements for further information in relation thereto.

4. PROPOSED TRANSFER LISTING

4.1. Pursuant to the Implementation Agreement, Hiap Seng Engineering and the New Listco have agreed on the terms for the Proposed Transfer Listing, and for such to be effected by way of a restructuring of Hiap Seng Engineering (the "**Company Restructuring**"), through the Shareholders' Scheme under which:

(a) all of the existing issued ordinary shares in the capital of Hiap Seng Engineering (the "**Existing Shares**") held by the Shareholders prior to the completion of the Proposed Transactions and the Proposed Debt Restructuring (the "**Existing Shareholders**") will be transferred to the New Listco (i) fully paid; (ii) free from all encumbrances; and (iii) together with all rights, benefits and entitlements attaching thereto as of the Record Date[1], including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by Hiap Seng Engineering on or after the Record Date;

(b) the New Listco will:

(i) allot and issue such number of new New Listco Shares on the basis of one (1) new ordinary share in the New Listco (a "**New Listco Share**") for every one (1) Existing Share held by the Existing Shareholders as at the Record Date;

(ii) on behalf of Hiap Seng Engineering[2], allot and issue the Subscription Shares to the Subscribers[3] and the Settlement Shares to the eligible creditors under the creditors' scheme of arrangement (the "**Scheme Creditors**") entered into for the Proposed Debt Restructuring (the "**Creditors' Scheme**"), all of which will (1) be duly authorised, validly issued, credited as fully paid; (2) be free from all encumbrances; (3) be together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by Hiap Seng Engineering on or after the Record Date; (4) rank *pari passu* in all respects with one another as well as the existing issued New Listco Share as of the Effective Date[4]; and (5) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date; and

(iii) on behalf of Hiap Seng Engineering, grant the Options to the Subscribers, such Options to be subject to the terms and conditions of the Options as set out in the Subscription Agreement; and

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[1] Means the time and date to be determined by the Directors of Hiap Seng Engineering at and on which, the Register of Members and share transfer books of Hiap Seng Engineering will be closed to determine the entitlements of Shareholders in respect of the Shareholders' Scheme.

[2] Hiap Seng Engineering and the New Listco have agreed in the Implementation Agreement that the New Listco will allot and issue these securities directly on behalf of Hiap Seng Engineering, to streamline the administrative procedures required. In relation thereto and for administrative documentation purposes, Hiap Seng Engineering and the New Listco have also entered into a loan agreement on the date of this announcement, where the New Listco will extend an unsecured loan facility (with repayment terms at the discretion of Hiap Seng Engineering) of up to a maximum aggregate principal amount equal to S$15,350,000 (being the total amount of (a) S$8.00 million from the proceeds of the Subscription for the allotment and issue of the Subscription Shares, as used for the partial repayment of the principal amounts and interests under loans owing to UOB; and (b) S$7.35 million, being the cost of the Settlement Shares allotted and issued by Hiap Seng Engineering to the Scheme Creditors, including UOB).

[3] For the purposes of the Company Restructuring through the Shareholders' Scheme, one (1) less Subscription Share will be allotted and issued by the New Listco to Vibrant Equities, as Vibrant Equities holds one (1) New Listco Share as at the date of this announcement and has provided an undertaking to Hiap Seng Engineering and the New Listco to waive its right to receive one (1) Subscription Share out of its entitlement to the Subscription Shares.

[4] Means the date on which the Shareholders' Scheme becomes effective in accordance with its terms upon the lodgement of the Shareholders' Scheme Court Order with the Accounting and Corporate Regulatory Authority of Singapore, and which date shall, in any event, be no later than the Cut-off Date.

(c) the New Listco will assume all liabilities and obligations of Hiap Seng Engineering in connection with the Options to be granted by Hiap Seng Engineering to the Subscribers pursuant to the Grant of Options, and the New Listco Shares to be allotted and issued to the Subscribers and the Scheme Creditors respectively pursuant to the Proposed Subscription and the Proposed Debt Restructuring.

The Proposed Transfer Listing will be implemented through the Company Restructuring by way of the Shareholders' Scheme and accordingly, is to be approved by a majority in number of Shareholders present and voting, either in person or by proxy, at the meeting to be held by Hiap Seng Engineering to seek its Shareholders' approval for the Shareholders' Scheme (the "**Shareholders' Scheme Meeting**")[5], such majority holding not less than three-fourths in value of the Shares held by the Shareholders present and voting either in person or by proxy at the Shareholders' Scheme Meeting, and by order of the General Division of the High Court of the Republic of Singapore or, where applicable on appeal, the Appellate division of the High Court of the Republic of Singapore (the "**Court**") in compliance with the requirements under Section 210(3AB) of the Companies Act.

5. SUMMARY OF CERTAIN TERMS OF THE IMPLEMENTATION AGREEMENT

5.1. Conditions Precedent

The Shareholders' Scheme, the Company Restructuring and the Proposed Transfer Listing shall be conditional upon the satisfaction of all of the following conditions precedent:

(a) the approval of the Shareholders' Scheme by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Shareholders' Scheme Meeting, such majority holding not less than three-fourths in value of the Shares held by the Shareholders present and voting either in person or by proxy at the Shareholders' Scheme Meeting;

(b) the approval of the shareholder of the New Listco for the transactions as contemplated under the Implementation Agreement, including but not limited to the allotment and issue of shares in the New Listco to the Shareholders pursuant to the Company Restructuring and the Shareholders' Scheme;

(c) the grant of an order by the Court (the "**Court Order**") and such Court Order having become final, and the registration of the Court Order with the Accounting and Corporate Regulatory Authority of Singapore pursuant to Section 210(5) of the Companies Act;

(d) all Regulatory Approvals[6] having been obtained and not withdrawn prior to the Record Date, on terms and conditions satisfactory to Hiap Seng Engineering;

(e) the listing and quotation notice from the SGX-ST (the "**LQN**") having been obtained for the listing of, and quotation for, the existing New Listco Share and all of the new New Listco Shares to be allotted and issued (including the new New Listco Shares to the Existing Shareholders, the Subscription Shares and the new New Listco Shares to be issued upon exercise of the Options to the Subscribers and the Settlement Shares to the Scheme Creditors) on the Mainboard of the SGX-ST, and not withdrawn prior to the Record Date;

(f) all consents, waivers and approvals which are necessary or required to be obtained by Hiap Seng Engineering from any third parties in connection with the Shareholders' Scheme, the Company Restructuring or the Proposed Transfer Listing having been obtained or completed

[5] Subject to the Court granting the relevant orders pursuant to the application to be made by Hiap Seng Engineering in relation to the Shareholders' Scheme.
[6] As defined in the Implementation Agreement.

on terms and conditions satisfactory to Hiap Seng Engineering and the same not having been revoked prior to the Effective Date;

(g) the adoption by the New Listco of a new constitution in a form to be agreed between the New Listco and Hiap Seng Engineering;

(h) between the date of the Implementation Agreement and the Record Date, no Prescribed Occurrence[7] in relation to Hiap Seng Engineering or the New Listco (as the case may be) occurs, other than as already publicly disclosed on or prior to the date of the Implementation Agreement and as required or contemplated by the Implementation Agreement, the Resumption Proposal, the Shareholders' Scheme, the Company Restructuring or the Proposed Transfer Listing;

(i) Hiap Seng Engineering's warranties being true and accurate, as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date; and

(j) the New Listco's warranties being true and accurate, as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date.

Completion of the Shareholders' Scheme, the Company Restructuring and the Proposed Transfer Listing shall be inter-conditional with the completion of the Proposed Subscription, the Grant of Options and the Proposed Debt Restructuring. Failing which, none of the Shareholders' Scheme, the Company Restructuring and the Proposed Transfer Listing will proceed unless otherwise mutually agreed by the Parties.

5.2. **Termination**

The Implementation Agreement may be terminated at any time on or prior to the Record Date as follows:

(a) by either Hiap Seng Engineering or the New Listco, if any court of competent jurisdiction or Governmental Agency[8] has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Shareholders' Scheme, the Company Restructuring, the Proposed Transfer Listing or any part thereof, or has refused to do anything necessary to permit the Shareholders' Scheme, the Company Restructuring, the Proposed Transfer Listing or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;

(b) by either:

(i) Hiap Seng Engineering, if the New Listco is in material breach of any provision of the Implementation Agreement or a Prescribed Occurrence has occurred in relation to the New Listco;

(ii) the New Listco, if Hiap Seng Engineering is in material breach of any provision of the Implementation Agreement or a Prescribed Occurrence has occurred in relation to Hiap Seng Engineering,

in each case provided that either Hiap Seng Engineering or the New Listco (as the case may be) has given written notice to the other party of its intention to terminate the Implementation Agreement. In this circumstance, the Implementation Agreement shall be terminated on the date falling five (5) business days after the date of such notice of termination.

[7] As defined in the Implementation Agreement.
[8] As defined in the Implementation Agreement.

(c) by either Hiap Seng Engineering or the New Listco, if (i) the resolutions submitted to the Shareholders' Scheme Meeting are not approved by the requisite majority of the Shareholders; (ii) the approval of the shareholder of the New Listco for the transactions as contemplated under the Implementation Agreement is not obtained; or (iii) the LQN is not obtained from the SGX-ST.

Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall, save for certain clauses thereunder, *ipso facto* terminate if any of the conditions as set out in paragraph 5.1 above has not been satisfied (or, where applicable, has not been waived) by the Cut-off Date[9].

6. DOCUMENT FOR INSPECTION

6.1. A copy of the Implementation Agreement will be available for inspection at the Company's registered office at 51 Penjuru Road #04-00 Freight Links Express Logisticentre, Singapore 609143, during normal business hours for a period of three (3) months from the date hereof.

7. FURTHER ANNOUNCEMENTS

7.1. The Company will make further announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Transactions and other matters contemplated in this announcement.

8. CAUTIONARY STATEMENT

8.1. Shareholders and potential investors should note that the Conditional Subscription Agreement is subject to the fulfilment of the conditions precedent for the Proposed Transactions. **There is no certainty or assurance that the conditions precedent for the Proposed Transactions can be fulfilled.** As such, shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. In the event of any doubt as to the action they should take, shareholders and potential investors should consult their financial, tax, legal or other professional advisers.

BY ORDER OF THE BOARD

Eric Khua Kian Keong
Executive Director & CEO
11 October 2023

[9] Means 2 March 2024 or such other date as may be agreed in writing between Hiap Seng Engineering and the New Listco.