VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

RESPONSE TO SGX QUERIES

The board of directors (the "Board") of Vibrant Group Limited (the "Company", and together with its subsidiaries, the "Group") refers to the queries from Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 December 2018 regarding the Company's announcement on 19 December 2018 (the "Announcement") and sets out its responses as follows:

Query (a)

We refer to the announcement issued by the Company on 19 December 2018 entitled "Disposal of Shares in a Subsidiary – Master Development (Jiangyin) Co., Ltd (MDJ)". Please disclose the specific figures used in the calculation for the relative figures for the bases set out in Listing Rule 1006.

Company's response:

In this response, the Company would like to provide further clarity in relation to the Announcement in respect of the Group's effective interest in MDJ.

Calculation for the relative figures for the bases set out in Listing Rule 1006:

Net asset value of the assets to be disposed of, compared with the Group's net asset value:

	Based on consolidated results	Based on Group's 36% effective shareholding in MDJ
	S$'000	S$'000
Unaudited net asset value of MDJ as at 31 October 2018	10,335	3,721
Audited net asset value of the Group as at 30 April 2018	301,278	-
Unaudited net asset value of the Group as at 31 October 2018	-	205,106
Percentage	3.43%	1.81%

Net profits attributable to the assets to be disposed of, compared with the Group's net profits:

	Based on consolidated results	Based on Group's 36% effective shareholding in MDJ
	S$'000	S$'000
Unaudited net profits before tax of MDJ for the period 1 May 2018 to 31 October 2018	13,702	4,933
Audited net loss after tax of the Group for FY2018	(93,092)	-
Audited net loss before tax of the Group for FY2018	-	(93,806)
Percentage	(14.72%)	(5.26%)

Aggregate value of the consideration to be received, compared with the Company's market capitalization of S$119,115,291 based on the total number of issued shares excluding treasury shares:

		Based on Group's 36% effective shareholding in MDJ
	S$'000	S$'000
Purchase consideration	9,950	3,582
Market capitalization of the Company	119,155	119,155
Percentage	8.35%	3.01%

Query (b):

Please disclose the identity and details of the counterparty to which the subsidiary has been sold. Please also disclose whether the directors and shareholders of the counterparty has any relationship with the Company, its directors, key management and substantial shareholders of the Company.

Company's response:

The subsidiary has been sold to an independent third party company, 江苏萤石置业有限公司 ("purchaser"), which is a legal entity incorporated in China. To the knowledge of the Board, none of the directors and shareholders of the purchaser has any relationship with the Company and its directors, key management and substantial shareholders.

Query (c):

Page 1 of the announcement provides that at a disposal consideration of RMB50 million for the transaction, there is a deficit of RMB1.1 million of the proceeds over the net asset value of RMB51.9 million of the 60% held subsidiary. Please reconcile the net asset value with the computation of the deficit amount of RMB1.1 million.

Company's response:

	Based on consolidated results	Based on Group's 36% effective shareholding in MDJ
	RMB '000	RMB '000
Purchase consideration for the entire paid up capital of MDJ	50,000	-
The Group's 36% share of the purchase consideration	-	18,000
Net asset value of MDJ	51,900	18,684
Loss on disposal	1,900	684
Vibrant Development (Changshu) Co, Ltd's ("VDC") share on MDJ	60%	
Deficit	1,140	684

Based on the Group's effective shareholding of 36% in MDJ, the deficit (loss on disposal) attributable to the Group amounts to RMB684,000 (S$139,000).

Query (d):

Please disclose the information required under Listing Rule 1010(4), (5) and (7), namely, the material conditions attaching to the transaction, the latest available valuation of the assets, the party who commissioned the valuation, the value placed on the assets and the basis, date of the valuation, and the net profits attributable to the assets being disposed. If no valuation of the recently completed properties of MDJ has been conducted for the purpose of determining the disposal consideration, please disclose why this is in the best interest of the Company that this should not be undertaken.

Company's response:

(i) Pursuant to Listing Rule 1010 (4): Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof.

Other than the payment terms which have already been disclosed in our announcement on 19 December 2018, there are no material conditions attached to the transaction.

(ii) Pursuant to Listing Rule 1010 (5): The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation.

As at 2QFY2019, the net asset value and the book value of MDJ attributable to the Group are both RMB18.7 million (S$3.7 million). No open market valuation has been carried out in respect of MDJ as the transacted value of the sold units of MDJ is indicative of its market value.

(iii) Pursuant to Listing Rule 1010 (7): The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal.

Based on the Group's effective shareholdings in MDJ, net profits attributable to the assets being disposal for the period 1 May 2018 to 31 October 2018 is approximately S$4.9 million. The loss on disposal amounts to approximately RMB684,000 (S$139,000).

Query (e):

Please provide further elaboration on how the consideration of RMB50 million will be satisfied and whether this will be in cash, and whether there will be any waiver of loans due to the Company.

Company's response:

The agreed consideration of RMB50 million for the entire paid up capital of MDJ will be satisfied in cash. There is no waiver of any loans due to the Company.

Query (f):

As the property development project of MDJ has been recently completed, please disclose whether the unaudited net asset value of MDJ of RMB51.9 million as at 31 Oct 2018 took into account the market value of MDJ's completed units. Please provide details of the market value of the completed units and the book value of the properties held by MDJ.

Company's response:

The unaudited net asset value of MDJ of RMB51.9 million as at 31 October 2018 has taken into account the sales proceeds of the sold units and the carrying value of the unsold units at cost.

The details of the market value of the unsold units and the book value of the properties held by MDJ are as follow:

	RMB '000
Estimated market value of remaining unsold units based on the average transacted prices	178,000
Carrying cost of remaining unsold units based on unaudited accounts of MDJ as at 31 October 2018	132,000
Estimated additional variation orders costs in connection with the construction of the Master-Riviera Project	9,000

By Order of the Board
Vibrant Group Limited

Eric Khua Kian Keong
Executive Director & CEO
28 December 2018