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## **COMMENCEMENT OF ACTIONS AGAINST BLACKGOLD PERSONNEL**

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The Board of Directors (the “**Board**”) of Vibrant Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement on 24 January 2019 in relation to the findings made by the special auditor, EY Advisory (the “**Special Audit Findings**”) of various irregularities (the “**Irregularities**”) within the accounts of certain subsidiaries of Blackgold International Holdings Pty Ltd (“**Blackgold International**”, together with its subsidiaries, collectively, the “**Blackgold Group**”).

In light of the Special Audit Findings and after consultation with its legal advisors in Singapore and the People’s Republic of China (“**PRC**”), the Board wishes to announce that the following courses of action have been taken against the relevant personnel of the Blackgold Group:

- (a) lodgment of police reports in Singapore and the PRC; and
- (b) commencement of a civil suit in the High Court of Singapore.

### **Lodgment of police reports**

The Company has lodged a report with the Singapore Police Force in relation to suspected acts of criminal wrongdoing committed by certain members of the management of the Blackgold Group as at the period from 1 July 2017 to 30 April 2018 (being the review period of the special audit) (the “**Blackgold Management**”) as well as various directors and employees of the PRC subsidiaries of Blackgold International (the “**Blackgold Subsidiaries**”), which were identified in the Special Audit Findings. The Blackgold Management includes 彭玉国 Peng Yuguo (“**Peng**”) (the former chief executive officer of Blackgold International) and 唐志浩 Tong Chi Ho James (“**James Tong**”) (the former chairman of and a current director of Blackgold International). The suspected acts of criminal wrongdoing include, amongst others, the falsification of accounting records, bank records and sales figures of the Blackgold Group, attempts to conceal wrongdoing by destroying both physical and electronic records of the Blackgold Group, and undertaking questionable transactions and fund transfers.

The Company has also lodged a police report in Chongqing, PRC where the Blackgold Subsidiaries are based.

The Company will offer its full cooperation to the relevant police authorities to enable them to conduct their investigations on the suspected acts of criminal wrongdoing.

### **Commencement of civil suit**

In addition, the Company has commenced a civil suit against Peng and James Tong (collectively, the “**Defendants**”) in a claim for misrepresentation. The claim is in respect of false representations made by the Defendants to the Company via various statements regarding the Blackgold Group’s financial circumstances and business operations, which the Company relied on in acquiring the shares of Blackgold International.

As a result of the Company’s reliance on the false representations made by the Defendants, the Company had suffered losses and damages, including loss arising from the Company’s acquisition of Blackgold International as well as the costs and expenses incurred by the Company arising from the Irregularities.

In the financial year ended 30 April 2018 and as disclosed by the Company in its annual reports for the past three financial years, the Company had already written off its investment in and receivables from the Blackgold Group of S\$41.4 million and S\$21.8 million respectively.

In addition, the Board continues to be in consultation with its legal advisers and is exploring the Company's options in respect of other potential courses of action arising from the Special Audit Findings which the Company may pursue against the relevant parties. The Board will make further announcements when there is any other material developments in relation to the matters set out in this announcement.

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  
30 October 2020