VIBRANT GROUP LIMITED
Company Registration Number: 198600061G

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

The Board of Directors (the "Board") of Vibrant Group Limited (the "Company" and together with its subsidiaries, the "Group") refers to its audited financial statements for the financial year ended 30 April 2019 in the Group's Annual Report 2019 (the "Audited Financial Statements") and the announcement on the unaudited financial statements for the financial year ended 30 April 2019 on 27 June 2019 (the "Unaudited Financial Statements").

Pursuant to Rule 704(6) of the listing Manual of the Singapore Exchange Trading Limited (the "SGX-ST"), the Board wishes to highlight that there are certain reclassifications and material differences between the Audited Financial Statements and the Unaudited Financial Statements following the finalisation of the audited financial statements of financial year ended 30 April 2019.

A summary of the differences between the Audited Financial Statements and Unaudited Financial Statements with the relevant explanatory notes for significance variances are as follows:-

Consolidated Income Statement

	Note	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	S$'000
Continuing operations				
Revenue		281,737	281,737	-
Cost of sales		(214,698)	(214,698)	-
Gross profit		**67,039**	**67,039**	**-**
Other income	(a)	10,647	10,634	13
Administrative expenses		(37,814)	(37,815)	1
Impairment loss on trade and other receivables	(a)	(1,202)	-	(1,202)
Other operating expenses	(a)	(8,236)	(9,425)	1,189
Profit from operations		**30,434**	**30,433**	**1**
Finance income		1,947	1,947	-
Finance costs		(16,306)	(16,306)	-
Net finance costs		**(14,359)**	**(14,359)**	**-**
Impairment loss on investment in associate	(b)	(1,217)	(375)	(842)
Share of profit of associates, net of tax	(c)	11,115	270	10,845
Profit before income tax		**25,973**	**15,969**	**10,004**
Income tax expense	(d)	(8,324)	(6,001)	(2,323)
Profit from continuing operations		**17,649**	**9,968**	**7,681**
Discontinued operations				
Profit from discontinued operations (net of tax)		3,031	3,031	-
Profit for the year		20,680	12,999	7,681
Attributable to:				
Owners of the Company		7,690	5,610	2,080
Non-controlling interests	(e)	12,990	7,389	5,601
Profit for the year		**20,680**	**12,999**	**7,681**

Consolidated Statement of Comprehensive Income

	Audited Financial Statements	Unaudited Financial Statements	Variance
	S$'000	S$'000	S$'000
Profit for the year	20,680	12,999	7,681
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(5,001)	(5,022)	21
Share of reserves of associates	(1,079)	(1,059)	(20)
	(6,080)	**(6,081)**	**(1)**
Items that will not be reclassified subsequently to profit or loss:			
Net changes in fair value of financial assets at fair value through other comprehensive income (FVOCI)	(748)	(748)	-
Other comprehensive income for the year, net of tax	(6,828)	(6,829)	1
Total comprehensive income for the year	**13,852**	**6,170**	**7,682**
Total comprehensive income attributable to:			
Owners of the Company	3,546	1,468	2,078
Non-controlling interests	10,306	4,702	5,604
Total comprehensive income for the year	**13,852**	**6,170**	**7,682**

Statement of Financial Position

	Note	Group			Company		
		Audited Financial Statements	Unaudited Financial Statements	Variance	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Assets							
Property, plant and equipment		127,730	127,730	-	283	283	-
Intangible assets		472	472	-	-	-	-
Investment properties		147,539	147,539	-	-	-	-
Subsidiaries		-	-	-	17,752	17,752	-
Associates	(b,c)	88,625	78,628	9,997	25,033	25,875	(842)
Other investments		121	121	-	-	-	-
Deferred tax assets		4,080	4,080	-	-	-	-
Trade and other receivables		1,543	1,543	-	314,116	314,110	6
Non-current assets		370,110	360,113	9,997	357,184	358,020	(836)
Other investments		59,077	59,077	-	33,498	33,498	-
Inventories		410	410	-	-	-	-
Trade and other receivables	(f)	113,823	115,439	(1,616)	8,552	8,558	(6)
Cash and cash equivalents		44,195	44,195	-	271	271	-
		217,505	219,121	(1,616)	42,321	42,327	(6)
Assets held for sale		143,943	143,943	-	-	-	-
Current assets		**361,448**	**363,064**	**(1,616)**	**42,321**	**42,327**	**(6)**
Total assets		**731,558**	**723,177**	**8,381**	**399,505**	**400,347**	**(842)**
Equity							
Share capital		174,337	174,337	-	174,337	174,337	-
Other reserves		4,924	4,926	(2)	5,102	5,102	-
Accumulated profits		25,820	23,740	2,080	2,890	3,732	(842)
Equity attributable to owners of the Company		205,081	203,003	2,078	182,329	183,171	(842)
Non-controlling interests	(e)	72,258	66,654	5,604	-	-	-
Total equity		277,339	269,657	7,682	182,329	183,171	(842)
Liabilities							
Loans and borrowings		57,632	57,632	-	-	-	-
Notes payable		65,753	65,753	-	65,753	65,753	-
Trade and other payables		19,053	19,053	-	62,504	62,504	-
Provisions		1,716	1,716	-	-	-	-
Deferred tax liabilities	(d)	10,637	8,322	2,315	-	-	-
Non-current liabilities		154,791	152,476	2,315	128,257	128,257	-
Loans and borrowings		181,689	181,689	-	72,840	72,840	-
Notes payable		25,159	25,159	-	-	-	-
Current tax payables		8,299	8,299	-	96	96	-
Trade and other payables	(f)	74,162	75,778	(1,616)	15,983	15,983	-
Provisions		141	141	-	-	-	-
		289,450	291,066	(1,616)	88,919	88,919	-
Liabilities directly associated with the assets held for sale		9,978	9,978	-	-	-	-
Current liabilities		299,428	301,044	(1,616)	88,919	88,919	-
Total liabilities		454,219	453,520	699	217,176	217,176	-
Total equity and liabilities		**731,558**	**723,177**	**8,381**	**399,505**	**400,347**	**(842)**

Consolidated Statement of Cash Flows

	Note	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	$'000
Cash flows from operating activities				
Profit for the year		20,680	12,999	7,681
Adjustments for:				
Depreciation of property, plant and equipment		10,949	10,949	-
Dividend income from FVOCI		(1,263)	(1,263)	-
Fair value gain on foreign exchange forward contracts		(556)	(556)	-
Fair value gain on investment properties		(8,300)	(8,300)	-
Fair value gain on securities designated at fair value through profit or loss		(205)	(205)	-
Finance costs		16,306	16,306	-
Finance income		(1,980)	(1,980)	-
Foreign exchange loss		5,336	5,336	-
Gain on disposal of subsidiaries		(757)	(757)	-
Loss on disposal of an associate		89	89	-
Loss on disposal of property, plant and equipment		195	195	-
Impairment loss on investment in associates	(b)	1,217	375	842
Impairment loss on redeemable cumulative convertible preference shares in an associate	(a)	-	62	(62)
Impairment loss on trade and other receivables, net	(a)	-	955	(955)
Impairment loss on trade and other receivables (including RCCPS in an associate), net	(a)	1,202	-	1,202
Loss on disposal of securities designated at fair value through profit or loss		2	2	-
Property, plant and equipment written off		43	43	-
Share of profits of associates	(c)	(11,115)	(270)	(10,845)
Tax expense	(d)	8,969	6,646	2,323
		40,812	40,626	186
Changes in working capital:				
Development properties		83,060	83,060	-
Inventories		62	62	-
Trade and other receivables	(f)	(28,211)	(29,643)	1,432
Trade and other payables	(f)	(68,546)	(66,929)	(1,617)
Cash generated from operations		27,177	27,176	1
Income taxes refunded		679	679	-
Income taxes paid		(2,208)	(2,208)	-
Net cash from operating activities		25,648	25,647	1
Cash flows from investing activities				
Acquisition of shares in associates		(203)	(203)	-
Capital expenditure on investment properties		(15,676)	(15,676)	-
Cash contribution paid by non-controlling interest		952	952	-
Dividends received:				-
- associates		613	613	-
- FVOCI		1,317	1,317	-
Finance income received		1,833	1,833	-
Loans to associates		(4,010)	(4,010)	-
Loan to non-controlling interest		(2,873)	(2,873)	-
Loans to third parties		(3,842)	(3,842)	-
Proceeds from disposal of an associate		5	5	-
Proceeds from disposal of subsidiaries, net of cash disposed		25,556	25,556	-
Proceeds from sale of other investments		57	56	1
Proceeds from sale of property, plant and equipment		5,851	5,852	(1)
Purchase of property, plant and equipment		(1,929)	(1,929)	-
Repayment of loan by an associate		592	592	-
Repayment of loans by third parties		32,755	32,755	-
Net cash from investing activities		40,998	40,998	-

Consolidated Statement of Cash Flows (continued)

	Note	Audited Financial Statements	Unaudited Financial Statements	Variance
		S$'000	S$'000	$'000
Cash flows from financing activities				
Deposits pledged		11,394	11,394	-
Dividend paid to non-controlling interests of a subsidiary		(6,223)	(6,223)	-
Finance costs paid		(16,379)	(16,379)	-
Proceeds from borrowings		10,946	10,946	-
Proceeds from loan from a related party		4,750	4,750	-
Proceeds from loan from non-controlling interest		2,084	2,084	-
Proceeds from loan from third parties		1,006	1,006	-
Purchase of treasury shares		(45)	(45)	-
Redemption of notes payable		(1,720)	(1,720)	-
Repayment of borrowings		(22,609)	(22,609)	-
Repayment of finance lease liabilities		(1,801)	(1,801)	-
Repayment of loan to a director		(10,000)	(10,000)	-
Repayment of loans to non-controlling interests		(6,345)	(6,345)	-
Repayment of loans to third parties		(35,557)	(35,557)	-
Net cash used in financing activities		(70,499)	(70,499)	-
Net decrease in cash and cash equivalents		(3,853)	(3,854)	1
Cash and cash equivalents at beginning of year		54,335	54,335	-
Effect of exchange rate fluctuations on cash and cash equivalents		(1,159)	(1,158)	(1)
Cash and cash equivalents at end of year		49,323	49,323	-

Notes:

(a) The variance was due to reclassification from Other Income and Other Operating Expenses to Impairment loss on trade and other receivables.

(b) The variance is due to additional impairment loss on investment in associate, China Southwest Energy Corporation Ltd.

(c) The variance is due to share of profit of associate, Ececil Pte Ltd ("Ececil") as a result of the fair value gain on investment property held by Ececil. The profit was partially offset by the share of loss from China Southwest Energy Corporation Ltd as a result of the impairment loss on receivables.

(d) The variance was due to deferred tax liabilities from the temporary differences recognised by subsidiaries.

(e) The variance was due to share of profit of associate, Ececil held by a non-wholly owned subsidiary.

(f) The variance on trade and other receivables, payables was due to reclassification of the balances between receivables and payables.

BY ORDER OF THE BOARD
Vibrant Group Limited

Eric Khua
Executive Director & CEO
15 August 2019