



**PROPOSED SHARE CONSOLIDATION OF EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE**

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**1. INTRODUCTION**

The Board of Directors of Vibrant Group Limited (the "**Company**") wishes to announce that the Company proposes to undertake a share consolidation of every five (5) existing ordinary shares in the capital of the Company (the "**Existing Shares**") held by shareholders of the Company (the "**Shareholders**") as at a books closure date to be determined by the Directors (the "**Books Closure Date**") into one (1) ordinary share in the capital of the Company (the "**Consolidated Shares**"), fractional entitlements to be disregarded (the "**Proposed Share Consolidation**").

**2. PROPOSED SHARE CONSOLIDATION**

**2.1 General**

The Company proposes to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every five (5) Existing Shares into one (1) Consolidated Share.

**Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded.**

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares. Fractional entitlements arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$111,550,913.275 comprising 2,621,699,133 ordinary shares (the "**Shares**"), which are listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date, the Company will have an issued and paid-up share capital of S\$111,550,913.275 comprising approximately 524,339,827 Consolidated Shares following the completion of the Proposed Share Consolidation.

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Company and its subsidiaries. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share

Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

## **2.2 Rationale for the Proposed Share Consolidation**

### **(a) Compliance with Minimum Trading Price of S\$0.20**

The Monetary Authority of Singapore and the SGX-ST introduced a minimum trading price of S\$0.20 per share for Mainboard-listed issuers as a continuing listing requirement (the "**MTP Requirement**") with effect from 2 March 2015. A one-time transition period of twelve (12) months from the date of introduction of the MTP Requirement has been given to affected issuers to undertake corporate actions to meet the new requirement.

Pursuant to the new MTP Requirement, issuers which are not able to record a six-month volume-weighted average price of its shares of S\$0.20 or above on 1 March 2016 and at any of the subsequent quarterly review dates will be placed on the watch-list. Affected issuers will be provided a cure period of thirty-six (36) months to take remedial actions. Affected issuers which fail to take remedial actions during the cure period may be delisted from the Mainboard of the SGX-ST.

As such, the Company proposes to undertake the Proposed Share Consolidation as this will facilitate the Company's ability to comply with the MTP Requirement.

### **(b) Reduction of Magnitude of Volatility of the Share price**

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices translate to higher transaction costs, relative to the trading price, for trading in each board lot of Shares. In addition, low traded share prices may encourage speculation in the Shares, which may result in excessive share price volatility. The Directors therefore believe that the Proposed Share Consolidation will serve to reduce the fluctuations in magnitude of the Company's market capitalisation and reduce the percentage transaction costs for trading in each board lot of Shares.

### **(c) Increase in the Market Interest and Attractiveness of the Company and its Shares**

The Proposed Share Consolidation will also rationalise the share capital of the Company by reducing the number of Shares outstanding. Following the Proposed Share Consolidation, the Directors expect that, all other things being equal, the theoretical trading price and the net tangible assets ("**NTA**") of each Consolidated Share would be higher than the trading price and NTA of each Existing Share, taking into account the decrease in the number of Shares in issue following the Proposed Share Consolidation. The Directors believe that, with the reduction in the number of Shares in issue and the resulting increase in the theoretical trading price of each Consolidated Share, the Proposed Share Consolidation may increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers which may, in turn, increase market interest and activity in the Consolidated Shares, and generally make the Consolidated Shares more attractive to investors.

**However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### **2.3 Approvals and Conditions**

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) SGX-ST's approval for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
- (b) the Shareholders' approval for the Proposed Share Consolidation being obtained at the extraordinary general meeting (the "**EGM**") of the Company to be convened.

An application will be made to the SGX-ST for approval for the dealing in, listing of and quotation for up to 524,339,827 Consolidated Shares on the Mainboard of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

### **3. DESPATCH OF CIRCULAR**

Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, *inter alia*, further information on the proposed adoption of the Proposed Share Consolidation and the notice of the EGM will be despatched to Shareholders in due course.

**Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.**

### **4. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

### **By Order of the Board**

Eric Khua Kian Keong  
Executive Director and CEO  
30 June 2015