



VIBRANT GROUP LIMITED

(formerly known as Freight Links Express Holdings Limited)
Company Registration Number: 198600061G

ACQUISITION OF 51% EQUITY INTEREST IN SHENTONCIL PTE. LTD. AND PROPOSED ACQUISITION BY SHENTONCIL PTE. LTD. OF THE ENTIRE SHARE CAPITAL OF ECECIL PTE. LTD. WHICH OWNS CECIL HOUSE, 139 CECIL STREET, SINGAPORE

1. INTRODUCTION

The Board of Directors of Vibrant Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Singapore Enterprises Pte Ltd has on 19 June 2014 subscribed for a 51% stake (the “Subscription”) in the share capital of Shentoncil Pte. Ltd. (the “**Shentoncil**”). The Subscription is paid by cash for a total sum of S\$51,000.

Shentoncil had entered into a sale and purchase agreement (the “**SPA**”) with Mr Cheong Sim Lam (the “**Vendor**”) to acquire 100% of the share capital in Ececil Pte. Ltd. (the “**Ececil**”) subject to certain terms and conditions as set out in the SPA (the “**Proposed Acquisition**”). Ececil owns a property, Cecil House at 139 Cecil Street, Singapore 069539 (the “**Property**”). The Property is a block of 11-storey building with a leasehold term of 99 years commencing from 20 August 1981.

(collectively the “**Proposed Transaction**”).

2. THE PROPOSED ACQUISITION

2.1 Purchase Consideration for the Proposed Acquisition

The aggregate purchase consideration of the entire share capital of Ececil is agreed on a willing-buyer willing-seller basis and on the agreed valuation of the Property at S\$110 million less the aggregate outstanding liabilities (the “**Purchase Consideration**”) as at the completion date, which is expected to be around 1 July 2014 or such later date as the parties may otherwise agree.

Based on the unaudited financial statements of Ececil for the financial year ended 31 March 2014, the net asset value of Ececil is S\$50,377,647.48 and has aggregate outstanding liabilities of S\$67,829,560.99. The Purchase Consideration is subject to such adjustments as may be necessary in accordance with the aggregate outstanding liabilities as at completion date.

A deposit of S\$6.6 million of the Purchase Consideration had been paid to the Vendor. The balance will be payable on completion date.

2.2 Material Terms of the Sale and Purchase Agreement

The Proposed Acquisition is subject to inter-alia, the following material terms:-

- (a) completion is subject to the customary conclusion of satisfactory due diligence of the Property;
- (b) document evidencing that Ececil is duly registered as the sole legal title owner of the property;
- (c) receipt by Shentoncil of URA Approval for office space use;
- (d) receipt by Shentoncil from the Vendor document evidence that Ececil has no material liabilities other than the outstanding liabilities as at the completion date.
- (e) all Vendor warranties being compiled with, true, accurate and correct as at the completion date; and
- (f) receipt by Shentoncil of the consent from existing financing bank agreeing to discharge, on completion, the Vendor from the Ececil corporate guarantee.

3. RATIONALE FOR THE PROPOSED TRANSACTION

Shentoncil is set up primarily as a property investment holding company for the purpose of this Proposed Acquisition, with an issued paid up share capital of S\$100,000 consisting of 100,000 shares.

The Proposed Acquisition is in line with one of the Group's core business activities in property development and investments. The Group views the Proposed Acquisition as a good property investment and intends to maximise the gross floor area through upgrading and retrofitting work.

The Property is located in the heart of the Singapore's Central Business District, which is one of the most sought after locations for business setups. The location of the Property is close to amenities such as banks, offices, retail shopping, eatery, mass rapid transit stations which increases its attractiveness or value that contribute to its convenience. The property has the inherent quality of a good location and can be held as an investment for rental and capital appreciation.

As the Proposed Transaction is in line with the Group's ordinary course of business and is of a revenue nature, Chapter 10 of the Singapore Exchange Securities Trading Limited's listing manual, in particular, seeking Shareholders' approval under Rule 1014, where the relative figures as computed on the bases set out in Rule 1006 exceeds 20%, does not apply to the Proposed Transaction.

As Shentoncil is a subsidiary of the Company which it owns 51% of the total equity, the aggregate cost to be borne by the Group for the Proposed Transaction (including Subscription monies together with the Purchase Consideration to fund the Proposed Acquisition) is approximately S\$56.2 million. Based on the market capitalization of the Group as at the date of the Proposed Transaction being S\$260.1 million, the aggregate cost to be borne by the Group for the Proposed Transaction exceeds 20% but is below 100% of the relative figures computed under Rule 1006 of the Listing Manual.

4. METHOD OF FINANCING

The Proposed Transaction will be financed by a mix of internal funds and bank borrowings.

5. FINANCIAL EFFECTS

The Proposed Transaction is not expected to have any material impact on the earnings and net tangible assets per share of the Group, for the current financial year ending 30 April 2015.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

7. DOCUMENTS FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the registered office of the Company at 51 Penjuru Road #04-00 Singapore 609143 for a period of three (3) months from the date of this Announcement.

By Order of the Board

Eric Khua Kian Keong
Executive Director & CEO
19 June 2014