



## VIBRANT GROUP LIMITED

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

---

### INCORPORATION OF A NEW SUBSIDIARY COMPANY AND SUBSCRIPTION TO A CONVERTIBLE BOND BY THE SUBSIDIARY COMPANY

---

#### 1. INTRODUCTION

The Board of Directors (the "**Board**") of Vibrant Group Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") wishes to announce that it has, on 18 November 2014, entered into a binding term sheet (the "**Term Sheet**") with (a) Blackgold International Holdings Limited ("**BGG**"), a company incorporated in Australia and listed on the Australian Securities Exchange (the "**ASX**") and (b) Blackgold Holdings HongKong Limited, a company incorporated in Hong Kong SAR and a wholly-owned subsidiary of BGG ("**BGG HK**" and, together with BGG and the Company, the "**Parties**").

Pursuant to the Term Sheet, the Company has incorporated a wholly-owned subsidiary, LionHeart Holding Group Corp ("**LionHeart**"), in the Territory of the British Virgin Islands with an initial paid up capital of US\$1,000, and LionHeart will subscribe to and BGG will issue to LionHeart unsecured convertible bonds amounting to a total face value of up to S\$25,000,000 (the "**Convertible Bond**"). The Company will fund LionHeart to enable LionHeart to subscribe to the Convertible Bond.

As at the date hereof, Singapore Enterprises Private Limited ("**SEPL**"), which is wholly-owned by the Company, owns approximately 5.8165% of the total issued share capital of BGG.

The subscription to the Convertible Bond (the "**Transaction**") as above-mentioned is not an interested person transaction under Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

#### 2. INFORMATION ON BGG AND BGG HK

BGG (ASX Code: BGG) is a Chongqing, China-based producer of high value thermal coal predominantly sold for industrial power generation to power plant customers in Shanghai. BGG listed on ASX on 22 February 2011. For more information, please visit <http://www.blackgoldglobal.net>.

BGG currently owns four underground thermal coal mines, strategically located near the Yangtze River, and operates through its controlled entities wholly-owned by BGG HK. BGG HK is an investment holding company.

As at the date of this Announcement, SEPL owns 51,651,103 fully paid ordinary shares of BGG ("**BGG Shares**"), representing approximately 5.8165% of the total issued share capital of BGG, based on the 888,003,622 issued BGG Shares.

Each of BGG and BGG HK does not have any nominee Directors on the Board.

### 3. PRINCIPAL TERMS OF THE CONVERTIBLE BOND

#### 3.1 Consideration and Payment

Pursuant to the Term Sheet, LionHeart will subscribe to the Convertible Bond for a consideration of up to S\$25,000,000 (the "**Consideration**") in three (3) tranches in accordance with the following denominations and at the following times:

- (a) tranche 1: S\$15,000,000 by no later than 28 November 2014 ("**Tranche 1**");
- (b) tranche 2: S\$3,750,000 by no later than 28 February 2015 ("**Tranche 2**"); and
- (c) tranche 3: S\$6,250,000 upon Completion (as defined below) ("**Tranche 3**").

The Consideration was arrived at after arm's length negotiations between the Parties.

#### 3.2 Interest Payable

The Convertible Bond bears interest at a rate equal to 7.5% per annum (to be paid annually) from the date that the first payment is made until the date that it is fully redeemed or converted.

#### 3.3 Salient Terms

In consideration for agreeing to subscribe to the Convertible Bond and the payment of Tranche 1, BGG shall (a) grant LionHeart a right to nominate (the "**Right to Nominate**") a company listed on the Mainboard of the SGX-ST ("**SGX ListCo**") to purchase all the issued shares in BGG HK (the "**BGG HK Shares**") from BGG under a sale and purchase agreement to be entered into between BGG and SGX ListCo and (b) direct and cause SGX ListCo to issue 25% of the Consideration Shares (the "**25% Consideration Shares**") to LionHeart.

As consideration for the purchase of the BGG HK Shares, it is anticipated that SGX ListCo will pay cash and issue fully paid ordinary shares in SGX ListCo (the "**Consideration Shares**") to BGG, with the number of shares and value subject to minimum limits which are in excess of BGG's existing market capitalisation as at the date hereof.

The Right to Nominate will lapse if an agreement between BGG and SGX ListCo for the sale and purchase of the BGG HK Shares is not executed by 18 March 2015 (or such other date as the Parties may agree) (the "**Right to Nominate End Date**"). Completion of the sale and purchase of the BGG HK Shares to SGX ListCo ("**Completion**") must also occur by 18 May 2016 (the "**Completion End Date**").

If Completion occurs by the Completion End Date, the Convertible Bond will be fully redeemed (including accrued pro rata interest) by BGG and BGG shall also direct and cause SGX ListCo to issue the 25% Consideration Shares to LionHeart on the date of Completion.

If the Right to Nominate lapses, or if LionHeart exercises the Right to Nominate by the Right to Nominate End Date but Completion does not occur by the Completion End Date, Tranche 3 will not be payable and the total value of the issued Convertible Bond will be the sum of Tranche 1 and Tranche 2 i.e. S\$18,750,000 only. The total value of the issued Convertible Bond will then be converted into new BGG Shares which BGG will issue to LionHeart. This will be at an issue price of A\$0.10 per BGG Share and based on the Australian dollar equivalent of the sum of S\$18,750,000. This is also subject to, *inter alia*, the following key conditions:

- (a) the maximum number of BGG Shares that can be issued by BGG without BGG shareholder approval shall be issued by BGG to LionHeart within five days during which ASX and SGX-ST are open for trading ("**Business Days**") after the Right to Nominate End Date or the Completion End Date;
- (b) the number of BGG Shares issued to LionHeart should not cause the Company and/or LionHeart to incur any takeover obligations in respect of the issued share capital of BGG;
- (c) where the Convertible Bond is not fully convertible into BGG Shares through the issue of BGG Shares to LionHeart due to the condition stated in paragraph 3.3(b) above, BGG shall obtain the necessary approvals for the conversion of the amount of such Convertible Bond that is not converted into new BGG Shares (the "**Outstanding Balance**") to BGG Shares and, where such approval is obtained, issue BGG Shares amounting to the Outstanding Balance to LionHeart within five Business Days; and
- (d) where approval is not obtained, the Outstanding Balance shall, at LionHeart's election, be either redeemed in cash by BGG or be assigned to a third party who may convert the Outstanding Balance to BGG Shares.

#### 3.4 Convertible Bond Documentation and Form of Right to Nominate

The Parties have agreed that the Company, LionHeart and BGG will negotiate in good faith the following:

- (a) a definitive agreement setting out the terms and conditions relating to the Convertible Bond (the "**Convertible Bond Documentation**"); and
- (b) an agreed form of the Right to Nominate (the "**Right to Nominate Form**").

If the Right to Nominate Form is not agreed upon and the Convertible Bond Documentation is not executed by 21 November 2014 (or such other date as the Parties may agree), the Term Sheet will immediately terminate.

#### 3.5 Part Consideration for the Transaction

As part of the consideration provided by BGG to LionHeart for agreeing to subscribe to the Convertible Bond, if Completion occurs by the Completion End Date, BGG shall also direct and cause SGX ListCo to issue the 25% Consideration Shares to LionHeart.

The Term Sheet provides that the Company shall not, and shall not be required to, at any time of the transaction, including at Completion and immediately after Completion, acquire such number of shares in SGX ListCo which would require it to extend an offer or incur any takeover obligations in respect of the shares of SGX ListCo (the "**Condition**"). If LionHeart cannot receive all or any of the 25% Consideration Shares (the "**Relevant Consideration Shares**") due to the Condition, LionHeart shall have the option to either obtain the cash equivalent of the Relevant Consideration Shares from BGG or assign its right to obtain the Relevant Consideration Shares to a third party.

If required under the Listing Manual, the Company will make further announcements in due course if LionHeart subsequently receives the 25% Consideration Shares.

#### 4. SOURCE OF FUNDS

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

#### 5. RATIONALE

The Transaction is in line with the Group's investment strategy to redeploy its capital more efficiently for higher yield investments.

#### 6. CHAPTER 10 OF THE LISTING MANUAL

The relative figures computed on the bases as set out in Rule 1006 of the Listing Manual and based on the latest announced audited consolidated accounts of the Group for the financial year ended 30 April 2014 are as follows for the Transaction:

<u>Listing Rule</u>	<u>Bases</u>	<u>Relative Figures</u>
1006(a)	The net asset value (" <b>NAV</b> ") of the assets to be disposed of, compared with the Group's NAV	Not applicable to an acquisition of assets.
1006(b)	The net profits <sup>(i)</sup> attributable to the Convertible Bond, compared with the Group's net profits	2.3%
1006(c)	The Consideration, that is, the maximum of S\$25,000,000, compared with the Group's market capitalisation <sup>(ii)</sup>	9.3%
1006(d)	The number of equity securities issued by the Company as consideration for the Convertible Bond, compared with the number of equity securities of the Company previously in issue	Not applicable as no equity securities will be issued by the Company in connection with the Transaction.

#### Notes:

- (i) The Group's net profits attributable to the Convertible Bond is based on the interest rate of 7.5% per annum less interest expense.
- (ii) The Group's market capitalisation is based on a total number of 2,609,616,133 ordinary shares in the share capital of the Company ("**Shares**" and each, a "**Share**") in issue, excluding 12,083,000 treasury shares, as at the date of this Announcement, and the volume weighted average price per Share of S\$0.103 transacted on 17 November 2014, being the last market day preceding this Announcement.

Based on the above, the Transaction constitutes a "Discloseable Transaction" for the purpose of Rule 1010 of the Listing Manual and is not subject to the approval of the shareholders of the Company as the relative figure under Rule 1006(c) exceeds 5% but is less than 20%.

## 7. FINANCIAL EFFECTS

The pro forma financial effects of the Transaction on the Group have been prepared based on the audited financial statements of the Group for the financial year ended 30 April 2014 and are for illustrative purposes only.

### 7.1 Effect of the Transaction on the Net Tangible Asset per Share

Assuming that the Transaction had been completed on 30 April 2014, the Transaction has no material impact on the consolidated net tangible asset ("**NTA**") of the Group. The consolidated NTA of the Group is S\$357,755,000.

### 7.2 Effect of the Transaction on Earnings per Share

Assuming that the Transaction had been completed on 1 May 2013, the pro forma effect of the Transaction on the earnings per Share ("**EPS**") of the Group is as follows:

	Before the Transaction	After the Transaction
Profit attributable to shareholders (S\$'000)	42,658	43,566
EPS (Singapore cents)	1.72	1.76

## 8. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors has, and to the best of the Directors' knowledge, there are no controlling shareholders of the Company who have, any interest, direct or indirect, in the Transaction, save in respect of their shareholdings (if any) in the Company.

## 9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Term Sheet may be inspected at the registered office of the Company at 51, Penjuru Road, #04-00, Singapore 609143 during normal business hours for a period of three months from the date of this Announcement. No person is proposed to be appointed as a Director of the Company in connection with the Transaction.

### By Order of the Board

Eric Khua Kian Keong  
Executive Director and CEO  
18 November 2014