

VASHION GROUP LTD

Company Registration Number: 199906220H

DIFFERENCES BETWEEN AUDITED AND PREVIOUSLY ANNOUNCED UNAUDITED FINANCIAL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Group refers to its full year financial results for the year ended 31 December 2013 ("FY2013") that was announced on 26 February 2014. Upon the finalization of the FY2013 audit, certain adjustments were made which have a material impact on previously announced FY2013 results. The differences between the previously announced with the explanations for the material differences are set out below.

1. The Group's statement of comprehensive income for financial year ended 31 December 2013 ("FY 2013")

		Group		
		Year ended 31 December 2013		
		Audited	Previously announced	Variance
		S\$'000	S\$'000	S\$'000
Revenue	1a	6,117	6,180	(63)
Cost of Sales	1b	(4,115)	(3,422)	(693)
Gross profit		2,002	2,758	(756)
Other operating income	1c	847	114	733
Selling & distribution expenses		(2,131)	(2,131)	-
Administrative expenses	1d	(4,351)	(4,819)	468
Other operating expenses	1e	(3,410)	(2,899)	(511)
Finance expenses		(1,010)	(1,036)	26
Loss before tax		(8,053)	(8,013)	(40)
Income tax expenses		(2)	(35)	33
Loss after tax		(8,055)	(8,048)	(7)
- Exchange differences on translation of foreign subsidiaries	1f	(422)	190	(612)
Total comprehensive loss for the year attributable to equity holders of the Company		(8,477)	(7,858)	(619)

2. The Group's statement of financial position as at 31 December 2013

		Group Statement of Financial Position as at 31 December 2013		
		Audited	Previously announced	Variance
		S\$'000	S\$'000	S\$'000
Non-current Assets				
Plant and equipment		215	215	-
Membership rights		24	24	-
Intangible assets	2a	2,147	2,015	132
Deferred tax assets			-	-
Total non-current assets		2,386	2,254	132
Current Assets				
Inventories	2b	562	471	91
Trade receivables	2c	921	877	44
Other receivables, deposits and prepayment	2d	5,274	5,936	(662)
Fixed deposits	2e	773	492	281
Cash and bank balances	2f	615	795	(180)
		8,145	8,571	(426)
Assets directly associated with disposal group classified as held for sale		4,832	4,812	20
Total current assets		12,977	13,383	(406)
Current Liabilities				
Trade payables	2g	238	221	17
Other payables and accruals	2h	1,299	1,226	73
Lease obligations		7	7	-
Borrowings	2i	1,567	1,469	98
Income tax payable	2j	805	838	(33)
		3,916	3,761	155
Liabilities directly associated with disposal group classified as held for sale	2k	3,978	3,786	192
Total current liabilities		7,894	7,547	347
Net current assets		5,083	5,836	(753)
Non-current Liabilities				
Lease obligations		14	15	(1)
Total non-current liabilities		14	15	(1)
Net assets		7,455	8,075	(620)
Share capital		28,120	28,121	(1)
Convertible Warrants		-	-	-
Statutory reserve fund	2l	442	-	442
Performance bonus share reserve		1,404	1,404	-
Translation reserve	2m	(1,393)	534	(1,927)
Accumulated losses		(22,433)	(22,426)	(7)
Reserve of disposal group classified as held for sale	2n	1,315	442	873
Total equity		7,455	8,075	(620)

Explanatory Notes:

Note 1a

The variance is due to the under recording of revenue from consultancy services in Hong Kong subsidiary.

Note 1b

The variance is due to the under recording of costs in relation to consultancy services in Hong Kong subsidiary.

Note 1c

The variance is mainly due to the foreign currency revaluation of other receivables in Indonesia subsidiary.

Note 1d

The variance of S\$0.47 million is mainly due to the reclassification of impairment loss of trademark from administrative expenses to other operating expenses.

Note 1e

The variance is mainly due to the reclassification as stated in Note 1d.

Note 1f

The variance in translation reserve is mainly due to the foreign currency translation adjustments for Hong Kong subsidiaries.

Note 2a

The variance is mainly due to the adjustment on the impairment loss of trademark.

Note 2b

The difference is mainly due to the reclassification of goods in transit from other receivables to inventories in Singapore subsidiary.

Note 2c

The difference is mainly due to the reclassification of trade receivables wrongly recorded as work-in-progress in inventories.

Note 2d

The difference is mainly due to the adjustments in relation to the accounting of revenue and costs for consultancy services as explained in Notes 1a and 1b and the reclassification of goods in transit to inventories as stated in Note 2b.

Note 2e

The variance is mainly due to the reclassification of fixed deposit from cash and bank balances in Singapore subsidiary.

Note 2f

The variance is mainly due to the reclassification of S\$0.28 million to fixed deposits and S\$0.098 million to borrowings in Singapore subsidiary.

Note 2g

The variance is mainly due to foreign currency translation of trade payables in Hong Kong subsidiary.

Note 2h

The variance is mainly due to the accrual adjustment for unrecorded administrative expenses.

Note 2i

The difference is mainly due to the reclassification as stated in Note 2f.

Note 2j

The variance is mainly due to the adjustment for over provision of income tax liability in Hong Kong subsidiary.

Note 2k

The variance is mainly due to the reclassification between liabilities directly associated with the disposal group classified as held for sales and assets directly associated with the disposal group classified as held for sales, and the accrual adjustment for unrecorded liabilities.

Note 2l

The variance is mainly due to the reclassification adjustment of statutory reserve from reserve of disposal group classified as held for sale.

Note 2m

Please refer to Note 1f and also due to the reclassification of translation reserve of disposal group to reserve of disposal group classified as held for sale.

Note 2n

Please refer to Note 2m for the variance.

By Order Of The Board

Tansri Saridju Benui
Executive Chairman

Khoo Yick Wai
Executive Director

Date: 10 June 2014

This announcement has been prepared by the Company and reviewed by the Company's sponsor, CNP Compliance Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.

The Sponsor has not verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Thomas Lam at 36 Carpenter Street, Singapore 059915, telephone: (65) 6323 8383; email: tlam@cnplaw.com