

VASHION GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number 199906220H)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 1,130,302,870 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.005 FOR EACH RIGHTS SHARE (THE “ISSUE PRICE”), WITH UP TO 565,151,435 FREE DETACHABLE WARRANTS (THE “WARRANTS”) WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE “WARRANT SHARE”) AT AN EXERCISE PRICE OF S\$0.005, ON THE BASIS OF 10 RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE RIGHTS BOOKS CLOSURE DATE, AND ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS CUM WARRANTS ISSUE”)

- RESULTS OF THE RIGHTS CUM WARRANTS ISSUE

The board of directors (“Board” or “Directors”) of the Company refers to the announcements dated 25 May 2017, 25 July 2017, 5 February 2018, and 14 February 2018 (“Announcements”) as well as the offer information statement dated 14 February 2018 (“Offer Information Statement”) relating to the Rights cum Warrants Issue. Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Offer Information Statement. Any reference to time of day and date herein shall be a reference to Singapore time and date respectively unless otherwise stated.

1. RESULTS OF THE RIGHTS CUM WARRANTS ISSUE

1.1. Level of Subscription

Further to the Announcements, the Board wishes to announce that, based on the total issued share capital of the Company of 113,030,287 Shares as at the Books Closure Date, as at the close of the Rights cum Warrants Issue on 5 March 2018, valid acceptances and valid excess applications for a total of 1,222,932,681 Rights Shares with Warrants were received. This represents approximately 108.2% of the 1,130,302,870 Rights Shares with Warrants available for subscription under the Rights cum Warrants Issue.

Details of the valid acceptances and valid excess applications for the Rights Shares with Warrants are as follows:

- (a) valid acceptances were received for a total of 645,409,104 Rights Shares with Warrants (including acceptances of 257,950,000, 1,000,000 and 160,000,000 Rights Shares with Warrants by Mission Well Limited, Go Best Holdings Limited, and Ms Zhou Qilin respectively) representing approximately 57.1% of the 1,130,302,870 Rights Shares with Warrants available for subscription under the Rights cum Warrants Issue; and
- (b) valid excess applications were received for a total of 577,523,577 Rights Shares with Warrants (including valid excess application for 200,000,000, 13,610,000, and 210,000,000 Rights Shares with Warrants by Mission Well Limited, Go Best Holdings Limited, and Ms Zhou Qilin respectively) representing approximately 51.1% of the 1,130,302,870 Rights Shares with Warrants available for subscription under the Rights cum Warrants Issue (the “Excess Applications”).

	Number of Rights Shares with Warrants	As a percentage of the of the total number of Rights Shares available under the Rights Issue
Valid acceptances	645,409,104	57.1%
Excess applications	577,523,577	51.1%
Total	1,222,932,681	108.2%

1.2. Allocation of Rights Shares with Warrants for Excess Applications

As mentioned above, out of the total 1,130,302,870 Rights Shares with Warrants, 645,409,104 Rights Shares with Warrants were validly applied by the Entitled Shareholders and/or their renounees and 484,893,766 Rights Shares with Warrants were not validly accepted for by Entitled Shareholders and/or their renounees pursuant to the Rights cum Warrants Issue.

Following the allocation process for the Excess Rights Shares with Warrants:-

- (a) excess applications by subscribers other than Directors and Substantial Shareholders of 153,913,577 Excess Rights Shares with Warrants were allocated in full;
- (b) excess applications by Mission Well Limited has been scaled down from 200,000,000 Excess Rights Shares with Warrants to 73,719,126 Excess Rights Shares with Warrants;
- (c) excess applications by Go Best Holdings Limited of 13,610,000 Excess Rights Shares with Warrants were allocated in full; and
- (d) excess applications by Ms Zhou Qilin has been scaled down from 210,000,000 Excess Rights Shares with Warrants to 199,693,826 Excess Rights Shares with Warrants.

The scaling down provision was applied to Mission Well Limited and Ms Zhou Qilin in order to avoid placing each of Mission Well Limited and Ms Zhou Qilin and their respective parties acting in concert (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers.

In view of the above (including in particular the scaling down for Mission Well Limited and Ms Zhou Qilin), provisional allotment 440,936,529 Rights Shares with Warrants which were not validly accepted for by Entitled Shareholders and/or their renounees pursuant to the Rights cum Warrants Issue have been allotted to satisfy the Excess Applications.

In the allotment of Excess Rights Shares with Warrants, preference was given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares with Warrants, if any, provided that where there are insufficient Excess Rights Shares with Warrants to allot to each application, the Company shall allot the Excess Rights Shares with Warrants to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants.

1.3. Allotment and Issue of Rights Shares with Warrants

For Entitled Depositors, Purchasers and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL) with valid acceptances of Rights Shares with Warrants and/or (if applicable) successful applications for Excess Rights Shares with Warrants, share certificates representing such number of Rights Shares and warrant certificates representing such number of Warrants will be registered in the name of CDP or its nominee and despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares and Warrants to their respective Securities Accounts. CDP will then send to the respective subscribers **by**

ordinary post and at their own risk, to their mailing addresses in Singapore in the records of CDP, a notification letter stating the number of Rights Shares and Warrants that have been credited to their respective Securities Accounts.

For Entitled Scripholders and their renounees with valid acceptances of Rights Shares with Warrants and/or (if applicable) successful applications for Excess Rights Shares with Warrants and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form(s) comprised in the PAL, physical share certificates in their own names representing such number of Rights Shares and warrant certificates representing such number of Warrants will be **despatched by ordinary post and at their own risk**, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date. The physical certificates will not be valid for delivery pursuant to trades done on Catalist under the book-entry (scripless) settlement system although they will continue to be prima facie evidence of legal title.

The Board is pleased to announce that 1,086,345,633 Rights Shares and 543,172,816 Warrants has been allotted and issued by the Company on 12 March 2018, pursuant to the Rights cum Warrants Issue. Following the allotment and issuance of the 1,086,345,633 Rights Shares, the number of issued and paid up Shares in the capital of the Company has increased from 113,030,287 Shares to 1,199,375,920 Shares (excluding treasury shares).

The Rights Shares and the New Shares arising from the exercise of the Warrants will on issuance and allotment rank *pari passu* in all respects with the then existing Shares in issue, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares or New Shares, as the case may be.

The Company will announce the date on which (a) the share certificates for the Rights Shares and warrant certificates for the Warrants are despatched, and (b) the Rights Shares and Warrants are credited into the relevant Securities Accounts, through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

1.4. "Nil-paid" Rights in respect of Foreign Shareholders

None of the "nil-paid" Rights which were provisionally allotted to Foreign Shareholders have been sold on the Catalist during the provisional allotment trading period as provided for in the Offer Information Statement.

1.5. Net Proceeds from the Rights cum Warrants Issue and the Offsetting Arrangement

The Company has raised net proceeds of approximately S\$5.08 million (after deducting estimated expenses of approximately S\$0.35 million) from the Rights cum Warrants Issue ("**Net Proceeds**"). The Company refers to the announcement dated 10 January 2018 in relation to: (a) the Loans with aggregate principal amount of HK\$2,108,389 and HK\$8,000,000 respectively extended by the Executive Director of the Company, Christian Kwok-Leun Yau Heilesen ("**CKLY**") to Vashion Group (HK) Holdings Limited ("**VGH**"), a wholly owned subsidiary of the Company; and (b) the Offsetting Arrangement. The Board wishes to update that the second Loan of HK\$8.0 million (or approximately S\$1.3 million based on the relevant exchange rate) has been fully disbursed on 20 February 2018 and has been fully utilised to purchase branded watches for the New Business (being the trading of luxury watches).

The Board wishes to inform that the subscription of 257,950,000 entitlement Rights Shares (or approximately S\$1,289,750) by Mission Well Limited was satisfied *vide* the Offsetting Arrangement – namely via partial offsetting of the second Loan of HK\$8.0 million (or approximately S\$1,342,732.46 based on the relevant exchange rate). Following the Offsetting Arrangement, the remaining Loan outstanding is approximately S\$411,421.20.

Taking into consideration the above, the utilisation of the Net Proceeds is tabulated below:-

Use of proceeds	Allocation as per the Offer Information Statement		Utilisation	Balance
	%	S\$'000	S\$'000	S\$'000
General working capital	24.5%	1,245.0	-	1,245.0
Investment in new businesses (including the New Business pursuant to the Proposed Business Diversification)	75.5%	3,836.7	1,289.8 (Offsetting of the second Loan which has been utilised for purchase of branded watches)	2,547.0
	100%	5,081.7	1,289.8	3,792.0

Notes: the figures above are subject to rounding

The above utilisation of the Net Proceeds from the Rights cum Warrants Issue is consistent with the intended uses as disclosed in the Company's Offer Information Statement dated 14 February 2018. The Company will make further announcement on the use of the remaining Net Proceeds as and when they are materially disbursed.

As and when the Warrants are exercised, the Exercise Proceeds, at the discretion of the Directors, will be used to fund general corporate activities including, but not limited to, new business developments (including the Proposed Business Diversification), acquisitions, joint ventures and/or strategic alliances.

Pending disbursement of the Net Proceeds and/or the Exercise Proceeds, such proceeds may be placed as deposits with financial institutions in short term money markets or debt instruments or marketable securities or for any other purposes on a short term basis as the Directors may, in their absolute discretion, deem fit.

2. REFUND FOR INVALID OR UNSUCCESSFUL ACCEPTANCES AND EXCESS APPLICATIONS

If any acceptance of Rights Shares with Warrants is invalid and/or if no Excess Rights Shares with Warrants are allotted to Entitled Shareholders or if the number of Excess Rights Shares with Warrants allotted to them is less than that applied for, the amount paid on acceptance and/or application and/or the surplus application monies (as the case may be) will be returned or refunded to such Entitled Shareholder, without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

- (a) by crediting their bank accounts with the relevant Participating Banks at their own risk (if they accept and (if applicable) apply by way of an Electronic Application), the receipt by such bank being a good discharge to the Company, CDP and the Manager of their obligations, if any, thereunder;
- (b) by means of a crossed cheque drawn on a bank in Singapore and **sent by ordinary post at their own risk** to their mailing addresses in Singapore in the records of CDP, or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they accept and (if applicable) apply through CDP); and/or
- (c) by a crossed cheque drawn on a bank in Singapore and **sent by ordinary post and at their own risk** to their mailing addresses in Singapore as maintained with the Share Registrar (if they accept and (if applicable) apply through the Share Registrar).

Please refer to Appendices II to IV to the Offer Information Statement and the PAL, the ARE and the ARS (as the case may be) for further information on the refunding of excess amounts paid by applicants.

3. ISSUE AND LISTING OF THE RIGHTS SHARES AND THE WARRANTS

The 1,086,345,633 Rights Shares with 543,172,816 Warrants have been issued on 12 March 2018, and the Company expects such Rights Shares with Warrants to be credited into the relevant Securities Account on or about 13 March 2018.

The Rights Shares are expected to be listed and quoted on the Catalist of the SGX-ST with effect from 9.00 a.m. on 13 March 2018 and the Warrants are expected to be listed and quoted on the Catalist of the SGX-ST with effect from 9.00 a.m. on 14 March 2018. Further announcement on the listing of the Rights Shares with Warrants will be made in due course.

The listing and quotation notice granted by the SGX-ST for admission to Catalist and the dealing in, listing of and quotation for, *inter alia*, the Rights Shares, the Warrants and the Warrant Shares is not an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the Warrant Shares, the Company, its subsidiaries and their securities.

The Company wishes to take this opportunity to thank the Shareholders for their support and contribution towards the successful completion of the Rights cum Warrants Issue.

BY ORDER OF THE BOARD OF Vashion Group Ltd.

Christian Kwok-Leun Yau Heilesen
Executive Director
12 March 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements made or opinions expressed.*

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