

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

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- (A) **PROPOSED CONVERSION OF DEBTS OWING BY THE COMPANY TO THE INDEPENDENT DIRECTORS (THE “CREDITORS”), INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “PROPOSED DEBT CONVERSION”);**
- (B) **PROPOSED SHARE CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT THE SHARE CONSOLIDATION BOOKS CLOSURE DATE (AS DEFINED HEREIN) INTO ONE (1) CONSOLIDATED SHARE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”);**
- (C) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,130,303,150 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.005 FOR EACH RIGHTS SHARE AND UP TO 565,151,575 FREE DETACHABLE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW SHARE (AS DEFINED HEREIN) AT AN EXERCISE PRICE OF S\$0.005 ON THE BASIS OF TEN (10) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE (AS DEFINED HEREIN) HELD BY THE SHAREHOLDERS AS AT THE RIGHTS BOOKS CLOSURE DATE (AS DEFINED HEREIN), AND ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS CUM WARRANTS ISSUE”); AND**
- (D) **PROPOSED BUSINESS DIVERSIFICATION TO INCLUDE THE FINANCING BUSINESS (AS DEFINED HEREIN) AND THE LUXURY GOODS BUSINESS (AS DEFINED HEREIN) (THE “PROPOSED DIVERSIFICATION”).**

(COLLECTIVELY, THE “PROPOSED TRANSACTIONS”)

- (A) **PROPOSED CONVERSION OF DEBTS OWING BY THE COMPANY TO THE INDEPENDENT DIRECTORS (THE “CREDITORS”) INTO NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “PROPOSED DEBT CONVERSION”)**

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Vashion Group Ltd. (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that it had entered into a debt conversion agreement (“**Debt Conversion Agreement**”) with Mr Chan Siew Wei and Mr Tan Chin Lee (the “**Creditors**”) for the proposed conversion (“**Debt Conversion**”) of directors fees owing by the Group, into new ordinary shares (“**Debt Conversion Shares**”) at a fixed conversion price of S\$0.003 per Debt Conversion Share (the “**Debt Conversion Price**”), which is at a premium of approximately 50.0% to the volume weighted average price for trades done in respect of the shares of the Company (“**Shares**”) on the Catalyst Board on 24 May 2017, being the last trading day prior to the date of this announcement. As at the date of this announcement, after completion of the Proposed Debt Conversion and issuance and allotment of Debt Conversion Shares, the Company intends to carry out the Proposed Share Consolidation. Notwithstanding the foregoing, in the event that the Proposed Share Consolidation is completed prior to the issuance and allotment of the Debt Conversion Shares, the Debt Conversion Price and the corresponding number of Debt Conversion Shares shall be adjusted accordingly.

The amount of directors fees owing to each of the Creditors are as per below:

Creditors	FY2014	FY2015	FY2016	Amount (S\$)
Chan Siew Wei	39,364	73,700	73,700	186,764
Tan Chin Lee	-	19,990	30,000	49,990

A breakdown of the Debt Conversion Shares for each of the Creditors can be found below:

Creditors	Number of Debt Conversion Shares (Before Proposed Share Consolidation)	Number of Debt Conversion Shares (Adjusted for Proposed Share Consolidation)	Total number of Debt Conversion Shares as a percentage of the Post-Consolidation Share Capital (as defined herein)⁽¹⁾
Chan Siew Wei	62,254,666	6,225,466	5.51%
Tan Chin Lee	16,663,333	1,666,333	1.47%
Total	78,917,999	7,891,799	6.98%

Note:

- (1) Assuming that completion of the Proposed Share Consolidation took place after the issuance and allotment of the Debt Conversion Shares and based on 113,030,315 Consolidated Shares.

2. RANKING OF THE DEBT CONVERSION SHARES

The Debt Conversion Shares will, when allotted and issued pursuant to the Proposed Debt Conversion, be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the then existing Shares as at the date of allotment and issue of the Debt Conversion Shares except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of such Debt Conversion Shares. Accordingly the Debt Conversion Shares, subject to the requisite approval from Shareholders, will be entitled to participate in the Rights cum Warrants Issue.

3. DEBT CONVERSION PRICE

The Debt Conversion Price is fixed at S\$0.003 per Share, which is at a premium of approximately 50.0% to the volume weighted average price for trades done in respect of the Shares on the Catalist Board on 24 May 2017, being the last trading day prior to the date on which the Debt Conversion Agreement was signed.

4. CONDITIONS PRECEDENT

The Proposed Debt Conversion is subject to, *inter alia*, the following:

- (a) the listing and quotation notice being obtained from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Debt Conversion Shares on the Catalist Board (“**Listing Approval**”) and not having been revoked or amended and, where such Listing Approval is subject to conditions, to the extent that any conditions for the listing of and quotation for the Debt Conversion Shares on the Catalist Board are required to be fulfilled on or before completion date, they are so fulfilled;
- (b) approval from Shareholders for the Proposed Debt Conversion being obtained at an extraordinary general meeting of the Company (“**EGM**”) to be convened;
- (c) the allotment and issue of the Debt Conversion Shares to each of the Creditor not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Debt Conversion Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Creditor;
- (d) the exemption under Section 272B(1) of the Securities and Futures Act (Cap. 289) of Singapore being applicable to the issuance of the Debt Conversion Shares under the Debt Conversion Agreement; and

- (e) the representations and warranties of the Company and the Creditors being true, accurate and correct in all material aspects as if made on the completion date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations under the Debt Conversion Agreement which are required to be performed on or before the completion date.

5. RATIONALE FOR THE PROPOSED DEBT CONVERSION

The rationale for the Proposed Debt Conversion is to reduce the debt burden of the Group, eliminate the need for any cash repayment or payment in view of the current financial and cash position of the Group, provide for some level of stability to the Group and alleviate pressures faced by the Group on its cash flow.

6. SHAREHOLDERS' APPROVAL FOR THE ISSUE OF DEBT CONVERSION SHARES TO DIRECTORS

Chan Siew Wei and Tan Chin Lee are current directors of the Company and are deemed to be interested persons under Chapter 9 of the Catalist Rules. Pursuant to Chapter 9 of the Catalist Rules, shareholders' approval must be obtained for any interested person transaction relating to the issuance of securities.

However, pursuant to Rule 915(8) of the Catalist Rules, an interested person transaction relating to director's fees and remuneration, and employment remuneration will not be required to comply with Rules 905, 906 and 907 of the Catalist Rules.

Under Rule 812(1)(a) of the Catalist Rules, an issue of securities must not be placed to the issuer's directors and substantial shareholders. Pursuant to Rule 812(2) of the Catalist Rules, Rule 812(1) will not apply if specific shareholder approval for such an issue has been obtained. Accordingly, the Company will be seeking approval of shareholders of the Company ("**Shareholders**") for issue of the number of Debt Conversion Shares as listed above to Chan Siew Wei and Tan Chin Lee who are directors of the Company, at an EGM to be convened.

A circular to Shareholders containing further information on, *inter alia*, the Proposed Debt Conversion and notice of EGM will be despatched to the Shareholders in due course.

7. APPLICATION TO THE SGX-ST

The Company will be making an application to the SGX-ST for the listing of and quotation for the Debt Conversion Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcement(s) once the approval-in-principle for the listing of and quotation for the Debt Conversion Shares has been obtained from the SGX-ST.

(B) PROPOSED SHARE CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT THE SHARE CONSOLIDATION BOOKS CLOSURE DATE (AS DEFINED HEREIN) INTO ONE (1) CONSOLIDATED SHARE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "PROPOSED SHARE CONSOLIDATION")

1. INTRODUCTION

- 1.1 The Directors also wish to announce that the Company proposes to undertake a share consolidation of every ten (10) ordinary Shares registered in the name of each Shareholder as at a books closure date to be determined by the Directors (the "**Share Consolidation Books Closure Date**") into one (1) consolidated share ("**Consolidated Share**"), fractional entitlements to be disregarded (the "**Proposed Share Consolidation**").

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

2.1 Overview of the Proposed Share Consolidation

The Company proposes to undertake the Proposed Share Consolidation pursuant to which every ten (10) existing Shares registered in the name of each Shareholder will be consolidated into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares. As at the date of this announcement, the Proposed Share Consolidation is expected to be carried out after completion of the Proposed Debt Conversion and is expected to take into account the Debt Conversion Shares allotted and issued pursuant to the Proposed Debt Conversion.

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 Share Consolidation Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional Shares arising upon 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, including (a) disregarding the fractional entitlements; or (b) if practical and permissible, aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Shares which are disregarded. Notwithstanding the above, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions as described in paragraph 2.3 below.

Shareholders whose shareholdings, as at the Share Consolidation Books Closure Date, is less than ten (10) existing Shares or multiples of ten (10) Shares should note that the Proposed Share Consolidation may result in (a) such Shareholders being no longer Shareholders or (b) rounding down to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. As such, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/ return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of ten (10) existing Shares prior to the Share Consolidation Books Closure Date.

As at the date of this announcement, the Company has an issued and paid up share capital of S\$33,502,693 divided into 1,051,385,163 Shares. Assuming that other than the issue of approximately 78,917,999 Debt Conversion Shares and that, no new Shares will be issued by the Company during the period from the date of this announcement to the Share Consolidation Books Closure Date, the Company will have a Share capital of approximately S\$33,739,447 divided into approximately 113,030,315 Consolidated Shares (subject to rounding) following the Proposed Debt Conversion and the Proposed Share Consolidation. As at the date of this announcement, the Company (i) does not have any share option or other share incentive schemes for its employees, and (ii) does not have any treasury shares.

The Proposed Share Consolidation will have no impact on 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 (if any) of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation and no payment will be made to Shareholders pursuant to the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholdings of each Shareholder, other than non-material changes due to rounding.

2.2 Rationale of the Proposed Share Consolidation

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

- (a) Reduction of volatility of the Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation. Given its susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares, the Board believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

- (b) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal, the theoretical trading price and net tangible asset of each Consolidated Share would be higher than the trading price and net tangible asset of each existing Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. In addition, the Proposed Share Consolidation may facilitate corporate actions and also increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results described above or benefit all Shareholders, 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) the receipt of the listing and quotation notice ("**LQN**") from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist Board of the SGX-ST; and
- (b) the Proposed Share Consolidation being approved by Shareholders at an EGM to be convened by way of an ordinary resolution.

An application will be made for permission to deal in and for the listing of and quotation for the Consolidated Shares on the Catalist Board of the SGX-ST. An announcement will be made in due course upon receipt of the LQN from the SGX-ST.

In the event the listing and quotation notice for the dealing in, listing of and quotation for the Consolidated Shares is issued by the SGX-ST to the Company, Shareholders should note that such a notice should not be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company, its subsidiaries and/or their securities.

(C) RIGHTS CUM WARRANTS ISSUE

1. INTRODUCTION

The Directors further wish to announce that subject to and conditional upon the completion of the Proposed Debt Conversion and the Proposed Share Consolidation, the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue of up to 1,130,303,150 new ordinary shares in the capital of the Company ("**Rights Shares**") at an issue price of S\$0.005 for each Rights Share (the "**Issue Price**"), with up to 565,151,575 free detachable warrants ("**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") at an exercise price of S\$0.005 for each New Share (the "**Exercise Price**"), on the basis of ten (10) Rights Shares for every one (1) Consolidated Share held by the shareholders of the Company ("**Shareholders**") as at a time and date to be determined by

the Directors for the purpose of determining the Shareholders' entitlements under the Rights cum Warrants Issue (the "**Rights Books Closure Date**"), with one (1) Warrant for every two (2) Rights Shares subscribed by the Shareholder, fractional entitlements to be disregarded (the "**Rights cum Warrants Issue**"). Please refer to paragraph (3) below for the rationale of the Rights cum Warrants Issue and use of proceeds. Shareholders should note that the Rights cum Warrants Issue will only be undertaken after the Proposed Debt Conversion and Proposed Share Consolidation.

The Company will be seeking specific Shareholders' approval at an EGM to be convened for the Rights cum Warrants Issue.

2. DETAILS OF THE RIGHTS CUM WARRANTS ISSUE

2.1 Basis of provision allotment

The Rights cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to the Entitled Shareholders (as defined below), on the basis of ten (10) Rights Shares for every one (1) Consolidated Share as at the Rights Books Closure Date, fractional entitlements to be disregarded, and one (1) Warrant for every two (2) Rights Shares.

2.2 Status and ranking

The Rights Shares will be payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Central Depository (Pte) Limited ("**CDP**") or the Company, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.3 Size of the Rights cum Warrants Issue

As at the date of this announcement, the existing issued and paid up share capital of the Company ("**Existing Share Capital**") comprises 1,051,385,163 Shares and the Company has no outstanding convertible securities. Upon the completion of the Proposed Debt Conversion and issue and allotment of 78,917,999 Debt Conversion Shares and the Proposed Share Consolidation, the Share capital of the Company will comprise approximately 113,030,315 Consolidated Shares ("**Post-Consolidation Share Capital**").

For illustration purposes only, based on the Post-Consolidation Share Capital and assuming that the Rights cum Warrants Issue is fully subscribed, an aggregate of 1,130,303,150 Rights Shares with 565,151,575 Warrants will be issued pursuant to the Rights cum Warrants Issue.

2.4 Issue Price and Exercise Price

The Issue Price of S\$0.005 for each Rights Share and the Exercise Price of S\$0.005 per Warrant represents a discount of approximately:

- (i) 75.0% from S\$0.02 per Share, being the closing price of S\$0.002 per Share on 24 May 2017, being the last trading day prior to the date of this announcement after adjusting for the Proposed Share Consolidation; and
- (ii) 21.4% from the theoretical ex-rights price of approximately S\$0.0064 per Share, based on the closing price of S\$0.002 per Share on 24 May 2017 and after adjusting for the Proposed Share Consolidation.

2.5 Form and Subscription Rights of the Warrants

Up to 565,151,575 Warrants, to be issued free with the Rights Shares subscribed for, will be in registered form and constituted by a deed poll setting out the terms and conditions of the Warrants

(the “**Deed Poll**”). Each Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) New Share at the Exercise Price during the exercise period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants unless such date is a date on which the register of members and/or register of warrant holders of the Company is/are closed or is not a market day, in which event the Warrants shall expire on the date prior to the closure of the register of members and/or register of warrant holders of the Company or on the immediately preceding market day, as the case may be (but excluding such period(s) during which the register of members and/or the register of warrant holders of the Company may be closed) (the “**Exercise Period**”). Any Warrant remaining unexercised at the end of the Exercise Period shall lapse and cease to be valid for all purposes.

In arriving at the number of Warrants to issue and allot pursuant to the subscription of Rights Shares, fractional entitlements to the Warrants, if any, will be disregarded, and will be disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist Board of the SGX-ST under the book-entry (scripless) settlement system, subject to there being a sufficient spread of holdings of the Warrants to provide an orderly market for the Warrants.

The New Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the New Shares, save as may be otherwise provided in the Deed Poll.

The Exercise Price and the number of Warrants to be held by each holder of the Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

2.6 Non-underwritten basis

The Directors believe that barring unforeseen circumstances and after taking into account the net tangible asset per Share of the Group and requirements for the Group’s operations, the Issue Price (which represents a discount of approximately (i) 75.0% from S\$0.02 per Share (being the closing price of S\$0.002 per Share on 24 May 2017, or the last trading day prior to the date of this announcement after adjusting for the Proposed Share Consolidation); and (ii) 21.4% from the theoretical ex-rights price of approximately S\$0.0064 per Share, based on the closing price of S\$0.002 per Share on 24 May 2017 and after adjusting for the Proposed Share Consolidation, is reasonably priced to encourage or facilitate subscriptions for the Rights Shares with Warrants and participation by Shareholders.

Barring unforeseen circumstances, as at the date of this announcement, Directors are of the reasonable opinion that there is no minimum amount, which must be raised from the Rights cum Warrants Issue.

In view of the above, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis.

2.7 Approvals

The Rights Cum Warrants Issue is subject to and conditional upon, *inter alia*, the following:

- (i) the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, Warrants and New Shares on the Catalist Board of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue), and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;

- (ii) the approval of Shareholders for the Rights Cum Warrants Issue being obtained at the EGM to be convened;
- (iii) the lodgement of the offer information statement together with all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue (the “**Offer Information Statement**”) with the SGX-ST acting as agent of the Monetary Authority of Singapore (“**MAS**”); and
- (iv) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue, being obtained and not having been withdrawn or revoked before the completion of the Rights cum Warrants Issue.

The Company will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares, Warrants and New Shares on the Catalist Board of the SGX-ST. The Company intends to convene the EGM to seek, *inter alia*, Shareholders’ approval for the Rights cum Warrants Issue. The circular containing, *inter alia*, the notice of the EGM will be despatched to Shareholders in due course.

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may deem fit and such terms and conditions will be set out in the circular to be despatched to Shareholders in due course for the purposes of the EGM to approve, *inter alia*, the Rights cum Warrants Issue. The final terms and conditions of the Rights cum Warrants Issue will be contained in the Offer Information Statement (and all its accompanying application forms including any supplementary or replacement documents) to be issued and despatched by the Company to Shareholders in due course.

The Offer Information Statement will be lodged with the SGX-ST acting as agent of the MAS and despatched to Entitled Shareholders (as defined below) in due course following, *inter alia*, the Rights cum Warrants Issue being approved by Shareholders at the EGM and the obtaining of approval in-principle from the SGX-ST. Any approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, Warrants and New Shares will be subject to such conditions (if any) stated therein, and should not be taken as an indication of the merits of the Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries and/or their securities.

Appropriate announcements in relation to *inter alia* the above application, updates of expression of interest, intention and undertakings, dispatch of the circular, and lodgement and dispatch of the Offer Information Statement will be made in due course.

3. RATIONALE AND USE OF PROCEEDS

3.1 Rationale

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and cash position of the Group, and to provide working capital for the Group. In addition, the Group intends to utilize the net proceeds from the Rights cum Warrants Issue to fund the Proposed Diversification and for working capital requirements.

The Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company, and will allow the Group to be less reliant on external sources of funding for general corporate activities including, but not limited to, the Proposed Diversification, new business developments, acquisitions, joint ventures and/or strategic alliances.

3.2 Use of Net Proceeds

For illustrative purposes only, the maximum subscription scenario (the “**Maximum Subscription Scenario**”) describes the subscription for the Rights cum Warrants Issue via the issue and allotment of 1,130,303,150 Rights Shares with 565,151,575 Warrants, based on the assumption that all

Entitled Shareholders (as defined below) subscribe in full for their pro-rata Rights Shares entitlements based on the Post-Consolidation Share Capital.

Under the Maximum Subscription Scenario, whereby the Rights cum Warrants Issue is fully subscribed and 1,130,303,150 Rights Shares with 565,151,575 Warrants (“**Rights Shares with Warrants**”) are issued, the estimated net proceeds from the subscription of the Rights Cum Warrants Issue (without taking into account the proceeds from the exercise of the Warrants) will be approximately S\$5.3 million, after deducting estimated expenses of S\$0.35 million.

The Company intends to utilise the gross proceeds from the Rights cum Warrants Issue after deducting expenses for the Rights cum Warrants Issue (“**Net Proceeds**”) in the following proportions:

Use of Net Proceeds	Proportion (%)	Amount under the Maximum Subscription Scenario (S\$ million)
General working capital	24.5	1.3
Investments in new businesses	75.5	4.0
Total	100.0	5.3

Based on the Maximum Subscription Scenario, if all the 565,151,575 Warrants are exercised at the Exercise Price, the estimated additional gross proceeds from the exercise of the Warrants will be approximately S\$2.8 million (“**Exercise Proceeds**”).

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 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.

The Company will make periodic announcements on the utilisation of the Net Proceeds and Exercise Proceeds, as and when such proceeds are materially disbursed or utilised, and provide a status report on the utilisation of the Net Proceeds and Exercise Proceeds in the annual report of the Company. Where there is a material deviation in the use of Net Proceeds and Exercise Proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds and Exercise Proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on its use for working capital in the Company’s announcements and in the annual report.

4. DIRECTORS’ OPINION

For the purposes of Rule 814(1)(e) of the Catalist Rules, as at the date of this announcement, and barring unforeseen circumstances, the Directors are of the opinion that:

- (a) after taking into consideration the present bank facilities, the current working capital available to the Group is sufficient to meet its present requirements; and
- (b) after taking into consideration the present bank facilities and the potential Net Proceeds and Exercise Proceeds from the Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

As mentioned in paragraph 3 above, the Net Proceeds and Exercise Proceeds from the Rights cum Warrants Issue will provide the Group with financial flexibility and augment its cash buffer for its existing and future operations in the event that the Proposed Diversification proceeds.

5. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE

The Company proposes to provisionally allot the Rights Shares with Warrants to all Shareholders who are eligible to participate in the Rights cum Warrants Issue (the “**Entitled Shareholders**”), which comprises Entitled Depositors and Entitled Scripholders, excluding Foreign Shareholders (all as defined below).

5.1 Entitled Depositors

Shareholders whose Shares are registered in the name of CDP and whose securities accounts with CDP (“**Securities Accounts**”) are credited with Shares as at the Rights Books Closure Date and whose registered addresses with CDP are in Singapore as at the Rights Books Closure Date (the “**Depositors**”) will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts as at the Rights Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Rights Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Rights Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

5.2 Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Rights Books Closure Date (the “**Scripholders**”) will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Rights Books Closure Date.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Rights Books Closure Date, or if they have registered addresses outside Singapore, must provide the Company’s share registrar (“**Share Registrar**”), KCK Corpserve Pte Ltd at 333 North Bridge Road, #08-00, KH KEA Building Singapore 188721 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Rights Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Rights Books Closure Date by the Share Registrar, will be registered to determine the transferee’s provisional allotments of Rights Shares with Warrants entitlements.

5.3 Participation in the Rights Cum Warrants Issue

Entitled Scripholders and Entitled Depositors will be entitled to participate in the Rights cum Warrants Issue and to receive the Offer Information Statement together with the application form for rights shares and excess rights shares (“**ARE**”) or provisional allotment letter (“**PAL**”), as the case may be, and its accompanying documents at their respective registered addresses in Singapore.

Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment for, and renunciation of (as may be applicable), the Rights Shares with Warrants under the Rights cum Warrants Issue through CDP or the Share Registrar (as may be applicable); or the last time and

date to be determined by the Directors for acceptance and/or excess application and payment for the Rights Shares with Warrants under the Rights cum Warrants Issue through an electronic application (as may be applicable) (“**Closing Date**”). Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP during the period up to the Closing Date.

5.4 Excess Rights Shares with Warrants

Provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, will be aggregated as the excess Rights Shares with Warrants (the “**Excess Rights Shares with Warrants**”) to satisfy applications for such Excess Rights Shares with Warrants or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. In the allotment of Excess Rights Shares with Warrants, preference will be given to the rounding of odd lots. Directors and substantial shareholders of the Company (“**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.

The Company will not make any allotment and issue of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

5.5 Provisional allotments and excess applications

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Rights cum Warrants Issue on the basis of their shareholdings as at the Rights Books Closure Date. They are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on the Catalist Board of SGX-ST (during the provisional allotment trading period as prescribed by the SGX-ST) their provisional allotments of Rights Shares with Warrants and are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. Entitled Depositors who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants (as defined below) may only do so through CDP or by way of an electronic application (as may be applicable).

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at Shareholders’ entitlements and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

5.6 Option to scale down subscription

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares with Warrants by any of the Shareholders (if such Shareholder chooses to subscribe for its pro-rata Rights Shares with Warrants entitlement and/or apply for Excess Rights Shares with Warrants) to, *inter alia*, avoid placing the relevant Shareholder and parties acting in concert with him (as defined in the Singapore Code on Take-overs and Mergers (“**Code**”) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully. The terms and conditions for the Rights cum Warrants Issue (where applicable) may be subject to such waivers or consents or confirmation or approvals from such other regulatory authorities in Singapore including, *inter-alia*, the Securities Industry Council.

5.7 Dealings/ transactions for provisional allotments

All dealings in and transactions of the provisional allotments of the Rights Shares with Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs if any to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the Catalist Board of SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at least three (3) market days before the Rights Books Closure Date. Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses in the Register of Members.

Entitled Scripholders (where applicable) are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP before the Rights Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Rights Shares with Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Rights Shares on the 12th market day or such number of market days as may be required and determined by CDP, from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

Details for the Rights cum Warrants Issue will be set out in the circular to be despatched to Shareholders in due course.

Full details of the Rights cum Warrants Issue, including an indicative timetable of key events will be set out in the Offer Information Statement to be despatched to the Entitled Shareholders in due course.

5.8 CPF investment scheme

Persons who bought their Shares previously using their Central Provident Fund (“CPF”) account savings (the “CPF Funds”) may use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants, subject to the applicable rules and regulations of the CPF. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants will need to instruct their respective approved banks where they hold their CPF investment accounts, to accept their provisional allotment of Rights Shares with Warrants and (if applicable) apply for the Excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

5.9 Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Rights cum Warrants Issue will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders whose registered addresses with the Company and the CDP are outside Singapore as at the Rights Books Closure Date and who have not, by 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Rights Books Closure Date, provided to the Share Registrar or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”) and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue. No provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of Rights Shares with Warrants or application for Excess Rights Shares with Warrants by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents relating to the Rights cum Warrants Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses

with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares with Warrants credited by CDP to their Securities Accounts should make the necessary arrangements with their depository agents or stockbrokers in Singapore.

The Company reserves the right to reject any acceptances of the provisional allotments of the Rights Shares with Warrants and/or applications for Excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right to treat as invalid any ARE, application form for rights shares with warrants (“**ARS**”) or PAL where applicable which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares with Warrants or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty.

Foreign Shareholders who wish to be eligible to participate in the Rights cum Warrants Issue may provide a Singapore address by notifying in writing, as the case may be, (i) CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, or (ii) the Share Registrar, KCK Corpserve Pte Ltd at 333 North Bridge Road, #08-00, KH KEA Building Singapore 188721, not later than three (3) market days before the Rights Books Closure Date.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Rights Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than \$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the board of the Central Provident Fund established under the Central Provident Fund Act (Cap. 36) as amended or modified from time (“**CPF Board**”) or the CDP or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the CPF Board or the CDP or their respective officers in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the CPF Board or the CDP or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in those territories.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation (where applicable) and/or sale of the provisional allotments of Rights Shares with Warrants and for application of Excess Rights Shares with Warrants pursuant to the Rights cum Warrants Issue will be set out in the Offer Information Statement and its accompanying documents to be despatched by the Company to Entitled Shareholders in due course.

(D) PROPOSED BUSINESS DIVERSIFICATION TO INCLUDE THE FINANCING BUSINESS (AS DEFINED HEREIN) AND THE LUXURY GOODS BUSINESS (AS DEFINED HEREIN)

1. INTRODUCTION

The Directors further wish to announce that the Company is proposing to diversify its existing core business ("**Existing Business**") into the New Businesses (as defined below).

Subject to the approval of Shareholders being obtained at the EGM to be convened, the Company intends to carry on the following businesses, as and when appropriate opportunities arise:

- (a) the provision of personal and business loans in Hong Kong ("**Financing Business**"); and
 - (b) the retail and trading of new and used luxury consumer goods ("**Luxury Goods Business**"),
- (collectively, the "**New Businesses**").

2. RATIONALE FOR ENTERING INTO THE NEW BUSINESSES

The Company proposes to diversify into the New Businesses for the following reasons:

- (a) The Proposed Diversification is part of the corporate strategy of the Group with diversified returns and long term growth. The Board believes that the Proposed Diversification can provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholder's value for the Company.
- (b) Once the Shareholders approve the Proposed Diversification, the Group may enter into transactions relating to the New Businesses without having to seek Shareholders' approval for the sole reason of such transactions having constituted a change of risk profile. This will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval, allowing the Group greater flexibility to pursue business opportunities which may be time sensitive in nature. A further benefit would be to substantially reduce the costs associated with the convening of general meetings from time to time.

3. PROPOSED BUSINESS ACTIVITIES OF THE NEW BUSINESSES

The Group intends to operate as a licensed lender in Hong Kong to provide loans to individual and corporate clients.

(a) Individual loans

The Group will provide secured and unsecured personal loans to individuals with aims to achieve diversified secured and unsecured personal loans which typically involve relatively smaller amounts as compared to corporate loans but bearing higher interest rates.

(b) Corporate loans

The Company will also be providing loans to corporate borrowers, for the following purposes:

- (i) short-term loans for working capital requirements, in the form of revolving credit lines, overdraft loans, bridging loans and term loans with fixed instalment payment terms; and
- (ii) expansion and/or acquisition financing in the form of mezzanine loans. Mezzanine loans are a hybrid of debt and equity financing and it provides the Group the right to convert or acquire a minority stake in the borrower in addition to interest income.

The corporate loans described above may be secured by a floating or fixed charge over certain assets of the borrower or, in the case of mezzanine loans, by the shares of the borrower. In addition, personal guarantees from major shareholders or directors of the borrower may also be required. Such corporate loans usually have maturities ranging between six (6) to 24 months.

Interest income from such corporate and individual loans will be the key source of revenue for the Financing Business. The effective interest rates to be charged for each loan will be determined based on various factors including but not limited to cost of funds, security/personal guarantee as well as credit risk assessments of the borrower.

The Group also intends to operate wholesale sourcing, wholesale sales as well as retail sales in Hong Kong and Singapore for new and second hand luxury goods such as watches, jewellery and handbags. The Group would be able to tap into the thriving luxury goods in Hong Kong and Singapore where they are able to widen their source of revenue by extending these products to young individuals and professionals. It is noted that the demand for these products are strong in Hong Kong as it is a developed society, thus they are able to increase their source of revenue. It is noted that for the retail and trading business, the Company will purchase pre-owned jewellery and watches from (a) walk-in customers; and (b) independent dealers and/or traders of pre-owned goods.

Accordingly the Company will embark on a recruitment exercise for, *inter alia*, personnel for determination of product/service mix, control, marketing etc., for the diversification of business and commencement of the New Businesses as well as seek and obtain relevant regulatory and licensing as may be applicable. In addition, the Board will undertake a review of *inter alia*, the relevant regulatory and licensing approvals, internal and risk controls to manage and monitor the New Businesses. As at the date of this announcement, the Proposed Diversification will not be undertaken via acquisitions of businesses.

The Proposed Diversification will involve new businesses which are different from the Existing Business and it is envisaged that this will change the existing risk profile of the Group. Pursuant to the Catalyst Rules, Shareholders' approval is required for the Proposed Diversification. Accordingly, an EGM will be convened by the Company to seek approval from Shareholders for the Proposed Diversification.

For the avoidance of doubt, the Group will continue to comply with the Catalyst Rules, particularly the provisions of Chapter 10 (as may be applicable) in the event it undertakes any acquisition, joint venture or other transaction in connection with the New Businesses.

Further details of the Proposed Diversification and the New Businesses will be set out in the circular to be despatched to Shareholders in due course.

(E) CIRCULAR TO SHAREHOLDERS

The circular containing further details of the Proposed Transactions, together with a notice of EGM in connection therewith, will be despatched to Shareholders in due course.

(F) CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their Shares. The Proposed Transactions are subject to certain conditions, including Shareholders' approval at the EGM to be convened, and there is no certainty or assurance as at the date of this announcement that the Proposed Transactions will be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

(G) INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

	Existing Share Capital as at the date of this announcement			
	Direct Interest		Deemed Interest	
Directors	No. of Shares	%	No. of Shares	%
Christian Kwok-Leun Yau Heilesen ⁽²⁾	-	-	257,950,000	24.53%
Zhou Jia Lin	-	-	-	-
Chan Siew Wei	-	-	-	-
Tan Chin Lee	-	-	-	-
Leung Kwok Kuen Jacob	-	-	-	-
Substantial Shareholders				
Wong Siu Hung	75,000,000	7.13%	-	-
Zhou Qilin	160,000,000	15.22%	-	-
Mission Well Limited ⁽²⁾	182,950,000	17.40%	-	-
Go Best Holdings Limited ⁽²⁾	75,000,000	7.13%	-	-
Abery Development Limited ⁽³⁾	-	-	75,000,000	7.13%
Focus Square Limited ⁽⁴⁾	-	-	75,000,000	7.13%

HSBC International Trustee Limited ⁽⁵⁾	-	-	75,000,000	7.13%
Public float	558,435,163	53.11%		
Total Shares	1,051,385,163	100.00%		

Notes:

- (1) Figures and computation are subject to rounding.
- (2) Mr. Christian Kwok-Leun Yau Heilesen is deemed interested in the 182,950,000 shares held by Mission Well Limited as he is the sole shareholder and director of Mission Well Limited. Furthermore, he is also deemed to be interested in the 75,000,000 shares held by Go Best Holdings Limited. HSBC International Trustee Limited (acting as trustee of the CKLY Family Trust which the beneficiaries are family members of Mr. Christian Kwok-Leun Yau Heilesen) is the holding company of Focus Square Limited, which is the holding company of Abery Development Limited, which is the holding company of Go Best Holdings Limited.
- (3) Abery Development Limited is the holding company of Go Best Holdings Limited. As such, Abery Development Limited is deemed to have an interest in the shares of Vashion Group Ltd. held by Go Best Holding Limited.
- (4) Focus Square Limited is the holding company of Abery Development Limited, which is the holding company of Go Best Holdings Limited. As such, Focus Square Limited is deemed to have an interest in the shares of Vashion Group Ltd. held by Go Best Holding Limited.
- (5) HSBC International Trustee Limited (acting as trustee of the CKLY Family Trust which the beneficiaries are family members of Mr. Christian Kwok-Leun Yau Heilesen) is the holding company of Focus Square Limited, which is the holding company of Abery Development Limited, which is the holding company of Go Best Holdings Limited. As such, HSBC International Trustee Limited is deemed to have an interest in the shares of Vashion Group Ltd. held by Go Best Holding Limited.

Save as disclosed above, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Share Consolidation, Rights cum Warrants Issue, Proposed Debt Conversion (save for Chan Siew Wei and Tan Chin Lee), and the Proposed Diversification (other than through their respective shareholdings in the Company).

(H) DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Debt Conversion Agreement is available for inspection at the registered office of the Company at 280 Woodlands Industrial Park E5, #10-50, Harvest @ Woodlands, Singapore 757322 during normal business hours for a period of three (3) months from the date of this announcement.

(I) RESPONSIBILITY STATEMENT

The Directors of the Company 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 Transactions, 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 this announcement in its proper form and context.

(J) FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Proposed Transactions as and when appropriate.

**BY ORDER OF THE BOARD OF
Vashion Group Ltd.**

Christian Kwok-Leun Yau Heilesen
Executive Director
25 May 2017

*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 or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes 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 Ms Foo Quee Yin.
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