

VASHION GROUP LTD
Company Registration Number: 199906220H

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014 ("FY2014")**

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

Note	Group		Increase / (Decrease) %	
	Year Ended 31 December			
	2014 S\$'000	2013 S\$'000		
Revenue	5,508	6,117	(9.96)	
Cost of Sales	(3,779)	(4,115)	(8.17)	
Gross profit	1,729	2,002	(13.64)	
Other operating income	2,688	847	217.36	
Selling & distribution expenses	(609)	(2,131)	(71.42)	
Administrative expenses	(3,360)	(4,351)	(22.78)	
Other operating expenses	(897)	(3,410)	(73.70)	
(Loss) from operations	(449)	(7,043)	(93.62)	
Finance expenses	(438)	(1,010)	(56.63)	
(Loss) before tax	(887)	(8,053)	(88.99)	
Income tax expenses	(22)	(2)	1,000	
(Loss) after tax	(909)	(8,055)	(88.72)	
Gross profit margin	31.39%	32.7%		

Consolidated Statement of Comprehensive Income:

	Group		Increase / (Decrease) %
	Year Ended 31 December		

1. (a) (ii) Notes to income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Profit for the period is arrived at after charging/(crediting) following items:

	Group	
	Year Ended 31 December	
	2014	2013
	S\$'000	S\$'000
Foreign exchange (gain)/loss	896	(800)
Depreciation of property, plant and equipment	126	309
Interest expense	438	1,010
Interest income	-	2
Loss/(gain) on disposal of property, plant and equipment	-	(11)
(Gain) on disposal of investment	(2,211)	-
Allowance for impairment of trade receivables	1	1,240
Allowance for impairment of prepayments	-	1,433
Allowance for inventory obsolescence	-	365
Allowance for impairment of intangible assets	-	364

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

<u>Statement of Financial Position</u>	Group		Company	
	As at 31 Dec 2014	As at 31 Dec 2013	As at	

Other payables and accruals	(3,100)	(1,299)	(3,094)	(540)
Due to subsidiaries (non-trade)	-	-	-	(420)
Lease obligations	(7)	(7)	-	-
Borrowings	-	(1,567)	-	-
Income tax payable	(900)	(805)	-	-
Liabilities directly associated with disposal group classified as held for sale	-	(3,978)	-	-
Total current liabilities	(4,687)	(7,894)	(3,094)	(960)
Net current assets	4,457	5,084	(1,106)	3,775
Non-current liabilities				
Lease obligations	(7)	(14)	-	-
Total non-current liabilities	(7)	(14)	-	-
Net assets	6,874	7,455	3,451	5,112
Share capital	28,120	28,120	28,120	28,120
Convertible warrants	-	-	-	-
Statutory reserve fund	-	442	-	-
Translation reserve	(1,033)	(1,393)	-	-
Performance bonus shares reserve	1,404	1,404	1,404	1,404
Accumulated losses	(21,617)	(22,433)	(26,073)</	

1(c) A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Year Ended 31	
	December	
	2014	2013
	S\$'000	S\$'000
<u>Cash flows from operating activities:</u>		
(Loss)/profit before tax	(887)	(8,053)
Adjustment for:		
Depreciation of property, plant and equipment	126	309
(Loss)/gain on disposal of property, plant and equipment	-	(11)
Gain on disposal of subsidiary	(2,211)	-
Plant and equipment written off	-	8
Impairment of trademark	-	364
Allowance for inventory obsolescence	-	365
Allowance for impairment		
- Trade receivables	1	1,240
- Other receivables	-	1,433
Unrealised exchange gain	59	(860)
Interest expenses	438	1,010
Interest income	-	(2)
Operating (loss)/profit before working capital changes	(2,474)	(4,197)
Decrease in inventories and work in progress	203	1,372
(Increase)/decrease in receivables	(216)	2,785
(Increase) in prepayment and deposit	1,025	-

Cash and cash equivalents included in the consolidated cash flow statement comprise the following consolidated balance sheet amounts:-

	Group	
	As at 31 December 2014	As at 31 December 2013
	<u>S\$'000</u>	<u>S\$'000</u>
Fixed deposits	85	773
Cash and bank balances	2,631	615
Assets directly associated with disposal group classified as held for sale	-	72
Monies held in an escrow account ⁽¹⁾	605	1,531
Bank overdrafts	-	(98)
	<u>3,321</u>	<u>2,893</u>
Less:		
Fixed deposits pledged to a bank	(85)	(773)
Total	<u>3,236</u>	<u>2,120</u>

Note (1):

The monies held in an escrow account relates to cash balances of the Group's wholly owned subsidiary, PT. Louis Gianni ("**PTLG**"), in Indonesia incorporated during the year. The cash balances, which are to be utilised for PTLG's operating expenses, are held in an escrow account as PTLG has not yet opened a bank account.

1(d)(i) A statement (for the issuer and group) showing either

- (i) All changes in equity or**
- (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately**

The Group

	Share capital	Convertible warrants	Statutory reserve fund	Performance bonus shares reserve	Translation reserves	Reserve attributable to disposal group classified as held for sale	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2013	22,647	1,781	442	1,404	344	-	(16,158)	10,460
Conversion of warrants to new ordinary shares	1	(1)	-	-	-	-	-	-
As expiry of the convertible warrants, the relevant reserve was transferred to share capital	-	(1,780)	-	-	-	-	1,780	-
Issuance of new ordinary shares for cash	5,500	-	-	-	-	-	-	5,500
Share issue expenses	(28)	-	-	-	-	-	-	(28)
Reserve attributable to disposal group classified as held for sale	-	-	-	-	(1,315)	1,315	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	(422)	-	(8,055)	(8,477)
Balance as at 31 December 2013	28,120	-	442	1,404	(1,393)			

subsidiary	-	-	(442)	-	-	(1,282)	1,724	-
Balance as at 31 December 2014	28,120	-	-	1,404	(1,033)	-	(21,617)	6,874

The Company

	Share capital	Convertible Warrants	Performance bonus shares reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2013	22,647	1,781	1,404	(14,005)	11,827
Conversion of warrants to new ordinary shares	1	(1)	-	-	-
As expiry of the convertible warrants, the relevant reserve was transferred to share capital	-	(1,780)	-	1,780	-
Issuance of new ordinary shares for cash	5,500	-	-	-	5,500
Share issue expenses	(28)	-	-	-	(28)
Total comprehensive loss for the period	-	-	-	(12,187)	(12,187)
Balance as at 31 December 2013	28,120	-	1,404	(24,412)	5,112
Balance as at 1 January 2014	28,120	-	1,4		

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held at treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company's issued share capital as at 31 December 2014 was S\$28,120,322 comprising 3,031,293,241 ordinary shares. There was no change in the Company's issued share capital since 31 December 2013 up to 31 December 2014

Details movement of the Company's shares capital and number of issued shares as at 31 December 2013 to 31 December 2014:-

	Share Capital of the Company (S\$)	Number of Issued Ordinary Shares
Balance as at 1 January 2014	28,120,322	3,031,293,241
Movement during the period	-	-
Balance as at 31 December 2014	28,120,322	3,031,293,241

Details movement of the Company's ordinary shares and number of outstanding convertibles for current and corresponding period:-

	-	-	-	-	-	-
Allowance for impairment loss of trade and other receivables	-	(1)	-	-	-	(1)
Capital expenditure	-	(22)	-	-	(1)	(23)
Segment assets	2,144	2,297	(388)	365	7,150	11,568
Segment liabilities	(1,034)	(272)	(31)	20	(3,377)	(4,694)
(A) Business Segment FY 2013	Retail/ Wholesale Business S\$'000	Distribution S\$'000	Switchgear design and assembly S\$'000	Consultancy S\$'000	Others S\$'000	Group S\$'000
Segment revenue	2,736	2,800	322	258	-	6,116
Segment result	(4,433)	(5)</				

Asia Pacific recorded S\$3.5 million revenue in 2014 and loss after tax of S\$0.5 million.

People's Republic of China ("PRC") – The operations in this area include investment holding in Hong Kong, wholesales business in garments and cosmetic products and consultancy business.

PRC recorded S\$2 million revenue in 2014 and loss after tax of S\$0.4 million

14. In the view of performance, state the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Retail/Wholesale Business

The retail/wholesale business includes those of wholesale of apparels and retailing of clothing and cosmetic products. A significant decrease in revenue from S\$2.7 million in FY2013 to S\$1.4 million in FY2014 was mainly due to the disposal of Shenzhen Louis Gianni Costume Co. Ltd (SZLG) completed on 23 May 2014. No More retailing of apparel business revenue in PRC after disposal. However, there were sale transactions for wholesale of apparel business in second half of 2014.

15. A breakdown of sales

	Year ended 31 Dec 2014	Year ended 31 Dec 2013	Increase / (Decrease)
	S\$'000	S\$'000	%
a) Sales reported for the first half year	2,380	3,504	(32.08)
b) Operating (loss) after tax before deducting minority interests reported for the first half year	(238)	(1,145)	(79.21)
c) Sales reported for the second half year			

As announced on 14 August 2014, the Company has announced a change in the use of the Net Proceeds from the intended use as disclosed in the Circular. The Company has utilised the Net Proceeds as follow:

Intended Use of Proceeds	Reallocation Amount (S\$)	Percentage of proceeds (%)	Actual use of Net Proceeds (S\$) as at the date of this announcement	Balance of Net Proceeds received as at the date of this announcement
Estimated expenses pertaining to the Proposed Disposal	20,000	1%	20,000	-
Business expansion, through acquisitions and/or investments in new companies and/or capital expenditure	400,000	20%	-	-

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.

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