

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

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,683,741,510 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0032 FOR EACH RIGHTS SHARE (AS DEFINED BELOW), ON THE BASIS OF NINE (9) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS (AS DEFINED BELOW) OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED BELOW), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

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**1. INTRODUCTION**

The board of directors (“**Board**” or “**Directors**”) of Vashion Group Ltd. (the “**Company**”), wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (“**Rights Issue**”) of up to 1,683,741,510 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.0032 for each Rights Share (the “**Issue Price**”), on the basis of nine (9) Rights Shares for every one (1) existing ordinary share in the capital of the Company (the “**Share**”) held by shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors and announced by the Company in due course, at and on which the register of member of the Company (“**Register of Members**”) and share transfer books of the Company will be closed to determine the provisional allotments of Entitled Shareholders (as defined in Section 2.1) under the Rights Issue, and in the case of Entitled Depositors (as defined in Section 6.1) at and on which date their provisional allotments of Rights Shares under the Rights Issue are determined (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Rights Issue is subject to, *inter alia*, the approval of the Shareholders at an extraordinary general meeting (the “**EGM**”) to be convened by the Company in due course.

**2. PROPOSED RIGHTS ISSUE**

**2.1 Principal Terms of the Rights Issue**

The Company is proposing to offer the Rights Issue to Shareholders whose registered addresses with the Company or the Central Depository (Pte) Limited (“**CDP**”), as the case may be, are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (collectively referred to as “**Entitled Shareholders**”).

The Rights Issue will be made on the basis of nine (9) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit and such terms and conditions will be set out in the circular (“**Circular**”) to be despatched to Shareholders in due course for the purposes of the EGM to approve, *inter alia*, the Rights Issue. The final terms and conditions of the Rights Issue will be contained in an 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**”).

**2.2 Ranking of Rights Shares**

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 CDP or the Company, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

### 2.3 Existing Share Capital

As at the date of this announcement (“**Announcement**”), the existing issued and paid up Share capital (“**Existing Share Capital**”) comprises 187,082,390 and the Company has no outstanding convertible securities.

### 2.4 Issue Price

The Issue Price of S\$0.0032 for each Rights Share represents a discount of approximately: (i) 77.1% from the closing price of S\$0.014 per Share on 30 June 2016, being the last trading day prior to this Announcement; and (ii) 25.2% from the theoretical ex-rights price of approximately S\$0.004 per Share based on the closing price of S\$0.014 per Share on 30 June 2016. In the event that the Rights Issue is fully subscribed, approximately S\$5.39 million will be raised (the “**Maximum Rights Issue Amount**”).

#### Minimum Subscription Scenario

For illustrative purpose only, the minimum subscription scenario (“**Minimum Subscription Scenario**”) describes the subscription/application for the Rights Issue based on the Existing Share Capital, subject to Scaling Provision (as defined in Section 2.5 below) and approvals as may be required, and assuming that (a) the Irrevocable Undertaking (as defined in Section 2.6 below) is procured, executed and that (b) save for the Undertaking Shareholder (as defined in Section 2.6 below), none of the other entitled Shareholders subscribe for any Right Shares or apply for any Excess Rights Shares pursuant to the Rights Issue, an aggregate of 59,850,000 Rights Shares will be issued pursuant to the Rights Issue.

Under this Minimum Subscription Scenario and subject to Scaling Provision and in order to avoid placing the Undertaking Shareholder and parties acting in concert with him (as defined in the Singapore Code of Takeovers and Mergers (the “**Code**”)) from incurring a mandatory general offer obligation under the Code, subscriptions for Rights Shares by the Undertaking Shareholder pursuant to the Irrevocable Undertaking will be scaled down to 59,850,000 Rights Shares pursuant to the Scaling Provision.

#### Maximum Subscription Scenario

For illustrative purpose only, the maximum subscription scenario (“**Maximum Subscription Scenario**”) describes the subscription/application for the Rights Issue via the allotment and issue of 1,683,741,510 Rights Shares, based on the assumption that all Entitled Shareholders (including the Undertaking Shareholder) subscribe in full for their pro-rata Rights Shares entitlements based on the Existing Share Capital and pursuant to the Irrevocable Undertaking, or that any available Excess Rights Shares is validly applied for by the Undertaking Shareholder pursuant to the Irrevocable Undertaking and/or such other Entitled Shareholders.

### 2.5 Provisional allotments and Excess Rights Shares

Entitled Shareholders will be at liberty to accept, decline, renounce (where applicable) or trade (during the provisional allotment trading period as prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)), their provisional allotments of Rights Shares and shareholders who accept their provisional allotments of Rights Shares will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue or for excess Rights Shares, which are not taken up by the Entitled Shareholders as at the Closing Date (defined later) for the Rights Issue (“**Excess Rights Shares**”).

In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial Shareholders of the Company (“**Substantial Shareholders**”) who have control or influence over the Company in connection with its day-to-day affairs or the terms of the Rights Issue, or have

representation (direct or through a nominee) on the Board will rank last in priority for the allocation of Excess Rights Shares.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for its pro-rata Rights Shares entitlement and/or apply for Excess Rights Shares) (the “**Scaling Provision**”), to *inter alia*, avoid placing the relevant Shareholder and parties acting in concert with him (as defined in the 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 entitlements fully. The terms and conditions for the Rights Issue (where applicable) may be subject to such waivers or consents or confirmation or approvals from such other regulatory authorities in Singapore, *inter alia* the Securities Industry Council.

## 2.6 Irrevocable Undertaking

### Irrevocable Undertaking

The Company is currently exploring the procurement of an irrevocable undertaking from its Substantial Shareholder, Mission Well Limited (“**Mission Well**”, which as at the date of this Announcement has a direct interest comprising 14,200,000 Shares representing approximately 7.59% of the Existing Share Capital, or where applicable, such other party as maybe nominated by Mission Well) to subscribe and pay for and/or procure the subscription and payment for Mission Well’s pro-rata rights entitlements under the Rights Issue (“**Entitled Rights Shares**”) of 127,800,000 Entitled Rights Shares and 40,950,000 Excess Rights Shares amounting to approximately S\$0.54 million in aggregate (the “**Irrevocable Undertaking**”). Mr. Christian Kwok-Leun Yau Heilesen, the Executive Director of the Company, is deemed to be interested in the Shares held by Mission Well as he is the director and sole shareholder of Mission Well or such other entity owned by Mr. Christian Kwok-Leun Yau Heilesen as maybe nominated by Mission Well (the “**Undertaking Shareholder**”).

In the event that an Irrevocable Undertaking is provided by Mission Well or, where applicable, such other party as maybe nominated by Mission Well, the Undertaking Shareholder shall procure confirmation from a financial institution that it has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking.

In addition to the above, Mission Well will also undertake to ensure that none of the Shares in which it currently has an interest (directly or indirectly), are sold, transferred or otherwise disposed of during the period between the date of the Irrevocable Undertaking and the date of allotment and issue of the Rights Shares without the prior written consent of the Company.

## 2.7 Dilution

The number of Shares held by Shareholders (Undertaking Shareholder, Directors, Substantial Shareholders and other Shareholders) and their interest in the Company, as at the date of this Announcement (being before the Rights Issue) and after the issuance of Rights Shares for the Minimum Subscription Scenario is set out in Appendix 1, and that for the Maximum Subscription Scenario is set out in Appendix 2.

## 2.8 Approvals

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

- (i) the approval in-principle of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the dealing in, listing of and quotation for the Rights 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 Closing Date), and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (ii) the Rights Issue, including the allotment and issue of the Rights Shares, being approved by Shareholders at the EGM;

- (iii) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the SGX-ST acting as agent of the Monetary Authority of Singapore (“MAS”);
- (iv) such other resolutions as may be required and applicable to give effect and authority for the Rights Issue and/or the transaction(s) pursuant to the Rights Issue, including where applicable approval by the Shareholders, being passed; and
- (v) such other approvals or consents as may be required and applicable from such other regulatory authorities in Singapore.

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 on the Catalist Board of the SGX-ST. The Company intends to convene the EGM to seek, *inter alia*, Shareholders’ approval for the Rights Issue. The Circular containing, *inter alia*, the notice of the EGM will be despatched 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 in due course following, *inter alia*, the Rights Issue being approved by Shareholders at the EGM and the approval in-principle of the SGX-ST. Any approval in-principle or listing and quotation notice, where granted by the SGX-ST for the Rights Shares will be subject to such conditions (if any) stated therein, and should not *inter alia* be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

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

### 3. RATIONALE AND USE OF PROCEEDS

#### 3.1 Rationale

The Company refers to its announcement dated 6 May 2016 in connection with the execution of a preliminary agreement for the leasing of a commercial property in Jakarta Timur, Indonesia, for a total consideration of S\$2,906,400 for period of twenty years (“**Proposed Leasing**”). As highlighted in the announcement dated 6 May 2016, the consideration for the Proposed Leasing will be financed via the Company’s internal resources. The Proposed Leasing and its completion are subject to the execution of a definitive agreement and certain conditions precedent as highlighted in the said announcement.

Whilst due diligence for the Proposed Leasing is being carried out, Directors confirm that the Company will only proceed with the execution of a definitive agreement for the Proposed Leasing in the event funds raised vide the Rights Issue are deemed sufficient to: a) augment and supplement the Group’s internal resources; b) ensure sufficiency of working capital available for the Company and its subsidiaries’ (the “**Group**”) for the Group’s present requirements for the next 12 months; and c) for the Group to continue operating as a going concern. Further, Directors are of the view that the Rights Issue is required to provide financial flexibility and cash buffer for the Group’s existing and future operations in the event that the Proposed Leasing proceeds.

In addition, in view of the Group’s past performance and “lifting” of suspension in November 2015, the Group is not in favourable position and has difficulties in obtaining the required financing with acceptable and appropriate terms and conditions from financial institutions to meet its working capital requirements. Likewise, for the above reasons and in view of the ongoing discussion with the Undertaking Shareholder for the Irrevocable Undertaking, and cost that may be incurred in the event of underwriting as well as the time that may be taken for the completion of the Rights Issue, the Rights Issue will not be underwritten.

The Directors believe that barring unforeseen circumstances and after taking into account the NTA per Share of the Group, requirement for the Group’s operations, constraints faced by the Group as described above, the Issue Price (which represents a discount of approximately 77.1% from the closing price of S\$0.014 per Share on 30 June 2016, being the last trading day prior to this Announcement; and (ii) 25.2% from the theoretical ex-rights price of approximately S\$0.004 per Share based on the closing price of

S\$0.014 per Share on 30 June 2016), is reasonably priced to encourage or facilitate subscriptions for Rights Shares 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 Issue.

Accordingly, the Rights Issue has been proposed subject to Shareholders' approval and Directors are of the view that the Rights Issue would provide the following benefits to the Company:-

- (i) strengthen the financial position and balance sheets of the Group;
- (ii) supplement the cash balances available to the Group, thereby providing the financial flexibility and cash buffer for the Group's existing and future operations as well as in the event the Proposed Leasing proceeds; and
- (iii) provide Shareholders with an opportunity to further participate in the equity of the Company.

### **3.2 Use of Proceeds**

Under the Maximum Subscription Scenario, the estimated net proceeds from the Rights Issue and after deducting estimated expenses of S\$0.30 million is expected to be approximately S\$5.09 million.

The Company intends to utilise the gross proceeds from the Rights Issue after deducting expenses for the Rights Issue ("**Net Proceeds**") for the Group's general working capital purpose (including but not limited to operational expenses and repayment of the remaining conditional deposit from Industronics Berhad).

Pending disbursement of the Net Proceeds for working capital requirements (being gross proceeds from the Rights Issue, after deducting expenses for the Rights Issue), the funds may be placed as deposits with financial institutions in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may, in their absolute discretion, deem fit.

The Company undertakes that it will comply with Rules 704(30), 815 and 1207(22) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST in relation to the use of proceeds from Rights Issue. Accordingly, the Company will make such periodic announcements on the utilisation of proceeds from the Rights Issue, as and when the funds from the Rights Issue are disbursed or utilised. Where 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**

The Directors are of the reasonable opinion, that on the basis of the Irrevocable Undertaking (which likely include an undertaking to apply for up to 40,950,000 Excess Rights Shares) which will be provided by the Undertaking Shareholder and the pricing for the Rights Shares, the Rights Issue will encourage subscriptions and participation from Shareholders.

As at the date of this Announcement, and barring unforeseen circumstances, the Directors are of the opinion that:

- (i) the current working capital available to the Group is sufficient for its present requirements. .
- (ii) After taking into consideration the potential Net Proceeds from the Rights Issue, subject to market and economic conditions and barring unforeseen circumstances, the working capital available to the Group will be sufficient to meet its present requirements. As mentioned in Section 3 above, proceeds from the Rights Issue will provide the Group with financial flexibility and augment its cash buffer for existing and future operations in the event that the Proposed Leasing proceeds.

## **5. TRANSFER OF CONTROLLING INTEREST**

In the event the Irrevocable Undertaking is executed, the Undertaking Shareholder's undertaking for subscription of Mission Well rights entitlements of 127,800,000 Rights Shares and 40,950,000 Excess Rights Shares may increase Mission Well's percentage of shareholdings from 7.59% (based on the Existing Share Capital), subject to *inter alia* Scaling Provision, to more than 15% of the enlarged share capital after the Rights Issue.

In the event that the Undertaking Shareholder's shareholdings exceeds the 15% threshold, the Undertaking Shareholder will accordingly become a controlling shareholder of the Company pursuant to the Catalist Rules. Pursuant to Rule 803 of the Catalist Rules, specific Shareholders' approval is required for the Company to undertake the Rights Issue which may result in the transfer of controlling interest in the Company pursuant to the issuance of securities arising from the Rights Issue.

As such, the Company will seek specific Shareholders' approvals in relation to the potential transfer of controlling interest to the Undertaking Shareholder ("**Potential Transfer of Controlling Interest Resolution**") in the EGM to be convened.

## 6. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

The Company proposes to provisionally allot the Rights Shares to the Entitled Shareholders (comprising Entitled Depositors, Entitled Scripholders and excluding Foreign Shareholders, as defined below) under the Rights Issue.

### 6.1 Entitled Depositors

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

To be "Entitled Depositors", depositors must have registered addresses in Singapore with CDP as at the 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 Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

### 6.2 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 Books Closure Date (the "**Entitled Scripholders**") will be provisionally allotted Rights Shares on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be "Entitled Scripholders", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the 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 Books Closure Date, in order to receive their provisional allotments of Rights Shares 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. on the Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

### 6.3 Participation in the Rights Issue

Entitled Depositors and Entitled Scripholders (the "**Entitled Shareholders**"), as may be applicable, will be entitled to participate in the Rights 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 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. 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 (“**Closing Date**”), being the last time and date for acceptance and/or excess application and payment for, and renunciation (as may be applicable) and payment for, the Rights Shares under the Rights 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 under the Rights Issue through an electronic application (as may be applicable).

Entitled Shareholders will be provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the 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 and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares may only do so through CDP or by way of an electronic application (as may be applicable).

Fractional entitlements to Rights Shares 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.

#### **6.4 Excess Rights Shares**

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

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

#### **6.5 Dealings/transactions for provisional allotments**

All dealings in and transactions of the provisional allotments of the Rights Shares 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 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 Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Rights Shares on the twelfth (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 Issue will be set out in the Circular to be despatched to Shareholders in due course.

Full details of the Rights 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.

## **6.6 Foreign Shareholders**

The Offer Information Statement and its accompanying documents relating to the Rights 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 will not be offered to Shareholders whose registered addresses with the Company and the CDP are outside Singapore as at the 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 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 Issue. No provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of Rights Shares or application for Excess Rights Shares by Foreign Shareholders will be valid.**

The Offer Information Statement and its accompanying documents relating to the Rights 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 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 and/or applications for Excess Rights Shares 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 ("**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 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 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 Company's 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 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 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 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 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 to time (“**CPF Board**”) or the CDP or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares 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 or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares 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, the Rights Shares 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 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 and for application for Excess Rights Shares pursuant to the Rights 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.

## **7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed above, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Rights Issue (other than through their respective shareholdings in the Company or pursuant to the Irrevocable Undertaking).

The respective shareholdings of Directors and Substantial Shareholders (if any) as at the date of this Announcement and upon completion of the Rights Issue (a) under the Minimum Subscription Scenario is set out in **Appendix 1**, and (b) under the Maximum Subscription Scenario is set out in **Appendix 2**.

## **8. 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 Rights Issue, 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.

**BY ORDER OF THE BOARD OF  
Vashion Group Limited**

Christian Kwok-Leun Yau Heilesen  
Executive Director  
30 June 2016

*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.  
Telephone number: 6221 0271*

**Appendix 1 – Minimum Subscription Scenario (Subject to Scaling Provision)**

	As at date of Announcement				No. of Rights Shares to be issued No. of Rights Shares <sup>(2)</sup>	After issuance of the Rights Shares			
	No. of shares		Shareholdings <sup>(1)</sup> (%)			No. of shares		Shareholdings <sup>(3)</sup> (%)	
	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest		Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
<b>Undertaking Shareholder</b>									
Mission Well Limited or, where applicable, such party nominated by Mission Well	14,200,000	-	7.59	-	59,850,000	74,050,000	-	29.99	-
<b>Directors</b>									
Christian Kwok-Leun Yau Heilesen <sup>(4)</sup>	-	14,200,000	-	7.59	59,850,000	-	74,050,000	-	29.99
Chan Siew Wai	-	-	-	-	-	-	-	-	-
Tan Chin Lee	-	-	-	-	-	-	-	-	-
Zhou Jia Lin	-	-	-	-	-	-	-	-	-
Leung Kwok Kuen Jacob	-	-	-	-	-	-	-	-	-
<b>Substantial Shareholders</b>									
Tansri Saridji Benui	14,400,000	-	7.70	-	-	14,400,000	-	5.83	-
Zhou QiLin	16,000,000	-	8.55	-	-	16,000,000	-	6.48	-
Reill Edward Champley	16,000,000	-	8.55	-	-	16,000,000	-	6.48	-
Rennace Investments Limited	11,690,400	-	6.25	-	-	11,690,400	-	4.73	-
Khoo Yick Wai <sup>(5)</sup>	-	11,690,400	-	6.25	-	-	11,690,400	-	4.73
Malayan Banking Berhad	11,691,160	-	6.25	-	-	11,691,160	-	4.73	-
AmanahRaya Trustees Berhad <sup>(6)</sup>	-	11,691,160	-	6.25	-	-	11,691,160	4.73	-
Amanah Raya Berhad <sup>(7)</sup>	-	11,691,160	-	6.25	-	-	11,691,160	4.73	-
<b>Other Existing Shareholders</b>									
	103,100,830	-	55.11	-	-	103,100,830	-	41.75	-
<b>Total</b>					<b>59,850,000</b>				

**Notes:**

(1) Calculated on the basis that the total number of issued Shares is 187,082,390.

*For illustrative purpose only, the Minimum Subscription Scenario describes the subscription/application for the Rights Issue based on the Existing Share Capital, subject to Scaling Provisions and approvals as may be required, and assuming that (a) the Irrevocable Undertaking is executed and that (b) save for the Undertaking Shareholder, none of the other entitled Shareholders subscribe for any Right Shares or apply for any Excess Rights Shares pursuant to the Rights Issue, an aggregate of 59,850,000 Rights Shares will be issued pursuant to the Rights Issue.*

*Under this Minimum Subscription Scenario and subject to Scaling Provision, the subscription for Rights Shares by the Undertaking Shareholder pursuant to the Irrevocable Undertaking will be scaled down to 59,850,000 Rights Shares pursuant to the Scaling Provision in order to avoid the Undertaking Shareholder and parties acting in concert with him (as defined in the Code) from incurring a mandatory general offer obligation under the Code.*

(2) Calculated on the basis that the total number of issued Shares after completion of the Rights Issue is 246,932,390 and this figure is arrived at on the basis that only the Undertaking Shareholder subscribes for 59,850,000 Entitled Rights Shares pursuant to the Irrevocable Undertaking. This assumes that there is no subscription and application for any Rights Shares (other than those pursuant to the Irrevocable Undertaking) from other Entitled Shareholders.

(3) Mr. Christian Kwok-Leun Yau Heilesen is deemed interested in the Shares held by Mission Well as he is the sole shareholder and director of Mission Well.

(4) Mr. Khoo Yick Wai is deemed to be interested in the Shares held by Rennace Investments Ltd as he is the director and sole shareholder of Rennace Investments Ltd.

(5) AmanahRaya Trustees Berhad ("**ARTB**") (acting as trustee for Skim Amanah Saham Bumiputera) is a substantial shareholder of Malayan Banking Berhad. As such, ARTB is deemed to have an interest in shares held by Malayan Banking Berhad.

(6) Amanah Raya Berhad ("**ARB**") is the holding company of ARTB. As such, ARB is deemed to have an interest in shares held by Malayan Banking Berhad.

**Appendix 2 – Maximum Subscription Scenario**

	As at date of Announcement				No. of Rights Shares to be issued No. of Rights Shares <sup>(2)</sup>	After issuance of the Rights Shares			
	No. of shares		Shareholdings <sup>(1)</sup> (%)			No. of shares		Shareholdings <sup>(3)</sup> (%)	
	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest		Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
<b>Undertaking Shareholder</b>									
Mission Well Limited or, where applicable, such party nominated by Mission Well	14,200,000	-	7.59	-	127,800,000	142,000,000	-	7.59	-
<b>Directors</b>									
Christian Kwok-Leun Yau Heilesen <sup>(4)</sup>	-	14,200,000	-	7.59	127,800,000	-	142,000,000	-	7.59
Chan Siew Wai	-	-	-	-	-	-	-	-	-
Tan Chin Lee	-	-	-	-	-	-	-	-	-
Zhou Jia Lin	-	-	-	-	-	-	-	-	-
Leung Kwok Kuen Jacob	-	-	-	-	-	-	-	-	-
<b>Substantial Shareholders</b>									
Tansri Saridji Benui	14,400,000	-	7.70	-	129,600,000	144,000,000	-	7.70	-
Zhou QiLin	16,000,000	-	8.55	-	144,000,000	160,000,000	-	8.55	-
Reill Edward Champley	16,000,000	-	8.55	-	144,000,000	160,000,000	-	8.55	-
Rennace Investments Limited	11,690,400	-	6.25	-	105,213,600	116,904,000	-	6.25	-
Khoo Yick Wai <sup>(5)</sup>	-	11,690,400	-	6.25	105,213,600	-	116,904,000	-	6.25
Malayan Banking Berhad	11,691,160	-	6.25	-	105,220,440	116,911,600	-	6.25	-
AmanahRaya Trustees Berhad <sup>(6)</sup>	-	11,691,160	-	6.25	105,220,440	-	116,911,600	6.25	-
Amanah Raya Berhad <sup>(7)</sup>	-	11,691,160	-	6.25	105,220,440	-	116,911,600	6.25	-
<b>Other Existing Shareholders</b>									
	103,100,830	-	55.11	-	<b>927,907,470</b>	1,031,008,300	-	55.11	-
<b>Total</b>					<b>1,683,741,510</b>				

**Notes:**

- (1) *Calculated on the basis that the total number of issued Shares is 187,082,390.*
- (2) *Assuming that all Entitled Shareholders subscribe in full for their pro-rata Rights Shares entitlements based on the Existing Share Capital and pursuant to the Irrevocable Undertaking.*
- (3) *Calculated on the basis that the total number of issued Shares after completion of the Rights Issue is 1,870,823,900.*
- (4) *Mr. Christian Kwok-Leun Yau Heilesen is deemed interested in the Shares held by Mission Well as he is the sole shareholder and director of Mission Well.*
- (5) *Mr. Khoo Yick Wai is deemed to be interested in the Shares held by Rennace Investments Ltd as he is the director and sole shareholder of Rennace Investments Ltd.*
- (6) *ARTB (acting as trustee for Skim Amanah Saham Bumiputera) is a substantial shareholder of Malayan Banking Berhad. As such, ARTB is deemed to have an interest in shares held by Malayan Banking Berhad.*
- (7) *ARB is the holding company of ARTB. As such, ARB is deemed to have an interest in shares held by Malayan Banking Berhad.*