

**CIRCULAR DATED 14 APRIL 2016**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the Section entitled "DEFINITIONS".

If you have sold or transferred all your issued and fully paid-up ordinary shares (the "**Shares**") in Vashion Group Ltd. (the "**Company**"), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to page 15 of this Circular in respect of actions to be taken if you wish to attend and vote at the Extraordinary General Meeting.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd., (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular, including the accuracy, completeness or correctness of any of the figures used, statements or opinions made. The contact person for the Sponsor is Ms Foo Quee Yin. Telephone number: (65) 6221 0271

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the statements made, opinions expressed or reports contained in this Circular.

**VASHION**  
**VASHION GROUP LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199906220H)

**CIRCULAR TO SHAREHOLDERS**

in relation to:

**THE PROPOSED SHARE CONSOLIDATION OF EVERY TWENTY-FIVE (25) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED BY DIRECTORS INTO ONE (1) CONSOLIDATED SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "PROPOSED SHARE CONSOLIDATION")**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 27 April 2016 at 3:30 p.m.

Date and time of Extraordinary General Meeting : 29 April 2016 at 3:30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3:00 p.m. on the same day and at the same place).

Place of Extraordinary General Meeting : Jurong Country Club, Albizia 1, Level 2, 9 Science Centre Road, Singapore 609078



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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout:

<b>“Act”</b>	: The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
<b>“Articles”</b>	: The articles of association of the Company, now being referred to in the Act as constitution, each an <b>“Article”</b>
<b>“Board”</b>	: The board of Directors of the Company as at the date of this Circular
<b>“Books Closure Date”</b>	: The time and date, to be determined by the Directors and announced by the Company, at and on which the Register of Members and Share Transfer Books of the Company will be closed to determine the shareholding(s) of each Shareholder pursuant to the Proposed Share Consolidation
<b>“Catalist”</b>	: The Catalist board of the SGX-ST
<b>“Catalist Rules”</b>	: The listing rules of the Listing Manual Section B: Rules of Catalist of the SGX-ST, as may be amended or modified from time to time
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Circular”</b>	: This circular to Shareholders dated 14 April 2016
<b>“Company”</b>	: Vashion Group Ltd
<b>“Consolidated Shares”</b>	: Consolidated ordinary shares in the Company after completion of the Proposed Share Consolidation
<b>“Directors”</b>	: The directors of the Company as at the date of this Circular
<b>“Effective Trading Date”</b>	: Has the meaning given in Paragraph 2.2 of this Circular
<b>“EGM” or “Extraordinary General Meeting”</b>	: The extraordinary general meeting of the Company to be convened at 3:30 p.m. on 29 April 2016 at Jurong Country Club, Albizia 1, Level 2, 9 Science Centre Road, Singapore 609078, (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3:00 p.m. on the same day and at the same place), notice of which is set out on page 15 of this Circular ( <b>“Notice of EGM”</b> or <b>“Notice of Extraordinary General Meeting”</b> )
<b>“Existing Shares”</b>	: Shares in issue prior to the Proposed Share Consolidation
<b>“Group”</b>	: The Company and its subsidiaries
<b>“Latest Practicable Date”</b>	: 7 April 2016, being the latest practicable date prior to the printing of this Circular
<b>“LPS”</b>	: Loss per Share
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“NTA”</b>	: Net tangible assets



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## DEFINITIONS

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<b>“Proposed Share Consolidation”</b>	:	The proposed consolidation of every twenty-five (25) Existing Shares held by Shareholders at the Books Closure Date into one (1) Consolidated Share, fractional Shares (if any) to be disregarded
<b>“Proposed Share Consolidation Effective Date”</b>	:	Has the meaning given in Paragraph 2.2 of this Circular
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM as set out in this Circular
<b>“Register of Members”</b>	:	The register of members to be kept by the Company pursuant to Section 190 of the Act
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include securities sub-accounts maintained with a depository agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	KCK CorpServe Pte Ltd
<b>“Shareholders”</b>	:	Registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts such Shares are credited
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company
<b>“Substantial Shareholder”</b>	:	A person who has an interest (directly or indirectly) in not less than five per cent (5%) of the issued voting shares of the Company
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of Singapore
<b>“%” or “per cent.”</b>	:	Percentage or per centum

The terms **“Depositor”**, **“Depository”**, **“depository agent”** and **“Depository Register”** shall have the same meanings ascribed to them in Section 81SF of the Securities and Futures Act, Chapter 289, of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to “persons” shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Securities and Futures Act, Chapter 289, of Singapore or the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the Securities and Futures Act, Chapter 289, of Singapore or the Catalist Rules or such statutory modification thereof, as the case may be, unless the context requires otherwise.



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## DEFINITIONS

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Any discrepancies in the tables included in this Circular between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown in totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.



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## LETTER TO SHAREHOLDERS

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### VASHION GROUP LTD

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199906220H)

**Directors:**

Chan Siew Wei (Chairman and Lead Independent Director)  
Christian Kwok-Leun Yau Heilesen (Executive Director)  
Tan Chin Lee (Independent Director)  
Zhou Jia Lin (Non-Executive Non-Independent Director)  
Jacob Leung Kwok Kuen (Non-Executive Non-Independent Director)

**Registered Office:**

Harvest @ Woodlands  
280 Woodlands Industrial  
Park E5  
#10-50  
Singapore 757322

14 April 2016

**To: The Shareholders of Vashion Group Ltd**

Dear Sir/Madam

**PROPOSED SHARE CONSOLIDATION OF EVERY TWENTY FIVE (25) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED BY THE DIRECTORS INTO ONE (1) CONSOLIDATED SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

#### 1. INTRODUCTION

The Directors propose to convene the EGM to seek the approval of Shareholders for the Proposed Share Consolidation.

The purpose of this Circular is to provide the Shareholders with the rationale for, and information relating to the Proposed Share Consolidation, as well as to seek their approval in respect of the same, at the EGM to be held at Jurong Country Club, Albizia 1, Level 2, 9 Science Centre Road, Singapore 609078 on 29 April 2016 at 3:30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3:00 p.m. on the same day and at the same place).

This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders to whom this Circular is despatched to) or for any other purpose.

The SGX-ST assumes no responsibility for the accuracy, completeness or correctness of any of the information or statements made, reports contained or opinions expressed in this Circular.

#### 2. THE PROPOSED SHARE CONSOLIDATION

##### 2.1 Basis of the Proposed Share Consolidation

On 23 March 2016, the Company announced that it is proposing to seek Shareholders' approval to undertake the Proposed Share Consolidation, pursuant to which the Company proposes to consolidate every twenty-five (25) Existing Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements (if any) to be disregarded.

Accordingly, subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holding of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date. After the Books Closure Date, every twenty-five (25) Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank



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## LETTER TO SHAREHOLDERS

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*pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares. Shareholders holding less than twenty-five (25) Existing Shares as at the Books Closure Date will not be entitled to receive any Consolidated Share and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Share Consolidation are advised to purchase additional existing Shares so as to increase the number of Existing Shares held to a multiple of twenty-five (25) Existing Shares prior to the Books Closure Date.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$29,485,322 divided into 4,396,293,241 Existing Shares. Assuming that there will be no new Shares issued by the Company up to the Books Closure Date, the Company will have a share capital of S\$29,485,322 divided into approximately 175,851,729 Consolidated Shares (subject to rounding) following the Proposed Share Consolidation. As at the Latest Practicable Date, 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, save for 280,768,000 performance bonus shares (subject to adjustment arising from the Proposed Share Consolidation) to be issued as new ordinary shares of the Company pursuant to the service agreement with former executive directors of a subsidiary.

### 2.2 Trading Arrangements for the Consolidated Shares

Subject to Shareholders' approval for the implementation of the Proposed Share Consolidation having been obtained at the EGM, the Transfer Books and Register of Shareholders will be closed on the Books Closure Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9:00 a.m. on the Market Day immediately following the Books Closure Date (the "**Proposed Share Consolidation Effective Date**"), every twenty-five (25) Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share. However, notwithstanding that the Proposed Share Consolidation will become effective on the Proposed Share Consolidation Effective Date, trading in the Consolidated Shares will commence from 9:00 a.m. on the day falling three Market Days before the Proposed Share Consolidation Effective Date (the "**Effective Trading Date**") as trades on the SGX-ST are settled on a "T+3" settlement cycle, which means that a purchase or sale of Shares on day T will be settled three Market Days later.

**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 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 (1) disregarding the fractional entitlements; or (2) 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.**

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. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.



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## LETTER TO SHAREHOLDERS

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### 2.3 Rationale for 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 low-priced shares may translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, low-priced shares are generally more prone to speculation and market manipulation. Given its susceptibility to speculation and market manipulation, low-priced shares are generally more volatile as compared to higher-priced shares. The Board therefore believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and thereby reducing the fluctuation 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 assets of each Consolidated Share would be higher than the trading price and net tangible assets 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 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.**

### 2.4 Approvals and Conditions for the Proposed Share Consolidation

Pursuant to Article 54(1)(i), the Company may consolidate its share capital by ordinary resolution. The Company is thus seeking the approval of Shareholders for the Proposed Share Consolidation at the EGM.

The Proposed Share Consolidation is also subject to the listing and quotation notice from the SGX-ST for the Consolidated Shares ("**LQN**") being given.

An application has been made by the Sponsor, for and on behalf of the Company, for the approval of the listing and quotation of the Consolidated Shares on Catalist. As at the Latest Practicable Date, the Company has yet to receive the LQN from the SGX-ST for the Consolidated Shares. An announcement will be made by the Company upon receipt of the LQN.

Shareholders should take note that the LQN, if given, is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company, its subsidiaries and their securities.

An announcement will also be made by the Company in due course to notify Shareholders of the Effective Trading Date, the Books Closure Date and the Proposed Share Consolidation Effective Date.



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## LETTER TO SHAREHOLDERS

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### 2.5 Updating of Register of Members and Depository Register for the Consolidated Shares

If Shareholders at the EGM approve the Proposed Share Consolidation, the shareholdings of each Shareholder pursuant to the Proposed Share Consolidation will be determined on the Books Closure Date, based on their shareholdings as at 5:00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by each Shareholder upon completion of the Proposed Share Consolidation and the Shares will begin trading in board lots of 100 Consolidated Shares on the Effective Trading Date.

(a) Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the Existing Shares in their own names ("**Old Share Certificates**") and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Old Share Certificates to CDP, together with duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date.

After the Books Closure Date, CDP will only accept the deposit of share certificates for the Consolidated Shares ("**New Share Certificates**"). Shareholders who wish to deposit their share certificates with CDP after the Books Closure Date must first deliver their Old Share Certificates to the Share Registrar, KCK CorpServe Pte Ltd, at 333 North Bridge Road #08-00 KH KEA Building, Singapore 188721 for cancellation and issuance of New Share Certificates in replacement thereof as described below.

(b) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

**Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar, KCK CorpServe Pte Ltd, at 333 North Bridge Road #08-00 KH KEA Building, Singapore 188721, as soon as possible after they have been notified of the Books Closure Date, for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar upon receipt of any Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.**

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Registrar for cancellation.

Shareholders should notify the Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members of the Company.

Shareholders shall only deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out above after the Company has announced the Books Closure Date.



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## LETTER TO SHAREHOLDERS

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(c) Share Certificates not valid for settlement of trades on Catalist

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer valid for settlement of trading in the Shares (and the Consolidated Shares) on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The New Share Certificates will not be valid for delivery of trades done on the SGX-ST, though they will continue to be *prima facie* evidence of legal title.

### 2.6 Trading Arrangements for the Consolidated Shares and Odd lots

(a) Trading Arrangements for the Consolidated Shares

Subject to the approval of the Proposed Share Consolidation being obtained from the Shareholders at the EGM, trading in the Shares will be in board lots of 100 Consolidated Shares with effect from 9:00 a.m. on the Effective Trading Date. Accordingly, twenty five (25) Existing Shares as at 5:00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9:00 a.m. on the Effective Trading Date. Trading in the Existing Shares will cease after 5:00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) Trading Arrangements for Odd Lots

All fractional Shares arising upon the implementation 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.

The Existing Shares are currently traded in board lots of 100 Shares in the ready market. Following the implementation of the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) maintained with CDP may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Shares).

Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in odd lots on the SGX-ST can trade with a minimum size of one (1) Consolidated Share on the SGX-ST's unit share market. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying Consolidated Shares. It should be noted that the market for trading of such odd lots of Consolidated Shares may be illiquid.

### 3. FINANCIAL EFFECTS OF THE PROPOSED SHARE CONSOLIDATION

For illustrative purposes only and based on the assumptions set out below and the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2015 ("FY2015"), the financial effects of the Proposed Share Consolidation on the Company and the Group are set out below.

#### 3.1 Assumptions

For the purpose of this Paragraph 3, the following assumptions apply:

- (a) the pro forma financial effects of the Proposed Share Consolidation on the share capital, the NTA per Share, LPS and gearing of the Company and/or the Group are illustrative and do not reflect the actual future financial situation of the Company and/or the Group after the completion of the Proposed Share Consolidation;
- (b) the number of Shares for the financial effects relating to the NTA per Share and the share capital of the Company are based on 3,031,293,241 issued Shares as at 31 December 2015; and



## LETTER TO SHAREHOLDERS

- (c) notwithstanding that the placement of 1,200,000,000 new Shares to four (4) individual places and the issuance and allotment of 165,000,000 advisory fee Shares was completed on 10 February 2016 (“**New Issues**”), it is assumed that both were completed in FY2015.

### 3.2 Effects of the Proposed Share Consolidation

(a) Share Capital

	Before the Proposed Share Consolidation <sup>(1)</sup>	After the Proposed Share Consolidation
<b>As at 31 December 2015</b>		
Issued and paid-up capital (S\$'000)	29,485	29,485
Number of Shares	4,396,293,241	175,851,729

**Note:**

(1) Taking into account that the New Issues were assumed to be completed on 1 January 2015.

(b) NTA

	Before the Proposed Share Consolidation <sup>(1)</sup>	After the Proposed Share Consolidation
<b>As at 31 December 2015</b>		
NTA (S\$'000)	4,183	4,183
Number of Shares	4,396,293,241	175,851,729
NTA per Share (in cents)	0.10	2.38

**Note:**

(1) Taking into account that the New Issues were assumed to be completed on 31 December 2015.

(c) LPS

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
<b>FY2015</b>		
Consolidated loss after tax (S\$'000)	(2,808)	(2,808)
Number of Shares	4,396,293,241	175,851,729
LPS (in cents) <sup>(1)</sup>		
– basic	(0.06)	(1.60)

**Note:**

(1) Taking into account that the New Issues were assumed to be completed on 1 January 2015.

(d) Gearing

The Proposed Share Consolidation will not have any effect on the gearing of both the Company and the Group.



## LETTER TO SHAREHOLDERS

### 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the issued share capital of the Company, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, are as follows:

	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest No. of Shares	% <sup>(6)</sup>
<b>Directors</b>				
Christian Kwok-Leun Yau Heilesen <sup>(2)</sup>	—	355,000,000	355,000,000	8.07%
Zhou Jia Lin	—	—	—	0.00%
Chan Siew Wei	—	—	—	0.00%
Tan Chin Lee	—	—	—	0.00%
Leung Kwok Kuen Jacob	—	—	—	0.00%
<b>Substantial Shareholders (other than Directors)</b>				
Zhou Qilin	400,000,000	—	400,000,000	9.10%
Reill Edward Champley	400,000,000	—	400,000,000	9.10%
Tansri Saridju Benui <sup>(3)</sup>	360,000,000	—	360,000,000	8.19%
Mission Well Limited <sup>(2)</sup>	355,000,000	—	355,000,000	8.07%
Malayan Banking Berhad <sup>(4)</sup>	292,279,000	—	292,279,000	6.65%
AmanahRaya Trustees Berhad <sup>(4)</sup>	—	292,279,000	292,279,000	6.65%
Amanah Raya Berhad <sup>(4)</sup>	—	292,279,000	292,279,000	6.65%
Rennace Investments Limited <sup>(5)</sup>	292,260,000	—	292,260,000	6.65%
Khoo Yick Wai <sup>(5)</sup>	—	292,260,000	292,260,000	6.65%
Other existing Shareholders			2,296,754,241	52.24%
<b>TOTAL</b>			<b>4,396,293,241</b>	<b>100%</b>

**Notes:**

- (1) Save for their respective shareholding interests in the Company, none of the Directors and Substantial Shareholders have any interest, direct or indirect, in the Proposed Share Consolidation.
- (2) Christian Kwok-Leun Yau is deemed interested in 355,000,000 Shares held by Mission Well Limited as he is the sole shareholder and director of Mission Well Limited.
- (3) It does not include 2,450,000 Shares held by his spouse as Tansri Saridju Benui is not deemed to have an interest in the shares held by his spouse.
- (4) 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 the shares held by Malayan Banking Berhad. Amanah Raya Berhad ("ARB") is the holding company of AmanahRaya Trustees Berhad. As such, ARB is deemed to have an interest in the shares held by Malayan Banking Berhad.
- (5) Khoo Yick Wai is deemed interested in 292,260,000 Shares held by Rennace Investments Ltd as he is director and sole shareholder of Rennace Investments Ltd.
- (6) Based on the Company's issued and paid-up share capital comprising 4,396,293,241 Shares as at the Latest Practicable Date.



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## LETTER TO SHAREHOLDERS

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### 5. DIRECTORS' RECOMMENDATION

After having considered, *inter alia*, the rationale and terms of the Proposed Share Consolidation, the Directors, are of the opinion that the Proposed Share Consolidation is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the ordinary resolution relating to the Proposed Share Consolidation to be proposed at the EGM.

### 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 15 of this Circular, will be held at Jurong Country Club, Albizia 1, Level 2, 9 Science Centre Road, Singapore 609078 on 29 April 2016 for the purpose of considering and, if thought fit, passing with or without any modification, the ordinary resolution relating to the Proposed Share Consolidation as set out in the Notice of EGM of this Circular.

### 7. NOTICE OF BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining the Shareholders' entitlements pursuant to the Proposed Share Consolidation will be announced at a later date.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 8.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf are requested to complete and sign the Proxy Form which is attached together to this Circular in accordance with the instructions printed thereon and return it to the Company's registered office at Harvest @ Woodlands, 280 Woodlands Industrial Park E5 #10-50, Singapore 757322 as soon as possible and in any event so as to arrive at the Company's registered office not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently wish to do so. In such an event, the relevant Proxy Form will be deemed to be revoked.

#### 8.2 When Depositor regarded as Shareholder

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted or reproduced 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 Circular in its proper form and context.



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## LETTER TO SHAREHOLDERS

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### 10. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at Harvest @ Woodlands 280 Woodlands Industrial Park E5 #10-50 Singapore 757322 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM:

- (a) the constitution of the Company; and
- (b) the latest annual report of the Company for the financial year ended 31 December 2015.

Yours faithfully,  
For and on behalf of the Board

Christian Kwok-Leun Yau Heilesen  
Executive Director



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### VASHION GROUP LTD

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199906220H)

*All capitalised terms in this Notice of Extraordinary General Meeting and defined in the circular dated 14 April 2016 (the “Circular”) shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Vashion Group Ltd (the “Company”) will be held at Jurong Country Club, Albizia 1, Level 2, 9 Science Centre Road, Singapore 609078 on 29 April 2016 at 3:30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3:00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without amendments, the following ordinary resolution:—

#### **AS AN ORDINARY RESOLUTION: PROPOSED SHARE CONSOLIDATION**

That:

- (a) subject to LQN being given, approval be and is hereby given for:
  - (i) the proposed consolidation of every twenty-five (25) Existing Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share in the manner set out in the Circular;
  - (ii) all fractions of the Consolidated Shares 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 (1) disregarding the fractional entitlements; or (2) aggregating and selling the same and retaining the net proceeds for the benefit of the Company; and
  - (iii) the Directors be authorised to fix the Books Closure Date and the date on which the Consolidated Shares will trade on the Catalist of the SGX-ST in board lots of one hundred (100) Consolidated Shares in their absolute discretion as they deem fit; and
- (b) the Directors and any of them to be and is hereby authorised to do such things and acts (including, without limitation, entering into all transactions, arrangements and agreements and executing all such documents as may be required) as they and/or he may consider necessary or expedient to give effect to this resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company.

By Order of the Board

Christian Kwok-Leun Yau Heilesen  
Executive Director  
14 April 2016



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

- (1) A member of the Company having a share capital who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified) Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company.
- (2) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
- (3) The instrument or form appointing a proxy, duly executed, must be deposited at the registered office of the Company at Harvest @ Woodlands, 280 Woodlands Industrial Park E5 #10-50, Singapore 757322 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting in order for the proxy to be entitled to attend and vote at the Extraordinary General Meeting.
- (4) A member of the Company, which is a corporation, is entitled to appoint its authorized representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
- (5) *This notice 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 notice including the correctness of any of the figures used, statements or opinions made.*

*This notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.*

*The contact person for the Sponsor is Ms Foo Quee Yin  
Telephone number: 6221 0271*

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



## PROXY FORM

### VASHION GROUP LTD

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199906220H)

### PROXY FORM

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC No./Passport No./Company Registration No.)

of \_\_\_\_\_ (Address)

being a \*member/members of **VASHION GROUP LTD** (the “**Company**”), hereby appoint:

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

\*and/or

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

or failing \*him/her/them, the Chairman of the Extraordinary General Meeting of the Company as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting (“EGM”) of the Company to be held at Jurong Country Club, Albizia 1, Level 2, 9 Science Centre Road, Singapore 609078 on 29 April 2016 at 3.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 3:00 p.m. on the same day and at the same place) and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the ordinary resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Extraordinary General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the Extraordinary General Meeting shall be decided by way of poll.

\* Please delete accordingly

	For	Against
<b>Ordinary Resolution</b> The Proposed Share Consolidation		

#### Notes:

If you wish to exercise all your votes “For” or “Against”, please indicate with an “x” within the box provided. Alternatively, please indicate the number of votes as appropriate

All capitalised terms used in this Proxy Form which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company’s Circular to Shareholders dated 14 April 2016 (including supplements and modifications thereto).

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**



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## PROXY FORM

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**Notes:**

- 1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register, you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- 3 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at Harvest @ Woodlands, 280 Woodlands Industrial Park E5 #10-50, Singapore 757322 not less than 48 hours before the time appointed for the meeting.
- 4 Where a member appoints proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- 5 The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- 6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 7 A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
- 8 The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
- 9 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.