

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

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**PROPOSED PLACEMENT OF 1,200,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF VASHION GROUP LTD. (THE “COMPANY”, TOGETHER WITH ITS SUBSIDIARIES AND ASSOCIATES THE “GROUP”) AT AN ISSUE PRICE OF S\$0.001 FOR EACH NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY – SUPPLEMENTAL AGREEMENT**

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*Unless otherwise specified herein or where the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Company’s announcement dated 15 December 2015 (“**First Announcement**”).*

**1. SUPPLEMENTAL AGREEMENT**

Further to the First Announcement, the Board of Directors (“**Board**”, each member a “**Director**”) of the Company wishes to announce that the Company and each of the Placees have on 25 January 2016 entered into a supplemental agreement to amend the terms of the Placement Agreement (“**Supplemental Agreement**”).

The key amendments to the Placement Agreement pursuant to the Supplemental Agreement include the following:

- (i) The issue price of the Placement Shares is adjusted from S\$0.0009 for each Placement Share to S\$0.001 for each Placement Share (the “**Revised Issue Price**”);
- (ii) The number of Placement Shares for each Placees as set out in Schedule 1 of the Placement Agreement shall be revised as follow:-

<b>Placees</b>	<b>Number of Placement Shares</b>	<b>Number of Placement Shares as a percentage of existing issued share capital <sup>(1)</sup> <sub>(3)</sub></b>	<b>Number of Placement Shares as a percentage of enlarged issued share capital <sup>(2)</sup> <sup>(3)</sup></b>
Zhou Qilin	400,000,000	13.20%	9.10%
Reill Edward Champley	400,000,000	13.20%	9.10%
Koh Shi Xiang	200,000,000	6.60%	4.55%
Wong Law Sein	200,000,000	6.60%	4.55%
<b>TOTAL <sup>(3)</sup></b>	<b>1,200,000,000</b>	<b>39.59%</b>	<b>27.30%</b>

**Notes:**

- (1) Based on the Company’s existing issued share capital comprising 3,031,293,241 ordinary shares (“**Shares**”) (“**Existing Issued Share Capital**”).
- (2) Based on the Company’s enlarged issued share capital comprising 4,396,293,241 Shares (“**Enlarged Issued Share Capital**”) after taking into account the Existing Issued Share Capital of 3,031,293,241 Shares, the proposed issuance of the Placement Shares and the Advisory Fee Shares (as defined below). The Enlarged Issued Share Capital does not take into account an aggregate of 280,768,000 new Shares to be issued to Mr Ng Wai Hung and Mr Fu Ngai Man, Raymond pursuant to the settlement agreement dated 21 October 2013 as supplemented by the first, second, third, fourth, fifth and sixth supplemental settlement agreements.
- (3) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

Save for the above, all other key terms and conditions of the Placement Agreement remain unchanged.

## 2. PROPOSED PLACEMENT

The Placement Shares represents 39.59% of the Existing Issued Share Capital as at the date of this announcement and 27.30% of the Enlarged Issued Share Capital following the completion of the Proposed Placement.

The Revised Issue Price of S\$0.001 for each Placement Share is in line with the volume weighted average price for trades done in respect of the Shares on the Catalist of approximately S\$0.001 on 15 December 2015 (being the full market day on which the Placement Agreement was signed) and 18 January 2016 (being the last day on which the Shares were traded preceding the day on which the Supplemental Agreement is signed). The Revised Issue Price was arrived at on a willing-buyer, willing-seller basis and is aligned with the prevailing price at which Shares are traded. In agreeing to the Revised Issue Price, the Board has also taken into consideration the general market conditions and the minimum trading price of the existing issued Shares.

The Placement Shares, when issued and fully paid, shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank *pari passu* in all respects with the existing issued Shares, except that they will not rank for any dividends, distributions or entitlements, the record date for which falls on or before their respective date(s) of issue.

### **Background of the Placees**

The background of the Placees can be found in the First Announcement.

Pursuant to the Supplemental Agreement, the representation, warranties and undertakings provided by each Placee to and for the benefit of the Company and set out in the Placement Agreement, *inter alia*, that:-

- (a) he/she is not related to any other Placee or any of the Directors or substantial shareholders of the Company ("**Substantial Shareholders**") and he/she specifically further confirm that he/she is not an immediate family member of any of the Directors or Substantial Shareholders;
- (b) he/she is not any of the persons specified in Rule 812(1) of the Catalist Rules;
- (c) he/she is not acting in concert with any other Placee or any of the Directors or Substantial Shareholders;
- (d) no commission nor discount in connection with the placement of the Placement Shares other than as disclosed in the Placement Agreement will be received, directly or indirectly by him/her; and
- (e) The Proposed Placement will not give rise to any material conflict of interest.

are repeated as at the day of the Supplemental Agreement and are deemed to continue up to and repeated on the day of completion with reference to the facts then subsisting.

### **Advisory Fee Shares**

As highlighted in the First Announcement, as partial payment for advisory fees on past services rendered (being resumption of trading for the Shares), the Company shall issue 182,313,288 new Shares ("**Advisory Fee Shares**") at the Issue Price to Asian Corporate Advisors Pte. Ltd. The Advisory Fee Shares will be reduced proportionally (save for some rounding up of odd lots) to 165,000,000 new Shares at the Revised Issue Price, to be consistent with the reduction in the number of shares to be issued to each Placee.

## Authority for the Issue of Shares

As stated in the First Announcement, the 1,200,000,000 Placement Shares subscribed for by the Placees and 165,000,000 Advisory Fee Shares will be allotted and issued pursuant to a general share issue mandate (the “**General Mandate**”) obtained from the shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 29 April 2015 (“**2015 AGM**”).

The completion of the Proposed Placement is conditional, *inter alia*, upon the listing and quotation notice (“**LQN**”) being obtained from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and not having been revoked or amended and, where such LQN is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the Catalist are required to be fulfilled on or before relevant completion date, they are so fulfilled.

### 3. USE OF NET PROCEEDS

The proceeds from the Proposed Placement, after deducting estimated expenses, (the “**Net Proceeds**”) will remain at approximately S\$1.1 million. The Company’s intention on the use of the Net Proceeds is stated in the First Announcement.

### 4. SHAREHOLDINGS

The number of Shares held by the Directors, the Substantial Shareholders (other than a Director), the Placees and other shareholders of the Company before and after the completion of the Proposed Placement, as well as their percentage shareholdings are as follows:-

	Number of Shares held before the Proposed Placement	% of Existing Issued Share Capital <sup>(1)</sup>	Number of Shares held after the Proposed Placement	% of Enlarged Issued Share Capital <sup>(2)</sup>
<b><u>Directors</u></b>				
Christian Kwok-Leun Yau Heilesen <sup>(3)</sup>	355,000,000	11.71%	355,000,000	8.07%
Zhou Jia Lin <sup>(4)</sup>	151,900,000	5.01%	151,900,000	3.46%
Chan Siew Wei	0	0.00%	0	0.00%
Tan Chin Lee	0	0.00%	0	0.00%
Leung Kwok Kuen Jacob	0	0.00%	0	0.00%
<b><u>Substantial Shareholders (other than a Director)</u></b>				
Amanah Raya Berhad <sup>(5)</sup>	292,279,000	9.64%	292,279,000	6.65%
Tansri Saridju Benui <sup>(6)</sup>	360,000,000	11.88%	360,000,000	8.19%
Herjanto Rusli	181,500,000	5.99%	181,500,000	4.13%
Khoo Yick Wai <sup>(7)</sup>	292,260,000	9.64%	292,260,000	6.65%
<b><u>Other Shareholders</u></b>				
<b><u>Placees</u></b>				
Zhou Qilin	0	0.00%	400,000,000	9.10%
Reill Edward Champley	0	0.00%	400,000,000	9.10%
Koh Shi Xiang	0	0.00%	200,000,000	4.55%
Wong Law Sein	0	0.00%	200,000,000	4.55%
Other existing Shareholders	1,398,354,241	46.13%	1,398,354,241	31.81%
Advisory Fee Shares	0	0.00%	165,000,000	3.75%
<b>TOTAL</b>	<b>3,031,293,241</b>	<b>100%</b>	<b>4,396,293,241</b>	<b>100%</b>

**Notes:**

- (1) Based on the Company's Existing Issued Share Capital of 3,031,293,241 Shares.
- (2) Based on the Company's Enlarged Issued Share Capital of 4,396,293,241 Shares after taking into account the Existing Issued Share Capital of 3,031,293,241 Shares, the Proposed Placement and the Advisory Fee Shares.
- (3) 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.
- (4) Zhou Jia Lin is deemed interested in 151,900,000 Shares held by Lissington Ltd as she is director and shareholder of Lissington Ltd.
- (5) 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 Bank.
- (6) 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.
- (7) Khoo Yick Wai is deemed interested in 292,260,000 Shares held by Rennace Investments Ltd through Phillip Securities Pte Ltd and Maybank Kim Eng Secs Pte Ltd as he is director and shareholder of Rennace Investments Ltd.
- (8) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.
- (9) The shareholdings of Directors and Substantial Shareholders are based on the Register of Directors and Substantial Shareholders as at 22 January 2016.

**5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT**

**Effects of the Proposed Placement on the Group's issued and paid-up Share Capital**

As at the date of this announcement, the issued and paid-up Share capital is approximately S\$28,120,322 comprising 3,031,293,241 Shares. Upon completion of the Proposed Placement and assuming that all the Placement Shares and the Advisory Fee Shares are issued, the Share capital will be increased by approximately 4.9% to approximately S\$29,485,322 comprising 4,396,293,241 Shares.

**Effects of the Proposed Placement on consolidated earnings per Share ("EPS")**

For illustrative purposes only, the following is an analysis of the effects of the Proposed Placement on the EPS before and after adjustment to reflect the Placement Shares and the Advisory Fee Shares based on the Group's audited consolidated of comprehensive income for the financial year ended 31 December 2014 ("**FY2014**") are as follows (for the purpose of calculating the EPS per share after the Proposed Placement, it is assumed that the Proposed Placement were completed on 1 January 2014):

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement<sup>(1)</sup></b>
FY2014 Profit after tax (S\$'000)	491.8	491.8
Weighted Average number of Shares	3,031,293,241	4,396,293,241
EPS (in S\$ cents)	0.02	0.01

**Notes:**

- (1) Assuming the Proposed Placement was completed at the beginning of FY2014 and without taking into account the effect of the use of Net Proceeds on the earnings of the Group and that no returns are generated from the Net Proceeds

## Effects of the Proposed Placement on the NTA per Share

For illustrative purposes only, the following is an analysis of the effects of the Proposed Placement on the NTA per share before and after adjustment to reflect the Placement Shares and the Advisory Fee Shares based on the Group's audited consolidated balance sheet as at 31 December 2014 are as follows (for the purpose of calculating the NTA per share after the Proposed Placement, it is assumed that the Proposed Placement were completed on 31 December 2014):

	Before the Proposed Placement	After the Proposed Placement
NTA of the Group (S\$'000)	4,551.5	5,816.5
Number of Shares	3,031,293,241	4,396,293,241
NTA per Share (in S\$ cents)	0.15	0.13

### 6. CONFIRMATION BY THE DIRECTORS

Taking into account the cash resources available to the Group, cash used in operating activities for the Group and barring unforeseen circumstances, the Directors are of the opinion, that the working capital available to the Group as at the date of this announcement is sufficient for its present requirements.

As disclosed in section 3 of the First Announcement, the Net Proceeds will be used for the Group's general corporate and working capital purposes, including to further supplement and augment the working capital available to the Group in view of the current uncertain and volatile economic conditions faced by the Group and provide financial flexibility and cash buffer for the Group's existing operations as well as to refund part of the conditional deposit of S\$2.5 million obtained from Industronics Berhad pursuant to the Conditional Deposit Agreement in the event the refund is required by Industronics Berhad.

Taking into account the Net Proceeds, the cash resources available to the Group, cash used in operating activities for the Group and barring unforeseen circumstances, the Directors are of the opinion, that the working capital available to the Group as at the date of this announcement is sufficient for its present requirements.

### 7. INTEREST OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

None of the Placement Shares will be placed by the Company to any person who is a Director or a Substantial Shareholder, or any other person falling within the categories set out in Rule 812(1) of Rules of Catalyst of the SGX-ST Listing Manual.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement (other than through their shareholdings in the Company).

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, 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 contained in this announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure

that such information has been accurately and correctly extracted from these sources and/or reproduced in this announcement in its proper form and context.

#### **9. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Placement Agreement and the Supplemental Agreement will be made available for inspection during normal business hours at the Company's registered office at 280 Woodlands Industrial Park E5, #10-50, Singapore 757322 for a period of three (3) months from the date of this announcement.

#### **10. TRADING CAUTION**

Shareholders and potential investors should exercise caution when trading in the Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board

Christian Kwok-Leun Yau Heilesen  
Executive Director  
25 January 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.*

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