

VASHION GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 19996220H)

ENTRY INTO CONDITIONAL DEPOSIT AGREEMENT

The Board of Directors of Vashion Group Limited (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to announce that the Company had on 9 July 2014 entered into a conditional deposit agreement (the “**Conditional Deposit Agreement**”) with Industronics Berhad (the “**Investor**”).

1. BACKGROUND OF THE INVESTOR

The Investor is a company incorporated in Malaysia in 1975 and listed on the main market of the Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”). The major shareholders of the Investor are Affin Nominees (Asing) Sdn Bhd, Maybank Securities Nominees (Asing) Sdn Bhd and Bloom Billions Sdn Bhd, and the Executive Chairman is Ms. Liu Wing Yee Amy. The Investor is engaged in the business of developing electronic and semiconductor chip products.

Lissington Limited (“**Lissington**”), who is a substantial shareholder of the Company, is also a shareholder of the Investor. As at the date of this announcement Lissington holds 8.32% of interest in the Investor. As such, the Investor is not a person under Rule 812(1) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). Save for the foregoing, the Investor does not have any other relationship with the Group’s Directors, management, and substantial shareholders.

2. BACKGROUND OF THE INTRODUCER

The investor is referred by a registered firm (“**Firm**”) in Hong Kong, whose activities inter-alia include the provision sponsorship services for listing on the HKSE. The Firm had previous dealings with the Vashion Group and was engaged in the Group’s subsidiary consultation project under Vashion Assets Management Limited.

No placement agent was appointed for the issue of shares to the Investor. In addition, there will be no fees or expenses payable for or arising from the introduction.

3. THE AGREEMENT

Pursuant to the Conditional Deposit Agreement, the Investor shall, within fourteen (14) days of the date of the Agreement, deposit a sum of S\$2,500,000 or equivalent (the “**Deposit**”) with the Company or a subsidiary in the Group (the “**Deposit**”). In consideration of the foregoing, the Company has agreed to enter into a placement agreement (“**Placement Agreement**”) with the Investor to issue to the Investor such number of ordinary shares in the Company (“**Placement Shares**”), at such price and on such terms as shall be agreed and documented in the Placement Agreement, subject to the aggregate subscription amount in the Placement Agreement not being less than the Deposit (the “**Proposed Placement**”).

Salient terms of the Conditional Deposit Agreement:

- The Conditional Deposit Agreement is valid till 30 September 2014 and may be extended by mutual agreement between the Company and the Investor.
- If no Placement Agreement is entered into between the Parties on or before 30 September 2014, the entire amount of the Deposit shall be refunded to the Investor within 7 days after such date, without any interest accrued.

- The Proposed Placement shall be conditional upon the resumption of trading in the ordinary shares of the Company (“**Shares**”) on the Catalist Board of the SGX-ST (the “**Catalist Board**”), and if required by the rules for the time being of the SGX-ST, also conditional upon the approval of shareholders of the Company.

For avoidance of doubt, the Conditional Deposit Agreement is a statement of intention and the agreement is to document the Deposit made in good faith. As at the date of this announcement, there is no obligation from any parties to enter into any agreement or any agreement on terms of any issue of shares etc. but that any agreements executed will be subject to all applicable legal, regulatory approvals and requirements for parties, *inter-alia*, listing and approval requirements of SGX-ST and Bursa Malaysia where applicable.

In consideration of the non-binding nature of the Conditional Deposit Agreement and there being no agreed terms and conditions for the issuance of Company’s Shares except for the understanding that agreements if any that will be entered into will include resumption of trading of the Shares, it is not possible to determine as at this stage, *inter alia*, the amount of proceeds to be raised, issue price, number of shares, financial effects etc., the required information for disclosure and announcement in the event that the Proposed Placement is undertaken cannot be announced currently.

The Company will not place or issue any Placement Shares to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Catalist Rules.

Save as disclosed in this announcement there are no other material terms and conditions with regards to the Deposit and possible issuance of shares that has been agreed.

4. INTENDED USE OF THE DEPOSIT

The Deposit may be used for investment, without prior approval or consent or notification from the Investor, in short-term deposits, money market instruments and/or debt instruments as well as operational and working capital requirements of the Vashion Group, as the Directors may deem appropriate in the interests of the Group. As at the date of this announcement, the Directors are satisfied that the Group has the necessary internal controls and systems in place to ensure the appropriate usage of the Deposit and the Group is in a financial position to, *inter-alia*, to protect the Group’s interest and ability to return the Deposit when due.

5. UNDERTAKING TO MAKE FURTHER ANNOUNCEMENT

The Company undertakes to make further announcement to update Shareholders upon entering any further agreement(s) with the Investor subsequent to this announcement

6. INTEREST OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors, controlling shareholders and/or substantial shareholders of the Company have any direct or indirect interest in the Subscription Agreement, other than through their respective shareholdings in the Company.

The Company will not place or issue any Shares to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Catalist Rules.

7. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement) have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions

expressed in this announcement are fair and accurate in all material aspects and that no material facts have been omitted from this announcement which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any 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.

8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement will be available for inspection during normal business hours at the Company's registered office at Harvest @ Woodlands, 280 Woodlands Industrial Park E5 #10-50, Singapore 757322 for three (3) months from the date hereof. The Board will make the necessary announcements and keep shareholders informed of any developments.

BY ORDER OF THE BOARD

Khoo Yick Wai
Chief Executive Officer
10 July 2014

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 Mr Liao H.K.
Telephone number: 6221 0271*