

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

DIFFERENCES BETWEEN AUDITED AND PREVIOUSLY ANNOUNCED UNAUDITED FINANCIAL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist, Vashion Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its full year financial results for the year ended 31 December 2015 (“FY2015”) that was announced on 29 February 2016. Upon the finalization of the FY2015 audit, certain adjustments were made which have a material impact on previously announced FY2015 results. The differences between the previously announced with the explanations for the material differences are set out below.

1. The Group’s statement of comprehensive income for financial year ended 31 December 2015 (“FY 2015”)

	Note	Group Year Ended 31 December 2015			
		Audited	Previously announced	Variance	
		S\$’000	S\$’000	S\$’000	%
Revenue		3,478	3,478	-	-
Cost of Sales		(2,877)	(2,877)	-	-
Gross profit		601	601	-	-
Other operating income	1a	2,086	1,692	394	23.29
Selling & distribution expenses		(233)	(233)	-	-
Administrative expenses		(2,277)	(2,277)	-	-
Other operating expenses	1b	(2,986)	(2,384)	(602)	25.25
(Loss) from operations		(2,809)	(2,601)	(208)	8.0
Finance expenses		(4)	(4)	-	-
(Loss) before tax		(2,813)	(2,605)	(208)	7.98
Income tax expenses		5	5	-	-
(Loss) after tax		(2,808)	(2,600)	(208)	8.0
Other comprehensive income:					
- Foreign currency translation (loss)	1c	(593)	-	(593)	NM
- Foreign currency translation differences arising from translation of financial statements of subsidiaries reported in currency other than Singapore dollar	1d	-	(581)	581	NM
- Reclassification adjustment relating to foreign operation disposed	1e	(83)	-	(83)	NM
Total comprehensive (loss) for the period		(3,484)	(3,181)	(303)	9.53

NM: Not Meaningful

2. The Group's statement of financial position as at 31 December 2015

		Group Statement of Financial Position as at 31 December 2015		Variance	
		Audited	Previously announced		
		S\$'000	S\$'000	S\$'000	%
Non-current assets					
Property, plant and equipment		74	74	-	-
Investment in subsidiaries		-	-	-	-
Intangible assets	2a	90	349	(259)	(74.21)
Membership rights		24	24	-	-
Total non-current assets		188	447	(259)	(57.94)
Current assets					
Inventories		180	180	-	-
Trade receivables		1,198	1,198	-	-
Other receivables, deposits and prepayments	2b	720	764	(44)	(5.76)
Due from subsidiaries (non-trade)		-	-	-	-
Loans to subsidiaries		-	-	-	-
Fixed deposits	2c	3,095	5	3,090	61,820
Cash and bank balances	2d	1,499	4,588	(3,089)	(67.33)
Total current assets		6,692	6,735	(43)	(0.64)
Current liabilities					
Trade payables		(229)	(229)	-	-
Other payables and accruals		(3,651)	(3,651)	-	-
Due to subsidiaries (non-trade)		-	-	-	-
Lease obligations		(7)	(7)	-	-
Income tax payable		(60)	(60)	-	-
Total current liabilities		(3,947)	(3,947)	-	-
Net current assets		2,745	2,788	(43)	(1.54)
Non-current liabilities					
Lease obligations		-	-	-	-
Total non-current liabilities		-	-	-	-
Net assets		2,933	3,235	(302)	(9.34)
Share capital		28,120	28,120	-	-
Translation reserve	2e	(2,285)	(2,273)	(12)	0.53
Performance bonus shares reserve		1,404	1,404	-	-
Accumulated losses		(24,306)	(24,016)	(290)	1.21
Total equity		2,933	3,235	(302)	(9.34)

3. The Group's statement of cash flows for the year ended as at 31 December 2015

		Group Year Ended 31 December as at 31 December 2015			
		Audited	Previously announced	Variance	
		S\$'000	S\$'000	S\$'000	%
Cash flows from operating activities:					
Loss before tax	3a	(2,813)	(2,605)	(208)	7.98
Adjustment for:					
Depreciation of property, plant and equipment		81	81	-	-
Write-back of other payables		-	-	-	-
Impairment of trademark	3b	1,829	1,578	251	15.91
Impairment of inventories		118	118	-	-
Write-back of inventories		(2)	(2)	-	-
Write off of work in progress		174	174	-	-
Loss on disposal of property, plant and equipment		2	2	-	-
Allowance for impairment of					
- trade receivables		201	201	-	-
- other receivables	3c	659	485	174	35.88
Unrealised exchange gain		(674)	(674)	-	-
Gain on disposal of subsidiary	3d	(1,129)	(1,047)	(82)	7.83
Interest expenses		4	4	-	-
Interest income	3e	(136)	(1)	(135)	13,500
Operating loss before working capital changes		(1,686)	(1,686)	-	-
Decrease in inventories and work in progress		377	377	-	-
Increase in receivables		(139)	(139)	-	-
Increase in payables	3f	25	24	1	4.17
Cash used in operations		(1,423)	(1,424)	(1)	(0.07)
Interest paid		(4)	(4)	-	-
Income tax paid		33	33	-	-
Net cash used in operating activities		(1,394)	(1,395)	(1)	(0.07)
Cash flows from investing activities:					
Net cash outflow on disposal of subsidiary		(11)	(11)	-	-
Withdrawal of fixed deposits pledged with banks		20	20	-	-
Fixed deposits maturing after 3 months	3g	(3,090)	-	(3,090)	NM
Interest received		1	1	-	-
Purchase of property, plant and equipment		-	-	-	-
Net cash (used in)/generated from investing activities		(3,080)	10	(3,090)	(30,910)
Cash flows from financing activities:					
Repayment of lease obligations		(7)	(7)	-	-
Net cash used in from financing activities		(7)	(7)	-	-
Effect of exchange rate changes on cash and cash equivalent		26	26	-	-
Net decrease in cash and cash equivalents		(4,481)	(1,392)	(3,089)	221.92
Cash and cash equivalent at beginning of the period		5,954	5,954	-	-
Cash and cash equivalent at end of the period		1,499	4,588	(3,089)	(67.33)

Cash and Bank Balances and Fixed Deposits

		Group Year Ended 31 December as at 31 December 2015	
		Audited	Previously announced
Cash and bank balances	2d	1,499	4,588
Fixed deposits	2c	3,095	5
		4,594	4,593

Note:

As a result of the adjustment and reclassification made to the consolidated statement of financial position and consolidated income statement, correspondent changes has been made to the consolidated statement of cash flows; and it should be read in conjunction with the audited consolidated statement of financial position and audited consolidated income statement.

Explanatory Notes:

Note 1a

The variance is mainly due to (i) under accrual of interest income of S\$135,000; (ii) adjusting of S\$177,000 relating to the costs of the tablets sold and (iii) further gain on disposal of subsidiary of S\$82,000.

Note 1b

The variance is mainly due to (i) further impairment of trademark of S\$251,000; (ii) to include cost of tablet of S\$177,000 which was shown in net basis in full year result announcement; (iii) further adjustment of impairment of other receivable from Vashion Assets Management of S\$174,000.

Note 1c

The variance is mainly due to reclassification of S\$581,000 from foreign currency translation differences arising from translation of financial statements of subsidiaries reported in currency other than Singapore dollar together with further adjustment of S\$12,000.

Note 1d

The variance is mainly due to reclassification to foreign currency translation (loss).

Note 1e

The variance is mainly due to the reclassification adjustment relating to foreign operation disposed.

Note 2a

The variance is mainly due to further impairment of intangible assets amounting to S\$251,000 and foreign currency exchange translation of S\$8,000. The valuation report for the valuation assessment of the intangible assets was finalised after releasing of full year announcement.

Note 2b

The variance is mainly due to (i) audit adjustment for under provision for interest receivable of S\$135,000 from fixed deposit in Indonesia and (ii) impairment of other receivables amounting S\$174,000 from consultancy project and (iii) others of S\$5,000.

Note 2c

The variance of S\$3.09 million is due to reclassification from cash and bank balances to fixed deposits.

Note 2d

The variance of \$3.089 million is due to (i) reclassification stated in Note 2c and (ii) adjustment of \$2,000 in cash and bank balance against other receivable in Indonesia.

Note 2e

The variance of approximately S\$12,000 is mainly due to foreign currency translation differences arising from translation of financial statements of subsidiaries reported in currency other than the Singapore dollar as stated in Note 1d.

Note 3a

The variance is mainly due to (i) under accrual of interest income of S\$135,000; (ii) further gain on disposal of subsidiary of S\$82,000; (iii) further impairment of trademark of S\$251,000 and (iv) further adjustment of impairment of other receivable from Vashion Assets Management of S\$174,000 as stated in Note 1a and 1b.

Note 3b

The variance is mainly due to further impairment of intangible assets of S\$251,000.

Note 3c

The variance is mainly due to further impairment of other receivables amounting S\$174,000 as stated in Note 1b.

Note 3d

The variance is mainly due to further gain on disposal of subsidiary stated in Note 1a.

Note 3e

The variance is mainly due to under accrual of interest income of S\$135,000 stated in Note 1a.

Note 3f

The variance is due to rounding difference.

Note 3g

The variance is mainly due to reclassification of S\$3.09 million from cash and bank balances to fixed deposit under investing activities which the fixed deposit maturing after 3 months after financial reporting date.

By Order Of The Board

Christian Kwok-Leun Yau Heilesen
Executive Director
Date: 7 April 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.

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