



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Vashion Group Limited

Security: Vashion Group Limited

Meeting details:

Date: 30 April 2019

Time: 3.00 p.m.

Venue: Hotel Re! @ Pearl's Hill, Rejoice Ballroom at Ground Floor, 175A Chin Swee Road, Singapore 169879

Company Description

Vashion Group Limited is a Singapore-based investment holding company. The Company is engaged in the provision of management and accounting services to its subsidiaries. The Company operates through four segments, which include Wholesale/Retail business in garments and cosmetic products (Wholesale/Retail business); distribution of specialty chemical products and consumable material for electronic industry (Distribution); Switchgear design and assembly segment, and Consultancy. The Company's segments operate in two geographic areas: Asia Pacific and People's Republic of China (PRC). Its operations in Asia Pacific include investment holding, provision of administrative and management service, distribution of specialty chemical products and consumable material for the electronic industry and switchgear design and assembly services. Its operations in PRC include investment holding in Hong Kong, retail business in garments and cosmetic products, and consultancy business.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=1F4)

Q1. On 12 March 2018, the company announced the results of the rights cum warrants issue application.

Out of a total of 1,130,302,870 Rights Shares that were available for subscription, valid acceptances only amounted to 57.1%. With excess applications of 577,523,577 million rights share, or 51.1%, the total valid acceptances and excess applications exceeded 100%.

Net Proceeds from the Rights cum warrants Issue (after deducting estimated costs and expenses of S\$0.35 million incurred in connection with the Rights cum warrants Issue) was \$5.08 million.

	Number of Rights Shares with Warrants	As a percentage of the of the total number of Rights Shares available under the Rights Issue
Valid acceptances	645,409,104	57.1%
Excess applications	577,523,577	51.1%
Total	1,222,932,681	108.2%

(Source: Company announcement; emphasis added)

- (i) Has the board carried out a review to find out the reasons for the low valid acceptances by shareholders?**
- (ii) With the benefit of hindsight, what could the board have done differently? Has the board/management evaluated the market's understanding of the group and the appreciation of the group's business model and growth prospects?**

On 15 April 2019, the company announced a proposed 4:1 share consolidation and a new rights issue of 10 new shares for every one consolidated share.

- (iii) Did the independent director consider how dilutive this would be for minority shareholders who are unwilling or unable to subscribe for the new rights issue?**
- (iv) Did the independent director consider other alternative ways of fund raising instead of carrying out a rights issue given the valid acceptance rate of the recent rights cum warrants issue was not well received?**

Q2. The group's new business through the Hong Kong subsidiary is involved in the trading of luxury goods. The operations, started in March 2018, was the main contributor of the \$7.8 million increase in revenue. Total revenue for the year was \$11.1 million.

- (i) Can the board/management elaborate further on how the new luxury watch trading business is being carried out?**

- (ii) What is the business model and what are the key drivers of value?**
- (iii) How did the group secure its inventory and who are the customers?**
- (iv) In a highly competitive market, how will the group be able to consistently profit from trading of luxury goods?**

Q3. On 6 October 2017, at the appointment announcement of Mr Leung Yu Tung Stanley, the company has stated that Mr Leung will be undergoing a course on Listed Company Director Essentials organized by Singapore Institute of Directors.

- (i) Can the company confirm that Mr Leung has undergone a course to understand the roles and responsibilities of a director in a listed company in Singapore?**
- (ii) What other training has Mr Leung undergone since his appointment?**
- (iii) Similarly, what training has Ms Eunice Veon Koh Pei Lee gone through since her appointment on 7 September 2017?**

In addition, Leung Kwok Kuen Jacob who was appointed on 30 September 2017 did not have experience as a director of a listed company in Singapore.

- (iv) Did Mr Leung attend any relevant training since his appointment?** Mr Leung has indicated his experience as a director of a Bursa listed company and of a Hong Kong Stock Exchange GEM company.