



23 May 2018

Bagir Group Ltd.

("Bagir" or the "Company")

Update relating to strategic partnership with Shandong Ruyi

Bagir (AIM: BAGR), a designer, creator and provider of innovative tailoring, provides an update in relation to its proposed strategic partnership with Shandong Ruyi Technology Group Ltd ("Shandong Ruyi"), a leading Asian global textile manufacturer, under which Shandong Ruyi will invest \$16.5 million to acquire c.54%¹ of the Company's enlarged issued share capital. Further details are contained in Bagir's announcement of 23 November 2017.

At the time of the final results announcement on 7 March 2018 Bagir confirmed that it had prepared the necessary shareholder circular (the "Circular") and notice of EGM in order to approve the full investment by Shandong Ruyi Group and was waiting for details of the proposed directors to be nominated by Shandong Ruyi to be provided to Bagir in order to be able to dispatch the Circular to shareholders. Shandong Ruyi has subsequently provided details of certain proposed directors to be nominated to Bagir's board and Bagir remains in discussions on the exact composition of its Board moving forwards.

At the same time, Bagir awaits Shandong Ruyi's confirmation on certain information to be included in the Circular relating to Shandong Ruyi as well as the confirmation of which entity within Shandong Ruyi's group is proposed to be the shareholder in Bagir.

Bagir looks forward to being able to update its shareholders on the timing of when it will receive the necessary confirmations from Shandong Ruyi so as to enable Bagir to be able to post the Circular to shareholders. At present, there can be no guarantee on when these confirmations will be received.

Chief Executive Officer of Bagir, Eran Itzhak, said "The desire from both companies to complete this transaction remains unchanged, meeting the requirements and the process associated with doing so has taken longer than first anticipated, however, both Ruyi and ourselves are confident we will complete this deal and that it will prove to be a valuable and productive partnership."

¹Approx. 51% fully diluted

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