

**ASIA FASHION HOLDINGS LIMITED**  
(Company Registration No. 41195)  
(Incorporated in Bermuda)

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**THE PROPOSED SHARE CONSOLIDATION – CHANGE IN SHARE CONSOLIDATION RATIO TO PROPOSE CONSOLIDATION OF EVERY SIXTEEN (16) EXISTING ISSUED AND UNISSUED ORDINARY SHARES OF PAR VALUE US\$0.005 EACH IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.08 EACH IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO THE CONSOLIDATED SHARES RESULTING FROM THE SHARE CONSOLIDATION TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”)**

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**1. INTRODUCTION**

The board of directors (the “**Board**”) of Asia Fashion Holdings Limited (the “**Company**”) refers to its announcement dated 25 November 2015 in relation to the proposed share consolidation of every fifty (50) existing issued and unissued ordinary shares of par value US\$0.005 each in the capital of the Company (including treasury shares) (the “**Existing Shares**”) into one (1) ordinary share of par value US\$0.25 each in the capital of the Company, fractional entitlements to the consolidated shares resulting from the share consolidation to be disregarded (the “**Original Share Consolidation Ratio**”).

**2. CHANGE IN SHARE CONSOLIDATION RATIO**

- 2.1 Further to the Company’s announcement dated 25 November 2015, the Company wishes to inform the Shareholders that in view of the potential number of odd lots and fractional entitlements, and the resultant number of consolidated shares, arising from the Original Share Consolidation Ratio, the Company is proposing to undertake the share consolidation exercise at a share consolidation ratio of every sixteen (16) Existing Shares into one (1) ordinary share of par value US\$0.08 each in the capital of the Company (the “**Revised Share Consolidation Ratio**”) instead.
- 2.2 As at the date of this announcement, the Company has an authorised share capital of US\$40,000,000 divided into 8,000,000,000 Shares of a par value of US\$0.005 each, and an issued and paid-up share capital of US\$4,040,000 divided into 808,000,000 Shares of a par value of US\$0.005 each. On the assumption that there will be no new Shares issued by the Company up to the books closure date to be determined by the directors of the Company (“**Directors**”) as they deem fit in their absolute discretion (the “**Books Closure Date**”), following the completion of the Proposed Share Consolidation with the Revised Share Consolidation Ratio, the Company will have an authorized share capital of US\$40,000,000 divided into 500,000,000 Shares of a par value of US\$0.08 each, and an issued and paid-up share capital of approximately US\$4,040,000 divided into approximately 50,500,000 Shares of a par value of US\$0.08 each.
- 2.3 On the assumption that all of the outstanding Convertible Bonds are converted into new Shares (the “**Conversion Shares**”) and that all the Conversion Shares are issued on or before the Books Closure Date, and that there will be no other new Shares issued by the Company up to the Books Closure Date, the Company will have an issued and paid-up share capital of approximately US\$4,230,000 divided into approximately 846,000,000 Shares of a par value of US\$0.005 each, as at the Books Closure Date, and following the completion of the Proposed Share Consolidation with the Revised Share Consolidation Ratio, the Company will have an issued and paid-up share capital of approximately US\$4,230,000 divided into approximately 52,875,000 Shares of a par value of US\$0.08 each.
- 2.4 Other than as set out above, the other terms of the Proposed Share Consolidation as set out in the Company’s announcement dated 25 November 2015 remain applicable.

### **3. CAUTION IN TRADING**

Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Mak Tin Sang  
Executive Chairman and Chief Executive Officer  
29 December 2015