



Asia Fashion Holdings Limited

(Company Registration No. 41195)
(Incorporated in Bermuda)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2014 (“1Q2014”)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated statement of comprehensive income for the Group

	1Q2014 RMB'000 (Unaudited)	1Q2013 RMB'000 (Unaudited)	% Change + / (-)
Revenue	34,071	30,194	12.8%
Cost of sales	(29,760)	(29,521)	0.8%
Gross profit	4,311	673	540.6%
Other income	64	503	-87.3%
Selling and distribution expenses	(1,023)	(1,234)	-17.1%
Administrative expenses	(3,633)	(4,289)	-15.3%
Loss from operations	(281)	(4,347)	-91.2%
Finance costs	(161)	(650)	-75.2%
Loss before taxation	(442)	(4,997)	-91.2%
Income tax expense	(196)	-	N/A
Loss after taxation	(638)	(4,997)	-87.3%
Other comprehensive income	-	-	N.A.
Total comprehensive loss for the period	(638)	(4,997)	-87.3%



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- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

The Group's loss before taxation is arrived at after charging/(crediting):

	1Q2014 RMB'000 (Unaudited)	1Q2013 RMB'000 (Unaudited)
Interest income	(7)	(362)
Depreciation of property, plant and equipment	2,269	2,944
Amortization of land use rights	46	46
Interest expense	161	650
Foreign exchange loss/(gain)	16	(85)



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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of financial position

	←----- The Group -----→		←----- The Company -----→	
	As at		As at	
	31 March 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)	31 March 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Non-current assets				
Property, plant and equipment	44,907	47,176	-	-
Intangible assets	7,785	7,831	-	-
Investments in subsidiaries	-	-	3,251	3,251
Amount due from subsidiaries	-	-	-	-
	<u>52,692</u>	<u>55,007</u>	<u>3,251</u>	<u>3,251</u>
Current assets				
Inventories	10,416	12,041	-	-
Trade receivables	57,401	67,637	-	-
Prepayments and other receivables	2,265	3,663	-	-
Cash and cash equivalents	4,947	9,986	137	137
	<u>75,029</u>	<u>93,327</u>	<u>137</u>	<u>137</u>
Total assets	127,721	148,334	3,388	3,388
Current liabilities				
Trade payables	12,750	24,496	-	-
Other payables and accruals	20,781	22,979	27,494	26,858
Compensation payable	17,400	17,400	-	-
Amount due to a shareholder/director	2,701	2,701	2,701	2,701
Bank loans	7,766	7,766	-	-
Tax payable	1,020	1,182	-	-
	<u>62,418</u>	<u>76,524</u>	<u>30,195</u>	<u>29,559</u>
Net current assets/(liabilities)	12,611	16,803	(30,058)	(29,422)
Non current liabilities				
Compensation payable	64,057	69,730	-	-
Bank loans	1,401	1,597	-	-
Total liabilities	65,458	147,851	30,195	29,559
Net assets	(155)	483	(26,807)	(26,171)
Equity				
Share capital	19,220	19,220	19,220	19,220
Reserve fund	(19,375)	(18,737)	(46,027)	(45,391)
Total equity	(155)	483	(26,807)	(26,171)



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(b)(ii) Aggregate amount of group’s borrowings and debt securities.

Amount repayable in one year or less, or on demand

RMB '000	As at 31 March 2014		As at 31 December 2013	
	Secured	Unsecured	Secured	Unsecured
Bank Loans	7,766	-	7,766	-

Amount repayable after one year

RMB '000	As at 31 March 2014		As at 31 December 2013	
	Secured	Unsecured	Secured	Unsecured
Bank Loans	1,401	-	1,597	-

Details of any collateral

The Group’s interest-bearing bank borrowings are secured by the pledge of certain of the Group’s property, plant and equipment and guarantees provided by our Executive Director Mr Lin Daoqin.



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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows for the Group

	1Q2014 RMB'000 (Unaudited)	1Q2013 RMB'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(442)	(4,997)
Adjustments for:		
Amortization of land use rights	46	45
Depreciation of property, plant and equipment	2,269	2,944
Interest income	(7)	(460)
Interest expense	161	448
Operating profit/(loss) before working capital changes	2,027	(2,388)
(Increase)/decrease in inventories	1,625	6,934
Decrease in trade receivables	15,909	75,806
Decrease/(increase) in prepayments and other receivables	1,398	(2,414)
Liability for compensation payables (Note A)	(5,673)	-
Decrease in trade payables	(11,746)	(23,709)
Decrease in accrued liabilities and other payables	(7,871)	(4,591)
Cash (used in)/generated from operations	(4,331)	2,299
Interest received	7	460
Interest paid	(161)	(448)
Income tax paid	(358)	(4,509)
Net cash (used in)/generated from operating activities	(4,843)	2,011
Cash flows from investing activities		
Acquisition and construction of property, plant and equipment	-	(366)
Net cash used in investing activities	-	(366)
Cash flows from financing activities		
Bank loans obtained	-	-
Repayment of bank loans	(196)	(162)
Net cash used in financing activities	(196)	(162)
Net (decrease)/increase in cash and cash equivalents	(5,039)	1,483
Cash & cash equivalents at beginning of the financial period	9,986	379,243
Cash & cash equivalents at the end of the financial period	4,947	380,726



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Note A

	RMB'000
Liability for compensation expenses	424,580
Amounts settled in cash	(300,000)
	<hr/> 124,580
Set-off against trade receivables in 4Q2013	(37,450)
Compensation payables as at 31 December 2013	<hr/> 87,130
Set-off against trade receivables in 1Q2014	(5,673)
Compensation payables as at 31 March 2014	<hr/> <hr/> 81,457



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity for the Group

Group	Share Capital RMB '000	Contributed Surplus RMB '000	Share Premium RMB '000	Capital Reserve RMB '000	Share Option Reserve RMB '000	Merger Reserve RMB '000	Statutory Reserve RMB '000	Retained Profits RMB '000	Total Equity RMB '000
Balance at 1 January 2013	192,203	-	65,466	4,230	1,224	(64,889)	45,303	177,905	517,090
Total comprehensive loss for the year	-	-	-	-	-	-	-	(420,959)	(420,959)
Credit arising from the Capital Reorganization exercise undertaken by the company (see details in Section 1(d)(ii))	(172,983)	172,983	-	-	-	-	-	-	-
Balance at 31 December 2013 (Audited)	19,220	172,983	65,466	4,230	1,224	(64,889)	45,303	(243,054)	483
Balance at 1 January 2014	19,220	172,983	65,466	4,230	1,224	(64,889)	45,303	(243,054)	483
Total comprehensive loss for the period	-	-	-	-	-	-	-	(638)	(687)
Balance at 31 March 2014 (Unaudited)	19,220	172,983	65,466	4,230	1,224	(64,889)	45,303	(243,692)	(155)

Statement of changes in equity for the Company

Company	Share Capital RMB '000	Contributed Surplus RMB '000	Share Premium RMB '000	Capital Reserve RMB '000	Share Option Reserve RMB '000	Accumulated Reserve RMB '000	Total Equity RMB '000
Balance at 1 January 2013	192,203	-	51,500	3,014	1,224	(70,390)	177,551
Total comprehensive loss for the year	-	-	-	-	-	(203,722)	(203,722)
Credit arising from the Capital Reorganization exercise undertaken by the company (see details in Section 1(d)(ii))	(172,983)	172,983	-	-	-	-	-
Balance at 31 December 2013 (Audited)	192,203	172,983	51,500	3,014	1,224	(274,112)	(26,171)
Balance at 1 January 2014	19,220	172,983	51,500	3,014	1,224	(274,112)	(26,171)
Total comprehensive loss for the period	-	-	-	-	-	(636)	(636)
Balance at 31 March 2014	19,220	172,983	51,500	3,014	1,224	(274,748)	(26,807)



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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at the end of the current financial period and as at the end of the immediately preceding year is 548,802,638 ordinary shares.

The Company does not hold any treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial information for the first quarter ended 31 March 2014 has not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted all the Singapore Financial Reporting Standards (“FRS”) that are mandatory for financial year beginning on or after 1 January 2014.

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2013.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.



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6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	1Q2014	1Q2013
Basic earnings per share (RMB cents)		
- Based on the weighted average number of ordinary shares in issue	(0.12)	(0.91)
- Fully diluted	(0.12)	(0.91)
Number of shares		
Current / weighted average number of ordinary shares in issue	548,802,638	548,802,638

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

RMB Cents	The Group		The Company	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Net asset value per ordinary share	(0.03)	0.09	(43.30)	(4.77)

Note:-

Net asset value per ordinary share of the Group/Company was calculated based on the 548,802,638 shares in issue at the end of both periods.



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

	1Q2014 RMB'000	1Q2013 RMB'000	% Change + / (-)
Revenue – Fabrics business			
- Garment & apparel fabrics	14,416	14,690	(1.9)
- Shoe fabrics	5,651	4,466	26.5
- Luggage & bag fabrics	5,372	2,577	108.5
- Other fabrics	7,673	8,461	(9.3)
- Subcontract	960	-	N/A
Total	34,071	30,194	12.8
Gross profit	4,311	673	
Gross profit margin	12.7%	2.2%	

*NA = Not applicable

Review of Financial Performance

Revenue

Our revenue increased by RMB3.9 million or 12.8% from RMB30.2 million in the first quarter of year 2013 (“1Q2013”) to RMB34.1 million in the first quarter of year 2014 (“1Q2014”).

The increase in revenue for 1Q2014 was due mainly to the increased sales volume, despite the softening of average selling prices ranging from 5% - 10%, in all segments, except garment & apparel and other fabrics. In addition, the Group’s subsidiary, Fujian Qianfeng Textile Technology Co., Ltd (“QFTT”) had also took on subcontracting works, to utilize the excess production capacity, since 4Q2013.

The increased revenue generated from fabrics business was due to the following:-

- Revenue from the sales of garment fabrics decreased marginally by RMB0.3 million or 1.9%, from RMB14.7 million in 1Q2013 to RMB14.4 million in 1Q2014. The decrease in the average selling prices of approximately 8.3% had resulted in the low sales revenue despite a 7% increase in volume;
- Revenue from the sales of shoe fabrics increased by RMB1.1 million or 26.5%, from RMB4.5 million in 1Q2013 to RMB5.6 million in 1Q2014 due mainly to increase in sales volume of 41.8% in the current quarter as a result of higher demand. Average selling price of shoe fabrics decreased by 10.8% in 1Q2014.
- Due to higher demand, revenue from the sales of luggage and bag fabrics increased by RMB2.8 million or 108.5%, from RMB2.6 million in 1Q2013 to RMB5.4 million in 1Q2014 due mainly to increase in sales volume of 122.8% in the current quarter. Average selling price of luggage and bag fabrics decreased by 6.4% in 1Q2014;
- Revenue from the sales of other fabrics decreased by RMB0.8 million or 9.3%, from RMB8.5 million in 1Q2013 to RMB7.7 million in 1Q2013. The decrease was due mainly to the combination effect of decreased in sales volume of 4.2% and lower average selling prices of 5.4% in 1Q2013;
- As explained above, our subsidiary, QFTT, since 4Q2014, undertaken subcontracting work to perform dyeing for customers, this helped to take up the excess production capacity.



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Gross profit and gross profit margin

	1Q2014	% to sales	1Q2013	% to sales
Sales	34,071	100.0%	30,194	100.0%
Direct costs	22,379	65.7%	24,597	81.5%
Production Overheads				
Depreciation - plant and equipment	1,856	5.4%	1,893	6.3%
Other overheads	5,525	16.2%	3,031	10.0%
	<u>7,381</u>	<u>21.6%</u>	<u>4,924</u>	<u>16.3%</u>
Total Cost of goods sold	29,760	87.3%	29,521	97.8%
Gross profit	4,311	12.7%	673	2.2%

Direct costs of goods for 1Q2014 and 1Q2013 were RMB22.4 million representing 65.7% of sales and RMB24.6 million representing 81.5% of sales respectively. Production overheads excluding depreciation in 1Q2014 and 1Q2013 were RMB5.5 million representing 16.2% of sales and RMB3.0 million representing 10.0% of sales respectively. The substantial decrease in direct costs was due to strict control applied on wastages as well as stringent cost control in production processes. The higher other overheads was due the subcontracting work undertaken by the Group to utilize the excess production capacity. Depreciation was consistently remained at RMB1.9 million for both periods. Accordingly, gross profit margin was improved to 12.7% in 1Q2014 from 2.2% in 1Q2013.

Gross profit increased by approximately RMB3.6 million or 540.6% from approximately RMB0.7 million in 1Q2013 to RMB4.3million in 1Q2014.

Selling and distribution expenses decreased by RMB0.2 million or 17.1% from RMB1.2 million in 1Q2013 to RMB1.0million in 1Q2014 due mainly to better cost control.

Administrative expenses decreased by RMB0.7 million or 15.3% from RMB4.3 million in 1Q2013 to RMB3.6 million in 1Q2013 due mainly to tighter control on administrative expenses.

Finance costs decreased by RMB0.5 million or 75.2% from RMB0.7 million in 1Q2013 to RMB0.2 million in 1Q2014 due mainly to lower loan balance in 1Q2014 as compared to 1Q2013.

Income tax expense amounting to RMB0.2 million incurred for 1Q2014 was due to tax aross from the profit earned by our subsidiary, Fujian Jiamei Textile Co., Ltd as a result of the expiry of it's tax incentive last year.



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- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Financial Position

Property, plant and equipment were RMB44.9 million decreased by RMB2.3 million or 4.8% as compared to 31 December 2013 due mainly to the depreciation charge of RMB2.3 million in 1Q2014.

Inventories as at 31 March 2014 were RMB10.4 million decreased by RMB1.6 million or 13.5% due to the lower sales turnover during the period as compared to 4Q2013. The average inventory turnover days has improved to 33 days in 1Q2014 from 38 days for the year ended 31 December 2013.

Trade receivables were RMB57.4 million as at 31 March 2014 decreased by RMB10.2 million or 15.1% due mainly to the sustainable lower average sales turnover during the period as compared to that of 4Q2013. The average trade receivables' turnover days was 165 days in 1Q2014 comparing to 138 days for the year ended 31 December 2013.

Prepayment and other receivables were RMB2.3 million as at 31 March 2014 decreased by RMB1.4 million or 38.2% due mainly to lesser deposits placed with suppliers.

Trade payables were RMB12.8 million as at 31 March 2014 declined by RMB11.7 million or 48.0% due mainly to the lower average purchases during the period. The average trade payables' turnover days was 55 days in 1Q2014 comparing to 58 days for the year ended 31 December 2013.

Accruals and other payables decreased by RMB2.2 million or 9.6%, from RMB23.0 million as at 31 December 2013 to RMB20.8 million as at 31 March 2014 due mainly to the payment of social security fund, water, electricity and fuel expenses.

Compensations payables - On 9 June 2013, 12 June 2013, 6 August 2013, 15 August 2013, 2 September 2013 and 25 September 2013, the Company announced that its wholly-owned subsidiary, Fujian Qianfeng Textile Technology Co., Ltd (“**Fujian Qianfeng**”) has received claims amounting to RMB 517 million from several customers (“**Claimants**”) for delivered products that allegedly failed to meet customers' specified requirements. On 2 September 2013, the Company announced that it had on 30 August 2013 entered into settlement agreements (“**Settlement Agreements**”) with the Claimants, on substantially similar terms. According to the terms of the Settlement Agreements, the cash compensation will be reduced to RMB 300 million and had been settled in late September 2013. The remaining RMB 161.5 million will be utilised by the Claimants to deduct from future sales of fabric materials over the next five years, up till 31 July 2018. Pursuant to the terms of Settlement Agreements, the Claimants have also waived their rights to commence any litigation or other analogous proceedings against the Group, and will ensure that their customers will not commence any such proceedings against the Group (including for any alleged loss of profits).

On 28 March 2014, the Company announced the arbitration proceedings in respect of the Settlement Agreements, whereby the arbitrators had confirmed that the terms of the Settlement Agreements were valid and enforceable, and affirmed that Fujian Qianfeng was required to provide the compensation amounting to the aggregate of RMB86,500,952 to the Claimants by way of the provision of products over the period of sixty months. The Board wishes to confirm that the settlement amount payable has already been provided for in the financial statements of the Company, the affirmation of the terms of the Settlement Agreements will not result in any material impact on the financial position of the Company, and the amount of arbitration fees payable by Fujian Qianfeng is not considered material.



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The cash compensation of RMB300 million was repaid to the Claimants ahead of schedule in September 2013, and the amount of compensation which remains unpaid is equivalent to RMB81.5 million (calculated based on the remaining RMB161.5 million less (i) the further 8% discount of RMB36.9 million received from the Claimants as reflected in the Company’s third quarter financial results announced on 12 November 2013, and (ii) further partial settlements amounting to RMB37.4 million and RMB5.7 million (“**Partial Settlement Amounts**”), which were repaid by the Company through setting-off the Partial Settlement Amounts against trade receivables from the Claimants for sales made to the Claimants until 31 December 2013 and 31 March 2014 respectively).

Please refer to the announcements referred to in the foregoing paragraphs for more details relating to the aforesaid claims and compensation.

Amount due to a director/shareholder relates to payment on behalf by the director/shareholders and is unsecured, interest-free and has no no repayment terms.

Review of Cash Flow

The Group incurred losses before tax of RMB0.4 million (1Q2013: RMB5.0 million) and negative cash flow from operating activities of RMB4.8 million (1Q2013: RMB2.0 million positive cash flows) for the financial period ended 31 March 2014.

There was no cash flow in respect of the investing activities for the period as compared to the cash outflow of RMB0.4 million relating to acquisition of plant and machinery in 1Q2013. The cash outflow for financing activities amounting to RMB0.2 million for both periods relating to repayment of loan. The net decreases in cash and cash equivalents were RMB5.0 million in the current quarter while net increase amounting RMB1.5 million for 1Q2013.

Notwithstanding the above, the management are of the opinion that the Group is able to meet its obligations for the remaining financial year s and when they fall due having regard to the sufficiency of the cash flow estimated by the management.

In addition, the CEO, on 23 April 2014, executed an irrevocable letter of undertaking for discharge of debts governed by PRC law in favour of the Company to provide financial support to the Company of an amount up to RMB100 million. In connection thereto, the CEO had also on the same date executed a mortgage, governed by PRC law, over four of his properties in Fuzhou which are estimated to be worth above an aggregate of RMB120 million, as security for the irrevocable undertaking.

Accordingly, the management considers it appropriate that these financial statements should be prepared on a going concern basis

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.



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10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In view of the deteriorated market situation, the Group will be very prudent in further business development including proceeding cautiously with its downstream business.

The Group had released an announcement on 6 January 2014 that Company has entered into a sale and purchase agreement between the Company as purchaser and China Construction Material Holdings Limited (“CCMH”) as vendor on 3 January 2014 in connection with the acquisition (the “Proposed Acquisition”) of 100% of the share capital of CCMH.

CCMH is the legal and beneficial owner of 100% of the registered capital of Zhongchuang (Xuzhou) Construction Material Co., Ltd which in turn holds 100% of the registered capital of Xuzhou Zhongsen Tonghao New Board Co., Ltd (“Xuzhou Zhongsen”), incorporated under the laws of the PRC. The principal activities of Xuzhou Zhongsen are the manufacture and sale of decorative boards, based material boards and aluminium products used in the renovation and construction industry.

The Proposed Acquisition will be conditional upon the approval by shareholders of the Company in a general meeting to be convened by the Company.

Please refer to the announcement referred to in the foregoing paragraphs for more details relating to the aforesaid acquisition.

The Company will continue to undertake a strategic review to examine the options regarding the restructuring of its business. Given the negative operating cash flow in the last quarter and the Group’s current cash position, the Group’s continuing status as a going concern is dependent on the the following, which should be addressed in a timely fashion: outcome of this strategic review, the restructuring of the business, the completion of the Proposed Acquisition and the completion of the proposed placement by the Company of 100,000,000 new ordinary shares in the capital of the Company as announced by the Company on 15 August 2013 and 1 November 2013.

As announced by the Company on 31 March 2014 and 24 April 2014, Mr. Lin has executed an deed of undertaking to provide loans of up to RMB 100 million governed by Singapore law (“Singapore Deed”) dated 1 January 2014, and deeds governed by PRC law to provide financial support to the Company of an amount of up to RMB 100 million (“Irrevocable Undertaking”) and to mortgage four of his properties in Fuzhou which are estimated to be worth above an aggregate of above RMB 120 million (the “Mortgaged Properties”), as security for the Irrevocable Undertaking. The Audit Committee will continually evaluate the financial support required by the Company and will not hesitate to call upon Mr. Lin’s undertakings and/or exercise its rights and remedies under the Singapore Deed and/or the Irrevocable Undertaking should this be required. In the event that Mr. Lin does not have adequate cash resources to fulfil his obligations under the Irrevocable Undertaking, the Company will then dispose of the Mortgaged Properties.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.



Asia Fashion Holdings Limited

(Company Registration No. 41195)
(Incorporated in Bermuda)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2014 (“1Q2014”)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded during the period.

13. Interested person transactions

Save as disclosed in paragraphs 1(b)(ii) and 9 above, the guarantees provided by our Executive Director Mr Lin Daoqin to our Group, there are no any other interested person transactions.

14. Confirmation by the Board pursuant to Listing Rule 705(5) of SGX Listing Manual

The Directors confirmed that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial information of the Company and of the Group for the first quarter ended 31 March 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lin Daoqin
Executive Director and Chief Executive Officer
15 May 2014