

ASIA FASHION HOLDINGS LIMITED

(Company Registration No. 41195)

(Incorporated in Bermuda)

THE PROPOSED 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")

- RECEIPT OF IN-PRINCIPLE APPROVAL FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
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Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Announcements (as defined hereinafter).

1. INTRODUCTION

The Board of Directors (the "**Board**") of Asia Fashion Holdings Limited (the "**Company**") refers to the announcements released by the Company on 25 November 2015 and 29 December 2015 on the Proposed Share Consolidation (collectively, the "**Announcements**").

2. APPROVAL IN-PRINCIPLE

Further to the Announcements, the Board wishes to announce that the Company has on 4 January 2016 obtained the in-principle approval from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), for the listing and quotation of the Consolidated Shares on the Mainboard of the SGX-ST, subject to Shareholders' approval being obtained at the forthcoming SGM for the Proposed Share Consolidation and compliance with the SGX-ST's listing requirements.

Please note that the SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

3. CIRCULAR

The circular to Shareholders containing, *inter alia*, the notice of SGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

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
4 January 2016