

## ASIA FASHION HOLDINGS LIMITED

(Company Registration No. 41195)

(Incorporated in Bermuda)

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### DISPOSAL OF 50,000 ISSUED AND FULLY PAID ORDINARY SHARES IN THE SHARE CAPITAL OF ASIA ENTERTAINMENT LIMITED, REPRESENTING 100% OF THE SHARE CAPITAL OF ASIA ENTERTAINMENT LIMITED

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#### 1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Asia Fashion Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has today entered into a sale and purchase agreement (the “**SPA**”) with the Company as vendor and Mr. Wong Chon Chong as purchaser (the “**Purchaser**”) in connection with the disposal (the “**Disposal**”) of 50,000 issued and fully paid ordinary shares (the “**Sale Shares**”) in the share capital of Asia Entertainment Limited (“**AEL**”), which represents 100% of the share capital of AEL.
- 1.2 The Disposal was completed on 28 September 2018. Following completion (“**Completion**”) of the Disposal, AEL and its subsidiaries (which include Asia Entertainment (Hong Kong) Limited (“**AEHK**”) and AB Family Entertainment Limited (“**ABFE**”)) have ceased to be subsidiaries of the Company.

#### 2. CONSIDERATION FOR THE SALE SHARES

- 2.1 The consideration payable by the Purchaser for the Sale Shares is HK\$1, which has been settled in cash to the Company.
- 2.2 On Completion, the Purchaser shall, *inter alia*:
- (a) to the maximum extent permitted by law, irrevocably and unconditionally fully and forever release, remise and discharge the Company of and from any and all actions, proceedings, claims, demands, debts, obligations, liabilities, costs or expenses, disputes, of whatsoever kind or nature, in law, equity or otherwise, whether known or unknown, whether or not concealed or hidden, which the Purchaser has, had, may have had, or now has for or by reason of any matter, cause, issue or thing whatsoever, to and including the payment date, in respect of any and all claims which were or might have been asserted in relation to AEL and/or its subsidiaries; and
  - (b) irrevocably and unconditionally fully and forever release, remise and discharge the Company from liabilities of AEL and its subsidiaries (which include AEHK and ABFE) (the “**Liabilities Waiver**”), including but not limited to any liabilities in respect of an unsecured interest-free working capital loan of HK\$1,500,000 provided by the Purchaser to AEHK on 31 October 2016, which was due and repayable on 30 April 2018.

#### 3. VALUE OF THE SALE SHARES

- 3.1 Based on the latest announced consolidated financial statements of the Group for the financial year ended 30 June 2018, the book value and net liabilities attributable to the Sale Shares as at 30 June 2018 are approximately -RMB 484,000 and RMB 484,000 respectively. The consideration of HK\$1.00 for the Disposal was arrived at on a willing-buyer, willing-seller basis, taking into consideration the negative book value and the net liabilities of the Sale Shares, and the Liabilities Waiver.

#### 4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 4.1 None of the Directors, and to the best knowledge of the Directors, none of the controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

- 4.2 None of the Directors, and to the best knowledge of the Directors, none of the controlling shareholders of the Company is related to the Purchaser.

**5. RULE 1006 OF THE SGX-ST LISTING MANUAL**

- 5.1 The relevant relative figures computed on the basis of Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual of the SGX-ST in respect of the Disposal are below 5%. However, as the relative figure under Rule 1006(a) is negative, the Company has consulted the SGX-ST pursuant to Rule 1007(1) of the Listing Manual of the SGX-ST. Based on the Company's submission and representation to the SGX-ST, the SGX-ST is of the view that the Disposal does not constitute a major transaction under Chapter 10 of the Listing Manual of the SGX-ST and shareholders' approval is not required for the Disposal.
- 5.2 The Disposal is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Company for the current financial year.

**6. DOCUMENT FOR INSPECTION**

A copy of the SPA is available for inspection during normal business hours at the office of the Company's Share Transfer Agent, M&C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 during normal business hours on any weekday (public holidays excepted) during the period commencing three (3) months from the date of this announcement.

**BY ORDER OF THE BOARD**

Han Yue Gao  
Executive Director  
28 September 2018