

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

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**MUTUAL TERMINATION OF THE SALE AND PURCHASE AGREEMENT FOR THE  
PROPOSED ACQUISITION OF 100% OF THE SHARE CAPITAL OF CHINA  
CONSTRUCTION MATERIAL (HONG KONG) LIMITED**

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The Board of Directors (“**Board**”) of Asia Fashion Holdings Limited (the “**Company**”) refers to the announcement by the Company dated 6 January 2014 (“**Announcement**”), where the Company had announced that it had entered into a sale and purchase agreement (the “**SPA**”) between the Company as purchaser and China Construction Material Holdings Limited as vendor (the “**Vendor**”) on 3 January 2014 in connection with the acquisition (“**Proposed Acquisition**”) of 100% of the share capital of China Construction Material (Hong Kong) Limited.

Further to the Announcement, the Board wishes to announce that as the Company may not be able to complete the Proposed Acquisition within a reasonable time, the Company has on 3 June 2014 entered into a mutual termination deed with the Vendor to terminate the SPA with immediate effect (the “**Termination**”).

The Company will continue to explore its options and other alternatives.

Save for professional fees incurred, the Termination is not expected to have any material financial impact on the Company and its subsidiaries for the current financial year.

The Company has agreed with the Vendor that neither party shall have any claim against the other party hereafter arising from the Termination.

As at the date of this announcement, none of the directors or substantial shareholders of the Company, save for their respective shareholdings in the Company, has any interest, direct or indirect, in the Termination.

By Order of the Board

Neo Chee Beng  
Executive Chairman  
3 June 2014