

ASIA FASHION HOLDINGS LIMITED

(Company Registration No. 41195)

(Incorporated in Bermuda)

PROPOSED ACQUISITION OF 70% EQUITY INTEREST IN THE REGISTERED CAPITAL OF BOYA LIANLI (BEIJING) INVESTMENT LIMITED AND APPOINTMENT OF UOB-KAY HIAN PRIVATE LIMITED AS PLACEMENT AGENT FOR THE PROPOSED PLACEMENT OF UP TO 62,500,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF ASIA FASHION HOLDINGS LIMITED

1 INTRODUCTION

The Board of Directors (the “**Board**”) of Asia Fashion Holdings Limited (the “**Company**”) wishes to announce that the Company has on 2 March 2016 entered into a sale and purchase agreement (the “**SPA**”) with Wei Ying (the “**Vendor**”) for the acquisition by the Company of 70% of the total equity interest in the registered capital of Boya Lianli (Beijing) Investment Limited (“**Boya Lianli**”) for an aggregate consideration of S\$11,200,000 (or equivalent foreign currency), in the manner set out in Section 3.2 below (the “**Proposed Acquisition**”).

In connection with the Proposed Acquisition, the Board wishes to announce that the Company has on 2 March 2016 signed a mandate letter (the “**Mandate Letter**”) with UOB Kay Hian Private Limited (“**UOBKH**”) appointing UOBKH as its placement agent (the “**Placement Agent**”) in relation to the placement of up to 62,500,000 new ordinary shares in the capital of the Company (the “**Placement Shares**”) on a best efforts basis, in the manner and on the terms described in Section 2 below (the “**Proposed Placement**”). The Company will seek the requisite regulatory and shareholders’ approval for the Proposed Placement. As the Company intends to raise proceeds from the Proposed Placement amounting up to S\$20,000,000, the issue price per Placement Share is assumed to be S\$0.32 (the “**Placement Price**”) for the purposes of this Announcement. The actual Placement Price will be determined upon the signing of the definitive agreement relating to the Proposed Placement (the “**Definitive Agreement**”), subject to prevailing market price and market conditions.

It is intended that a placement commission of 2.75% of the actual Placement Price (to be determined upon the signing of the Definitive Agreement) (the “**Placement Commission**”) is payable by the Company to the Placement Agent pursuant to the Mandate Letter. It is intended that no part of the Placement Commission will be shared with any subscriber to be procured by the Placement Agent. Subject to the terms of the Definitive Agreement, it is intended that the Placement Commission shall be deducted from the proceeds arising from the Proposed Placement on such terms to be specified in the Definitive Agreement. Further details will be announced in the event the Definitive Agreement is entered into by the Company.

The Proposed Acquisition and the Proposed Placement (together, the “**Proposed Transactions**”) will be conditional upon approval by shareholders of the Company (the “**Shareholders**”) in a special general meeting (“**SGM**”) to be convened by the Company.

2 DETAILS OF THE PROPOSED PLACEMENT

2.1 Placement Shares

As at the date of this Announcement, the volume weighted average price (“**VWAP**”) for trades done on the ordinary shares in the capital of the Company (“**Shares**”) on the the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full market day on 2 March 2016 (being the market day on which the Mandate Letter was signed) is S\$0.33. The assumed Placement Price of S\$0.32 represents a discount of approximately 3.03% to the VWAP of S\$0.33 for trades done on the Shares

on the SGX-ST for the full market day on 2 March 2016 (being the market day on which the Mandate Letter was signed).

Up to 62,500,000 Placement Shares may be issued pursuant to the Proposed Placement. When issued and fully paid, it is intended that the Placement Shares will rank *pari passu* in all respects with the existing Shares, except that they shall not rank for any dividend, right, allotment or other distribution (if any) the record date in respect of which falls on or before the date of issue of the Placement Shares.

The Board refers to the Company's announcements on 5 March 2015, 16 March 2015, 27 March 2015 and 31 March 2015 in relation to the issuance of seven per cent (7%) unsecured convertible bonds due 2017 of an aggregate principal amount of S\$2,660,000 (the "**Issuance**"). The Company entered into a convertible bond agreement dated 5 March 2015 (the "**Agreement**") with Alternus Capital Holdings Limited (the "**Investor**"), whereby the Investor had agreed to subscribe for S\$2,660,000 of convertible bonds (the "**Convertible Bonds**"). The Company entered into a supplemental agreement dated 16 March 2015 (the "**Supplemental Agreement**") with the Investor to, *inter alia*, provide for adjustments in the event any share consolidation exercise of the Company occurs. On 27 March 2015, the Company received the approval in-principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of up to 38,000,000 new ordinary shares in the capital of the Company on the Main Board of the SGX-ST to be issued upon conversion of the Convertible Bonds. The Issuance was completed on 31 March 2015 and the Convertible Bonds were issued to the Investor for S\$2,660,000.

The Board also refers to the Company's announcements on 22 February 2016 and 24 February 2016 in relation to the proposed consolidation of every sixteen (16) existing shares into one (1) consolidated share, fractional entitlements to the consolidated shares resulting from the share consolidation to be disregarded (the "**Share Consolidation**"). The Company had announced on 22 February 2016 that no Convertible Bonds were converted prior to the books closure date, and that the completion of the Share Consolidation will constitute an event giving rise to an adjustment to the conversion price of the Convertible Bonds (the "**Conversion Price**") pursuant to the terms and conditions of the Agreement (as supplemented by the Supplemental Agreement). Accordingly, an adjustment was made to the Conversion Price and the new Conversion Price is S\$1.12, with effect from 5.00 p.m. on 23 February 2016, being the close of the stock exchange business date immediately preceding the date on which the Share Consolidation becomes effective. The Board wishes to update the Shareholders that the Share Consolidation was completed on 24 February 2016 and was effective with effect from 9.00 a.m. on the same day. Save for the Convertible Bonds, the Company does not have existing warrants or other convertibles.

On the assumption that the full 62,500,000 Placement Shares are allotted and issued and all of the outstanding Convertible Bonds are converted into new Shares (the "**Conversion Shares**"), on completion of the Proposed Placement:

- (a) the Proposed Placement will increase the issued and paid up capital of the Company to 115,375,000 Shares; and
- (b) the Placement Shares will represent approximately 118.20% of the total number of issued Shares of the Company and will represent approximately 54.17% of the enlarged total number of issued Shares.

On the assumption that the full 62,500,000 Placement Shares are allotted and none of the Convertible Bonds are converted into Conversion Shares, on completion of the Proposed Placement:

- (a) the Proposed Placement will increase the issued and paid up share capital of the Company to 113,000,000 Shares; and
- (b) the Placement Shares will represent approximately 123.76% of the total number of issued Shares of the Company and will represent approximately 55.31% of the enlarged total number of issued Shares.

2.2 General

It is intended that there will be no share borrowing arrangements to facilitate the Proposed Placement.

The Company will enter into the Definitive Agreement with the Placement Agent at a later stage, subject to the determination of the actual Placement Price in view of the prevailing market price and market conditions.

The terms of the Proposed Placement will not contravene any laws and regulations governing the Company and the bye-laws of the Company.

It is intended that the subscription of the Placement Shares will be made pursuant to the exemptions available under the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

3 DETAILS OF THE PROPOSED ACQUISITION

3.1 Background Information on the Proposed Acquisition

Boya Lianli was incorporated on 13 August 2014 under the laws of the People's Republic of China ("PRC"). As at the date hereof, Boya Lianli has a registered capital of RMB5,000,000. The business of Boya Lianli is that of media and entertainment, which focuses on investments in online movie productions, and which also includes the provision of post-production services, film distribution services, promotion services and consultancy services (the "**Business**").

Upon completion of the Proposed Acquisition, the Company will own 70% of the registered capital of Boya Lianli. The book value, net tangible asset value (as defined hereunder) as at 31 December 2015 is RMB7,800,000, and RMB7,800,000 respectively.

Vigers Appraisal & Consulting Limited has been jointly nominated by the Company and the Vendor, and appointed by the Company as the independent qualified valuer (the "**Valuer**") to prepare a valuation report regarding Boya Lianli and its subsidiaries (collectively the "**Boya Group Companies**", and each a "**Boya Group Company**"), which shall satisfy all applicable requirements of the Listing Manual of the SGX-ST (the "**Valuation Report**"). The Valuation Report will be included in the circular to Shareholders to be despatched in due course.

3.2 Principal Terms of the Proposed Acquisition

3.2.1 Sale Equity Interest

The Proposed Acquisition involves the acquisition of 70% of the total equity interest of the registered capital of Boya Lianli (the “**Sale Equity Interest**”) free from all encumbrances and together with all rights, dividends, entitlements and advantages now and hereafter attaching thereto.

3.2.2 Consideration

The aggregate consideration (the “**Consideration**”) for the purchase of the Sale Equity Interest is up to the amount of S\$11,200,000 (or equivalent foreign currency). The Consideration shall be satisfied by payment of S\$11,200,000 (or equivalent foreign currency) in cash.

The Consideration was arrived at on a willing-seller-willing-buyer basis after arms’ length negotiations between the parties after taking into consideration, *inter alia*, the valuation of the Sale Equity Interest based on the Valuation Report.

The FY2015 net profits attributable to the Sale Equity Interest being acquired pursuant to the Proposed Acquisition based on Boya Lianli’s unaudited financial statement is RMB2,010,000.

3.2.3 Indemnity

The Vendor undertakes to keep the Company fully and effectively indemnified against any and all losses, costs, damages, claims, demands, actions, proceedings, liabilities, and expenses whatsoever (including but not limited to all legal costs or attorney’s fees on a full indemnity basis) that the Company may incur or suffer in connection with or arising from (a) any breach (actual or alleged) or inaccuracies of any of the representations, warranties, undertakings (the “**Warranties**”) and/or any default by the Vendor of any of its obligations under the SPA or (b) any proceeding against the Company brought by any third party arising out of any such breach or default referred to in (a) above.

3.2.4 Conditions Precedent

Completion of the Proposed Acquisition (“**Completion**”) is conditional upon the following condition precedents (unless waived in accordance with the SPA, to the extent legally permissible):

- (a) the transfer of the Sale Equity Interest not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the SPA by any legislative, executive or regulatory body or authority which is applicable to the Vendor or the Company and Zhong Lun Law Firm confirming that the transfer of the Sale Equity Interest and the ongoing conduct of the business of Boya Lianli by the Company is not being prohibited by any statute, order, rule, regulation or directive promulgated or issued in the PRC;
- (b) receipt of all consents and approvals required under any and all applicable laws or from any governmental agency, regulatory authority or third party which may be necessary or desirable in respect of the sale and purchase of the Sale Equity Interest and any other matter contemplated under the SPA, including approvals from the Shareholders and/or the SGX-ST where required;
- (c) the Warranties remaining true and accurate in all respects and not misleading in any respect at Completion, as if repeated at Completion and at all times between the date of the SPA and Completion;

- (d) the results of the Company's financial, legal, tax and operational due diligence investigation conducted in respect of the Boya Group Companies being satisfactory to the Company in its sole and absolute discretion;
- (e) the results of the Valuation Report by Vigers Appraisal & Consulting Limited in respect of the Boya Group Companies, being satisfactory to the Company in its sole and absolute discretion; and
- (f) the successful raising of funds from the Proposed Acquisition, including the raising of proceeds arising from the Proposed Placement.

If any of the condition precedents above shall not be fulfilled, and shall not have been waived in accordance with the SPA, on or before 30 September 2016 (or such other date as the parties may mutually agree in writing), the SPA shall *ipso facto* cease and determine and no party to the SPA shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim by the Company against the Vendor arising from any antecedent breach.

3.2.5 Non-compete

The Vendor undertakes with the Company and its affiliated persons that Boya Lianli will not, and will procure that none of his affiliated persons will for its own account or for that of any person, firm, or company (other than the Company or any other member of the Company's group of companies, during the period of twenty-four months commencing on Completion (or such shorter period of time recognised by applicable law as being binding on the Vendor) in the PRC (the "**Relevant Jurisdiction**"):

- (a) directly or indirectly carry on, be engaged in or be economically interested in any business which is of the same or similar type to the Business as now carried on and which is or is likely to be in competition with the Business;
- (b) provide or assist with technical or other advice in relation to the Business any person, firm or company engaged or about to be engaged within the PRC in any such business;
- (c) canvass or solicit or entice away from any Boya Lianli Company the customer of any person, firm or company who has within the twelve months prior to Completion been an officer, employee and/or customer of any Boya Group Company in relation to the Business;
- (d) induce or seek to induce any present key employees, including the chief executive officer, general manager, chief operating officer and all the respective departmental heads (the "**Restricted Employees**") of Boya Lianli to become employed whether as employee consultant or otherwise by the Vendor or any affiliated person, whether or not such Restricted Employee would thereby commit a breach of his contract of service; or
- (e) except so far as may be required by law or as required by any law, statute or rule governing the disclosure of information or for the purposes of the SPA, at any time disclose or permit to be disclosed to or use or permit to be used by any person, or through any failure to exercise all due care and diligence cause any unauthorised disclosure or use of, any confidential information which it or any of its officers has acquired in the course of or as a result of their connection with any Boya Group Company.

4 **SHAREHOLDERS' APPROVAL FOR THE PROPOSED TRANSACTIONS**

Rule 805 of the Listing Manual of the SGX-ST requires the approval of shareholders in a SGM to be obtained by the issuer for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer, except where a general mandate for such issue has been

approved by shareholders in general meeting pursuant to Rule 806 of the SGX-ST Listing Manual. Accordingly, the Proposed Placement is conditional on Shareholders' approval at the SGM.

The Proposed Acquisition constitutes a major transaction as defined in Chapter 10 of the SGX-ST Listing Manual (details of which are set out in Section 7 of this Announcement). Accordingly, the Proposed Acquisition is conditional on Shareholders' approval at the SGM.

The resolutions for the Proposed Placement and Proposed Acquisition will be inter-conditional.

The Company will be applying to the SGX-ST for the dealing in, listing and quotation of the Placement Shares on the Official List of the SGX-ST and will make the necessary announcements once the approval-in-principle of the listing and quotation of the Placement Shares have been obtained from the SGX-ST.

The Company intends to convene a SGM to seek the approval of Shareholders for the Proposed Transactions. A circular containing information on, *inter alia*, the Proposed Transactions, together with the notice of the SGM, will be despatched to Shareholders in due course.

The Company will be requesting each of its substantial shareholders to provide irrevocable undertakings to the Company to vote all of their respective Shares in favour of the Proposed Transactions at the SGM of the Company to be convened to consider the Proposed Transactions.

5 RATIONALE

5.1 Proposed Placement and Use of Proceeds

The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement of approximately S\$800,000, will be approximately S\$19,200,000, on the assumption that the full 62,500,000 Placement Shares are allotted and issued at an assumed Placement Price of S\$0.32 each.

The Company, after taking into account its working capital position, intends to utilise:

- (a) up to approximately 60% of the net proceeds to fund the consideration for the Proposed Acquisition;
- (b) up to approximately 20% of the net proceeds to finance or fund any possible acquisitions, purchases or investments as may be proposed from time to time in relation to other potential business which the Company and its subsidiaries (collectively, the "**Group**") is exploring or may make or embark upon;
- (c) up to approximately 2.75% of the net proceeds to pay the Placement Commission; and
- (d) the balance of the net proceeds for the Group's general corporate and working capital to strengthen its financial and working capital position.

The Company will make periodic announcement(s) as to the signing of the Definitive Agreement and the use of the proceeds from the Proposed Placement as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the proceeds raised from the Proposed Placement in the Company's announcements on use of proceeds in the Company's

annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5.2 Proposed Acquisition

The Board is supporting the Proposed Acquisition because it is in line with the Company's strategic review and objective of re-evaluating activities across the Group. The Proposed Acquisition also allows the Company to strategically enter fast-growing markets with potential for further growth, to enhance profitability and unlock value for the Shareholders.

The Proposed Acquisition is also in line with the Company's strategic plans to expand its core business to include media and entertainment, which focuses on investments in online movie productions, and which also includes the provision of post-production services, film distribution services, promotion services and consultancy services, and will give the Group a strategic exposure and entry into this sector. The Proposed Acquisition will allow the Company to gain an interest in the material contracts that Boya Lianli has with broadcasting platforms in the PRC. The Proposed Acquisition results in an expansion into the PRC media industry with a view to change the core business of the Company in order to enhance profitability.

6 FINANCIAL EFFECTS

6.1 Proposed Placement

The financial effects of the Proposed Placement on the Company and the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company and the Group after the completion of the Proposed Placement. The table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (a) The audited consolidated financial statements of the Company for the financial year ended 31 December 2014 ("FY2014"), which is the most recently completed financial year;
- (b) The financial effect on the consolidated net tangible assets ("NTA") per Share of the Company is computed based on the assumption that the Proposed Placement was completed on 31 December 2014, which is the most recently completed financial year;
- (c) The financial effect on the consolidated earnings per Share ("EPS") is computed based on the assumption that the Proposed Placement was completed on 1 January 2014; and
- (d) The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement of approximately S\$800,000, is assumed to be approximately S\$19,200,000 and the full 62,500,000 Placement Shares are allotted and issued.

	Before the Proposed Placement	After the Proposed Placement (assuming that the Convertible Bonds are converted)	After the Proposed Placement (assuming that the Convertible Bonds are not converted)
Share Capital (US\$)	40,000,000.00	40,000,000.00	40,000,000.00

Issued and Paid-up Share Capital (US\$)	2,744,013.19	7,934,013.19	7,744,013.19
Number of Shares	34,300,165	99,175,165	96,800,165
NTA (RMB'000)	15,944	122,422	109,346
NTA per Share (RMB cents)	46.48	123.44	112.96
EPS (RMB cents)⁽¹⁾	51.61	51.35	51.36
Earnings attributable to equity holders of the Company (RMB'000)	17,703	17,703	17,703
Weighted average number of shares used to calculate diluted earnings	34,300,165	34,477,904	34,471,398

Note:

1. EPS is calculated by dividing the Company's consolidated net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.

6.2 Proposed Acquisition

The financial effects of the Proposed Acquisition on the Company and the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company and the Group after the completion of the Proposed Acquisition. The table below sets out the financial effects of the Proposed Acquisition based on the following bases and assumptions:-

- (a) The audited consolidated financial statements of the Company for the FY2014, which is the most recently completed financial year;
- (b) The financial effect on the consolidated NTA per Share of the Company is computed based on the assumption that the Proposed Acquisition was completed on 31 December 2014, which is the most recently completed financial year; and
- (c) The financial effect on the consolidated EPS is computed based on the assumption that the Proposed Acquisition was completed on 1 January 2014.

Earnings / (Losses) per Share

	Earnings / (Losses) attributable to Shareholders (RMB'000)	Weighted average number of Shares	Earnings / (Losses) per Share (RMB cents)
Before the Proposed Acquisition	17,703	34,471,398	51.36
After the Proposed Acquisition	20,612	34,471,398	59.79

NTA

	NTA (RMB'000)	Number of Shares as at 31 December 2014	NTA per Share (RMB cents)
Before the Proposed Acquisition	15,944	34,300,165	46.48
After the Proposed Acquisition	23,832	34,300,165	69.48

7 RELATIVE FIGURES UNDER RULE 1006 APPLICABLE TO THE PROPOSED ACQUISITION

Based on the latest unaudited fourth quarter financial statement for the twelve (12) months ended 31 December 2015, the relative figures applicable to the Proposed Acquisition computed on the bases pursuant to Rule 1006 (a) to (e) of the SGX-ST Listing Manual are as follows:

Listing Rule	Basis	Relative figures (%)
Rule 1006(a)	Net asset value of assets being disposed of, as compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable.
Rule 1006(b)	Net profits attributable to the Sale Equity Interest, compared with the Group's net profits.	-18.88%
Rule 1006(c)	Aggregate value of the consideration given for the acquisition of the Sale Equity Interest, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	71.46%
Rule 1006(d)	The number of equity securities to be issued by the Company as consideration for the acquisition of Sale Equity Interest, compared with the number of equity securities previously in issue.	Not applicable as no equity securities are to be issued as consideration.

Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable.
---------------------	--	-----------------

As the figure in Rule 1006(c) is more than 20%, the Proposed Acquisition will constitute a "Major Transaction" to the Company within the meaning of Chapter 10 of the SGX-ST Listing Manual, as computed on the above bases. Accordingly, the Proposed Acquisition will be made conditional upon approval by the Shareholders in SGM.

8 SERVICE CONTRACTS

There are no Directors proposed to be appointed to the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Acquisition.

9 RULE 812 AND INTERESTED PERSONS

It is intended that none of the placees under the Proposed Placement will fall within the persons or groups of persons disallowed by the SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual or are interested persons under Chapter 9 of the SGX-ST Listing Manual.

10 CHANGES IN SHAREHOLDING STRUCTURE

The Placement Shares will collectively represent approximately 123.76% of the existing issued and paid-up share capital of the Company as at the date of this Announcement and 55.31% of the enlarged issued and paid-up share capital of the Company after the completion of the Proposed Placement. Based on the issued share capital of the Company as at the date hereof, the following table (assuming that the convertible bonds have not been issued and/or converted) sets out the impact on the percentage shareholding of existing Shareholders following completion of the Proposed Placement:

Substantial Shareholders	As at the date hereof			After the Placement (assuming that the Convertible Bonds have not been converted)		
	Number of Shares and (%)					
	Direct Interest	Deemed Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest
Yuan Limin	0	9,947,047	9,947,047(19.7%)	0	9,947,047	9,947,047 (8.8%)
Yong Tai Investment Company Limited	9,947,047	0	9,947,047(19.7%)	9,947,047	0	9,947,047 (8.8%)
Wang Chunzhi	0	5,328,571	5,328,571(10.6%)	0	5,328,571	5,328,571 (4.7%)
Link Profits Limited	5,328,571	0	5,328,571(10.6%)	5,328,571	0	5,328,571 (4.7%)
Li Yuhuan	6,274,835	0	6,274,835(12.4%)	6,274,835	0	6,274,835 (5.6%)

Asia Brand Capital Pte. Ltd.	0	3,675,030	3,675,030(7.3%)	0	3,675,030	3,675,030 (3.3%)
Liu Yanlong	0	3,675,030	3,675,030(7.3%)	0	3,675,030	3,675,030 (3.3%)
Notes:-						
(1) Mr. Yuan Limin is deemed to be interested in 9,947,047 Shares in the Company held by Yong Tai Investment Company Limited ("Yong Tai"). Mr. Yuan Limin is the sole shareholder of Yong Tai.						
(2) Ms. Wang Chunzhi is deemed to be interested in 5,328,571 Shares in the Company held by Link Profits Limited ("Link Profits"). Ms. Wang Chunzhi is the sole shareholder of Link Profits.						
(3) The shares held by Asia Brand Capital Pte. Ltd. ("Asia Brand") are registered in the name of DBS Vickers Securities Nominees Pte. Ltd.						
(4) Mr. Liu Yanlong is deemed to be interested in 3,675,030 Shares in the Company held by Asia Brand. Mr. Liu Yanlong is the sole shareholder of Asia Brand.						

11 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors or substantial shareholders of the Company (other than in their capacity as director or shareholders of the Company) has any interest, direct or indirect, in the Proposed Transactions.

12 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

13 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA and the Valuation Report are available for inspection during normal business hours at the Company's registered office for three (3) months from the date of this announcement.

In view of the Proposed Transactions, Shareholders and potential investors should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY THE ORDER OF THE BOARD

Mak Tin Sang
Executive Chairman and Chief Executive Officer
2 March 2016