

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

- (A) **USE OF PROCEEDS RAISED FROM THE ISSUANCE OF 7.0% UNSECURED CONVERTIBLE BONDS TO MR DAI JI ZHOU ON 2 JUNE 2017 DUE 2 JUNE 2020 OF AN AGGREGATE PRINCIPAL AMOUNT OF S\$2,100,000 (“CONVERTIBLE BONDS”)**
- (B) **USE OF PROCEEDS RAISED FROM THE PLACEMENT (THE “PLACEMENT”) OF AN AGGREGATE OF 35,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ISSUED AT S\$0.11 PER PLACEMENT SHARE TO PLACEEES PURSUANT TO THE PLACEMENT AGREEMENTS ENTERED INTO BETWEEN THE COMPANY AND EACH OF MR HU ZHEN, MR LI ZHENG, MR NG WA PANG AND MS DAI JU YUN (COLLECTIVELY, THE “PLACEEES”) ON 7 DECEMBER 2016**

**A. USE OF PROCEEDS RAISED FROM THE ISSUANCE OF CONVERTIBLE BONDS**

The Board of Directors (the “**Board**”) of Asia Fashion Holdings Limited (the “**Company**”) refers to the announcements dated 25 November 2016, 23 December 2016, 23 March 2017, 24 April 2017, 9 May 2017, 26 May 2017 and 2 June 2017 (collectively, the “**Convertible Bond Issuance Announcements**”).

Further to the Convertible Bond Issuance Announcements, the Board wishes to provide an update on the use of the gross proceeds actually received in the amount of HK\$12,000,000 (the approximate equivalent of S\$2,100,000) (“**Convertible Bond Gross Proceeds**”) raised from the Convertible Bonds.

The Convertible Bond Gross Proceeds have been fully drawn down and utilised by the Company as general working capital, in accordance with the intended use as set out below:

	<b>Amounts (HK\$'000)</b>
<b>GROSS PROCEEDS RAISED</b>	<b>12,000</b>
<b>APPLICATION OF PROCEEDS</b>	
Full Settlement of 10% Straight Coupon Bonds due to Prime Pacific Investment Limited – Principal Amount	(10,000)
Full Settlement of 10% Straight Coupon Bonds – Accrued Half Year’s Interest For Normal Loan Period @10%p.a.	(500)
Full Settlement of 10% Straight Coupon Bonds – Accrued Two Months’ Interest For Extended Loan Period @12%p.a.	(200)
Accrued salary paid in June 2017	(284)
Accrued salary and ID fees paid in July 2017 (Partial)	(1,016)
	0
<b>Gross Proceeds Unutilized</b>	<b>0</b>

**B. USE OF PROCEEDS RAISED FROM THE PLACEMENT**

The Board refers to the announcements dated 7 December 2016, 23 December 2016, 23 March 2017, 24 April 2017, 9 May 2017, 26 May 2017, 5 June 2017 and 12 June 2017 (collectively, the “**Share Placement Announcements**”).

Further to the Share Placement Announcements, the Board wishes to provide an update on the use of the gross proceeds actually received in the amount of HK\$21,602,000 (the approximate equivalent of S\$3,850,000) (“**Placement Gross Proceeds**”) raised from the Placement.

The Placement Gross Proceeds have been fully drawn down and utilised by the Company as general working capital purposes, in accordance with the intended use as set out below:

	<b>Amounts (HK\$'000)</b>
<b>GROSS PROCEEDS RAISED</b>	21,602
<b>APPLICATION OF PROCEEDS</b>	
Full Settlement of 7% Convertible Bonds due to Alternus Capital Holdings Limited – Principal Amount of S\$2.66M converted to HK\$15M	(15,000)
Full Settlement of 7% Convertible Bonds – Accrued Two Years’ Interest For Normal CB Period	(2,100)
Full Settlement of 7% Convertible Bonds – Accrued 3 Months’ Interest For Extended CB Period @ 9%p.a.	(340)
Accrued salary and ID fees paid in July 2017 (Balance)	(1,340)
Settlement of Legal Fees	(420)
Settlement of Audit Fees (Partial)	(570)
Payment of June & July Office Rental	(580)
26 May 2017 SGM related expenses	(367)
Paid Miscellaneous office expenses	(670)
Paid Additional Listing Fees to SGX	(215)
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<b>Gross Proceeds Unutilized</b>	<b>0</b>
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By Order of the Board

**Chong Tin Yam, Alex**  
Executive Director and Chief Executive Officer  
16 August 2017