

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

APPROVAL IN PRINCIPAL IN RESPECT OF THE PLACEMENT OF 100,000,000 NEW ORDINARY SHARES AND NEGOTIATIONS ON POSSIBLE DISPOSAL

The Board of Directors (the "**Board**") of Asia Fashion Holdings Limited (the "**Company**") refers to the announcement dated 15 August 2013 ("**Placement Announcement**"). Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Placement Announcement.

Further to the Placement Announcement, the Board is pleased to announce that the Company has on 10 September 2014, received the approval in-principle from the SGX-ST for the listing and quotation of up to 100,000,000 new ordinary shares in the capital of the Company on the Main Board of the SGX-ST (the "**Approval In-Principle**").

The Approval In-Principle is subject to the following conditions:

- (a) Compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Proposed Placement;
- (c) Submission of:
 - (i) A written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed placement of units and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (ii) A written undertaking from the Company that it will comply with Rule 803; and
 - (iii) A written confirmation from the Company that it will not issue the Placement Shares to persons prohibited under Rule 812(1) of the Listing Manual.

A separate announcement will be issued by the Company upon the allotment and issue of the Placement Shares.

The Board would also like to inform shareholders that the Company is currently in negotiations with a potential purchaser on the possible sale of its fabric business. However, the proposed disposal is currently only at a preliminary and exploratory stage, and there is no assurance that the Company will proceed with the proposed disposal. 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. The Company will make further announcements as and when appropriate to update Shareholders.

BY THE ORDER OF THE BOARD

Neo Chee Beng
Executive Chairman
11 September 2014