

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

UPDATE ON ADDITIONAL CONTROLS AND MEASURES IMPLEMENTED BY THE GROUP

A. Introduction

The Board of Directors (“**Board**”) of Asia Fashion Holdings Limited (the “**Company**”) refers to the announcements by the Company dated 27 May 2014, 30 May 2014, 14 August 2014, 1 September 2014 and 8 September 2014 (“**Announcements**”), where the Company had, *inter alia*, announced additional controls and measures implemented in connection with the report issued by PricewaterhouseCoopers LLP dated 7 May 2014 and the report dated 11 August 2014 issued by HLB Atrede LLP (“**HLB**”) in respect of its findings on its assessment of the effectiveness of the internal controls systems of the Company and its subsidiaries (the “**Group**”).

B. Update to Internal Audit Report

Further to the Announcements, Board had engaged HLB to (i) commence review on 8 September 2014 of the implementation of the new controls and measures outlined in the Company’s announcement on 1 September 2014, and (ii) issue a report on the effectiveness of such implemented measures on the internal control systems of the Group.

In connection with the foregoing, the Company wishes to announce that HLB Atrede LLP has on 15 October 2014 issued a report (the “**Update HLB Report**”) in respect of its findings. A copy of the executive summary of the Update HLB Report is attached hereto as “**Annex A**”.

By Order of the Board

Neo Chee Beng
Executive Chairman
16 October 2014