

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

**DELAY IN ISSUANCE OF ANNUAL REPORT AND
HOLDING OF ANNUAL GENERAL MEETING**

The Board of Directors (the “**Board**”) of Asia Fashion Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), wishes to update shareholders that there is expected to be a delay in the holding of the annual general meeting (“**AGM**”) of the Company for the financial year ended 30 June 2016 and the issuance of the Company’s annual report and related documents (the “**Annual Report**”) for the full 18 months period ended 30 June 2016.

Reasons for Delay

Under Rule 707(1) of the Listing Manual, the time between the end of an issuer’s financial year and the date of its annual general meeting must not exceed four (4) months. Under Rule 707(2) of the Listing Manual, an issuer must issue its annual report to shareholders and the Singapore Exchange Securities Trading Limited (“**Exchange**”) at least fourteen (14) days before the date of its annual general meeting. As the financial year of the Company had ended on 30 June 2016, the Company is therefore required under Rule 707(1) of the Listing Manual to hold its AGM by 31 October 2016, and is required under Rule 707(2) of the Listing Manual to issue its Annual Report to shareholders and the Exchange by 17 October 2016.

The Company had on 7 October 2016 sought an extension of time from the Exchange in relation to Rule 707 of the Listing Manual (the “**Application**”) as it had required additional time to finalise the audit report with its auditors. However, the Application was rejected by the Exchange in a letter dated 11 October 2016.

Notwithstanding the foregoing, while the Company has used its best efforts to work towards meeting the timelines stipulated by the Exchange, the Company still anticipates that it will be unable to issue the Annual Report by 17 October 2016 and hold the AGM by 31 October 2016 for the following reasons:

1. Late receipt of draft audit report and opinion

The Company had only received the final draft audit report and opinion from its auditors on 10 October 2016, which is a public holiday in Hong Kong (where the management of the Company is based in). However, the Board requires additional time to review and confirm the figures and basis stated in the audit report as the auditors had included new grounds and findings that had not been incorporated in its previous draft reports circulated to the Board. Furthermore, the Company would typically require 6 working days to finalise, edit, print and despatch the Annual Report following the finalisation of the audit report.

As such, the Company will not be in a position to print and despatch the annual report by 17 October 2016.

2. Physical condition of the Company’s Chief Financial Officer, Mr. Mak Tin Sang

Mr. Mak Tin Sang, the Chief Financial Officer of the Company, has been in a poor physical condition of illness primarily due to his prolonged suffering from diabetes, which has impacted his ability to expedite the processing and completion of the audit report and the Annual Report. Under the advice of his personal doctor, he has to take a week’s sick leave to undergo a thorough medical examination and analysis of his physical condition to assess his fitness to continue to hold office.

3. Need to ensure accuracy of information in the financial statements

Notwithstanding the requirement to meet the deadlines under the Listing Manual in relation to the issuance of the Annual Report and the holding of the AGM, the Company wishes to prioritize the accuracy of the figures and information in the financial statements to be included in the Annual Report and to ensure that such information is agreed upon by both the Company and the auditors of the Company. The Company is of the view that to do otherwise would be irresponsible and may result in a breach of statutory duties.

For the reasons above, it appears to the Company that there is likely to be a delay in the issuance of the Annual Report and holding of its AGM despite the Company's best efforts to meet the abovementioned deadlines.

Projected Timeline

The Company is working hard towards issuing its annual report and related documents as soon as possible and to hold its AGM by no later than 25 November 2016.

The Company seeks the kind understanding of all shareholders while it uses its best efforts to finalise and issue the Annual Report and to prepare for the AGM.

By Order of the Board

Chong Tin Yam, Alex
Executive Director and Chief Executive Officer
14 October 2016