

ASIA FASHION HOLDINGS LIMITED

(Company Registration No. 41195)

(Incorporated in Bermuda)

APPROVAL IN-PRINCIPLE IN RESPECT OF:

- (1) THE PROPOSED ISSUANCE OF 7.0% UNSECURED CONVERTIBLE BONDS OF AN AGGREGATE PRINCIPAL AMOUNT OF S\$2,100,000 (THE “PROPOSED CB ISSUANCE”); AND**
 - (2) THE PROPOSED PLACEMENT OF 35,000,000 NEW ORDINARY SHARES (“PROPOSED SHARE PLACEMENT”)**
-

The Board of Directors (the “**Board**”) of Asia Fashion Holdings Limited (the “**Company**”) refers to the announcements dated 25 November 2016, 7 December 2016, 23 December 2016 and 23 March 2017 (collectively, the “**CB Issuance and Share Placement Announcements**”). Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the CB Issuance and Share Placement Announcements.

Further to the CB Issuance and Share Placement Announcements, the Board is pleased to announce that the Company has, on 24 April 2017, received the approval in-principle (the “**CB Issuance and Share Placement Approval In-Principle**”) from the SGX-ST for the listing of and quotation for and permission to deal on the Main Board of the SGX-ST:

1. in respect of the Proposed CB Issuance, up to 7,260,000 new ordinary shares in the capital of the Company, upon full conversion of 7.0% unsecured convertible bonds of an aggregate principal amount of S\$2,100,000 at the conversion price of S\$0.35 per ordinary share (the “**Convertible Bonds**”), to be allotted and issued pursuant to the convertible bonds agreement entered into between the Company and Dai Ji Zhou on 25 November 2016 as extended by the letters dated 23 December 2016 and 23 March 2017; and
2. in respect of the Proposed Share Placement, up to 35,000,000 new ordinary shares in the capital of the Company at the issue price of S\$0.11 per ordinary share to each of Hu Zhen, Li Zheng, Ng Wah Pang and Dai Ju Yun (collectively the “**Placees**”) pursuant to the placement agreements entered into between the Company and each of the Placees on 7 December 2016 as extended by the letters dated 23 December 2016 and 23 March 2017.

The CB Issuance and Share Placement Approval In-Principle is subject to the following conditions:

1. Compliance with the SGX-ST’s listing requirements;
2. Shareholders’ approval for the Proposed CB Issuance and the Proposed Share Placement;
3. Submission of the following:
 - (a) A written confirmation from the Company that the terms of the Proposed CB Issuance comply with Listing Rule 829(1);
 - (b) A written undertaking from the Company that it will comply with Listing Rule 704(30) and Listing Rule 1207(20) in relation to the use of the proceeds from the Proposed CB Issuance, conversion of the Convertible Bonds and the Proposed Share Placement 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;
 - (c) A written undertaking from the Company that it will comply with Listing Rule 803;
 - (d) A written undertaking from the Company that it will comply with Listing Rule 831;

- (e) A written undertaking from the Company that it will not place the Convertible Bonds to persons prohibited under Listing Rule 812(1); and
- (f) A written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1).

The Board is also pleased to announce that the Company has, on 24 April 2017, received the clearance from the SGX-ST that it has no comments to the draft circular on the Proposed CB Issuance and the Proposed Share Placement ("**Circular**") based on the assumption that the Proposed CB Issuance and the Proposed Share Placement comply with the Listing Rules and the Company has disclosed all the information required by the Listing Rules in the Circular.

Shareholders and potential investors should note that the SGX-ST's in-principle approval above is not to be taken as an indication of the merits of the Proposed CB Issuance and the Proposed Share Placement, the Company and/or its subsidiaries.

Shareholders should also note that clearance of the draft Circular does not imply that the Companies Act (Cap. 50 of Singapore) and any amendments thereof, or any other statutory requirements, have been complied with. Shareholders should further note that the SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the draft Circular.

The Circular will be sent to all Shareholders in due course.

Separate announcements will be issued by the Company upon the issue of the Convertible Bonds, and the allotment and issue of the Placement Shares and Conversion Shares.

Shareholders and potential investors should note that the Proposed CB Issuance and Proposed Share Placement are subject to the fulfilment of, *inter alia*, the conditions precedent set out in the CB Issuance and Share Placement Announcements and accordingly 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 Order of the Board

Chong Tin Yam, Alex
Executive Director and Chief Executive Officer
24 April 2017