

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

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

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*Capitalised terms not otherwise defined herein shall have the meanings respectively ascribed to them in the Announcement (as defined below).*

The Board of Directors (the “**Board**”) of Asia Fashion Holdings Limited (the “**Company**”) refers to its announcement (the “**Announcement**”) on 7 September 2017 on the responses to queries from the Singapore Exchange Securities Trading Limited (“**SGX**”) in relation to the Company’s announcement on 3 September 2017 in relation to the termination of Mr. Zhu Zhi Hong as an Executive Director of the Company. In this regard, the Board would like to respond to the following additional query (the “**SGX Query**”) raised by the SGX as follows:

**SGX Query 1**

The Company stated in its response to SGX Query 1(c) that “*The engagement terms of all employees / officers (including Mr. Zhu as an Executive Director) of the Company have to be treated in the strictest confidence. Neither the Company nor the relevant employee / officer may publicly disclose such terms without the written consent of the other party, or the disclosing party could be liable for breach of the confidentiality provisions in the engagement letter / contract, and could also be in breach of duties of confidentiality under the applicable labour laws of the relevant jurisdiction (being Hong Kong SAR (“**HKSAR**”) in this case).*”

- a. Please explain why the laws of HKSAR are being applied. Does Mr. Zhu reside in, or is a resident of, HKSAR?
- b. Please provide the following:
  - i. What is the term of the employment contract?
  - ii. When and where was it signed?
  - iii. Is there any requirement that activities and employment outside of the Company must be approved by the Nominating Committee or the Remuneration Committee?
  - iv. When did these committees (a) review; and (b) approve, the terms?

**Company’s Response to SGX Query 1(a)**

Since the Group’s operational and management head office is located in Hong Kong, Mr. Zhu and other Executive Directors and senior officers are expected to spend a significant amount of time working in Hong Kong. Accordingly, in order for the non-Hong Kong resident Directors and senior officers to obtain their respective legal permit to work and to discharge their major job duties in Hong Kong, their respective employment contracts have been entered into and executed with the Company and the Group’s wholly-owned subsidiary incorporated in Hong Kong and are governed under the HKSAR jurisdiction and HKSAR Labour Law.

**Company’s Response to SGX Query 1(b)(i)**

The initial term of the employment contract is three years. However, the employment contract may be terminated by either party giving the other not less than three (3) months’ notice in writing or immediately, upon the election of the non-breaching party on the occurrence of certain conditions.

**Company's Response to SGX Query 1(b)(ii)**

The employment contract was been signed on 21 March 2017 with Mr. Zhu Zhi Hong in Hong Kong.

**Company's Response to SGX Query 1(b)(iii)**

There is no requirement that activities and employment outside of the Company must be approved by the Nominating Committee or the Remuneration Committee. However, the terms and conditions of the employment contract state that, "the Executive shall devote substantially his time and attention and whole skill to the affairs of the Company... and shall faithfully serve the Company and use his utmost endeavors to promote its interests."

**Company's Response to SGX Query 1(b)(iv)**

The entire Board of Directors, including the members of the Nomination Committee and the Remuneration Committee, has reviewed both the biography as well as the draft employment contract of Mr. Zhu Zhi Hong to their satisfaction before the execution of the relevant resolutions on the employment.

By Order of the Board

Chong Tin Yam, Alex  
Executive Director and Chief Executive Officer  
14 September 2017