TOP FORM INTERNATIONAL LIMITED
黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2014

RESULTS

The board of directors (the "Board") of Top Form International Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 30 June 2014

	Notes	**2014** **HK$'000**	2013 HK$'000 (Restated)
Revenue	3	**1,131,696**	1,054,451
Cost of sales		**(928,294)**	(879,570)
Gross profit		**203,402**	174,881
Other income and gains		**13,379**	15,259
Gain on disposal of properties		**18,493**	–
Selling and distribution expenses		**(25,881)**	(27,432)
General and administrative expenses		**(163,256)**	(164,865)
Finance costs		**(264)**	(260)
Profit/(loss) before tax	4	**45,873**	(2,417)
Income tax expense	5	**(6,569)**	(1,627)
Profit/(loss) for the year		**39,304**	(4,044)

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)
For the year ended 30 June 2014

	Note	**2014** **HK$'000**	2013 *HK$'000* (Restated)
Profit/(loss) for the year attributable to:			
Owners of the Company		**37,026**	(4,687)
Non-controlling interests		**2,278**	643
		39,304	(4,044)
Profit/(loss) per share	*7*		
Basic		**HK$0.17**	HK$(0.02)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Profit/(loss) for the year	**39,304**	(4,044)
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of provision for long service payments	**104**	379
Gain on revaluation of properties upon transfer to investment properties	**41,872**	4,032
Deferred tax liability arising on gain on revaluation of properties upon transfer	**(9,172)**	(1,008)
	32,804	3,403
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of overseas operations	**(2,062)**	3,760
Other comprehensive income for the year, net of income tax	**30,742**	7,163
Total comprehensive income for the year	**70,046**	3,119
Total comprehensive income attributable to:		
Owners of the Company	**67,884**	1,997
Non-controlling interests	**2,162**	1,122
	70,046	3,119

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**125,871**	144,627
Prepaid lease payments		**1,623**	1,671
Investment properties		**101,553**	58,877
Prepaid rental payments		**3,075**	3,859
Deferred tax assets		**–**	3,131
		232,122	212,165
Current assets			
Inventories		**177,347**	152,040
Debtors and other receivables	*8*	**188,892**	132,458
Bills receivable	*9*	**2,982**	13,523
Prepaid lease payments		**48**	48
Current tax recoverable		**1,136**	2,288
Bank balances and cash		**129,160**	136,010
		499,565	436,367
Current liabilities			
Creditors and accrued charges	*10*	**125,575**	110,717
Current tax payable		**2,619**	1,761
		128,194	112,478
Net current assets		**371,371**	323,889
Total assets less current liabilities		**603,493**	536,054

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2014

	2014	2013
	HK$'000	*HK$'000*
Non-current liabilities		
Retirement benefit obligations	**1,576**	2,173
Deferred tax liabilities	**24,257**	15,515
	25,833	17,688
	577,660	518,366
Capital and reserves		
Share capital	**107,519**	107,519
Reserves	**449,436**	392,304
Equity attributable to owners of the Company	**556,955**	499,823
Non-controlling interests	**20,705**	18,543
	577,660	518,366

Notes:

1. **BASIS OF PREPARATION**

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 30 June 2014 but are extracted from those financial statements.

The Group's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial period and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited ("the Listing Rules").

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")**

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

— Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*

— HKFRS 10, *Consolidated financial statements*

— HKFRS 12, *Disclosure of interests in other entities*

— HKFRS 13, *Fair value measurement*

— Revised HKAS 19, *Employee benefits*

— Amendments to HKFRS 7 — *Disclosures — Offsetting financial assets and financial liabilities*

Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in the financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in the financial statements.

HKFRS 10, *Consolidated financial statements*

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12, *Consolidation — Special purpose entities.* It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 10, ***Consolidated financial statements*** **(continued)**

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 July 2013.

HKFRS 12, ***Disclosure of interests in other entities***

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. The adoption of HKFRS 12 does not have any material impact on the Group's financial statements.

HKFRS 13, ***Fair value measurement***

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in the annual financial statements.

Revised HKAS 19, ***Employee benefits***

Revised HKAS 19 introduces a number of amendments to the accounting for defined benefit plans. Among them, revised HKAS 19 eliminates the "corridor method" under which the recognition of actuarial gains and losses relating to defined benefit schemes could be deferred and recognised in profit or loss over the expected average remaining service lives of employees. Under the revised standard, all actuarial gains and losses are required to be recognised immediately in other comprehensive income. Revised HKAS 19 also changed the basis for determining income from plan assets from expected return to interest income calculated at the liability discount rate, and requires immediate recognition of past service cost, whether vested or not.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Revised HKAS 19, *Employee benefits* (continued)

As a result of the adoption of revised HKAS 19, the Group has changed its accounting policy with respect to retirement benefit obligations, under which all actuarial gains and losses which were previously recognised in full in profit or loss are now recognised in other comprehensive income. This change in accounting policy has been applied retrospectively by restating the comparatives for the year ended 30 June 2013 as follows:

	As previously reported	Effect of adoption of revised HKAS 19	As restated
	HK$'000	*HK$'000*	*HK$'000*
Consolidated statement of profit or loss for the year ended 30 June 2013:			
General and administrative expenses	164,486	379	164,865
Loss for the year	(3,665)	(379)	(4,044)
Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2013:			
Remeasurement of provision for long service payments	–	379	379
Other comprehensive income for the year	6,784	379	7,163
Total comprehensive income for the year	3,119	–	3,119

This change in accounting policy did not have a material impact on current or deferred taxation, and earnings per share and equity attributable to the owners of the Company.

Amendments to HKFRS 7 — *Disclosures — Offsetting financial assets and financial liabilities*

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on the financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the sale value of goods. The Group manages its business as a single unit and, accordingly, the manufacturing and sale of ladies' intimate apparel is the only reportable segment and virtually all of the turnover and operating profits is derived from this business segment. The consolidated financial statements are already presented in a manner consistent with the way in which information is reported internally to the Company's executive directors, being the chief operating decision maker, for the purposes of resources allocation and operating performance review.

The chief operating decision maker regularly assesses available production capacity on a plant by plant basis. However, no discrete financial information is available for each plant for the purpose of resources allocation and operating performance review. The chief operating decision maker reviews financial information on a consolidated basis. Accordingly, no separate business segment information is disclosed.

The accounting policies of the financial information reviewed by executive directors are the same as the Group's financial statements. Segment revenue is the consolidated revenue of the Group. Segment profit or loss is the consolidated profit or loss after tax.

All the Group's segment assets and liabilities are under the manufacturing business as at 30 June 2014 and 2013.

(a) Geographical information

The following table sets out information about the geographical location of revenue from external customers and information about geographical location of its non-current assets. The geographical location of customers is based on the location to which the goods are delivered.

	Revenue from external customers		Non-current assets	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**9,992**	25,240	**21,885**	4,133
USA	**595,945**	518,221	**–**	–
Belgium	**89,084**	72,500	**–**	–
New Zealand	**79,267**	69,650	**–**	–
France	**65,886**	61,142	**–**	–
The Netherlands	**61,783**	82,011	**–**	–
United Kingdom	**38,587**	23,979	**–**	–
Spain	**34,278**	25,030	**–**	–
Canada	**30,554**	32,799	**–**	–
Sri Lanka	**23,069**	14,473	**–**	–
Italy	**18,545**	18,845	**–**	–
Germany	**18,056**	20,699	**–**	–
Mexico	**16,020**	11,660	**–**	–
The People's Republic of China ("PRC")	**11,138**	16,529	**156,341**	141,200
Japan	**9,425**	13,715	**–**	–
Thailand	**705**	1,534	**47,962**	50,269
Cambodia	**–**	–	**5,934**	13,432
Others	**29,362**	46,424	**–**	–
	1,131,696	1,054,451	**232,122**	209,034

Note: Non-current assets exclude deferred tax assets.

3. **REVENUE AND SEGMENT INFORMATION (CONTINUED)**

(b) **Information about major customers**

Revenue from customers contributing over 10% of the total sales of the Group from the manufacturing operating segment are as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer A	**382,314**	388,955
Customer B	**129,120**	127,393

4. **PROFIT/(LOSS) BEFORE TAX**

Profit/(loss) before tax has been arrived at after charging/(crediting):

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Auditor's remuneration	**1,834**	2,709
Depreciation of property, plant and equipment	**27,740**	29,035
Impairment loss on property, plant and equipment	**4,208**	882
Allowance for obsolete inventories (included in costs of sales)	**6,167**	6,512
Release of prepaid lease payments	**48**	48
(Gain)/loss on disposal of property, plant and equipment*	**(18,745)**	472
Gross rental income from investment properties	**(3,303)**	(2,741)
Less: Direct operating expenses from investment properties that generate rental income during the year	**27**	–
	(3,276)	(2,741)
Minimum lease payments paid under operating leases in respect of land and buildings	**12,591**	14,874
Change in fair value of investment properties	**(873)**	(3,090)
Cost of inventories recognised as an expense	**922,127**	873,058
Net exchange loss/(gain)	**389**	(1,738)
Staff costs, including directors' emoluments	**409,958**	369,688
Insurance compensation refunded	**(2,429)**	(2,296)
Interest income	**(1,583)**	(1,302)

* Included in the amount is a gain of HK$18,493,000 resulted from a disposal of leasehold land and building on 28 February 2014 which is separately presented in the consolidated statement of profit or loss.

5. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**2,359**	899
Other jurisdictions	**1,350**	992
	3,709	1,891
Over-provision in prior years:		
Hong Kong	**(25)**	(12)
Deferred taxation		
Current year	**2,885**	(252)
	6,569	1,627

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2014 Interim –		
HK$0.01 (2013: HK$Nil) per share	**10,752**	–

A final dividend of HK$0.05 (2013: HK$Nil) per share totalling HK$10,752,000 and a special dividend of HK$0.05 (2013: HK$Nil) per share totalling HK$10,752,000 have been proposed by the directors and are subject to approval by the shareholders in the annual general meeting.

On 22 May 2014, an ordinary resolution was passed in a special general meeting of the Company that every five issued and unissued shares of HK$0.10 each in the share capital of the Company be consolidated into one share of HK$0.50.

An interim dividend of HK$0.01 per share was paid before the shares consolidation had taken place. The aggregate interim dividends of every five shares are equivalent to HK$0.05 per share after incorporating the effect of shares consolidation.

7. PROFIT/(LOSS) PER SHARE

The calculation of basic profit/(loss) per share attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Profit/(loss) attributable to the owners of the Company for the purpose of computing basic profit/(loss) per share	**37,026**	(4,687)

	Number of shares	
	2014	2013
		(Restated)
Number of ordinary shares for the purpose of basic profit/(loss) per share	**215,037,625**	215,037,625

No diluted profit/(loss) per share has been presented because there are no potential dilutive ordinary shares outstanding for both years.

As a result of the shares consolidation as mentioned in note 6, the number of ordinary shares for the purpose of computing basic loss per share for the year ended 30 June 2013 has been restated as if the share consolidation had taken place on 1 July 2012.

8. DEBTORS AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade debtors	**167,983**	111,042
Other receivables	**20,909**	21,416
Total debtors and other receivables	**188,892**	132,458

The Group allows an average credit period of 30 days to its trade customers. The management of the Company assesses the credit quality of the trade debtors based on payment due date. An ageing analysis of trade debtors based on the payment due date, at the end of the reporting period, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Current	**128,281**	96,028
1–30 days	**38,131**	12,570
31–60 days	**736**	1,110
Over 60 days	**835**	1,334
	167,983	111,042

As the Group's average credit period is 30 days, a majority of the balances which as disclosed above are within 90 days from the invoice date.

Before accepting any new customers, the Group will assess the potential customer's credit quality.

9. BILLS RECEIVABLE

As at 30 June 2014 and 2013, all bills receivable are aged within 30 days. The Group does not hold any collateral over these balances.

10. CREDITORS AND ACCRUED CHARGES

	2014 *HK$'000*	2013 *HK$'000*
Trade creditors	**64,165**	49,085
Other creditors and accrued charges	**61,410**	61,632
	125,575	110,717

An ageing analysis of trade creditors based on the payment due date at the end of the reporting period is as follows:

	2014 *HK$'000*	2013 *HK$'000*
Current	**53,453**	45,322
1–30 days	**7,448**	3,088
31–60 days	**2,465**	268
Over 60 days	**799**	407
	64,165	49,085

As the average credit period on purchases of goods is 30 days. A majority of the balances which as disclosed above are within 90 days from the invoice date. The Group has financial risk management policies in place to ensure that all payable are paid within the credit timeframe.

Other creditors and accrued charges mainly represented accrued freight charges, salaries and other operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's operational focus is in its core Manufacturing activity, together with a Corporate cost centre.

	Revenue		Profit (loss/expenses)	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)
Manufacturing	**1,131,696**	1,054,451	**60,112**	12,523
Corporate	**–**	–	**(14,239)**	(14,940)
	1,131,696	1,054,451	**45,873**	(2,417)

For the year ended 30 June 2014, the Group recorded sales revenue of HK$1,132 million, representing an increase of 7% compared to HK$1,054 million of sales revenue in fiscal 2013. The Group has successfully turnaround the loss of HK$2.4 million recorded in fiscal 2013 to a profit of HK$45.9 million in the current year. After tax profit was HK$39.3 million compared to a loss of HK$4 million in previous year.

MANUFACTURING

Our core OEM business recorded global sales of 33.5 million units of ladies' intimate apparel products, mainly brassieres, compared to 29.6 million units in 2013, representing an increase of 13% in sales volume as compared to the preceding year.

Our first half accounted for 15.6 million units compared to 15.1 million units in 2013. In our second half we sold 17.9 million units compared to 14.5 million units in 2013.

In monetary terms, 53% of our sales were to the US market compared to 49% in the previous year. The EU accounted for 29 % (29% in the previous year) and the rest of the world 18% (22% in the previous year). The markets continued to be challenging and price sensitive as reflected from the modest decline in the average selling price.

In the fiscal year, China accounted for 47% (2013: 55%) of our global output, Thailand 47% (2013: 40%) and Cambodia 6% (2013: 5%). The capacity ratio of China versus Overseas has changed from 55% : 45% in fiscal 2013 to 47% : 53% in current year.

Gross margin was 18% for the year compared to 17% in the previous year. On a half yearly basis, the gross margin improved from 17% in the first half to 19% in the second half of fiscal 2014. The capacity and productivity buildup of our Thailand plants is encouraging. This, together with the weakening of Thai Baht against US dollar has a positive impact on the cost efficiency of the Group's operations. Our performance is also aided by the relatively stabilized environment in China and Thailand where minimum wage levels remained unchanged during the year. Material prices remained stable.

Both the selling and distribution expenses and general and administrative expenses declined during the year as a result of our continuous efforts in controlling costs in all area of the Group's business.

The massive street demonstrations driven by political disputes in Thailand did not affect our operations in this country. We will continue to build up the capacity and productivity in our Thailand plants according to our stated strategic plan.

In Cambodia, the disputes between the government and the labour unions had caused hiccups in our local operations during the year. As a compromise after massive street demonstrations and factory strikes, both parties agreed to hold off until 2015 on raising the statutory minimum wage. New minimum wage level will be decided in the last quarter of year 2014 before it goes into effect at the beginning of 2015. Whilst the labour situation appears to be stabilized, we are taking a conservative approach on further development in this country. We will focus on optimizing the cost efficiency of our Cambodian plant with the existing workforce and freeze hiring for now. Meanwhile, pending the impact of the new statutory minimum wage, we shall review our opportunities and options with our operations in this country.

Following our strategy to seek for low cost capacity expansion outside China, the Group towards the end of the fiscal year has begun to set up a new facility in Myanmar located in close proximity to our existing Thailand plants on the border. This new facility is expected to be operational in the 4th quarter of calendar year 2014.

FINANCIAL POSITION

The financial position of the Group remains healthy with shareholders' funds standing at HK$557 million as at 30 June 2014 compared with HK$500 million at the previous year end. Bank balances and cash stood at HK$129 million whilst credit facilities available to the Group amounted to HK$147 million and gearing remained at an insignificant level.

In February 2014, the Group disposed of the small warehouse facility in Tuen Mun that had been left vacant for some time and recognized a gain of approximately HK$18.5 million for the year.

During the year, we have rented out additional self-owned properties in Shenzhen and Hong Kong. The properties are reclassified as investment properties and revalued by an external professional valuer at a fair value of approximately HK$42.5 million, of which HK$32.7 million (net of tax) is credited to the asset revaluation reserve.

Capital expenditure during the year amounted to HK$16.6 million compared to HK$20.3 million in the previous year.

CORPORATE

The costs attributable to our corporate cost centre for the year amounted to HK$14.2 million as compared to HK$14.9 million in the previous year.

OUTLOOK

The operating environment in Asia will continue to be difficult in particular for manufacturing companies. Minimum wages and the mandated social benefit rate further increase in some provinces of the PRC effective from July 2014. Statutory minimum wage in Cambodia is anticipated to increase in January of the coming year.

In light of the volatile economic outlook and the soft market, our business plan focuses on securing production orders to fill our diversified plant capacities, seeking to lower the cost structure of the manufacturing bases as well as improving the cost efficiency of the Group's operations in order to sustain the profitability of our business.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year ended 30 June 2014.

CORPORATE GOVERNANCE

The Group continues to commit itself to maintaining high standards of corporate governance principles and practices with an emphasis on enhancing transparency and accountability and ensuring the application of these principles and practices within the Group and thereby, enhancing shareholder value and benefiting our stakeholders at large.

The Company has throughout the year under review complied with the code provisions ("Code Provisions") contained in the Corporate Governance Code which is set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviations:

Code Provision A.4.1 and A.4.2

Code Provision A.4.1 provides, inter alia, that non-executive directors should be appointed for a specific term and subject to re-election.

Non-executive Directors of the Company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Company's Bye-laws.

Code Provision A.4.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Chairman and the Group Managing Director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. In the opinion of the Board, it is important for the stability and growth of the Company that there is, and is seen to be, continuity of leadership in the roles of Chairman and Group Managing Director and, in consequence, the Board is of the view that both should not be subject to retirement by rotation or hold office for a limited term at the present time.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules of the Stock Exchange. The Company has assessed their independence and concluded that all the Independent Non-executive Directors are independent.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules of the Stock Exchange as its own code for dealing in securities of the Company by the Directors. Based on specific enquiry of all its Directors, the Company considers that the Directors complied with the required standard as set out in the Model Code throughout the year under review.

Employees who are likely to be in possession of inside information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy, all of whom are Independent Non-executive Directors of the Company.

The Audit Committee, together with the management and the Company's external auditors, KPMG, has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, and reviewed the financial results for the year ended 30 June 2014.

FINAL DIVIDEND

The Board has recommended the declaration of a final dividend of HK$0.05 per share and a special dividend of HK$0.05 per share for the year ended 30 June 2014 (for the year ended 30 June 2013: HK$Nil) subject to the approval of shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting ("AGM"). The proposed final dividend and special dividend will be paid to the Shareholders on 20 November 2014 whose names appear on the registers of members of the Company on 7 November 2014.

An interim dividend of HK$0.01 per share for the six months ended 31 December 2013 has been paid to the Shareholders during the year ended 30 June 2014 before the share consolidation (on the basis of every five issued and unissued shares of HK$0.10 each consolidated into one share of HK$0.50 each in the capital of the Company) ("Share Consolidation") became effective on 23 May 2014 (for the six months ended 31 December 2012: HK$Nil). The aggregate interim dividends of every five shares are equivalent to HK$0.05 per share after incorporating the effect of Share Consolidation.

CLOSURE OF REGISTERS OF MEMBERS

The main and branch registers of members of the Company will be closed on 6 and 7 November 2014 for the proposed final dividend and special dividend. During that period, no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend for the year ended 30 June 2014, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 5 November 2014.

EMPLOYEES

As at 30 June 2014, the Group had employed approximately 7,937 employees (30 June 2013: approximately 8,139 employees). The remuneration policy and package of the Group's employees are structured by reference to the prevailing market conditions and statutory requirements as appropriate. The Group also provides other staff benefits such as medical insurance, mandatory provident fund contributions and a share option scheme to its employees.

PROPOSED AMENDMENT TO THE BYE-LAWS OF THE COMPANY

Reference were made to the Company's announcements dated 9 April and 30 April 2014 in relation to the proposed amendment to the bye-laws of the Company (the "Bye-laws") to reflect the updated capital structure of the Company upon the Share Consolidation became effective by way of passing an ordinary resolution at the special general meeting held on 22 May 2014 (the "SGM").

Reference was also made to the Company's announcement dated 22 May 2014 that an ordinary resolution approving the Share Consolidation had been duly passed at the SGM and all the conditions of the Share Consolidation had been fulfilled and the Share Consolidation became effective on 23 May 2014.

The Company proposes to amend the Bye-laws by way of passing a special resolution at the AGM. A circular containing, among other matters, details of the proposed amendment to the Bye-laws and the notice of the AGM will be despatched to Shareholders in due course.

On behalf of the Board
Top Form International Limited
Fung Wai Yiu
Chairman

Hong Kong, 27 August 2014

As at the date of this announcement, the Board comprises Mr. Fung Wai Yiu, Mr. Wong Chung Chong, Mr. Wong Kai Chi, Kenneth and Mr. Wong Kai Chung, Kevin as executive directors; Mr. Lucas A.M. Laureys and Mr. Herman Van de Velde as non-executive directors; and Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy as independent non-executive directors.