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 2013

RESULTS

The board of directors (the "Board") of Top Form International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2013

	Notes	**2013** **HK$'000**	2012 *HK$'000*
Revenue	*2*	**1,054,451**	1,132,391
Cost of sales		**(879,570)**	(963,910)
Gross profit		**174,881**	168,481
Other income and gains		**15,259**	6,500
Selling and distribution expenses		**(27,432)**	(43,358)
General and administrative expenses		**(164,486)**	(170,014)
Other expenses	*3*	**–**	(22,428)
Finance costs		**(260)**	(373)
Loss before tax	*4*	**(2,038)**	(61,192)
Income tax (expense) credit	*5*	**(1,627)**	28
Loss for the year		**(3,665)**	(61,164)

* *For identification purposes only*

	Note	**2013**	2012
		HK$'000	*HK$'000*
(Loss) profit for the year attributable to:			
Owners of the Company		**(4,308)**	(60,028)
Non-controlling interests		**643**	(1,136)
		(3,665)	(61,164)
Loss per share	*7*		
Basic		**HK0.4 cent**	HK5.6 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2013

	2013	2012
	HK$'000	*HK$'000*
Loss for the year	**(3,665)**	(61,164)
Other comprehensive income (expense)		
Items that will not be subsequently reclassified to profit or loss:		
Gain on revaluation of properties upon transfer to investment properties	**4,032**	49,033
Deferred tax liability arising on gain on revaluation of properties	**(1,008)**	(12,258)
	3,024	36,775
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of overseas operations	**3,760**	(4,190)
Other comprehensive income for the year, net of income tax	**6,784**	32,585
Total comprehensive income (expense) for the year	**3,119**	(28,579)
Total comprehensive income (expense) attributable to:		
Owners of the Company	**1,997**	(27,557)
Non-controlling interests	**1,122**	(1,022)
	3,119	(28,579)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**144,627**	153,654
Prepaid lease payments		**1,671**	1,719
Investment properties		**58,877**	49,294
Prepaid rental payments		**3,859**	5,008
Interest in an associate		**–**	–
Deferred tax asset		**3,131**	4,422
		212,165	214,097
Current assets			
Inventories		**152,040**	170,253
Debtors and other receivables	*8*	**132,458**	116,572
Bills receivable	*9*	**13,523**	30,960
Prepaid lease payments		**48**	48
Tax recoverable		**2,288**	4,224
Bank balances and cash		**136,010**	145,665
		436,367	467,722
Current liabilities			
Creditors and accrued charges	*10*	**110,717**	145,683
Taxation		**1,761**	2,242
		112,478	147,925
Net current assets		**323,889**	319,797
Total assets less current liabilities		**536,054**	533,894

	2013	2012
	HK$'000	*HK$'000*
Non-current liabilities		
Retirement benefit obligations	**2,173**	3,033
Deferred tax liabilities	**15,515**	15,614
	17,688	18,647
	518,366	515,247
Capital and reserves		
Share capital	**107,519**	107,519
Reserves	**392,304**	390,307
Equity attributable to owners of the Company	**499,823**	497,826
Non-controlling interests	**18,543**	17,421
	518,366	515,247

Notes:

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

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The Group has applied for the first time the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. Since the Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time through generating rental income, rather than through sale, the directors have rebutted the presumption in HKAS 12. Consequently, the Group continues to recognise deferred tax for its investment properties based on the expectation that they will be recovered through use. The application of the amendments to HKAS 12 in the current year has had no effect on the deferred tax liabilities in relation to the Group's investment properties.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle[1]
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[2]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[2]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC)-Int 21	Levies[2]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2014.
[3] Effective for annual periods beginning on or after 1 January 2015.

New and revised standards on consolidation, joint arrangements and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC)-Int 12 *Consolidation — Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK (SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance are effective for the annual period beginning on or after 1 July 2013. The directors anticipate that the application of these five standards may not have material impact on amounts reported in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for the annual period beginning on or after 1 July 2013, with earlier application permitted. The directors of the Company anticipate that the application of the new standard may not have material impact on the amounts reported in the consolidated financial statements.

HKAS 19 (as revised in 2011) Employee Benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 July 2013 and require retrospective application. The directors anticipate that the application of the amendments to HKAS 19 may not have material impact on the amounts reported in respect of the Groups' defined benefit plans.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

2. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group's executive directors, being the Group's chief operating decision makers, review the operations on a plant by plant basis. No discrete financial information is available for each plant and the Group's executive directors review financial information on a consolidated basis. The Group has therefore only one operating segment, namely manufacturing and sale of ladies' intimate apparel, for the years ended 30 June 2013 and 2012.

The accounting policies of the financial information reviewed by executive directors are the same as the Group's accounting policies. 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 2013 and 2012.

(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**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**25,240**	29,933	**4,133**	8,143
Cambodia	**–**	–	**13,432**	16,063
United States of America ("USA")	**518,221**	605,978	**–**	–
New Zealand	**69,650**	50,754	**–**	–
France	**61,142**	72,322	**–**	–
Belgium	**72,500**	63,171	**–**	–
The Netherlands	**82,011**	90,650	**–**	–
Canada	**32,799**	23,070	**–**	–
Italy	**18,845**	5,585	**–**	–
Germany	**20,699**	21,794	**–**	–
Spain	**25,030**	50,703	**–**	–
United Kingdom	**23,979**	15,220	**–**	–
The People's Republic of China ("PRC")	**16,529**	13,039	**141,200**	135,437
Thailand	**1,534**	642	**50,269**	50,032
Japan	**13,715**	23,137	**–**	–
Sri Lanka	**14,473**	15,008	**–**	–
Mexico	**11,660**	12,081	**–**	–
Others	**46,424**	39,304	**–**	–
	1,054,451	1,132,391	**209,034**	209,675

Note: Non-current assets exclude deferred tax asset.

(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:

	2013	2012
	HK$'000	*HK$'000*
Customer A	**388,955**	372,211
Customer B	**127,393**	235,682

3. OTHER EXPENSES

During the year ended 30 June 2012, a decision was made to cease manufacturing operations in Shenzhen, the PRC, resulting in severance payments and other costs amounting to approximately HK$22,428,000 being recognised in the consolidated statement of profit or loss. During the year ended 30 June 2013, no severance payments or other costs was recognised. The nature of the expenses were as follows:

	2012
	HK$'000
Provision for severance payments to employees	16,737
Impairment losses recognised in respect of property, plant and equipment	3,950
Other costs	1,741
	22,428

4. LOSS BEFORE TAX

	2013	2012
	HK$'000	*HK$'000*
Loss before tax has been arrived at after charging (crediting):		
Auditor's remuneration	**2,709**	2,654
Depreciation of property, plant and equipment	**29,035**	29,518
Allowance (reversal of allowance) for obsolete inventories (included in costs of sales)	**34**	(3,054)
Release of prepaid lease payments	**48**	48
Loss (gain) on disposal of property, plant and equipment	**472**	(10)
Gross rental income from investment properties	**(2,741)**	(207)
Less: direct operating expenses from investment properties that generate rental income during the year	**–**	4
	(2,741)	(203)
Minimum lease payments paid under operating leases in respect of land and buildings	**14,874**	14,772
Change in fair value of investment properties	**(3,090)**	–
Cost of inventories recognised as an expense	**879,536**	966,964
Net exchange (gain) loss	**(1,738)**	4,143
Staff costs, including directors' emoluments	**369,309**	374,513
Insurance compensation	**(2,296)**	–
Interest income	**(1,302)**	(1,273)

5. INCOME TAX EXPENSE (CREDIT)

	2013	2012
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**899**	1,905
Other jurisdictions	**992**	2,620
	1,891	4,525
(Over)underprovision in prior years:		
Hong Kong	**(12)**	(341)
Other jurisdictions	**–**	161
	(12)	(180)
Deferred taxation		
Current year	**(252)**	(4,373)
	1,627	(28)

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. The EIT Law provides a five-year transition period from 1 January 2008 for those subsidiaries which were established before the promulgation date of the EIT Law and which are entitled to a preferential lower tax rate under the effective tax laws or regulations and hence the 25% tax rate is applicable to certain subsidiaries from 1 January 2012 onwards.

Certain subsidiaries of the Group operating in the PRC are eligible for tax holidays up to 31 December 2012 in respect of PRC income tax such that they are exempted from PRC income taxes for the two years starting from their first profit-making year, followed by a 50% deduction for the next three years. The PRC income tax charges are arrived at after taking into account of these tax incentives.

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

6. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2013 Interim – HK$nil (2012: 2012 interim dividend HK$0.01) per share	**–**	10,752
2012 Final – HK$nil (2012: 2011 final dividend HK$0.025) per share	**–**	26,880
	–	37,632

No dividend was paid or proposed during the year ended 30 June 2013, nor has any dividend been proposed since the end of the reporting period.

7. LOSS PER SHARE

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

	2013	2012
	HK$'000	*HK$'000*
Loss attributable to the owners of the Company for the purpose of basic loss per share	**4,308**	60,028

	Number of shares	
	2013	2012
Number of ordinary shares for the purpose of basic loss per share	**1,075,188,125**	1,075,188,125

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

8. DEBTORS AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade debtors	**111,042**	99,596
Other receivables	**21,416**	16,976
Total debtors and other receivables	**132,458**	116,572

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 aged analysis of trade debtors based on the payment due date, at the end of the reporting period, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Current	**96,028**	82,480
1–30 days	**12,570**	14,255
31–60 days	**1,110**	1,976
Over 60 days	**1,334**	885
	111,042	99,596

Before accepting any new customers, the Group will assess the potential customer's credit quality. 86% (2012: 83%) of the trade debtors that are neither past due nor impaired have the best credit quality.

9. BILLS RECEIVABLE

As at 30 June 2013 and 2012, all bills receivable are aged within 30 days. The Group does not hold any collateral over these balances.

10. CREDITORS AND ACCRUED CHARGES

Included in the balance are trade creditors of HK$49,085,000 (2012: HK$59,181,000).

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

	2013	2012
	HK$'000	*HK$'000*
Current	**45,322**	50,147
1–30 days	**3,088**	5,656
31–60 days	**268**	1,585
Over 60 days	**407**	1,793
	49,085	59,181

The average credit period on purchases of goods is 30 days. 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)	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Manufacturing	1,054,451	1,132,391	12,902	(46,572)
Corporate	–	–	(14,940)	(14,620)
	1,054,451	1,132,391	(2,038)	(61,192)

For the year ended 30 June 2013, the Group recorded manufacturing sales revenue of HK$1,054 million compared to HK$1,132 million in the previous year.

The loss before taxation has been narrowed down to HK$2 million from a loss of HK$61.2 million in fiscal 2012. After tax loss was HK$3.7 million compared to a loss of HK$61.2 million in previous year.

Our fiscal 2012 results were severely impacted by the exit costs incurred from our decision to cease the manufacturing operations of the plant in Shenzhen and the air freight costs and materials write offs arising from the operational issues in Thailand.

MANUFACTURING

During the year our core OEM business recorded global sales of 29.6 million units of ladies' intimate apparel products, mainly brassieres, compared to 32.4 million units in 2012.

Our first half accounted for 15.1 million units compared to 16.6 million units in 2012. In our second half we sold 14.5 million units compared to 15.8 million units in 2012.

In monetary terms 49% of our sales were to the US market compared to 54% in the previous year. The EU accounted for 29% (28% in the previous year) and the rest of the world 22% (18% in the previous year). The US and EU markets continued to be challenging and price sensitive.

In the fiscal year, China accounted for 55% of our global capacity, Thailand 40% and Cambodia 5%.

Gross margin improved from 15% to 17%. The closure of the manufacturing operations in our Shenzhen plant had a positive impact on the cost efficiency of our PRC operations. The operational issues in Thailand, which negatively impacted our performance in the fiscal year 2012, have been satisfactorily addressed.

However, during the second half of fiscal year, the escalating labor cost arising from the further increases in the minimum wage in the PRC, Thailand and Cambodia has impacted the manufacturing operations in all locations. This, together with the continuous dwindling supply of labor in China and the appreciation of RMB has impacted on costs. This cost pressure is mitigated by the improvement in the cost efficiency of the plants in aggregate. Accordingly, the gross margin has increased moderately to 17% for current year.

Having addressed the operational issues in our Thailand plant, the selling and distribution expenses reduced significantly to HK$27 million (2012: HK$43 million).

The capacity buildup of our Thailand and Cambodian plants by adding new headcounts is ongoing and encouraging. We believe our ongoing strategy of shifting production to low cost regions outside China is crucial to the growth and long term profitability of our business.

FINANCIAL POSITION

The financial position of the Group remains healthy with shareholders' funds standing at HK$500 million as at 30 June 2013 compared with HK$498 million at the previous year end. Bank balances and cash stood at HK$136 million whilst credit facilities available to the Group amounted to HK$159 million and gearing remained at an insignificant level.

At the balance sheet date, our investment properties in Shenzhen have been revalued by an external professional valuer and accordingly a revaluation gain amounted to HK$2.3 million (net of tax) is credited to the income statement for the year.

During the year, we have rented out additional self-owned properties in Shenzhen and accordingly the properties are reclassified as investment properties which are revalued by an external professional valuer at a fair value of approximately HK$4.2 million, of which HK$3 million (net of tax) is credited to the asset revaluation reserve.

Capital expenditure during the year amounted to HK$20.3 million compared to HK$39.1 million in the previous year.

CORPORATE

The costs attributable to our corporate cost centre for the year remained flat at HK$15 million.

OUTLOOK

There is no reason to expect a strong recovery in the global economic environment in the near future. The markets remain challenging and price driven. To counter the challenging markets, we will continue to strengthen our product capabilities and seek for capacity expansion to maintain the long term growth of our business.

We will continue to focus on improving the operational efficiency to mitigate the ongoing cost pressure in all locations, to build up the productivity in our Thailand and Cambodian plants and maintaining rigorous cost controls in all areas of the Group's business.

We are confident that the strategic move we made has well positioned ourselves to take on the opportunities when the market returns.

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 2013.

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 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. 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 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.

EMPLOYEES

As at 30 June 2013, the Group had employed approximately 8,139 employees (30 June 2012: approximately 7,847 employees). The remuneration policy and package of the Group's employees are structured by reference to market terms 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.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the audited financial statements for the year ended 30 June 2013.

DIVIDEND

The Board does not recommend the declaration of a final dividend for the year ended 30 June 2013.

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

Hong Kong, 28 August 2013

As at the date of this announcement, the Board comprises Mr. Fung Wai Yiu, Mr. Wong Chung Chong, Eddie, 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.