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TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

MAJOR AND CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND RESUMPTION OF TRADING

MAJOR AND CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 30 April 2008 in relation to a potential acquisition of an apparel manufacturing business.

The Board announces that on 26 July 2008, the Purchaser, a wholly-owned Subsidiary of the Company, entered into the Share Acquisition Agreement to acquire from the Vendors the Sale Shares, being the entire issued share capital of the Sale Group Companies, for a total Consideration of HK\$303,331,957 (subject to adjustment as set out in this announcement).

Under the Share Acquisition Agreement, the Consideration for the Acquisition shall be satisfied by the Purchaser (1) paying HK\$285,000,000 in cash upon Completion; (2) procuring the Company to allot and issue the Consideration Shares, credited as fully paid, to Mr. Sia upon Completion.

* *for identification purpose only*

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and its ultimate beneficial owners (in case of ASIL) is an Independent Third Party.

As the relevant percentage ratios as referred to in Chapter 14 of the Listing Rules for the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As Mr. Sia will become a Director immediately upon Completion, the Acquisition also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Accordingly, the Acquisition contemplated under the Share Acquisition Agreement and the issue and allotment of the Consideration Shares under specific mandate is subject to, among other things, the approval by the Independent Shareholders at the SGM.

On Completion, Mr. Sia will enter into the Service Agreement with the Company whereby the Company will appoint Mr. Sia and Mr. Sia will agree to act as executive Director. Under the Service Agreement, the Company will issue and allot to Mr. Sia up to a maximum number of the Allotted Shares subject to, among other things, Mr. Sia having met the performance criteria pursuant to the Service Agreement. As Mr. Sia will become a connected person of the Company by reason of his being a Director immediately upon Completion, the issue and allotment of the Allotted Shares to Mr. Sia constitute a connected transaction for the Company under the Listing Rules and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board believes that the Acquisition would substantially augment the operational capacities, capabilities and the market presence of the Group. The Sale Group Companies have an established and proven track record as an original design manufacturer (ODM) and this core competence complements well with the Group's traditional strengths as an original equipment manufacturer (OEM) in ladies' intimate apparel products. Through the Acquisition, the Group would gain considerable products know-how and technologies resided with the Sale Group Companies, as well as capture a considerable international network of new customers. The Board is of the view that the Acquisition presents a unique business expansion opportunity for the Group and would considerably further strengthen the Group's overall competitiveness and product offerings.

CONTINUING CONNECTED TRANSACTIONS

On Completion, Marguerite Lee, an indirect wholly-owned Subsidiary of the Purchaser, will enter into the AUS Service Contract with AUS pursuant to which AUS will provide design and development and related technical advice and solutions in relation to intimate apparel and all related products to Marguerite Lee Group Companies in return for the payment of the Signing Fee and Service Fees. Immediately upon completion of the Acquisition, Mr. Sia will become a Director. As AUS is a company whose shares are to be controlled by the sister of Mr. Sia's wife, Wong May May Carina. AUS is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

On Completion, the Purchaser and Fiori Textiles Limited will enter into the Fiori Contract whereby the Purchaser will appoint Fiori Group and Fiori Textiles Limited will agree to act and procure Fiori Group to act as non-exclusive suppliers of the Materials for the Group. As Fiori Textiles Limited is beneficially owned by Mr. Sia, Fiori Textiles Limited is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As the aggregate annual amounts of the transactions contemplated under each of the AUS Service Contract and Fiori Contract will exceed the 2.5% threshold as provided in Rule 14A.34 of the Listing Rules and the total annual consideration exceeds HK\$10,000,000, the entering into of the AUS Service Contract and Fiori Contract constitutes a non-exempt continuing connected transaction for the Company under Chapter 14A of the Listing Rules. and will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules. Accordingly, the non-exempt continuing connected transactions contemplated under the AUS Service Contract and the Fiori Contract are subject to the Independent Shareholders' approval at the SGM.

An Independent Board Committee comprising the Independent Non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and Allotted Shares, AUS Service Contract, the annual caps under the AUS Service Contract, Fiori Contract and the annual caps under the Fiori Contract. None of the Independent Non-executive Directors has a material interest in the Acquisition under the Share Acquisition Agreement and the connected transaction contemplated under the Service Agreement, the AUS Service Contract and the Fiori Contract. An Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and Allotted Shares, AUS Service Contract, the annual caps under the AUS Service Contract, Fiori Contract and the annual caps under the Fiori Contract.

A circular containing, among other things, details of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and Allotted Shares, AUS Service Contract, the annual cap under the AUS Service Contract, Fiori Contract and the annual caps under the Fiori Contract, an accountants' report on the Sale Group Companies, a letter from the Independent Board Committee to the Independent Shareholders in connection with the terms of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and Allotted Shares, AUS Service Contract, the annual caps under the AUS Service Contract, Fiori Contract and the annual caps under the Fiori Contract and a letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders and a notice of the SGM will be despatched to Shareholders in accordance with the requirements of Rules 14.38 and 14A.49 of the Listing Rules as soon as possible.

The connected transaction contemplated under the Service Agreement and the continuing connected transactions contemplated under the AUS Service Contract and the Fiori Contract are conditional upon the completion of the Acquisition under the Share Acquisition Agreement. The completion of the Acquisition is not conditional upon the entering into of the connected transaction contemplated under the Service Agreement and the continuing connected transactions contemplated under the AUS Service Contract and the Fiori Contract as they are conditions precedent for completion of the Acquisition which can be waived by the Purchaser. As completion of the Share Acquisition Agreement is subject to the satisfaction of the conditions precedent set out in the section headed "Conditions precedent" below, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 28 July 2008 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 2:30 p.m. on 30 July 2008.

THE SHARE ACQUISITION AGREEMENT

Date: 26 July 2008

Parties:

Purchaser: Top Form (B.V.I.) Limited

Vendors: ASIL, Andrew Sia, Wong May May Carina, Tina Sia, Pearl Soriaga, Marileen Silvestre and Rowena Tence

The Purchaser is a wholly-owned Subsidiary of the Company and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and its ultimate beneficial owners (in case of ASIL) is an Independent Third Party. The Company has no transaction (other than the Acquisition) with the Vendors and its ultimate beneficial owners, which are required to be aggregated with the Acquisition under Rule 14.22 and Rule 14A.25 of the Listing Rules.

Assets to be acquired

Pursuant to the Share Acquisition Agreement, the Purchaser has agreed to acquire and the Vendors have agreed to sell or procure the sale of, as legal and beneficial owners, the Sale Shares comprising of ASIAL Shares, Elkhorn Shares, Tavistock Shares and Carina Shares free from any option, charge, lien, equity, encumbrance, rights of pre-emption or any other third party rights whatsoever and together with all rights attached to them at the date of Completion or subsequently becoming attached to them.

Consideration

The total Consideration for the Sale Shares is HK\$303,331,957 (subject to adjustment set out below) and shall be settled by the Purchaser:

- (a) paying HK\$285,000,000 in cash from internal resources of the Group and borrowing from the bank upon Completion; and

- (b) procuring the Company to allot and issue the Consideration Shares, credited as fully paid, to Mr. Sia on Completion (subject to adjustment set out below). Such adjustment shall be effected by a reduction in the number of the Consideration Shares to be issued and allotted to Mr. Sia.

Under the Share Acquisition Agreement, in the event that the Net Asset Value of the Sale Group Companies as shown in the Completion Accounts is less than the Net Asset Value of the Sale Group Companies as shown in the Financial Statements (as at 31 March 2008) which is HK\$228,000,000, the Consideration shall be adjusted by reducing the number of the Consideration Shares to be issued, calculated according to the formula below:–

$$A = \frac{\text{HK\$228,000,000} - B}{C}$$

where

A = Number of Consideration Shares to be reduced

B = Net Asset Value of the Sale Group Companies as at the Completion Accounts Date

C = HK\$0.682 being the average closing price per Share for the trading days from 17 January 2008 to 29 February 2008 (both days inclusive)

provided that if the total number of Consideration Shares to be reduced exceeds 26,879,703 Consideration Shares contemplated to be issued to Mr. Sia on Completion, then no Consideration Shares shall be issued to Mr. Sia on Completion.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendors by reference to the Net Asset Value of the Sale Group Companies as shown in the Financial Statements as at 31 March 2008 being HK\$228,000,000 and by taking into account the factors as set out in the section headed "Reasons for the Acquisition" in this announcement.

The Directors, excluding the Independent Non-executive Directors who will express their view after having considered the advice from the Independent Financial Adviser, are of the view that the Consideration for the Acquisition is fair and reasonable and is in the interest of the Shareholders and the Group as a whole.

To protect the interests of the Company, the Vendors and the Purchaser have agreed that the sum of HK\$20,000,000 out of the Consideration in cash shall be held in escrow by HSBC as escrow agent for a period of one (1) year from the Completion Date for the purpose of covering any potential liabilities or indemnifications arising from, inter alia, the breach of the warranties by the Vendors under the Share Acquisition Agreement, subject to and upon the terms and conditions set out in the escrow agreement to be executed among each of the Vendors, the Purchaser and HSBC.

Conditions precedent

Completion is subject to the following conditions having been fulfilled (or waived):

- (a) the Purchaser having completed due diligence investigations (including but not limited to legal, financial and business due diligence investigations) on the Sale Group Companies and being satisfied with the results thereof in its reasonable discretion;
- (b) the clearance of all announcement(s) and circular(s) required to be issued by the Company under the Listing Rules and granting of all approvals, if necessary, by the Stock Exchange in respect of all transactions contemplated by the Share Acquisition Agreement;
- (c) the passing by the Shareholders in the SGM of a resolution to approve the Share Acquisition Agreement and the transactions contemplated under the Share Acquisition Agreement in accordance with the Listing Rules;
- (d) all consents of the directors and shareholders of each of the Sale Group Companies having been obtained;
- (e) the board of directors and shareholders of the Purchaser having approved (i) the execution and delivery of the Share Acquisition Agreement and the purchase of the Sale Shares on the terms of the Share Acquisition Agreement and (ii) the performance by the Purchaser of its obligations under the Share Acquisition Agreement;
- (f) consent from the Bank Group to the sale and purchase of the Sale Shares under the terms and conditions of the Share Acquisition Agreement having been received;

- (g) the Bank Group having released the charge or other security created over (i) the shares of the Sale Group Companies and (ii) all the assets and business undertakings of the Sale Group Companies with effect from the Completion Date, such that the Bank Group will have no security interest in any shares or any assets or business undertakings of any Sale Group Companies immediately after Completion;
- (h) the Bank Group having released all the Sale Group Companies from all their obligations of whatever nature to the Bank Group under any loan or security documents with effect from the Completion Date such that immediately after Completion, none of the Sale Group Companies will owe the Bank Group any obligations;
- (i) confirmation in writing by the Vendors, personally or through their respective authorised representatives, that as from the Completion Date, the Sale Group Companies will not owe any loan or any other financial liabilities to the Vendors, ACE Style Group or any director of ACE Style Group or of Sale Group Companies having received by the Purchaser;
- (j) the real property owned by ASIAL having been sold, assigned or transferred by ASIAL to a third party on or before Completion such that upon Completion this real property will no longer be owned by ASIAL;
- (k) approval having been obtained from the directors and shareholders of the Company and the Stock Exchange (if applicable) in order for Mr. Sia to (i) assume executive management roles in the Company and (ii) be allotted and issued the Consideration Shares;
- (l) approval having been obtained from Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares;
- (m) consent from the Bermuda Monetary Authority in relation to the issue of the Consideration Shares having received by the Company;
- (n) Mr. Sia and the Company having duly executed the Service Agreement;
- (o) AUS having duly executed the AUS Service Contract with Marguerite Lee and all relevant approvals, consents and permits having been obtained;

- (p) Fiori Textiles Limited and the Purchaser having duly executed the Fiori Contract and all relevant approvals, consents and permits having been obtained;
- (q) Mr. Sia (on behalf of the Vendors) having resolved with the landlord of the Elkhorn Leases regarding the termination of the Elkhorn Lease on the date of determination of the Processing Contract;
- (r) completion of the restructuring of loans or other indebtedness due or owing by ASIL or ACE Style Group to the Sale Group Companies such that with effect from the Completion Date there are no outstanding loans or any other liabilities due and owing from ASIL or ACE Style Group to the Sale Group Companies;
- (s) the Vendors and the Purchaser having performed or complied with in all material respects all covenants, obligations and agreements as provided for under the Share Acquisition Agreement to the extent they are to be performed or complied with by it at or prior to Completion;
- (t) the Vendors having obtained all the relevant government approvals, consents and permits in respect of the deregistration of ASIAL Factory;
- (u) between the date of the Share Acquisition Agreement and the Completion Date, (i) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any Vendor is a defendant and (ii) no investigation or enquiry by, or complaint or reference to, any governmental authority against or in respect of the Vendors which could have a material adverse effect on the ability of the Vendors to perform their obligations under the Share Acquisition Agreement, having been instituted, announced or threatened or remaining outstanding;
- (v) the warranties contained in the Share Acquisition Agreement remaining true and accurate and not misleading in all material respects and at all times between the date of the Share Acquisition Agreement and the Completion Date;
- (w) between the date of the Share Acquisition Agreement and the Completion Date, there being no material adverse change to the composition, structure, financial condition, operation, performance and prospect of the Sale Group having occurred;
- (x) no force majeure in the Sale Group Companies and/or the business shall have occurred since signing of the Share Acquisition Agreement;

- (y) none of the assets, business and undertakings of the Sale Group Companies is or will be subject to disposal by the Bank Group under any loan or security documents entered into between the Sale Group Companies and the Bank Group;
- (z) AUS having been duly incorporated in the United States of America;
- (aa) Carina having revoked all resolutions relating to the merger with Blue Horizon Sourcing and Logistics, Inc.;
- (bb) Blue Horizon Sourcing and Logistics, Inc. having revoked all resolutions relating to the merger with Carina;
- (cc) the prior written consent of the Laguna Lake Development Authority having been obtained before the Carina Shares can be transferred; and
- (dd) the escrow agreement being in a form approved by the Vendors, the Purchaser and HSBC.

The Purchaser and the Vendors shall use all reasonable endeavours (so far as lie within their respective power) to procure that the conditions precedent set out above are satisfied as soon as practicable and in any event no later than the Condition Date save that the conditions precedents set out in conditions (g), (h) and (y) must have been satisfied on or before the Completion Date. If any of the conditions precedent is not complied with or waived in part or in whole (except the conditions (b), (c), (d), (f), (g), (h), (k), (l), (m), (q) and (y) which may not be waived and the conditions (g) and (h) and (y) which must have been satisfied on or before the Completion Date) by the Condition Date, the Share Acquisition Agreement shall lapse and be of no further effect and no party to the Share Acquisition Agreement shall have any claim, obligation or liability against the other parties save for any antecedent breaches of the terms of the Share Acquisition Agreement.

Specific event of termination

In addition to the usual clauses regarding the events of termination of the Share Acquisition Agreement, if at any time prior to Completion, the Net Asset Value of the Sale Group Companies as shown in the Financial Statements shall exceed the Net Asset Value of the Sale Group Companies as shown in the Completion Accounts by a sum more than HK\$18,331,957, then the Purchaser may in its absolute discretion without any liability on its part, by notice in writing to the Vendors, terminate the Share Acquisition Agreement.

Completion

Completion shall take place on the fifth Business Day from the Condition Date or such other date as determined by the Purchaser.

The connected transaction contemplated under the Service Agreement and the continuing connected transactions contemplated under the AUS Service Contract and the Fiori Contract are conditional upon the completion of the Acquisition under the Share Acquisition Agreement. The completion of the Acquisition is not conditional upon the entering into of the connected transaction contemplated under the Service Agreement and the continuing connected transactions contemplated under the AUS Service Contract and the Fiori Contract as they are conditions precedent for completion of the Acquisition which can be waived by the Purchaser. As completion of the Share Acquisition Agreement is subject to the satisfaction of the conditions precedent set out in the section headed “Conditions precedent” below, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

CONSIDERATION SHARES

26,879,703 Consideration Shares subject to adjustment as detailed herein will be allotted and issued at an issue price of HK\$0.682 per Consideration Share, credited as fully paid upon Completion. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, the record date for which falls on or after the date of such allotment and issue.

The Consideration Shares represent: (i) approximately 2.5 % of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.44 % of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The issue price of HK\$0.682 per Consideration Share represents (i) a premium of approximately 17.89% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a premium of approximately 17.89% to the average of the closing prices of approximately HK\$0.56 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; (iii) a premium of approximately 19.35% to the average of the closing prices of HK\$0.55 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date.

The Consideration Shares will be issued and allotted to Mr. Sia under the specific mandate to be sought at the SGM.

Under the Share Acquisition Agreement, Mr. Sia represents and warrants to and undertakes with the Purchaser that he shall not transfer, sell, assign or dispose of any Consideration Shares within five (5) years from the date of allotment and issue of such Consideration Shares, save with the prior written consent of the Board.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

SERVICE AGREEMENT

Mr. Sia will enter into the Service Agreement with the Company whereby the Company will appoint Mr. Sia and Mr. Sia will agree to act as Executive Director. The scope of his work includes performing executive duties in the business performance of the Group with a specific responsibility in directing and managing all marketing and sales functions of the Group. The Directors consider employing him as Executive Director is beneficial to the Group based on, inter alia, the following factors:

- (a) Mr. Sia has a prominent standing in the apparel business community;
- (b) Mr. Sia has extensive knowledge and experience particularly in the sales and marketing of the intimate apparel; and
- (c) Mr. Sia has been a chairman of the Sale Group Companies and has successfully achieved the Sale Group Companies' proven track record as an original design manufacturer of intimate apparel with a worldwide market presence.

The Service Agreement will also contain terms to the effect that:

- (1) The appointment shall be for an initial term of three years subject to renewal every three (3) years thereafter, unless terminated pursuant to the terms of the Service Agreement or by not less than six months' notice in writing served by either party.
- (2) The Company shall pay to Mr. Sia a basic salary (which shall accrue from day to day) at the rate of HK\$250,000 per calendar month payable in arrears on the last day of every month. The basic salary shall be reviewed by the Board each year.
- (3) Subject to the Group attaining satisfactory performance and meeting its financial goals, the Company may in its absolute discretion pay to Mr. Sia a discretionary management bonus of such amount (if any) as it considers appropriate.
- (4) Subject to: (a) Mr. Sia having met the performance criteria pursuant to the Service Agreement; (b) the passing by the Independent Shareholders of the Company in a special general meeting of a resolution to approve the Service Agreement and the issue and allotment of the Allotted Shares in accordance with the Listing Rules, and (c) the Stock Exchange having granted the listing of, and permission to deal in, the Allotted Shares, the Company shall issue and allot to Mr. Sia up to a maximum number of the Allotted Shares during the term of the Service Agreement in the following manner:
 - (i) such number of the Allotted Shares as the Board shall deem appropriate being issued and allotted within three (3) months from the issue of the audited financial statements of the Group for the year ending 30 June 2009;
 - (ii) such number of the Allotted Shares as the Board shall deem appropriate being issued and allotted within three (3) months from the issue of the audited financial statements of the Group for the year ending 30 June 2010; and
 - (iii) such number of the Allotted Shares as the Board shall deem appropriate being issued and allotted within three (3) months from the issue of the audited financial statements of the Group for the year ending 30 June 2011;

provided that the total number of the Allotted Shares issued and allotted to the Mr. Sia under the Service Agreement shall not exceed 69,887,228 Allotted Shares.

The Allotted Shares represent (i) approximately 6.5% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 6.34% of the Company's issued share capital as enlarged by the Consideration Shares; and (iii) approximately 5.96% of the Company's issued share capital as enlarged by the Consideration Shares and the Allotted Shares.

The terms of the Service Agreement were negotiated on an arm's length commercial basis between Mr. Sia and the Company by reference to Mr. Sia's extensive experience in the brassiere related industry particularly in the areas of sales and marketing. The Company believes it is beneficial for the Company to have Mr. Sia's services. The Allotted Shares will be issued and allotted to Mr. Sia under the specific mandate to be sought at the SGM.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Allotted Shares.

Under the Service Agreement, Mr. Sia represents and warrants to and undertakes with the Company that unless with the prior written consent of the Board, he shall not transfer, sell, assign or dispose of any Allotted Shares within five (5) years from the date of issue and allotment of the relevant Allotted Shares.

The Directors (excluding the Independent Non-executive Directors who will express their view after having considered the advice from the Independent Financial Adviser) are of the view that the issue and allotment of the Allotted Shares are in the interest of the Group and the terms and conditions of the Service Agreement are in normal commercial terms, which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company: (a) before Completion; (ii) after Completion and the issue of the Consideration Shares (assuming no adjustment to the Consideration Shares), and (iii) after Completion and the issue of the Consideration Shares (assuming no adjustment to the Consideration Shares) and issue and allotment of Allotted Shares (assuming that a maximum number of the Allotted Shares will be issued and allotted to Mr. Sia):

	Before Completion		After Completion (assuming no adjustment to the Consideration Shares)		After Completion (assuming no adjustment to the Consideration Shares) and issue and allotment of Allotted Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Van De Velde N.V. ("VDV") (<i>Note 1</i>)	176,181,544	16.39	176,181,544	15.99	176,181,544	15.03
High Union Holdings Inc. (<i>Note 2</i>)	175,591,597	16.33	175,591,597	15.93	175,591,597	14.98
Mr. Sia	0	0	26,879,703	2.44	96,766,931	8.26
Public Shareholders	723,414,984	67.28	723,414,984	65.64	723,414,984	61.73
Total:	1,075,188,125	100.00	1,102,067,828	100.00	1,171,955,056	100.00

Notes:

- VDV is beneficially owned by Mr. Lucas A.M. Laurevs and Mr. Herman Van de Velde, the non-executive Directors.
- 1,480,521 shares were beneficially owned by Mr. Wong or his nominees whereas 100,000 shares were held by the spouse of Wong Chung Chong, Eddie ("Mr. Wong") and 175,591,597 shares were registered in the name of High Union Holdings Inc., a trustee of a unit trust whereas the unit trust was held by a family trust of which the family members of Mr. Wong were eligible beneficiaries. Mr. Wong is the Managing Director of the Group.

INFORMATION ON THE VENDORS

ASIL is a company incorporated in the British Virgin Islands and is an investment holding company beneficially owned by a family trust of which the family members of Mr. Sia are beneficiaries. ASIL is a legal and beneficial owner of (i) 7,999,999 shares in ASIAL, representing 99.99% of ASIAL Shares; (ii) 499,997 shares in Elkhorn, representing 99.99% of Elkhorn Shares; (iii) 1 share in Tavistock, representing 50% of Tavistock Shares; and (iv) 66,334 shares in Carina, representing 99.99% of Carina Shares.

Mr. Sia is a legal owner of (i) 1 share in ASIAL, representing 0.01% of ASIAL Shares; (ii) 3 shares in Elkhorn, representing 0.01% of Elkhorn Shares; (iii) 1 share in Tavistock, representing 50% of Tavistock Shares. Mr. Sia is holding the shares in ASIAL, Elkhorn and Tavistock on trust for ASIL. Mr. Sia is a legal and beneficial owner of 1 share in Carina, representing 0.0017% of Carina Shares.

Each of Wong May May Carina and Tina Sia is a legal and beneficial owner of 1 share in Carina, representing 0.0017% of Carina Shares. Pearl Soriaga is holding 1 share in Carina, representing 0.0017% of Carina Shares, in trust for ASIL and each of Marileen Silvestre and Rowena Tence is holding 1 share in Carina, representing 0.0017% of Carina Shares, in trust for Mr. Sia. Mr. Sia, Wong May May Carina and Tina Sia are in the same family.

INFORMATION ON SALE GROUP COMPANIES

ASIAL is a company incorporated in Hong Kong and is beneficially owned by ASIL. ASIAL is principally engaged in the sale and manufacture of ladies' intimate apparel and accessories. ASIAL operates manufacturing facilities in the PRC and the Philippines.

Elkhorn is a company incorporated in Hong Kong and is beneficially owned by ASIL. Elkhorn has signed the Processing Contract and Elkhorn Lease for and on behalf of ASIAL. However, Elkhorn is currently an inactive company and does not carry on any business in Hong Kong and the PRC.

Tavistock is a company incorporated in Hong Kong and is beneficially owned by ASIL. Tavistock is principally engaged in the sale and manufacture of brassiere cup wires and moulds. Tavistock operates manufacturing facilities in the PRC.

Carina is a company incorporated in the Philippines and is beneficially owned by ASIL as to 99.99% and Mr. Sia, Wong May May Carina and Tina Sia collectively as to 0.0017%. Carina is principally engaged in the sale and manufacture of intimate apparel and accessories. Carina operates manufacturing facilities in the Philippines.

FINANCIAL INFORMATION ON SALE GROUP COMPANIES

The combined financial information of the Sale Group Companies for the two years ended 31 March 2008 extracted from the unaudited financial statements of each of the Sale Group Companies and computed on a combined basis and prepared in accordance with the Hong Kong Financial Reporting Standards are as follows:

	For the year ended 31 March 2007 (unaudited) (HK\$'000)	For the year ended 31 March 2008 (unaudited) (HK\$'000)
Turnover	1,110,753	1,123,772
Net loss before taxation	(362,257)	(111,236)
Net loss after taxation (<i>Note</i>)	(363,435)	(113,086)
Net liabilities	(414,310)	(524,670)
<i>Note:</i>		
Analysed as:		
– Operating (loss) profit	(64,097)	283
– Provision for amount due from ACE Style Group	(299,338)	(113,369)
	<u>(363,435)</u>	<u>(113,086)</u>
Total	<u>(363,435)</u>	<u>(113,086)</u>

INFORMATION ON THE COMPANY AND THE GROUP

The Company was incorporated in Bermuda with limited liability and its Shares are listed on the Stock Exchange. The Company is an investment holding company. The Group is principally engaged in the design, manufacture, distribution, wholesale and retail of ladies' intimate apparel, principally brassieres.

REASONS FOR THE ACQUISITION

The Sale Group Companies recorded a combined unaudited turnover of approximately HK\$1,123.8 million for the year ended 31 March 2008, as compared with the audited consolidated turnover of the Group of HK\$1,467.5 million for the year ended 30 June 2007. The Board believes that the Acquisition would substantially augment the operational capacities, capabilities and the market presence of the Group. The Sale Group Companies have an established and proven track record as an original design manufacturer (ODM) and this core competence complements well with the Group's traditional and successful OEM strengths in ladies' intimate apparel products. Through the Acquisition, the Group would gain considerable products know-how and technologies resided with the Sale Group Companies, as well as capture a considerable international network of new customers. The Board is of the view that the Acquisition presents a unique business expansion opportunity for the Group, and would considerably further strengthen the Group's overall competitiveness and product offerings going forward.

Notwithstanding that the unaudited net liabilities position of the Sale Group Companies of approximately HK\$524.7 million as at 31 March 2008, pursuant to the Share Acquisition Agreement, as part of the condition precedent, the Bank Group have to release all the Sale Group Companies' liabilities and the Sale Group Companies will not owe the Bank Group any obligations after Completion. In addition, the Board also note from the unaudited financial information of the Sale Group Companies that the Sale Group Companies achieved a gross profit of approximately HK\$212.7 million, representing an increase of approximately 21.7% from previous year.

Based on the above, the Directors (excluding the Independent Non-executive Directors who will express their view after having considered the advice from the Independent Financial Adviser) are of the view that the Acquisition is in the interest of the Group and the terms and conditions of the Acquisition are in normal commercial terms, which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, the Purchaser will hold the entire issued share capital of the Sale Group Companies and the financial results of the Sale Group Companies will be consolidated in the financial results of the Company.

It is expected that the Group will work closely with the Sale Group Companies to actively explore and extract business synergistic benefits, including but not limited to streamlining and re-deployment of resources and marketing strategies for the enlarged Group.

LISTING RULES IMPLICATIONS FOR ACQUISITION AND ISSUE AND ALLOTMENT OF ALLOTTED SHARES

As the relevant percentage ratios as referred to in Chapter 14 of the Listing Rules for the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As Mr. Sia will become a Director immediately upon Completion, the Acquisition also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules.

As Mr. Sia will become a connected person of the Company by reason of his being a Director immediately upon Completion, the issue and allotment of the Allotted Shares constitute a connected transaction for the Company under the Listing Rules.

The Acquisition contemplated under the Share Acquisition Agreement, the issue and allotment of the Consideration Shares under the Share Acquisition Agreement and the connected transaction regarding the issue and allotment of the Allotted Shares under specific mandate under the Service Agreement are subject to, among other things, the approval by the Independent Shareholders at the SGM.

As no Shareholder has a material interest in the Acquisition contemplated under the Share Acquisition Agreement, the issue and allotment of the Consideration Shares under the Share Acquisition Agreement and the connected transaction regarding the issue and allotment of the Allotted Shares under specific mandate under the Service Agreement, none of the Shareholders is required to abstain from voting at the SGM to approve the Acquisition as contemplated under the Share Acquisition Agreement, the issue and allotment of the Consideration Shares under the Share Acquisition Agreement and the connected transaction regarding the issue and allotment of the Allotted Shares under specific mandate under the Service Agreement.

The Directors (excluding the Independent Non-executive Directors who will express their views after having considered the advice from the Independent Financial Adviser) are of the view that as far as the Independent Shareholders are concerned, the terms of the Share Acquisition Agreement and the Service Agreement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

On Completion, AUS and Marguerite Lee will enter into the AUS Service Contract and Fiori Textiles Limited and the Purchaser will enter into the Fiori Contract. As all the terms and conditions of the AUS Service Contract and the Fiori Contract have been agreed upon by the parties under the Share Acquisition Agreement, the Company is required to disclose the details of the AUS Service Contract and the Fiori Contract in accordance with Rule 14A.47 of the Listing Rules. Details of the terms and conditions of the AUS Service Contract and Fiori Contract are set out below.

AUS Service Contract

Parties: Marguerite Lee and AUS

Services: Pursuant to the AUS Service Contract, AUS has agreed to provide design and development and related technical advice and solutions in relation to intimate apparel and all related products to Marguerite Lee Group Companies in return for the payment of the Signing Fee and the Service Fees.

Term: Subject to approval from Independent Shareholders, AUS Service Contract has a fixed term of two years commencing from the date of the AUS Service Contract with an option to be exercisable by Marguerite Lee in its sole discretion to renew thereafter for a further term of 1 year, unless terminated pursuant to the terms of the AUS Service Contract or by not less than ninety (90) days' notice in writing served by either party.

Payment: Marguerite Lee agrees and covenants to pay AUS: (a) the Signing Fee of US\$120,000 (approximately HK\$936,000) upon signing of the AUS Service Contract; and (b) in advance on the first day of each successive period of three months the Service Fees in the amount of US\$530,000 (approximately HK\$4,134,000) every three months with the first payment of the same to be made by Marguerite Lee on the date of the AUS Service Contract.

Pursuant to the AUS Service Contract, the annual Service Fees payable by Marguerite Lee to AUS under the AUS Service Contract will not exceed US\$2.12 million (approximately HK\$16.536 million), which represents the annual caps under the AUS Service Contract.

The annual Service Fees are determined by arms' length negotiations between Marguerite Lee and AUS primarily by reference to the services to be provided by AUS to Marguerite Lee Group Companies under the AUS Service Contract and the design skill and innovation, complicated new product development and research, the in-deep knowledge of technological know-how and related information on the intimate apparel products possessed by AUS.

REASONS FOR ENTERING INTO OF AUS SERVICE CONTRACT

AUS, once incorporated, will be involved in the provision of design and development and related technical advice and solutions in relation to intimate apparel and all related products.

With the support from the services provided by AUS, the Company believes that the provision of the services under the AUS Service Contract will compliment the existing business of Marguerite Lee Group Companies in the future.

Fiori Contract

Parties: The Purchaser and Fiori Textiles Limited

Services: Pursuant to Fiori Contract, the Purchaser will appoint Fiori Group and Fiori Group will agree to act and procure Fiori Group to act as non-exclusive suppliers of the Materials for the Group during the continuance of Fiori Contract.

Term: Subject to approval from Independent Shareholders, Fiori Contract shall become effective upon the date of its signing and shall continue in existence until 30 June 2011, unless terminated pursuant to the terms of the Fiori Contract or by not less than 30 days' notice in writing served by either party.

Price: The price and the terms of each purchase order for the Materials shall be arrived at after arm's length negotiations, be comparable to those offered to independent third parties and be on terms comparable to the prevailing market rate and practice. The Group shall place the Purchase Order with Fiori Group in respect of the purchase of the Materials under Fiori Contract.

Annual Caps

For the purpose of Rule 14A.35(2) of the Listing Rules, the Directors propose that the aggregate amount in respect of the Materials to be purchased by the Group from Fiori Group under the Fiori Contract during the relevant financial years shall not exceed the annual caps set out below:

From the date of this Agreement up to and including 30 June 2009 (HK\$ million)	Year ending 30 June 2010 (HK\$ million)	Year ending 30 June 2011 (HK\$ million)
150	165	182

The cap amounts are determined by arms' length negotiations between the Purchaser and Fiori Textiles Limited primarily by reference to: (a) the costs of the Materials to be provided by Fiori Textiles Limited to the Purchaser at a price comparable to the prevailing market rate and practice; (b) the results of the discussions between managements of the Company and Fiori Textiles Limited with respect to the estimated annual growth in the sales of the Group in the coming years; and (c) the estimated increase in the costs of the Materials to be priced by Fiori Textiles Limited in the coming years.

REASONS FOR ENTERING INTO OF FIORI CONTRACT

Fiori Group has been supplying the Materials to the Sale Group Companies for the sale and manufacture of ladies' intimate apparel and accessories.

Upon Completion, the enlarged Group are expected to source the Materials from Fiori Group on a recurring basis.

LISTING RULES IMPLICATIONS

Immediately after completion of the Acquisition, Mr. Sia will become a Director. As AUS is a company whose shares are to be controlled by the sister of Mr. Sia's wife, AUS is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As Fiori Textiles Limited is beneficially owned by Mr. Sia, Fiori Textiles Limited is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As the aggregate annual amounts of the transactions contemplated under each of the AUS Service Contract and Fiori Contract will exceed the 2.5% threshold as provided in Rule 14A.34 of the Listing Rules and the total annual consideration exceeds HK\$10,000,000, the entering into of the AUS Service Contract and Fiori Contract will constitute a non-exempt continuing connected transaction for the Company under Chapter 14A of the Listing Rules and will be subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules. Accordingly, the non-exempt continuing connected transactions contemplated under the AUS Service Contract and the Fiori Contract are subject to the Independent Shareholders' approval at the SGM.

As no Shareholder has a material interest in the continuing connected transactions under the AUS Service Contract and the Fiori Contract, none of the Shareholders is required to abstain from voting at the SGM to approve the continuing connected transactions under the AUS Service Contract and the Fiori Contract.

The Directors (excluding the Independent Non-executive Directors who will express their views after having considered the advice from the Independent Financial Adviser) consider that the entering into of the AUS Service Contract and Fiori Contract is in the usual and ordinary course of businesses of the Group and the terms of the AUS Service Contract and Fiori Contract have been negotiated and will be conducted on an arm's length basis and on normal commercial terms.

The Directors (excluding the Independent Non-executive Directors who will express their views after having considered the advice from the Independent Financial Adviser) are of the view that as far as the Independent Shareholders are concerned, the terms of the AUS Service Contract, Fiori Contract and the annual caps under the Fiori Contract and the AUS Service Contract are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

The Company will therefore seek the approval by the Independent Shareholders of the AUS Service Contract, Fiori Contract, the annual caps under the AUS Service Contract and the Fiori Contract on terms in compliance with Rules 14A.37 to 14A.41 of the Listing Rules.

GENERAL

A SGM will be convened at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and the Allotted Shares, the AUS Service Contract, the Fiori Contract, annual caps under the AUS Service Contract and the Fiori Contract.

A circular containing, among other things, details of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and the Allotted Shares, the AUS Service Contract, the Fiori Contract, the annual caps under the AUS Service Contract and the Fiori Contract, an accountants' report on the Sale Group Companies, a letter from the Independent Board Committee to the Independent Shareholders in connection with the terms of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and the Allotted Shares, the AUS Service Contract, the Fiori Contract, the annual caps under the AUS Service Contract and the Fiori Contract, and a letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders and a notice of the SGM will be despatched to Shareholders in accordance with the requirements of Rules 14.38 and 14A.49 of the Listing Rules as soon as possible.

An Independent Board Committee comprising the Independent Non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and the Allotted Shares, the AUS Service Contract, the Fiori Contract, the annual caps under the AUS Service Contract and the Fiori Contract. None of the Independent Non-executive Directors has a material interest in the Acquisition under the Share Acquisition Agreement and the connected transaction contemplated under the Service Agreement, the AUS Service Contract and the Fiori Contract. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and the Allotted Shares, the AUS Service Contract, the Fiori Contract, the annual caps under the AUS Service Contract and the Fiori Contract.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 28 July 2008 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 2:30 p.m. on 30 July 2008.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the proposed acquisition of the Sale Shares on the terms and conditions in the Share Acquisition Agreement
“ACE Style Group”	ASIL and its Subsidiaries (save and except the Sale Group Companies)
“Allotted Shares”	the issue and allotment by the Company to Mr. Sia of a total of 69,887,228 Shares, representing about 6.5% of the entire issued share capital of the Company as at the date of this announcement, credited as fully paid up
“ASIAL”	Ace Style Intimate Apparel Limited, a company incorporated in Hong Kong and beneficially owned by ASIL
“ASIAL Factory”	Ace Style Underwear Factory (益德內衣廠)
“ASIAL Shares”	8,000,000 shares in ASIAL, representing the entire issued share capital of ASIAL
“ASIL”	Ace Style International Limited, a company incorporated in the British Virgin Islands and beneficially owned by Mr. Sia
“associates”	has the same meaning ascribed to it under the Listing Rules

“AS(UK)”	Ace Style Intimate Apparel (UK) Limited, a limited liability company incorporated in the United Kingdom and beneficially owned by Mr. Sia
“AS(US)”	Ace Style Intimate Apparel Inc., a limited liability company incorporated in New York, the United States of America and beneficially owned by Mr. Sia
“AUS”	a limited liability company to be incorporated in the United States of America whose shares shall be controlled by the sister of Mr. Sia’s wife
“AUS Service Contract”	the service contract to be executed between AUS and Marguerite Lee for the provision of services by AUS to the Group
“Bank Group”	the bank creditors of the Sale Group Companies
“Board”	board of the Directors
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong and for general banking business
“Carina”	Carina Apparel Inc., a company incorporated in the Philippines and beneficially owned by ASIL as to 99.99% and Mr. Sia, Wong May May Carina and Tina Sia collectively as to 0.01%
“Carina Shares”	66,340 shares in Carina, representing the entire issued share capital of Carina
“Company”	Top Form International Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange

“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Share Acquisition Agreement
“Completion Accounts”	the unaudited financial statements of each of the Sale Group Companies made up to the Completion Accounts Date
“Completion Accounts Date”	a date falling on the latest practicable date prior to Completion as agreed by the Vendors and the Purchaser
“Completion Date”	the fifth Business Day from the Condition Date or such other date as determined by the Purchaser
“Condition Date”	the date on which all conditions precedent (other than the conditions (g), (h) and (y) set out in the section headed “Conditions precedent” in this announcement) have been fulfilled or waived (as the case may be) in accordance with the Share Acquisition Agreement which in any event shall not be later than a date falling 120 days after the date of the Share Acquisition Agreement or such other date as the Vendors and the Purchaser shall agree
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the sale and purchase of the Sale Shares pursuant to the Share Acquisition Agreement
“Consideration Shares”	26,879,703 Shares (subject to adjustment) to be allotted and issued to Mr. Sia, credited as fully paid, with each Share being priced at approximately HK\$0.682, subject to adjustment pursuant to the terms and conditions of the Share Acquisition Agreement
“Director(s)”	director(s) of the Company
“Elkhorn”	Elkhorn Enterprises Limited, a company incorporated in Hong Kong and beneficially owned by ASIL

“Elkhorn Lease”	a lease dated 27 December 2002 made between 深圳市寶安區公明鎮薯田埔經濟發展公司 (Shenzhen Baoan District Gongming Town Tianpu Economic Development Corporation) and Elkhorn for a term of thirty years commencing from 1 December 2002 to 30 November 2032
“Elkhorn Shares”	500,000 shares in Elkhorn, representing the entire issued share capital of Elkhorn
“Financial Statements”	the unaudited financial statements of each of the Sale Group Companies as of the year ended on 31 March 2008
“Fiori Contract”	the supply agreement to be executed between Fiori Textiles Limited and the Purchaser for the supply of accessories, fabric and raw materials by the Fiori Group to the Group
“Fiori Group”	Fiori Textiles Limited, a company beneficially owned by Mr. Sia, together with its Subsidiaries from time to time
“Group”	the Company, the Purchaser and its Subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HSBC”	The HongKong and Shanghai Banking Corporation Limited
“Independent Board Committee”	the committee of the Board, comprising the Independent Non-executive Directors to make recommendation to the Independent Shareholders in respect of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and the Allotted Shares, the AUS Service Contract, the Fiori Contract, the annual caps under the AUS Service Contract and the Fiori Contract

“Independent Financial Adviser”	Access Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition under the Share Acquisition Agreement, Service Agreement, the issue and allotment of the Consideration Shares and the Allotted Shares, the AUS Service Contract, the Fiori Contract, the annual caps under the AUS Service Contract and the Fiori Contract
“Independent Non-executive Directors”	the independent non-executive directors of the Company, namely, Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy
“Independent Shareholders”	Shareholders other than Mr. Sia and his associates
“Independent Third Party”	person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties independent of the Company and the connected person (as defined in the Listing Rules) of the Company
“Last Trading Date”	25 July 2008, being the date immediately prior to the date of the Share Acquisition Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marguerite Lee”	Marguerite Lee Limited, an indirect wholly-owned Subsidiary of the Purchaser
“Marguerite Lee Group Companies”	Marguerite Lee, its holding companies, fellow Subsidiaries and Subsidiaries from time to time

“Materials”	all accessories, fabric and raw materials for manufacturing purposes of the Group which are to be ordered by the Group from Fiori Group from time to time as set forth in the Purchase Order
“Mr. Sia”	Mr. Andrew Sia
“Net Asset Value”	the total assets less the total liabilities of the Sale Group Companies computed on a combined basis based on the figures in the relevant financial statements of each of the Sale Group Companies and after incorporating the following adjustments: (a) releasing all loans and liabilities due and owing to the Bank Group under any loan or security documents of the Sale Group Companies; (b) releasing all loans and liabilities due and owing to any director of ACE Style Group or Sale Group Companies; (c) adding back total trade receivables due from third party customers as recorded in the financial statements of AS(US) and AS(UK) which should have been paid back to ASIAL; (d) releasing all the intercompany loans and liabilities between the Sale Group Companies and the Vendors or the ACE Style Group except for the trade receivables recorded in AS(US) and AS(UK) which should have been paid back to ASIAL as mentioned in paragraph (c) above; and (e) transferring the real property owned by ASIAL to a third party
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
“Processing Contract”	the processing contract dated 15 October 1997 and entered into among Elkhorn, 深圳市寶安區外經發展總公司 (Shenzhen Baoan District Foreign Economic Development Corporation) and 益康內衣廠 (Elkhorn Underwear Factory) for a term of fifteen (15) years from 15 October 1997 to 15 October 2012
“Purchaser”	Top Form (B.V.I.) Limited, a direct wholly-owned Subsidiary of the Company

“Purchase Order”	the purchase order in respect of the Materials to be placed by the Group with Fiori Group from time to time under Fiori Contract
“Sale Group Companies”	collectively ASIAL, Elkhorn, Tavistock and Carina and their respective Subsidiaries (if any) as at the date of the Share Acquisition Agreement
“Sale Shares”	collectively ASIAL Shares, Elkhorn Shares, Tavistock Shares and Carina Shares, which are upon Completion, to be sold by the Vendors to the Purchaser pursuant to the Share Acquisition Agreement;
“Service Agreement”	the service agreement to be executed between Mr. Sia and the Company pursuant to which Mr. Sia will be appointed as Executive Director
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Acquisition under the Share Acquisition Agreement, the issue and allotment of the Consideration Shares under the Share Acquisition Agreement and the connected transaction regarding the issue and allotment of the Allotted Shares under the Service Agreement and the continuing connected transactions under the AUS Service Contract and the Fiori Contract together with all transactions contemplated thereunder
“Share Acquisition Agreement”	the conditional sale and purchase agreement dated 26 July 2008 entered into among the Vendors and the Purchaser relating to the sale and purchase of the Sale Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Service Fees”	the fees payable by Marguerite Lee to AUS for the provision of the services by AUS to Marguerite Lee Group Companies under the AUS Service Contract
“Signing Fee”	a fee of US\$120,000 (approximately HK\$936,000) to be paid by Marguerite Lee to AUS under AUS Service Contract
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning as ascribed to it in the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)
“Tavistock”	Tavistock Springs (HK) Limited, a company incorporated in Hong Kong and beneficially owned by ASIL
“Tavistock Shares”	2 shares in Tavistock, representing the entire issued share capital of Tavistock
“Vendors”	collectively ASIL, Andrew Sia, Wong May May Carina, Tina Sia, Pearl Soriaga, Marileen Silvestre and Rowena Tence
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States of America dollars
“%”	per cent.

For and on behalf of the Board
Top Form International Limited
Fung Wai Yiu
Chairman

Hong Kong, 30 July 2008

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