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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements dated 18 September 2005 and 18 June 2008 in respect of the continuing connected transactions between the Group and VDV.

As the Existing Agreement will expire on 30 June 2011 and the Group anticipates that the continuing connected transactions will continue on a recurring basis, the Company entered into the Renewal Agreement with VDV to renew the terms of the Existing Agreement for further three years commencing from 1 July 2011 and ending on 30 June 2014 to continue the sale of ladies' intimate apparel by the Group to VDV.

Given that (i) Mr. Lucas Laureys and Mr. Herman Van de Velde, the Chairman and Managing Director of VDV respectively, are non-executive Directors; and (ii) Mr. Herman Van de Velde holds an indirect equity interest in VDV via a controlled corporation and VDV is a substantial shareholder of the Company, beneficially and directly interested in approximately 25.66% of the existing issued share capital of the Company, the transactions between the Group and VDV contemplated under the Renewal Agreement therefore constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

As each of the applicable percentage ratios in respect of the annual cap for each of the three financial years ending 30 June 2014 exceeds 5%, the continuing connected transactions are subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. The Company will comply with the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules for the transactions not falling under Rule 14A.34 of the Listing Rules and, at the SGM to be held, each of Mr. Lucas Laureys, Mr. Herman Van de Velde, VDV and their respective associates will abstain from voting on the relevant resolution.

A circular containing, among other matters, (i) the details of the Renewal Agreement and the annual caps; (ii) the advice of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) notice of the SGM will be despatched to the Shareholders as soon as practicable but no later than 27 April 2011.

** for identification purpose only*

Reference is made to the announcements dated 18 September 2005 and 18 June 2008 in respect of the continuing connected transactions between the Group and VDV.

In view of the expiration of the Existing Agreement dated 18 June 2008 entered into between the Company and VDV with regard to the sale of ladies' intimate apparel by the Group to VDV on 30 June 2011 and the anticipation that the continuing connected transactions will continue on a recurring basis, the Company entered into the Renewal Agreement with VDV to renew the terms of the Existing Agreement for further three years ending 30 June 2014 to continue the sale of ladies' intimate apparel to VDV.

1. DETAILS OF THE RENEWAL AGREEMENT

- Date of the agreement: 1 April 2011
- The subject: Sale of ladies' intimate apparel by the Group to VDV
- Parties involved: (a) the Group, as the seller; and
(b) VDV, as the purchaser
- Duration of the agreement: A period from 1 July 2011 to 30 June 2014. Thereafter, subject to compliance with the applicable Listing Rules, the Renewal Agreement may be renewed for each and every three-year interval in the future.
- Pricing policy: These sales transactions will be charged on a cost plus margin basis and on terms no less than those charged by the Group to independent third parties. The Renewal Agreement sets out the framework of the pricing policy, the actual pricing and terms and conditions of payment shall be determined among the parties on each purchase order basis. Such sales will be satisfied in cash within a period of 30 days.

The sales of ladies' intimate apparel by the Group to VDV for the three financial years ended 30 June 2010 were approximately HK\$41 million, HK\$45 million and HK\$52 million, representing approximately 3.0%, 3.3% and 3.9% of the Group's audited consolidated turnover of the respective financial years. For the six months ended 31 December 2010, sales of ladies' intimate apparel by the Group to VDV was approximately HK\$30 million, representing approximately 4.0% of the Group's unaudited consolidated turnover of that period.

Based on (i) the historical sales figures as mentioned above, (ii) the discussion between the management of the Company and VDV with regard to the estimated annual growth of the sales, (iii) the estimated increase in cost of production; (iv) the estimated appreciation of Renminbi; (v) the value added production procedures; and (vi) the prevailing and the expected market conditions, the Directors propose that the annual caps for the sales of ladies' intimate apparel by the Group to VDV for the three financial years ending 30 June 2014 will be HK\$80 million for the year ending 30 June 2012, HK\$90 million for the year ending 30 June 2013 and HK\$100 million for the year ending 30 June 2014, respectively.

For the avoidance of doubt, these annual caps represent the maximum value of sales by the Group to VDV in each year. There is no minimum or implied value of sales in each of these years.

2. REASONS FOR THE RENEWAL AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

The Company is an investment holding company. The principal business activities of the Group are the manufacture of ladies' intimate apparel, principally brassieres.

VDV is a manufacturer and marketer of luxury lingerie.

For the past 29 years, the Group has been supplying ladies' intimate apparel to VDV. It is anticipated that the Group will continue to carry out such transactions on a recurring basis. In order to continue the sale of ladies' intimate apparel by the Group to VDV, the Company entered into the Renewal Agreement to renew the terms of the Existing Agreement for a period of three years ending 30 June 2014.

The transactions contemplated under the Renewal Agreement will continue to be conducted in the ordinary and usual course of business, on normal commercial terms agreed after arm's length negotiations between the Group and VDV. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the view that the terms of the Renewal Agreement and the annual caps of the underlying transactions contemplated therein are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

3. LISTING RULES IMPLICATIONS

Given that (i) Mr. Lucas Laureys and Mr. Herman Van de Velde, the Chairman and Managing Director of VDV respectively, are non-executive Directors; and (ii) Mr. Herman Van de Velde holds an indirect equity interest in VDV via a controlled corporation and VDV is a substantial shareholder of the Company, beneficially and directly interested in approximately 25.66% of the existing issued share capital of the Company, the transactions between the Group and VDV contemplated under the Renewal Agreement therefore constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

As each of the applicable percentage ratios in respect of the annual cap for each of the three financial years ending 30 June 2014 exceeds 5%, the continuing connected transactions under the Renewal Agreement are subject to the reporting, announcement, independent shareholders' approval requirements and annual review by the independent non-executive directors and the auditors of the Company under Chapter 14A of the Listing Rules. The Company will comply with the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules for the transactions not falling under Rule 14A.34 of the Listing Rules and, at the SGM to be held, Mr. Lucas Laureys, Mr. Herman Van de Velde, VDV and their respective associates will abstain from voting on the relevant resolution.

4. SGM

A SGM will be convened as soon as practicable to approve the Renewal Agreement, the transactions and the annual caps contemplated thereunder by Independent Shareholders of the Company. Mr. Lucas Laureys, Mr. Herman Van de Velde, VDV and their respective associates will abstain from voting on the relevant resolution at the SGM.

5. GENERAL

An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the terms of the Renewal Agreement and the annual caps. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders.

A circular containing, among other matters, (i) the details of the Renewal Agreement and the annual caps; (ii) the advice of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) notice of the SGM will be despatched to the Shareholders as soon as practicable but no later than 27 April 2011.

6. DEFINITIONS

“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Company”	Top Form International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent board committee, comprising the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the terms of the Renewal Agreement and the annual caps
“Independent Shareholders”	Shareholders other than Mr. Lucas Laureys, Mr. Herman Van de Velde, VDV and their respective associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Existing Agreement”	the renewal agreement dated 18 June 2008 entered into between the Company and VDV to renew the terms of the Master Agreement for a period from 1 July 2008 to 30 June 2011

“Master Agreement”	the master agreement dated 18 September 2005 entered into between the Company and VDV with regard to the sale of ladies’ intimate apparel by the Group to VDV
“Renewal Agreement”	the renewal agreement dated 1 April 2011 entered into between the Company and VDV to renew the terms of the Existing Agreement for a period from 1 July 2011 to 30 June 2014
“SGM”	a special general meeting of the Company to be held to consider and approve the Renewal Agreement and the annual caps of the underlying transactions contemplated under the Renewal Agreement
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VDV”	Van De Velde N. V., a company incorporated in Belgium and the securities of which are listed on the continuous segment of Euronext
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 1 April 2011

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.