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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)

ANNOUNCEMENT

MAJOR AND CONTINUING CONNECTED TRANSACTIONS, PROPOSED SHARE CONSOLIDATION AND AMENDMENTS TO THE BYE-LAWS

MAJOR AND CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 18 September 2005, 18 June 2008 and 1 April 2011 in respect of the continuing connected transactions between the Group and VDV.

As the 2nd Renewal Agreement will expire on 30 June 2014 and the Group anticipates that the continuing connected transactions will continue on a recurring basis, the Company entered into the 3rd Renewal Agreement with VDV to renew the terms of the Master Agreement for further three years commencing from 1 July 2014 and ending on 30 June 2017 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 of the Company; (ii) Mr. Herman Van de Velde and the two daughters of Mr. Lucas Laureys (associates of Mr. Lucas Laureys under Chapter 14A of the Listing Rules) hold an indirect equity interest of 56.26% in VDV via a jointly controlled corporation; and (iii) VDV is a substantial shareholder of the Company, beneficially and directly interested in approximately 25.7% of the existing issued share capital of the Company, the transactions between the Group and VDV contemplated under the 3rd Renewal Agreement therefore constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

* For identification purpose only

As one of the applicable percentage ratios in respect of the annual cap for each of the three financial years ending 30 June 2017 exceeds 25% but below 75%, the continuing connected transactions under the 3rd Renewal Agreement also constitute as major transaction and are subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapters 14 and 14A of the Listing Rules.

An Independent Board Committee comprising all independent non-executive Directors of the Company has been formed to advise the Independent Shareholders as to the terms of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement. An Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

PROPOSED SHARE CONSOLIDATION AND AMENDMENTS TO THE BYE-LAWS

The Board proposes to implement the Share Consolidation on the basis that every five issued and unissued Shares of HK\$0.10 each will be consolidated into one Consolidated Share of HK\$0.50 each in the capital of the Company.

As at the date of this announcement, the share capital of the Company amounts to HK\$150,000,000 divided into 1,500,000,000 Shares, of which 1,075,188,125 Shares of HK\$0.10 each have been issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Shares will be allotted and issued and no Shares will be repurchased prior thereto, the share capital of the Company will remain HK\$150,000,000 but divided into 300,000,000 Consolidated Shares, of which 215,037,625 Consolidated Shares of HK\$0.50 each have been issued as fully paid or credited as fully paid.

The Board further proposes, subject to the Share Consolidation becoming effective, to make certain amendments to the Bye-laws of the Company in order to reflect the Company's updated capital structure following the Share Consolidation.

The Share Consolidation and the proposed amendments to the Bye-laws of the Company are conditional upon, among other things, the approval of the Shareholders by way of an ordinary resolution and a special resolution, respectively at the SGM.

A SGM will be convened as soon as practicable to approve (i) the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions 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; (ii) the Share Consolidation by Shareholders by way of an ordinary resolution; and (iii) the proposed amendments to the Bye-laws of the Company by Shareholders by way of a special resolution. No Shareholders are required to abstain from voting on the relevant resolutions in relation to the Share Consolidation and the proposed amendments to the Bye-laws of the Company at the SGM.

A circular containing, among other things, (i) the details of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated therein and the letters from Independent Board Committee and Independent Financial Adviser; (ii) the details of the Share Consolidation and proposed amendments to the Bye-laws; and (iii) the notice of SGM will be despatched to the Shareholders as soon as practicable but no later than Friday, 2 May 2014.

1. MAJOR AND CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 18 September 2005, 18 June 2008 and 1 April 2011 in respect of the continuing connected transactions between the Group and VDV.

The Company entered into the Master Agreement, the 1st Renewal Agreement and the 2nd Renewal Agreement with VDV with regard to the sale of ladies' intimate apparel by the Group to VDV. Given that the 2nd Renewal Agreement will expire on 30 June 2014 and the anticipation that the continuing connected transactions will continue on a recurring basis, the Company entered into the 3rd Renewal Agreement with VDV to renew the terms of the Master Agreement for further three years ending 30 June 2017 to continue the sale of ladies' intimate apparel to VDV.

Details of the 3rd renewal agreement

Date of the agreement:	9 April 2014
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 2014 to 30 June 2017. Thereafter, subject to compliance with the applicable Listing Rules, the 3rd 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 3rd 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 7 days.

The sale of ladies' intimate apparel by the Group to VDV for the two financial years ended 30 June 2013 were approximately HK\$63.2 million and HK\$72.5 million, representing approximately 5.6% and 6.8% of the Group's audited consolidated turnover

of the respective financial years. For the six months ended 31 December 2013, sale of ladies' intimate apparel by the Group to VDV was approximately HK\$44.2 million, representing approximately 8.2% of the Group's unaudited consolidated turnover of that period.

Based on (i) the historical sales figures as mentioned above, (ii) the discussions 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 especially the escalating labour costs in the regions where the Group operates production; (iv) the value added production procedures; and (v) the prevailing and the expected market conditions, the Directors propose that the annual caps for the sale of ladies' intimate apparel by the Group to VDV for the three financial years ending 30 June 2017 will be HK\$140 million for the year ending 30 June 2015, HK\$170 million for the year ending 30 June 2016 and HK\$200 million for the year ending 30 June 2017, 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.

Reasons for entering into the 3rd 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 32 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 3rd Renewal Agreement to renew the terms of the Master Agreement for a period of three years ending 30 June 2017.

The transactions contemplated under the 3rd 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 3rd 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.

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 of the Company; (ii) Mr. Herman Van de Velde and the two daughters of Mr. Lucas Laureys (associates of Mr. Lucas Laureys under Chapter 14A of the Listing Rules) hold an indirect equity interest of 56.26% in VDV via a jointly controlled corporation; and (iii) VDV is a substantial shareholder of the Company, beneficially and directly interested in

approximately 25.7% of the existing issued share capital of the Company, the transactions between the Group and VDV contemplated under the 3rd Renewal Agreement therefore constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

As one of the applicable percentage ratios in respect of the annual cap for each of the three financial years ending 30 June 2017 exceeds 25% but below 75%, the continuing connected transactions under the 3rd Renewal Agreement also constitute a major transaction and 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 Chapters 14 and 14A of the Listing Rules.

Formation of an independent board committee and appointment of independent financial adviser

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the terms of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement. An Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

2. PROPOSED SHARE CONSOLIDATION AND AMENDMENTS TO THE BYE-LAWS

Proposed share consolidation

The Board proposes to implement the Share Consolidation on the basis that every five issued and unissued Shares of HK\$0.10 each will be consolidated into one Consolidated Share of HK\$0.50 each in the capital of the Company.

The current board lot size for trading in the Shares is 2,000 Shares per board lot. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will be 2,000 Consolidated Shares per board lot.

Fractional Consolidated Shares will be disregarded and will not be issued to Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company.

Effects of the share consolidation

As at the date of this announcement, the share capital of the Company amounts to HK\$150,000,000 divided into 1,500,000,000 Shares, of which 1,075,188,125 Shares of HK\$0.10 each have been issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Shares will be allotted and issued and no Shares will be repurchased prior thereto, the share capital of the Company will remain HK\$150,000,000 but divided into 300,000,000 Consolidated Shares, of which 215,037,625 Consolidated Shares of HK\$0.50 each have been issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other and the rights of the Shareholders will not be varied as a result of the Share Consolidation, save for any fractional Consolidated Shares to which any Shareholder may be entitled.

Dealings of the consolidated shares

The Consolidated Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company.

Conditions precedent of the share consolidation

The Share Consolidation is conditional upon:

- (i) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the SGM; and
- (ii) the Listing Division of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares.

An application will be made to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective. All necessary arrangements will also be made for the Consolidated Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange.

Reasons for the share consolidation

The Board believes that the Share Consolidation will bring a corresponding increase in the market value of the Consolidated Shares per board lot and would enable the Company to comply with the Guide on Trading Arrangements for Selected Types of Corporate Actions issued by the Stock Exchange. Moreover, as the market value per board lot upon the Share Consolidation becoming effective will be higher than the market value per existing board lot, the proportion of transaction costs compared with

the market value per board lot will comparatively be lower. Accordingly, the Board is of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on Friday, 23 May 2014, being the business day immediately after the date of the SGM, Shareholders may on or after 9:00 a.m. on Friday, 23 May 2014 and until 4:30 p.m. on Wednesday, 2 July 2014 (both days inclusive) submit their existing share certificates for the Shares in grey colour (“Old Share Certificates”) to the Registrar at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong in exchange for new share certificates for the Consolidated Shares in red colour (“New Share Certificates”), at the expense of the Company. It is expected that the New Share Certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the Old Share Certificates to the Registrar for exchange.

Shareholders should note that after the prescribed time for free exchange of New Share Certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each Old Share Certificate cancelled or each New Share Certificate issued, whichever number of certificates involved is higher will be payable by the Shareholders to the Registrar. The Old Share Certificates will continue to be good evidence of legal title and may be exchanged for the New Share Certificates at any time at the expense of the Shareholders, but will not be accepted for trading, settlement and registration purposes after 4:00 p.m. on Friday, 27 June 2014, being the last day of operation of the temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares, the Company will appoint a securities firm to provide for matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots matching arrangements will be set out in the circular in relation to the Share Consolidation to be despatched to the Shareholders.

Adjustment to share option scheme

As at the date of this announcement, there are no outstanding share options granted under the Share Option Scheme that are exchangeable into Shares, therefore, no adjustments to the Share Option Scheme will be required.

Expected timetable for share consolidation

Set out below is the expected timetable in relation to the Share Consolidation:

Despatch of circular and notice of SGM on or before
Friday, 2 May 2014

Latest time for lodging form of proxy for the SGM 9:30 a.m. on Tuesday,
20 May 2014

SGM 9:30 a.m. on Thursday, 22 May 2014

Announcement of voting results of SGM on or after 4:15 p.m.
on Thursday, 22 May 2014

Effective date of the Share Consolidation Friday, 23 May 2014

First day of free exchange of Old Share
Certificates for New Share Certificates 9:00 a.m. on Friday, 23 May 2014

Dealing in Consolidated Shares commences 9:00 a.m. on Friday, 23 May 2014

Original counter for trading in Shares in
board lots of 2,000 Shares (in the form of
Old Share Certificates) temporarily closes 9:00 a.m. on Friday, 23 May 2014

Temporary counter for trading in Consolidated Shares
in board lots of 400 Consolidated Shares
(in the form of Old Share Certificates) opens 9:00 a.m. on Friday, 23 May 2014

Original counter for trading in Consolidated Shares
in board lots of 2,000 Consolidated Shares
(in the form of New Share Certificates) re-opens. 9:00 a.m. on Monday,
9 June 2014

Parallel trading in Consolidated Shares
(in the form of New Share Certificates and
Old Share Certificates) commences 9:00 a.m. on Monday, 9 June 2014

Designated broker starts to stand in the market to
provide matching services for
odd lots of Consolidated Shares 9:00 a.m. on Monday, 9 June 2014

Temporary counter for trading in Consolidated Shares
in board lots of 400 Consolidated Shares
(in the form of Old Share Certificates) closes 4:00 p.m. on Friday, 27 June 2014

Parallel trading in Consolidated Shares
(in the form of New Share Certificates and
Old Share Certificates) closes. 4:00 p.m. on Friday, 27 June 2014

Designated broker ceases to stand in the market
to provide matching services for
odd lots of Consolidated Shares 4:00 p.m. on Friday, 27 June 2014

Last day of free exchange of Old Share Certificates
for New Share Certificates. 4:30 p.m. on Wednesday, 2 July 2014

Proposed amendments to the bye-laws of the company

The Board further proposes, subject to the Share Consolidation becoming effective, to make certain amendments to the Bye-laws of the Company in order to reflect the Company's updated capital structure following the Share Consolidation. Such proposed amendments are subject to (i) the passing by way of an ordinary resolution by Shareholders at the SGM regarding the Share Consolidation; and (ii) the passing by way of a special resolution by Shareholders at the SGM regarding the proposed amendments to the Bye-laws of the Company.

Circular

A circular containing, among other matters, (i) the details of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated therein and the letters from Independent Board Committee and Independent Financial Adviser; (ii) the details of the Share Consolidation and the proposed amendments to the Bye-laws; and (iii) the notice of the SGM will be despatched to the Shareholders as soon as practicable but no later than Friday, 2 May 2014.

SGM

A SGM will be convened as soon as practicable to approve (i) the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions 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; (ii) the Share Consolidation by Shareholders by way of an ordinary resolution; and (iii) the proposed amendments to the Bye-laws of the Company by Shareholders by way of a special resolution. No Shareholders are required to abstain from voting on the relevant resolutions in relation to the Share Consolidation and the proposed amendments to the Bye-laws of the Company at the SGM.

DEFINITIONS

“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Top Form International Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Shares”	consolidated ordinary shares of HK\$0.50 each in the issued and unissued capital of the Company upon the Share Consolidation becoming effective
“Directors”	directors of the Company

“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Board Committee”	an independent board committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the terms of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement
“Independent Financial Adviser”	Investec Capital Asia Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), which is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement
“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
“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
“Registrar”	Tricor Secretaries Limited, the Hong Kong branch share registrar of the Company
“1st Renewal Agreement”	the renewal agreement dated 12 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
“2nd Renewal Agreement”	the renewal agreement dated 1 April 2011 entered into between the Company and VDV to renew the terms of the Master Agreement for a period from 1 July 2011 to 30 June 2014
“3rd Renewal Agreement”	the renewal agreement dated 9 April 2014 entered into between the Company and VDV to renew the terms of the Master Agreement for a period from 1 July 2014 to 30 June 2017

“SGM”	a special general meeting of the Company to be held to consider and approve (i) the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement; (ii) the Share Consolidation; and (iii) the proposed amendments to the Bye-laws
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of the Shares
“Share Consolidation”	the proposed consolidation of every five issued and unissued Shares of HK\$0.10 each in the capital of the Company into one Consolidated Share of HK\$0.50 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 3 November 2011
“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 NYSE Euronext Brussels stock exchange
“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, 9 April 2014

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.