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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 OF RESULTS FOR THE YEAR ENDED 30 JUNE 2017

RESULTS

The board of directors (the “Board”) of Top Form International Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
Revenue	3	1,126,008	1,179,025
Cost of sales		(920,758)	(968,424)
Gross profit		205,250	210,601
Other income		15,367	21,917
Selling and distribution expenses		(27,694)	(24,270)
General and administrative expenses		(191,646)	(173,125)
Finance costs		(222)	(233)
Share of profits of a joint venture		7,396	5,054
Profit before tax	4	8,451	39,944
Income tax expense	5	(2,473)	(5,660)
Profit for the year		5,978	34,284

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)*For the year ended 30 June 2017*

	<i>Note</i>	2017 HK\$'000	2016 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		5,397	32,298
Non-controlling interests		<u>581</u>	<u>1,986</u>
		<u>5,978</u>	<u>34,284</u>
Earnings per share	7		
Basic		<u>HK\$0.025</u>	<u>HK\$0.15</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 30 June 2017

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit for the year	<u>5,978</u>	<u>34,284</u>
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Reversal of deferred tax liability upon disposal of investment property	2,516	–
Remeasurement of provision for long service payments	<u>(172)</u>	<u>(64)</u>
	2,344	(64)
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of operations outside Hong Kong		
— subsidiaries	2,288	(7,130)
— a joint venture	(239)	(429)
Reclassification of translation reserve upon loss of control in subsidiaries	<u>–</u>	<u>(4,260)</u>
Other comprehensive income for the year, net of income tax	<u>4,393</u>	<u>(11,883)</u>
Total comprehensive income for the year	<u>10,371</u>	<u>22,401</u>
Total comprehensive income attributable to:		
Owners of the Company	9,806	20,696
Non-controlling interests	<u>565</u>	<u>1,705</u>
	<u>10,371</u>	<u>22,401</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		111,622	96,748
Prepaid land lease payments		1,480	1,527
Investment properties		84,180	100,991
Derivative financial instrument		4,313	3,639
Interest in a joint venture	8	24,736	17,580
Prepaid rental payments		936	1,335
		<hr/> 227,267	<hr/> 221,820
Current assets			
Inventories		150,284	135,293
Debtors and other receivables	9	209,694	192,245
Amount due from a joint venture		–	11
Prepaid land lease payments		48	48
Current tax recoverable		1,105	–
Bank balances and cash		133,300	166,680
		<hr/> 494,431	<hr/> 494,277
Current liabilities			
Creditors and accrued charges	10	139,300	117,460
Obligation under finance lease		145	139
Current tax payable		4,210	4,638
		<hr/> 143,655	<hr/> 122,237
Net current assets		<hr/> 350,776	<hr/> 372,040
Total assets less current liabilities		<hr/> 578,043	<hr/> 593,860

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2017

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current liabilities		
Obligation under finance lease	205	338
Retirement benefit obligations	939	1,253
Deferred tax liabilities	20,999	23,436
	<u>22,143</u>	<u>25,027</u>
	<u>555,900</u>	<u>568,833</u>
Capital and reserves		
Share capital	107,519	107,519
Reserves	438,501	450,199
	<u>546,020</u>	<u>557,718</u>
Equity attributable to owners of the Company	9,880	11,115
Non-controlling interests	<u>555,900</u>	<u>568,833</u>

Notes:

1. BASIS OF PREPARATION

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 30 June 2017 but are extracted from those financial statements.

The Group's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. CHANGES IN ACCOUNTING POLICIES

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

- *Annual Improvements to HKFRSs 2012–2014 Cycle*
- *Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative*
- *Amendments to HKFRS 11, Joint arrangements: Accounting for acquisitions of interests in joint operations*
- *Amendments to HKAS 16, Property, plant and equipment and HKAS 38, Intangible assets: Clarification of acceptable methods of depreciation and amortisation*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT INFORMATION

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

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

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

All the Group's segment assets and liabilities are under the manufacturing business as at 30 June 2017 and 2016.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, prepaid land lease payments, investment properties, interest in a joint venture and prepaid rental payments ("specified non-current assets"). The geographical location of customers is based on the location to which the goods are delivered.

	Revenue from external customers		Specified non-current assets	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Hong Kong	15,402	6,767	11,243	22,824
USA	600,972	694,691	–	–
Belgium	108,779	102,815	–	–
The Netherlands	96,461	48,303	–	–
Germany	49,746	36,293	–	–
France	44,735	43,541	–	–
Spain	35,839	40,808	–	–
Mainland China	23,744	15,239	154,578	143,925
New Zealand	23,305	49,543	–	–
Canada	18,140	33,896	–	–
Thailand	116	2,438	51,956	46,032
Cambodia	–	–	5,177	5,400
Others	108,769	104,691	–	–
	<u>1,126,008</u>	<u>1,179,025</u>	<u>222,954</u>	<u>218,181</u>

(b) Information about major customers

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

	2017 HK\$'000	2016 HK\$'000
Customer A	564,872	523,463
Customer B	<u>105,567</u>	<u>170,751</u>

4. PROFIT BEFORE TAX

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Auditor's remuneration	1,954	1,852
Depreciation of property, plant and equipment	20,582	21,120
Allowance for doubtful debts	4,662	–
Allowance for obsolete inventories (included in costs of sales)	9,160	5,776
Gain arising from reclassification of translation reserve upon loss of control in subsidiaries	–	(4,260)
Release of prepaid land lease payments	47	48
Gain on disposal of property, plant and equipment	(186)	(126)
	<u> </u>	<u> </u>
Gross rental income from investment properties	(3,999)	(4,723)
Less: Direct operating expenses from investment properties that generate rental income during the year	37	64
	<u> </u>	<u> </u>
	(3,962)	(4,659)
	<u> </u>	<u> </u>
Minimum lease payments paid under operating leases in respect of land and buildings	16,488	14,085
Increase in fair value of investment properties	(3,520)	(1,786)
Cost of inventories recognised as an expense	911,598	962,648
Net exchange loss	2,578	8,053
Staff costs, including directors' emoluments	411,428	405,397
Interest income	(546)	(1,589)
Fair value gain of derivative financial instrument	(674)	(3,639)
	<u> </u>	<u> </u>

5. INCOME TAX EXPENSE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current tax:		
Hong Kong	1,572	5,954
Other jurisdictions	979	478
	<u> </u>	<u> </u>
	2,551	6,432
	<u> </u>	<u> </u>
Over-provision in prior years:		
Hong Kong	(490)	(234)
	<u> </u>	<u> </u>
Deferred taxation		
Current year	412	(538)
	<u> </u>	<u> </u>
	2,473	5,660
	<u> </u>	<u> </u>

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

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

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

6. DIVIDENDS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2016 final dividend of HK\$0.05 per share (2016: 2015 final dividend of HK\$0.05 per share)	10,752	10,752
2017 interim dividend of HK\$0.05 per share (2016: 2016 interim dividend of HK\$0.05 per share)	10,752	10,752
	<u>21,504</u>	<u>21,504</u>

Dividends proposed after the end of the reporting period:

2017 special dividend of HK\$0.05 per share (2016: 2016 final dividend of HK\$0.05 per share)	<u>10,752</u>	<u>10,752</u>
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Special dividend proposed by the directors are subject to approval by the shareholders in the annual general meeting. No final dividend has been proposed since the end of the reporting period (2016: final dividend of HK\$0.05 per share).

7. EARNINGS PER SHARE

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit attributable to the owners of the Company for the purpose of computing basic earnings per share	<u>5,397</u>	<u>32,298</u>
	Number of shares	
	2017	2016
Number of ordinary shares for the purpose of computing basic earnings per share	<u>215,037,625</u>	<u>215,037,625</u>

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

8. INTEREST IN A JOINT VENTURE

Details of the Group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture	Place of incorporation and business	Particulars of issued and paid up capital	Effective percentage of equity interest held	Principal activity
Charming Elastic Fabric Company Limited ("Charming")	Hong Kong	Ordinary — HK\$18,189,381 Deferred — HK\$810,000	60%	Manufacture of elastic garment straps

The Group has entered into a shareholders' agreement (the "Shareholders' Agreement") with New Horizon International Investments Limited ("New Horizon"), a wholly-owned subsidiary of Best Pacific International Holdings Limited, immediately after completion of the acquisition of 40% of the issued ordinary shares of Charming by New Horizon from an independent third party on 4 November 2015.

Under the Shareholders' Agreement, the substantive operating and financing decisions related to Charming are under the joint control by the Group and New Horizon. As a result, although the Group's shareholding in Charming remains unchanged at 60%, the Group accounted for its interest in Charming as a joint venture.

According to the Shareholders' Agreement, should Charming together with its subsidiary ("Charming Group") be able to achieve certain pre-agreed performance targets by 30 June 2017 or by 31 December 2018, New Horizon shall have the right to subscribe for new ordinary shares in Charming such that New Horizon may eventually hold up to 51% of the then entire issued ordinary shares of Charming. Further, should New Horizon eventually hold 51% of the then entire issued ordinary shares of Charming, the Group shall have the right to dispose of part or all of its interest in Charming to New Horizon up to 30 June 2022.

Based on the financial results of Charming Group as of 30 June 2017, the pre-agreed performance targets for Charming were met. New Horizon, subject to the completion of certain subscription paperwork as required under the Shareholders' Agreement, will be eligible to subscribe for new ordinary shares in Charming and become the 51% shareholder of Charming. As of 30 June 2017, since certain paperwork for subscription has not yet been completed, there is no change in the Group's shareholding in Charming as at 30 June 2017.

There had been no changes to the terms of the shareholders' agreement during the year ended 30 June 2017.

Charming, the only joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

9. DEBTORS AND OTHER RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade debtors	190,639	171,272
Less: allowance for doubtful debts	(4,662)	–
	185,977	171,272
Other receivables	23,717	20,973
	209,694	192,245

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in debtors and other receivables) net of allowance for doubtful debts, based on the invoice date is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
1–90 days	162,695	162,298
91–180 days	23,282	8,974
	185,977	171,272

(b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly. Certain trade debtor was in financial difficulties and individually determined to be impaired. The movement in the allowance for doubtful debts during the year is as follows:

	2017 <i>HK\$'000</i>
At 1 July	–
Impairment loss recognised	4,662
	<hr/>
At 30 June	4,662
	<hr/> <hr/>

(c) Trade debtors that are not impaired

The Group allows an average credit period of 45 days (2016: 45 days) to its trade customers. Before accepting any new customers, the Group will assess the potential customer's credit quality. The management of the Company assesses the credit quality of the trade debtors based on payment due date. An ageing analysis of trade debtors based on the payment due date, at the end of the reporting period is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Neither past due nor impaired	166,432	158,401
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1–30 days past due	7,496	6,929
31–60 days past due	56	5,014
Over 60 days past due	394	928
	<hr/>	<hr/>
	7,946	12,871
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	174,378	171,272
	<hr/> <hr/>	<hr/> <hr/>

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. CREDITORS AND ACCRUED CHARGES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade creditors	76,467	65,527
Other creditors and accrued charges	62,833	51,933
	<u>139,300</u>	<u>117,460</u>

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current	72,064	52,282
1–30 days past due	3,253	11,576
31–60 days past due	467	1,492
Over 60 days past due	683	177
	<u>76,467</u>	<u>65,527</u>

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Revenue		Profit (loss/expenses)	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Manufacturing	1,126,008	1,179,025	24,894	55,712
Corporate	–	–	(16,443)	(15,768)
	<u>1,126,008</u>	<u>1,179,025</u>	<u>8,451</u>	<u>39,944</u>

For the year ended 30 June 2017, the sales revenue of the Group decreased by 4% to HK\$1,126 million from HK\$1,179 million of sales revenue in fiscal 2016. Profit after taxation declined by 83%, from HK\$34.2 million to HK\$6 million during the year.

MANUFACTURING

Our first half accounted for HK\$535 million of sales as compared to HK\$618 million in 2016. In our second half, we recorded HK\$591 million of sales as compared to HK\$561 million in 2016. The drop in the sales revenue in the first half reflected the softness of demand in the US market and the cautious inventory management in the supply chain. This phenomenon is not persistent and sales increased with orders returned gradually in the second half of this fiscal year.

In monetary terms, 53% of our sales were to the US market whilst the sales to the EU represented 33% and the rest of the world accounted for 14%. Average selling price shows a moderate increase due to a lower proportion of sales in price sensitive products during the year.

In responding to the softness of demand since the second half of last fiscal year, we have largely maintained the production capacity of the manufacturing facilities during the year. The overseas plants accounted for 63% of the global production output whilst China accounted for the remaining 37% during the year.

Gross profit margin maintained at 18% during the year. Operating environment continues to be challenging due to the escalating cost trend in the manufacturing operations. We have continued to manage our operations with productivity and processes improvements to counter this cost pressure and minimize the cost impact to the gross profit margin.

The general and administrative expenses increased by 11% during the year. Such increase is mainly due to the increase in staff costs arising from additional staff and managers for our operations and business development of the Group. Additional professional fee was also incurred for the implementation of order planning and management system to improve the order planning process and efficiency in our entire supply chain. While the increase in general and administrative expenses has impacted the financial performance of the Group in the short term, we believe these investments in expertise and systems will provide us a solid foundation to grow the business in the long run.

CORPORATE

The costs attributable to our corporate cost centre for the year amounted to HK\$16.4 million as compared to HK\$15.8 million in the previous year.

FINANCIAL POSITION

The financial position of the Group remains healthy with shareholders' funds standing at HK\$546 million as at 30 June 2017 compared with HK\$558 million at the previous year end.

In December 2016, the Group entered a sale and purchase agreement to dispose of an investment property in Hong Kong at a consideration of HK\$19 million. The sale transaction was completed in February 2017.

Bank balances and cash stood at HK\$133 million whilst credit facilities available to the Group amounted to HK\$149 million and gearing remained at an insignificant level.

Inventory turnover period reduced to 57 days as compared to 61 days in previous year which is mainly due to the improvement in inventory control management.

Capital expenditure during the year amounted to HK\$34 million which was mainly spent on machineries and leasehold improvement for factories.

FOREIGN EXCHANGE RISK

The Group is mainly exposed to fluctuations in exchange rates of Euro, HK dollars, RMB, US dollars and Thai Baht. Majority of the sales revenue is denominated in US dollars, the foreign exchange exposure in respect of US dollars against HK dollars is considered minimal as HK dollars are pegged with US dollars. The Group manages its foreign exchange exposure by performing regular review and by taking prudent measures to minimize the currency translation risk.

OUTLOOK & FUTURE DEVELOPMENT

Looking ahead, we do see the business generally coming back. Market demands continue to be volatile making speed and flexibility often the major factors in supply chain decisions. Weighing scale, costs and service, over the next year, we will look for recalibrating our global capacity and expand our China capacity in Long Nan Jiangxi Province to sustain and grow our business for the long term. Together with our continuous effort to improve the productivity and efficiency of our existing plants and to optimize the overall planning and business process, we believe we are well positioned to improve our performance going forward.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year ended 30 June 2017.

CORPORATE GOVERNANCE

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

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

Code Provisions A.4.1 and A.4.2

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

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

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

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

CONFIRMATION OF INDEPENDENCE ON INDEPENDENT NON-EXECUTIVE DIRECTORS

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

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

The Audit Committee, together with the management and the Company’s external auditors, KPMG, have reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, and reviewed the financial results for the year ended 30 June 2017.

DIVIDEND

The Board does not recommend to propose a final dividend for the year ended 30 June 2017 (for the year ended 30 June 2016: a final dividend of HK\$0.50 per share).

The Board has recommended the declaration of a special dividend of HK\$0.05 per share for the year ended 30 June 2017 subject to the approval of shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting (“AGM”). The proposed special dividend will be paid to the Shareholders on 29 November 2017 whose names appear on the registers of members of the Company on 15 November 2017.

An interim dividend of HK\$0.05 per share for the six months ended 31 December 2016 has been paid to the Shareholders during the year ended 30 June 2017 (for the six months ended 31 December 2015: HK\$0.05 per share).

CLOSURE OF REGISTERS OF MEMBERS

(a) Entitlement to attend and vote at the 2017 AGM

The main and branch registers of members of the Company will be closed from 31 October 2017 to 3 November 2017 for the purpose of determining the shareholders' entitlement to attend and vote at the AGM. During that period, no transfer of shares will be registered. In order to qualify for the shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 30 October 2017.

(b) Entitlement to the proposed special dividend

The main and branch registers of members of the Company will be closed from 13 November 2017 to 15 November 2017 for the purpose of determining the shareholders' entitlement to the proposed special dividend. During that period, no transfer of shares will be registered. In order to qualify for the proposed special dividend for the year ended 30 June 2017, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 10 November 2017.

EMPLOYEES

As at 30 June 2017, the Group had employed approximately 8,538 employees (30 June 2016: approximately 7,825 employees). The remuneration policy and package of the Group's employees are structured by reference to the prevailing market conditions and statutory requirements as appropriate. The Group also provides other staff benefits such as medical insurance, mandatory provident fund contributions and a share option scheme to its employees.

On behalf of the Board
Top Form International Limited
Wong Chung Chong
Chairman

Hong Kong, 24 August 2017

As at the date of this announcement, the Board comprises Mr. Wong Chung Chong, Mr. Wong Kai Chi, Kenneth and Mr. Wong Kai Chung, Kevin as executive directors; Mr. Fung Wai Yiu, 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.