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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 2019

RESULTS

The board of directors (the “Board” or “Directors”) of Top Form International Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, “Top Form” or the “Group”) for the year ended 30 June 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2019

	<i>Notes</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Revenue	3	1,225,402	1,281,021
Cost of sales		(1,027,319)	(1,051,111)
Gross profit		198,083	229,910
Other net income		14,125	8,792
Selling and distribution expenses		(35,669)	(36,683)
General and administrative expenses		(238,739)	(187,005)
Finance costs		(487)	(307)
Share of profits of a joint venture		3,278	3,516
Other expenses		–	(3,141)
(Loss)/profit before taxation	4	(59,409)	15,082
Income tax	5	(3,382)	(2,735)
(Loss)/profit for the year		(62,791)	12,347

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the year ended 30 June 2019

	<i>Notes</i>	2019 HK\$'000	2018 <i>HK\$'000</i>
Attributable to:			
Equity shareholders of the Company		(61,224)	12,869
Non-controlling interests		(1,567)	(522)
		<u>(62,791)</u>	<u>12,347</u>
(Loss)/profit for the year		<u>(62,791)</u>	<u>12,347</u>
(Loss)/earnings per share			
Basic and diluted	7	<u>HK\$(0.285)</u>	<u>HK\$0.060</u>

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

For the year ended 30 June 2019

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
(Loss)/profit for the year	(62,791)	12,347
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of provision for long service payments	–	24
Surplus on revaluation of land and buildings upon change of use to investment properties	57,501	–
Deferred tax liability arising on revaluation gain on investment properties	(14,376)	–
	43,125	24
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of operations outside Hong Kong		
– subsidiaries	1,706	4,977
– a joint venture	(568)	743
Release of translation reserve upon deemed disposal of interest in a joint venture	–	(25)
Other comprehensive income for the year, net of income tax	44,263	5,719
Total comprehensive income for the year	(18,528)	18,066
Attributable to:		
Equity shareholders of the Company	(16,733)	18,501
Non-controlling interests	(1,795)	(435)
Total comprehensive income for the year	(18,528)	18,066

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	<i>Notes</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		137,642	122,352
Prepaid land lease payments		1,384	1,432
Investment properties	8	143,017	86,705
Deferred tax assets		–	781
Derivative financial instrument		2,015	2,800
Interest in a joint venture		21,066	25,830
Prepaid rental payments and deposits		1,773	631
		<u>306,897</u>	<u>240,531</u>
Current assets			
Inventories		174,099	148,736
Trade and other receivables	9	243,073	222,627
Prepaid land lease payments		48	48
Current tax recoverable		82	500
Bank balances and cash		95,269	102,616
		<u>512,571</u>	<u>474,527</u>
Current liabilities			
Trade payables and accrued charges	10	216,236	137,504
Unsecured bank loans	11	40,375	–
Obligations under finance leases		66	149
Current tax payable		490	1,851
		<u>257,167</u>	<u>139,504</u>
Net current assets		<u>255,404</u>	<u>335,023</u>
Total assets less current liabilities		<u>562,301</u>	<u>575,554</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2019

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Non-current liabilities		
Obligations under finance leases	–	62
Retirement benefit obligations	1,954	832
Deferred tax liabilities	37,165	22,198
	<u>39,119</u>	<u>23,092</u>
Net assets	<u>523,182</u>	<u>552,462</u>
Capital and reserves		
Share capital	107,519	107,519
Reserves	408,013	435,498
Equity attributable to equity shareholders of the Company	<u>515,532</u>	<u>543,017</u>
Non-controlling interests	<u>7,650</u>	<u>9,445</u>
Total equity	<u>523,182</u>	<u>552,462</u>

NOTES TO THE ANNUAL FINANCIAL RESULTS

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 2019 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"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the 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 new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group.

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 and is within the scope of HKFRS 15, *Revenue from contracts with customers*. 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 only reportable segment as at 30 June 2019 and 2018.

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 and deposits ("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	
	2019 HK\$'000	2018 HK\$'000	2019 HK\$'000	2018 HK\$'000
Hong Kong	16,408	19,802	9,026	9,541
USA	823,054	813,948	–	–
Belgium	102,807	104,115	–	–
The Netherlands	38,403	71,280	–	–
Spain	33,705	48,805	–	–
France	40,773	43,226	–	–
Sri Lanka	45,042	31,894	–	–
Canada	45,712	16,578	–	–
The People's Republic of China ("PRC")	20,230	29,441	215,783	163,101
Germany	25,826	29,208	–	–
Italy	3,376	17,600	–	–
Mexico	9,588	17,328	–	–
Thailand	–	13	76,578	60,492
Cambodia	–	–	3,495	3,816
Others	20,478	37,783	–	–
	<u>1,225,402</u>	<u>1,281,021</u>	<u>304,882</u>	<u>236,950</u>

(b) Information about major customers

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

	2019 HK\$'000	2018 HK\$'000
Customer A	548,364	624,357
Customer B	217,345	74,391
Customer C	119,175	154,522
	<u> </u>	<u> </u>

4. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging/(crediting):

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Auditors' remuneration	2,075	2,034
Depreciation of property, plant and equipment	28,147	23,022
Provision/(reversal of over-provision) for long service payments	1,122	(83)
Severance payments	15,566	–
Provision for social security contributions	8,041	–
Reversal of impairment loss on trade receivables	–	(4,662)
Allowance for obsolete inventories (included in cost of sales)	8,050	10,346
Release of prepaid land lease payments	48	48
Loss on disposal of property, plant and equipment	140	129
Minimum lease payments paid under operating leases in respect of land and buildings	20,819	18,212
Cost of inventories recognised as an expense	1,019,269	1,040,765
Net exchange gain	(6,150)	(131)
Staff costs, including directors' emoluments	516,052	482,622
Interest income	(1,291)	(573)
Fair value loss on derivative financial instrument	785	1,513
Fair value gain on investment properties	(1,125)	–
Gross rental income from investment properties	(7,019)	(3,641)
	<u>20,819</u>	<u>18,212</u>

5. INCOME TAX

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current tax:		
Hong Kong	92	1,716
Other jurisdictions	1,261	1,303
	<u>1,353</u>	<u>3,019</u>
Withholding tax on dividend income:		
Other jurisdictions	357	–
Over-provision of current tax in prior years:		
Hong Kong	(289)	(71)
Other jurisdictions	(297)	–
	<u>(586)</u>	<u>(71)</u>
Deferred taxation:		
Origination and reversal of temporary differences	2,258	(213)
	<u>3,382</u>	<u>2,735</u>

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the “Ordinance”). Under the two-tiered profits tax rate regime, the first HK\$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The Ordinance is effective from the year of assessment 2018-2019.

Accordingly, the provision for Hong Kong Profits Tax for the year ended 30 June 2019 is calculated in accordance with the two-tiered profits tax rate regime (2018: a single tax rate of 16.5% was applied).

Under the Law of the 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

	2019	2018
	HK\$’000	HK\$’000
Dividends recognised as distribution during the year:		
2017 special dividend of HK\$0.05 per share	–	10,752
2018 interim dividend of HK\$0.05 per share	–	10,752
2018 final dividend of HK\$0.05 per share	<u>10,752</u>	<u>–</u>
	<u>10,752</u>	<u>21,504</u>
	2019	2018
	HK\$’000	HK\$’000
Dividends proposed after the end of the reporting period:		
2019 final dividend of HK\$Nil per share (2018: 2018 final dividend of HK\$0.05 per share)	<u>–</u>	<u>10,752</u>

The Board has resolved not to declare a final dividend for the year ended 30 June 2019.

7. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share attributable to equity shareholders of the Company is based on the following data:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
(Loss)/profit attributable to equity shareholders of the Company for the purpose of computing basic (loss)/earnings per share	<u>(61,224)</u>	<u>12,869</u>
	Number of shares	
	2019	2018
Number of ordinary shares for the purpose of computing basic (loss)/earnings per share	<u>215,037,625</u>	<u>215,037,625</u>

There are no dilutive potential ordinary shares throughout the years presented.

8. INVESTMENT PROPERTIES

During the year ended 30 June 2019, due to the change of use, part of the Group's land and buildings with net book value of HK\$1,233,000 was transferred to investment properties. Upon the date of transfer, the fair value was determined by directors with reference to the professional valuations using income approach. As a result, revaluation surplus of HK\$57,501,000 was recognised in other comprehensive income.

9. TRADE AND OTHER RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables	208,369	196,814
Other receivables	<u>34,704</u>	<u>25,813</u>
	<u>243,073</u>	<u>222,627</u>

Ageing analysis

At the end of the reporting period, the ageing analysis of trade receivables based on the invoice date is as follows:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
1 – 90 days	192,189	192,413
91 – 180 days	<u>16,180</u>	<u>4,401</u>
	<u>208,369</u>	<u>196,814</u>

10. TRADE PAYABLES AND ACCRUED CHARGES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade payables	123,350	74,951
Other payables and accrued charges	92,886	62,553
	<u>216,236</u>	<u>137,504</u>

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current	105,355	71,370
1 – 30 days past due	13,796	3,135
31 – 60 days past due	1,863	294
Over 60 days past due	2,336	152
	<u>123,350</u>	<u>74,951</u>

As the average credit period on purchases of goods is ranged from 30 days to 60 days, a majority of the balances which as disclosed above are within 90 days from the invoice date.

Other payables and accrued charges mainly represented accrued freight charges, salaries and other operating expenses. Included in other payables and accrued charges is a provision for social security contributions of HK\$8,041,000 (2018: HK\$Nil).

11. UNSECURED BANK LOANS

At 30 June 2019 and 2018, the unsecured bank loans were repayable as follows:

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year or on demand	<u>40,375</u>	<u>–</u>

At 30 June 2019, the Company provided guarantee for bank loans of certain subsidiaries. Such banking facilities amounted to HK\$110,000,000 (2018: HK\$110,000,000). The facilities were utilised to the extent of HK\$40,375,000 (2018: HK\$Nil).

All of the Group's bank loans are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2019, none of the covenants relating to drawn down facilities had been breached (2018: HK\$Nil).

As at 30 June 2019, the Group's effective interest rate per annum was 3.11%.

12. COMPARATIVE FIGURES

Certain sales and merchandising staff cost of HK\$13,666,000 incurred for the year ended 30 June 2018 has been reclassified from general and administrative expenses to selling and distribution expenses to conform to the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As predicted last year, there were tremendous challenges in the business environment stemming from the protracted trade tension between China and the United States with the latest announcement of additional tariff covering practically all Chinese goods. The yearlong trade dispute has created disruption and chaos to the global supply chain, the results of which are increased complexity in servicing end markets and significantly burdened manufacturers like Top Form with additional operating costs.

During the year, the Group experienced sudden and significant imbalances in the utilization of our factories and took steps to rationalize our underutilized capacity in China while aggressively expanding capacity in our South East Asian facilities. While these steps were abrupt at the time, we believe the trade dispute and the supply chain trend of moving manufacturing to more sustainable countries of origin will continue to influence our business and it would be prudent to take these important steps quickly.

During the year, in monetary terms, 67% of our sales were to the US market whilst the sales to the EU represented 20% and the rest of the world accounted for 13%. From the supply side, the overseas manufacturing facilities in Thailand and Cambodia accounted for 66% of the global production output whilst China accounted for the remaining 34% during the year.

FINANCIAL REVIEW

Revenue

For the year ended 30 June 2019, the revenue of the Group decreased by 4% to HK\$1,225 million from HK\$1,281 million of sales in fiscal 2018. This was partly due to lower sales to our major customers where their businesses have been impacted by the paradigm shift of consumer behavior which resulted in record number of retailers filing bankruptcy protection since the aftermath of financial crisis; and changes to our customer and product mix, with a higher portion of our sales made up of products with lower selling price, which also resulted in a lower average selling price during the year as compared with that of fiscal 2018.

Gross Profit

Gross Profit decreased from HK\$229.9 million to HK\$198.1 million during the year with Gross Profit Margin decreased from 17.9% to 16.2%. The decrease in Gross Profit was mainly due to the impact brought on by the US China trade dispute which added costs to our overall manufacturing operations with disruption to our production, extra freight costs, and also some changes to our product mix.

Selling and Distribution Expenses

Selling and distribution expenses primarily comprised of freight and transportation costs, employee benefits of sales and sales support personnel, and customer sample costs. The Group's selling & distribution expenses amounted to HK\$35.7 million for the year ended 30 June 2019, against HK\$36.7 million for the year ended 30 June 2018. The decrease in selling and distribution expenses was in line with lower revenue.

General and Administrative Expenses

The Group's general and administrative expenses amounted to HK\$238.7 million for the year ended 30 June 2019, against HK\$187.0 million for the year ended 30 June 2018. The increase in general and administrative expenses was mainly attributable to the one-off restructuring expenses associated with the capacity shift from China to overseas and the planned investment in capabilities, including people, systems and technology. Setting aside certain non-recurring items, the general and administrative expenses increased by 12% which reflects the Group's continued commitment to invest in the foundation of our organization for future growth.

Loss for the year

The Group recorded a net loss of HK\$62.8 million for the year ended 30 June 2019 as compared with a profit after taxation of HK\$12.3 million for the year ended 30 June 2018.

FINANCIAL POSITION

The financial position of the Group remains healthy with shareholders' funds standing at HK\$516 million as at 30 June 2019 compared with HK\$543 million at the previous year end.

Bank balances and cash stood at HK\$95.3 million whilst credit facilities available to the Group amounted to HK\$110 million and gearing ratio was 8%. As at 30 June 2018 and 30 June 2019, the Group did not have assets pledged for bank borrowings.

The Group strives to improve the working capital management and focus on the overall cash conversion cycle days which are calculated by adding the inventory turnover days and receivables turnover days and subtracting the payables turnover days. For the year ended 30 June 2019, the cash conversion cycle days were 57 days as compared to 62 days in previous year.

	As at 30 Jun 2019 (Days)	As at 30 Jun 2018 (Days)
Inventory turnover days	57	52
Receivables turnover days	60	55
Payables turnover days	60	45
Cash conversion cycle days	57	62

Capital expenditure during the year amounted to HK\$41 million of which the majority was for the establishment of dedicated manufacturing facility for innovative technical products and also the expansion of overseas factory capacity.

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 are denominated in US dollars, the foreign exchange exposure in respect of US dollars against HK dollars is considered minimal as HK dollars 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.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any significant contingent liabilities.

REMUNERATION POLICY

As at 30 June 2019, the Group had employed approximately 8,853 employees (30 June 2018: approximately 8,684 employees).

The remuneration policy and package of the Group's employees are structured with 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.

EVENTS AFTER THE REPORTING PERIOD

On 20 August 2019, Top Form Brassiere Mfg. Co., Limited ("TFB"), an indirect wholly-owned subsidiary of the Company, Hong Kong Tak Fung Holdings Limited (the "JV Partner") and Goal Plus Investment Limited, a direct wholly-owned subsidiary of TFB (the "JV Company") entered into a joint venture agreement (the "JV Agreement") in relation to formation and management of a joint venture pursuant to which the JV Company will incorporate a wholly-owned subsidiary in Thailand that will principally engage in manufacturing of seamless products.

As at the date of the JV Agreement, the issued share capital of the JV Company is US\$100 for 100 ordinary shares, which owned as to 100% by TFB. Pursuant to the JV Agreement, additional investment to the JV Company shall be US\$4,999,900, of which US\$2,999,900 and US\$2,000,000 will be contributed by TFB and the JV Partner respectively in cash. Upon completion, the JV Company will be owned as to 60% by TFB and as to 40% by the JV Partner. More details can be found in the announcement of the Company dated 20 August 2019.

Other than the event disclosed above, the Group had no other material non-adjusting event after the reporting period.

OUTLOOK AND FUTURE DEVELOPMENT

Top Form expects to be challenged in navigating the economic fluctuations over the coming months. Against severe volatility in the global economy, the recent fall of the Chinese Yuan below the psychological barrier of seven Yuan to the US Dollar raises the prospect of further escalation of trade tensions between the US and China.

Yet, the events of the past year have underscored the important balance we have made in being disciplined in driving operating efficiency and cost control, while having the resolve to take swift action in the face of change, and maintaining our vision to implement our transformation plan.

Over the next twelve months, we intend to continue executing on important strategic initiatives including growing and diversifying our South East Asian capacity; ramping up Myanmar facility, kicking off seamless production in our Thailand factories and continuing to develop and produce innovative fused product from our new facility in Thailand and always remaining focused on delivering the best service for our customers to grow our business sustainably.

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 2019.

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 taken into account in determining the number of Directors to retire in each year. In the opinion of the Board, it is important for the stability and growth of the Company that there is, and is seen to be, continuity of leadership in the 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. 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 risk management and internal controls and financial reporting matters, and reviewed the financial results for the year ended 30 June 2019.

DIVIDEND

The Board has resolved not to declare a final dividend for the year ended 30 June 2019 (for the year ended 30 June 2018: a final dividend of HK\$0.05 per share).

No interim dividend for the six months ended 31 December 2018 has been paid to the shareholders of the Company (the “Shareholders”) during the year ended 30 June 2019 (for the six months ended 31 December 2017: HK\$0.05 per share).

CLOSURE OF REGISTERS OF MEMBERS

Entitlement to attend and vote at the 2019 AGM

The main and branch registers of members of the Company will be closed from 28 October 2019 to 31 October 2019 for the purpose of determining the shareholders’ entitlement to attend and vote at the forthcoming annual general meeting on 31 October 2019 (“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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 25 October 2019.

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

Hong Kong, 27 August 2019

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. 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.