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If you are in doubt about any aspect of this circular or as to the action to be taken, you should consult appropriate independent advisers to obtain independent professional advice or your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Top Form International Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 AND PROPOSED SHARE CONSOLIDATION

**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 6 to 15 of this circular. A letter from the Independent Board Committee is set out on pages 16 and 17 of this circular. A letter from Investec to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 26 of this circular.

The notice convening the SGM is set out on pages 33 and 34 of this circular. The SGM is to be held at Room 1501, 15/F., Tower A, Manulife Financial Centre, No. 223–231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Thursday, 22 May 2014 at 9:30 a.m. to approve the matters referred to in this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

* *For identification purpose only*

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“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
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“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
“continuing connected transactions”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“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 thereunder
“Independent Shareholders”	Shareholders other than Mr. Lucas Laureys, Mr. Herman Van de Velde, VDV and their respective associates
“Investec” or “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 SFO, 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
“Latest Practicable Date”	23 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“Old Share Certificates”	existing share certificates in grey colour issued to the Shareholders for the Shares
“New Share Certificates”	new share certificates in red colour issued to the Shareholders for the Consolidated Shares
“Registrar”	Tricor Secretaries Limited, the Hong Kong branch share registrar of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	a special general meeting of the Company to be held on 22 May 2014 at 9:30 a.m. to consider and approve (i) the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement; and (ii) the Share Consolidation
“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
“Shareholders”	holders of the Shares
“Shares”	shares of HK\$0.10 each in the capital of the Company
“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.

EXPECTED TIMETABLE

Set out below is the expected timetable in relation to the Share Consolidation. The timetable is subject to the results of the SGM and other changes. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when appropriate.

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

EXPECTED TIMETABLE

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

LETTER FROM THE BOARD



TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

Board of Directors

Executive Directors:

Mr. Fung Wai Yiu (*Chairman*)
Mr. Wong Chung Chong, Eddie
(Group Managing Director)
Mr. Wong Kai Chi, Kenneth
Mr. Wong Kai Chung, Kevin

Non-executive Directors:

Mr. Lucas A.M. Laureys
Mr. Herman Van de Velde

Independent non-executive Directors:

Mr. Marvin Bienenfeld
Mr. Chow Yu Chun, Alexander
Ms. Leung Churk Yin, Jeanny
Mr. Leung Ying Wah, Lambert
Mr. Lin Sun Mo, Willy

Principal office

Room 1501, 15th Floor
Tower A, Manulife Financial Centre
No. 223–231 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

Registered office

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

2 May 2014

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND
PROPOSED SHARE CONSOLIDATION**

CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 18 September 2005, 18 June 2008, 1 April 2011, 9 April 2014 and 30 April 2014 in respect of the continuing connected transactions between the Group and VDV.

* *For identification purpose only*

LETTER FROM THE BOARD

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: 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. The selling price of each product is determined by reference to the total costs per product, plus a certain range of markup rate. Such sales will be satisfied in cash within a period of 7 days.

All the price quotations to VDV would be prepared by the sales teams of the Group and subject to the review and pre-approval of an executive Director (who does not have any material interests in the transactions) of the Company. The executive Director will compare the gross profit margin of sales to VDV to those of sales to other independent third party customers. If the terms of the orders offered by VDV after the price negotiations are below the lower limit of the markup rate, the Group may choose not to accept the orders placed by VDV. By doing so, the Directors consider that the sales transactions are conducted on normal commercial terms and on terms no more favourable than those charged by the Group to other independent third party customers and not prejudicial to the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The following table sets out more detailed information about the sales of ladies' intimate apparel by the Group to VDV for the two financial years ended 30 June 2013 and for the period from 1 July 2013 to 31 December 2013:

For the year/ period ended	Actual sales of ladies' intimate apparel by the Group to VDV <i>(HK\$ million)</i>	Percentage of the actual sales representing the Group's audited consolidated turnover <i>(%)</i>	Annual caps <i>(HK\$ million)</i>	Respective annual/period growth rate of sales <i>(%)</i>
30 June 2012	63.2	5.6	80.0	—
30 June 2013	72.5	6.8	90.0	14.7
From 1 July 2013 to 31 December 2013	44.2 <i>(unaudited)</i>	8.2 <i>(unaudited)</i>	100.0 <i>(for the financial year ending 30 June 2014)</i>	33.1 <i>(note 1)</i>

Note 1: Comparing with the sale of ladies' intimate apparel to VDV of HK\$33.2 million for the six months ended 31 December 2012.

Based on (i) the historical sales figures and growth rate of sales as mentioned above; (ii) the discussions between the management of the Company and VDV in arriving at the annual caps and the projections of annual growth rate of sales for the three financial years ending 30 June 2017; (iii) the estimated increase in cost of production, in particular, 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 design, manufacture and distribution of ladies' intimate apparel, principally brassieres.

LETTER FROM THE BOARD

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 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 25.66% 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 5%, the continuing connected transactions under the 3rd 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.

Reference was made to the announcement of the Company dated 30 April 2014, as the continuing connected transactions are revenue in nature and conduct in the ordinary and usual course of business of the Company and thereby pursuant to Rule 14.04(1)(g) of the Listing Rules, the continuing connected transactions are exempted from the reporting, announcement, and Shareholders' approval requirements under Chapter 14 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 as to whether the terms of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE BOARD

Investec, an Independent Financial Adviser, has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated therein are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

Directors' interests in the 3rd renewal agreement

As at the Latest Practicable Date, Mr. Herman Van de Velde and the two daughters of Mr. Lucas Laureys (associates of Mr. Lucas Laureys as defined under Chapter 14A of the Listing Rules) were deemed to be interested in 275,923,544 Shares, representing approximately 25.66% of the issued share capital of the Company by virtue of their indirect holding of 100% equity interest of Van de Velde Holding N.V., which in turn, directly held 56.26% of the equity interest of VDV. VDV is a substantial shareholder of the Company holding approximately 25.66% of the issued share capital of the Company.

Mr. Herman Van de Velde and Mr. Lucas Laureys, who have material interests in the 3rd Renewal Agreement and all the transactions contemplated thereunder, have abstained from voting on the relevant board resolutions. Each of Mr. Herman Van de Velde, Mr. Lucas Laureys, VDV and their respective associates will abstain from voting on the relevant resolution in relation to the 3rd Renewal Agreement and all transactions contemplated thereunder at the SGM.

Save as aforesaid mentioned, none of the Directors has material interests in the 3rd Renewal Agreement and are required to abstain from voting on the relevant resolution at the SGM.

PROPOSED SHARE CONSOLIDATION

References are made to the announcements of the Company dated 9 April 2014 and 30 April 2014.

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 share 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.

LETTER FROM THE BOARD

Effects of the share consolidation

As at the Latest Practicable Date, 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 has been 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

LETTER FROM THE BOARD

Consolidated Shares to 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.

Other than the Stock Exchange, there are no other stock exchanges on which the equity or debt securities of the Company is listed or dealt in, or on which listing or permission to deal is being or is proposed to be sought.

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 Old Share Certificates to the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in exchange for 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 has appointed Orient Securities Limited as an agent to provide matching services on a best effort basis from 9:00 a.m. on Monday, 9 June 2014 to 4:00 p.m. on Friday, 27 June 2014 (both days inclusive) to 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. Shareholders who wish to take advantage of this facility should contact Mr. Lau Wai Man or

LETTER FROM THE BOARD

Mr. Wong Kwan Ho of Orient Securities Limited at Room 2801–04, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong at telephone numbers (852) 2123-2200 or (852) 2123-2215.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed. If any Shareholder is in doubt about the odd lot trading arrangement, such Shareholder should consult his/her/its own professional advisers. Shareholders may refer to the section headed “EXPECTED TIMETABLE” on pages 4 and 5 of this circular for the period during which the Company will provide matching services for the sale and purchase of the odd lots of the Consolidated Shares.

Adjustment to share option scheme

As at the Latest Practicable Date, 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.

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 in order to reflect the Company’s updated capital structure following the Share Consolidation. Such proposed amendments are subject to the passing by way of a special resolution by Shareholders at the forthcoming annual general meeting of the Company to be convened and held in late 2014.

CIRCULAR

The purposes of this circular are:

- (i) to provide the Independent Shareholders with details of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement;
- (ii) to set out the view of and the recommendation of the Independent Board Committee to 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;
- (iii) to set out the opinion and recommendation of Investec in respect of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement to the Independent Board Committee and Independent Shareholders;
- (iv) to provide the Shareholders with details of the Share Consolidation; and

LETTER FROM THE BOARD

- (v) to give notice of the SGM to consider and, if thought fit, to approve (i) the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement; and (ii) the Share Consolidation.

SPECIAL GENERAL MEETING

A notice convening the SGM to be held at Room 1501, 15/F., Tower A, Manulife Financial Centre, No. 223–231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Thursday, 22 May 2014 at 9:30 a.m. to approve (i) the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated thereunder; and (ii) the Share Consolidation is set out on pages 33 and 34 of this circular.

Each of Mr. Herman Van de Velde, Mr. Lucas Laureys, VDV and their respective associates will abstain from voting on the relevant resolution in relation to the 3rd Renewal Agreement and all transactions contemplated thereunder at the SGM. No Shareholders are required to abstain from voting on the relevant resolutions in relation to the Share Consolidation at the SGM.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders on the resolutions set out in the notice of the SGM must be taken by poll. The chairman of the SGM will therefore demand a poll for every resolution put forward at the SGM.

Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

After the conclusion of the SGM, the results of the poll will be released on the HKExnews website at www.hkexnews.hk and the Companys' website at www.topformbras.com.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 16 and 17 of this circular which contains its recommendation to the Independent Shareholders on the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated thereunder.

Your attention is also drawn to the letter of advice received from Investec which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement. The letter from Investec is set out on pages 18 to 26 of this circular.

The Directors are of the opinion that the approval of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated thereunder, together with the Share Consolidation are in the interests of the Company and the Shareholders as a whole and recommend you to vote in favour of the ordinary resolutions to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of
Top Form International Limited
Fung Wai Yiu
Chairman



TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

2 May 2014

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 2 May 2014 of the Company (“Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders whether the terms of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Investec has been appointed to advise the Independent Board Committee and the Independent Shareholders in the abovementioned context.

We wish to draw your attention to the “Letter from the Board” set out on pages 6 to 15 of the Circular, and the “Letter from Investec” set out on pages 18 to 26 of the Circular which contains its advice 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.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered, amongst other matters, the factors and reasons considered by, and the opinion of, Investec as stated in its aforementioned letter of advice, we are of the opinion that the terms of the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement.

Yours faithfully,
The Independent Board Committee
Marvin Bienenfeld
Chow Yu Chun, Alexander
Leung Churk Yin, Jeanny
Leung Ying Wah, Lambert
Lin Sun Mo, Willy
Independent non-executive Directors

LETTER FROM INVESTEC

The following is the full text of the letter of advice from Investec to the Independent Board Committee and the Independent Shareholders in relation to the 3rd Renewal Agreement and the annual caps of the underlying transaction contemplated under the 3rd Renewal Agreement prepared for the purpose of incorporation in this circular.



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2 May 2014

*To: The Independent Board Committee and
the Independent Shareholders of
Top Form International Limited*

Dear Sirs/Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the 3rd Renewal Agreement and the relevant annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement, details of which are set out in the “Letter from the Board” contained in the circular dated 2 May 2014 (the “Circular”) of which this letter forms part. This letter contains our advice to the Independent Board Committee and the Independent Shareholders in respect of the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated thereunder. Capitalized terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise specifies.

The Board announced that on 9 April 2014, in view of the expiration of the 2nd Renewal Agreement on 30 June 2014 and with 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 a further three years ending on 30 June 2017 to continue the sale of ladies’ intimate apparel 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 25.66% of the existing

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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 5%, the continuing connected transactions under the 3rd Renewal Agreement are subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Each of Mr. Herman Van de Velde, Mr. Lucas Laureys, VDV and their respective associates will abstain from voting on the relevant resolution in relation to the 3rd Renewal Agreement and all transactions contemplated thereunder at the SGM.

Save as aforesaid mentioned, none of the Directors has material interests in the 3rd Renewal Agreement and are required to abstain from voting on the relevant resolution at the SGM.

II. THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of four executive Directors, namely Mr. Fung Wai Yiu, Mr. Wong Chung Chong, Eddie, Mr. Wong Kai Chi, Kenneth and Mr. Wong Kai Chung, Kevin; two non-executive Directors, namely Mr. Lucas A.M. Laureys and Mr. Herman Van de Velde; and five independent non-executive Directors, namely Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy, has been established to consider the terms of the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated thereunder and to advise the Independent Shareholders as to whether the terms of the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

We have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated thereunder are in the ordinary and usual course of the Group's business and on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and to give our opinion to the Independent Board Committee in relation to the terms of the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated thereunder for their consideration when making their recommendation to the Independent Shareholders.

LETTER FROM INVESTEC

Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

III. BASIS AND ASSUMPTIONS OF THE ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions and representations for matters relating to the Group contained in the Circular and the information and representations provided to us by the Group and/or its senior management staff and/or the Directors. We have assumed that all such statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular or otherwise provided or made or given by the Group and/or its senior management staff and/or the Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations for matters relating to the Group made or provided by the Directors and/or the senior management staff of the Group contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Group and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all currently available information and documents which are available to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out an independent verification of the information provided, nor have we conducted an independent investigation into the business and affairs of the Company, VDV or any of their subsidiaries or the prospects of the markets in which they respectively operate.

IV. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the terms of the 3rd Renewal Agreement, we have taken into consideration the following principal factors and reasons:

1. Background information and reasons for the 3rd Renewal Agreement

(i) Information on the Group

The Company is an investment holding company. The principal activities of the Group are design, manufacture and distribution of ladies' intimate apparel, principally brassieres. As set out in the Company's latest published interim report for the six months ended 31 December 2013 (the "**2014 Interim Report**") and the annual report for the year ended 30 June 2013 (the "**2013 Annual Report**"), the Group has only one operating segment, namely manufacturing business.

As noted from the 2014 Interim Report, for the six months ended 31 December 2013, the Group recorded a turnover of approximately HK\$540.4 million, representing a decrease of approximately 1.4% from the turnover of approximately HK\$547.8 million for the six months ended 31 December 2012. For the six months ended 31 December 2013, the Group recorded profit attributable to the owners of the Company of approximately HK\$8.4 million, compared to a loss of HK\$3.4 million for the six months ended 31 December 2012. This is mainly attributable to the Group's strategic plan to expand the capacity overseas.

As noted from the 2013 Annual Report, for the year ended 30 June 2013, the Group recorded a turnover of approximately HK\$1,054.5 million, representing a decrease of approximately 6.9% from HK\$1,132.4 million for the year ended 30 June 2012. For the year ended 30 June 2013, the Group recorded a loss attributable to the owners of the Company of approximately HK\$4.3 million which represents a decrease of approximately 92.8% from the loss of approximately HK\$60.0 million for the year ended 30 June 2012. This is mainly attributable to the exit costs incurred from the Group's decision to cease the manufacturing operations of the plant in Shenzhen and the air freight costs and material write offs arising from the operational issues in Thailand during the year ended 30 June 2012.

As set out in the 2013 Annual Report, for each of the two financial years ended 30 June 2013, geographically, the Group generated most of its sales revenue from the United States of America, representing approximately 53.5% and 49.1% of the Group's revenue, respectively. For the year ended 30 June 2013, the Netherlands and Belgium being the second and third largest market for the Group, each accounted for approximately 7.8% and 6.9% of the Group's total turnover, respectively. We note that sales to European countries, including sales to France, Belgium, the Netherlands, Italy, Germany, Spain and United Kingdom, totalled to approximately HK\$319.8 million and HK\$305.6 million for the two years ended 30 June 2013, respectively, which accounted for approximately 28.2% and 29.0% of the Group's turnover for the respective financial years.

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(ii) Information on the VDV

VDV, together with its subsidiaries, design, develop, manufacture and market fashionable luxury lingerie under its own brand names in Europe. In addition, the securities of which are currently listed on the NYSE Euronext Brussels stock exchange.

Set out below is a summary of the VDV's operating results for the two financial years ended 31 December 2013 extracted from the VDV's annual results press release:

	For the year ended 31 December	
	2013	2012
	<i>million</i>	<i>million</i>
Turnover	EUR182.4 (HK\$1,949.9)*	EUR181.8 (HK\$1,943.4)*

* For illustration purpose only, Euro is converted into HK\$ at the rate of EUR 1: HK\$10.69

As illustrated above, for the year ended 31 December 2013, VDV recorded a turnover of approximately EUR182.4 million, representing an increase of approximately 0.3% from the turnover of approximately EUR181.8 million recorded for the year ended 31 December 2012.

(iii) Reasons for the 3rd Renewal Agreement

As stated in the "Letter from the Board", the Group has been supplying ladies' intimate apparel to VDV for the past 32 years. 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.

In view of the expiration of the 2nd Renewal Agreement entered into between the Company and VDV with regard to the sale of ladies intimate apparel by the Group to VDV 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 a further three years ending on 30 June 2017 to continue the sales of ladies' intimate apparel to VDV.

Based on the historical sales figures as set out in the section headed "(i) Information on the Group", sales to European countries accounted for a significant portion of the Group's turnover. In view of the significance of the European market to the Group, and VDV, being one of the major sellers of luxury lingerie products in Europe and a long established customer of the Group for over 32 years, we consider that it is in the interest of the Group to continue to sell ladies' intimate apparel to VDV.

Given that (i) the principal activities of the Company are design, manufacturing and distribution of ladies' intimate apparel; (ii) Europe is a significant market to the Group's business; and (iii) the Company has been supplying ladies intimate apparel to VDV for the past 32 years, we concur with the view of the Directors that the entering into the 3rd Renewal Agreement is in the ordinary course of business and in the interests of the Company and the Independent Shareholders as a whole.

2. Terms of the 3rd Renewal Agreement

The 3rd Renewal Agreement provides the Company and its subsidiaries the basis to continue to sell ladies' intimate apparel to VDV and its subsidiaries from 1 July 2014 to 30 June 2017.

Pursuant to the 3rd Renewal Agreement, the selling price of each product is determined by reference to the total costs per product, plus a certain range of markup rate. In addition, pursuant to the 3rd Renewal Agreement, sales to VDV will be satisfied in cash within a period of 7 days. As noted from the 3rd Renewal Agreement, while it 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. Having considered that the continuing connected transactions between the Group and VDV will be conducted in the ordinary and usual course of business and on normal commercial terms agreed after arm's length negotiations between the Group and VDV, the Directors are of the view that the terms of the 3rd Renewal Agreement are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

We have reviewed samples of sales record of ladies' intimate apparel between the Group and its customers, including sales to VDV and to independent third party customers. We note that the gross profit margin of the sampled sales to VDV was no less favourable than the gross profit margin of the sampled sales to independent third party customers. Furthermore, we note that the credit period offered to VDV, as stipulated in the 3rd Renewal Agreement, is up to 7 days. Based on the 2014 Interim Report, we also note that the average credit period offered to independent third parties of 30 days which is more favourable than that offered to VDV.

We also understand from the management of the Group that all the quotations to VDV prepared by the sales team of the Group are subject to review and pre-approval by an executive Director (who does not have any material interest in the transactions) of the Company. The executive Director will compare the gross profit margin of sales to VDV to those of sales to other independent third party customers. If the terms of the orders offered by VDV after price negotiations are below the lower limit of the markup rate, the Group may choose not to accept the orders placed by VDV. By doing so, the Group can evaluate and ensure that the terms of each sales to VDV are no more favourable than the terms to independent third party customers.

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On the basis that the continuing connected transactions with VDV will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms that are no more favourable than those offered to independent third party customers, we concur with the view of the Directors that the 3rd Renewal Agreement is in the interests of the Company and the Independent Shareholders as a whole and its terms are fair and reasonable so far as the Independent Shareholders are concerned.

3. Basis for determining the annual caps

The following sets out the aggregate value of sales of ladies' intimate apparel to VDV for each of the two financial years ended 30 June 2013 and the six months ended 31 December 2013:

	Actual sales of ladies' intimate apparel from the Group to VDV <i>(HK\$ million)</i>	Respective annual/period growth rate of sales <i>(%)</i>	Existing annual caps <i>(HK\$ million)</i>	Respective annual/period cap utilisation rate <i>(%)</i>
For the year ended:				
30 June 2012	63.2	N/A	80.0	79.0
30 June 2013	72.5	14.7	90.0	80.6
For the six-month period ended:				
31 December 2012 (unaudited)	33.2	N/A	N/A	N/A
31 December 2013 (unaudited)	44.2	33.1 ¹	100.0	44.2 ²

Notes:

1. growth rate of sales (in terms of percentage) compared with the sale of ladies' intimate apparel to VDV for the six months ended 31 December 2012.
2. utilisation rate based on unaudited financial information for the six months ended 31 December 2013 provided by the management of the Company.

As shown above, for the two financial years ended 30 June 2013, the aggregate value of sales of ladies' intimate apparel to VDV amounted to approximately HK\$63.2 million and HK\$72.5 million, respectively, representing approximately 5.6% and 6.8% of the Group's audited consolidated turnover of the respective financial years. For the six months period ended 31 December 2013, the sales of ladies' intimate apparel to VDV amounted to approximately HK\$44.2 million, representing approximately 8.2% of the Group's unaudited consolidated turnover of that period. The respective utilisation rate for the annual caps for the two years ended 30 June 2013 and the six months period ended 31 December 2013 are approximately 79.0%, 80.6% and 44.2%.

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The following sets out the proposed annual caps for the continuing connected transactions with VDV for each of the three financial years ending 30 June 2017:

	Proposed annual caps (HK\$ million)	Increase as compared to the previous financial year (%)
1 July 2014–30 June 2015	140	40.0 ¹
1 July 2015–30 June 2016	170	21.4
1 July 2016–30 June 2017	200	17.6

Note:

1. based on the existing cap of HK\$100 million for the year ended 30 June 2014

As stated in the “Letter from the Board”, the proposed annual cap value of the continuing connected transactions with VDV for the next three financial years ending 30 June 2017 has been arrived with reference to (i) the historical sales figures and growth rate of sales as mentioned above; (ii) the discussions between the management of the Company and VDV in arriving at the annual caps and the projections of annual growth of sales for the three financial years ending 30 June 2017; (iii) the estimated increase in cost of production, in particular, 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.

In assessing the fairness and reasonableness of the proposed annual caps, we have reviewed and discussed the information provided by the Company’s senior management, namely the estimated average sales price per dozen, the estimated sales volume and the basis of the buffer for the three years ending 30 June 2017. We also note that the period-on-period increase in sales to VDV for the year ended 30 June 2013 and six months period ended 31 December 2013, which represents a growth of approximately 14.7% and 33.1%, respectively. In particular, the utilisation rate for the annual caps for the two years ended 30 June 2013 amounted to 79.0% and 80.6%, respectively. Furthermore, we have discussed the basis and assumptions made and noted that the additional costs for the value added production procedures may further increase the costs of production. On the aforementioned basis, we consider that it is reasonable for the Directors to make reference to the aforesaid factors as the basis to determine the proposed annual cap of HK\$140 million for the year ending 30 June 2015.

The proposed annual caps for the financial years ending 30 June 2016 and 30 June 2017 represent a respective annual growth of approximately 21.4% and 17.6% from the preceding year, which are reasonably comparable to the historical actual annual growth rate in sales to VDV of approximately 14.7% for the year ended 30 June 2013 and 33.1% for the six months period ended 31 December 2013. In addition to the sales growth, we

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note that the aggregate value of sales of ladies' intimate apparel to VDV with respect to the Group's consolidated turnover for the year ended 30 June 2012 increased from approximately 5.6% to approximately 6.8% for the year ended 30 June 2013. We also note that the aggregate value of sales of ladies' intimate apparel to VDV with respect to the Group's consolidated turnover for the six months period ended 31 December 2013 was approximately 8.2%. As advised by the management of the Company, VDV is expanding into the lingerie market in the Netherlands (as evidenced by its acquisition of 11 Donker stores in 2012). The Netherlands is the Company's second largest market by revenue for the year ended 30 June 2013, supplemented by VDV's expansion in the country, additional sales to VDV is expected by the management of the Company. Having considered the aforesaid factors, in particular (i) the expansion of VDV into the lingerie market in the Netherlands which is the Company's second largest market by revenue for the year ended 30 June 2013; (ii) the historical actual annual growth rate; and (iii) the increasing trend of VDV's business to the Group's consolidated turnover, we are of the view that the estimation of an annual increase of approximately 21.4% and 17.6%, respectively, for the financial years ending 30 June 2016 and 30 June 2017 to be reasonable.

In view of the basis for determining the annual caps as discussed above, we consider that the proposed annual caps of HK\$140 million, HK\$170 million and HK\$200 million for each of the three financial years ending 30 June 2017, respectively, are fair and reasonable so far as the Independent Shareholders are concerned.

V. RECOMMENDATION

Having considered the abovementioned features, we are of the view that the 3rd Renewal Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms and in the interests of the Company and the Independent Shareholders as a whole, and the terms of which including the annual caps of the underlying transactions are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to approve the 3rd Renewal Agreement and the annual caps of the underlying transactions contemplated under the 3rd Renewal Agreement at the SGM.

Yours faithfully
For and on behalf of
Investec Capital Asia Limited
Jimmy Chung
Managing Director
Corporate Finance

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions:

Ordinary shares of HK\$0.10 each of the Company

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Fung Wai Yiu	Beneficial owner and interests held by spouse (<i>note 1</i>)	43,308,521	4.03%
Wong Chung Chong, Eddie	Beneficial owner and interests held by spouse and trust (<i>note 2</i>)	195,272,118	18.16%
Wong Kai Chi, Kenneth	Beneficiary of trust (<i>note 3</i>)	175,591,597	16.33%
Wong Kai Chung, Kevin	Beneficiary of trust (<i>note 3</i>)	175,591,597	16.33%
Marvin Bienenfeld	Beneficial owner	870,521	0.08%
Chow Yu Chun, Alexander	Beneficial owner	3,400,521	0.32%
Leung Churk Yin, Jeanny	Beneficial owner	70,521	0.01%

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Leung Ying Wah, Lambert	Beneficial owner	400,000	0.04%
Herman Van de Velde	Interests held by controlled corporation (<i>note 4</i>)	275,923,544	25.66%

Notes:

- 23,092,521 shares were beneficially owned by Mr. Fung Wai Yiu (“Mr. Fung”) whereas 20,216,000 shares were held by the spouse of Mr. Fung.
- 18,580,521 shares were beneficially owned by Mr. Wong Chung Chong, Eddie (“Mr. Wong”) or his nominees whereas 1,100,000 shares were held by the spouse of Mr. Wong and 175,591,597 shares were registered in the name of High Union Holdings Inc., the shares of which were held by Safeguard Trustee Limited, a trustee of a family trust of which the family members of Mr. Wong were eligible beneficiaries.
- 175,591,597 shares were registered in the name of High Union Holdings Inc., the shares of which were held by Safeguard Trustee Limited, a trustee of Mr. Wong’s family trust of which Mr. Wong Kai Chi, Kenneth and Mr. Wong Kai Chung, Kevin were eligible beneficiaries.
- 275,923,544 shares were held by Van de Velde N.V. (“VdV”). Mr. Herman Van de Velde held an indirect equity interest in Van de Velde Holding N.V. which in turn directly held 56.26% of the equity interest of VdV.

Save as disclosed above, as at the Latest Practicable Date, and other than certain nominee shares in the Company’s subsidiaries were held by Mr. Wong in trust for the Company’s subsidiaries, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders of the Company

As at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors or chief executive of the Company, persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions:

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Van de Velde N.V.	Beneficial owner	275,923,544	25.66%
High Union Holdings Inc.	Beneficial owner	175,591,597	16.33%
V.F. Corporation	Beneficial owner	106,000,000	9.86%

Save as disclosed above, as at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors or chief executive of the Company, there was no other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Lucas Laureys and Mr. Herman Van de Velde, non-executive Directors, are the Chairman and Managing Director of VDV respectively. The principal business activities of VDV are the manufacture and marketing of luxury lingerie. Mr. Lucas Laureys and Mr. Herman Van de Velde were considered to have interests in business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associate(s) has any interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or proposed to enter into any service contracts with the Company or any member of the Group, other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Group since 30 June 2013, being the date to which the latest published audited consolidated financial statements of the Company were made up.

6. QUALIFICATION OF EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Investec	Investec, 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 SFO 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

Investec has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name and opinion in the form and context in which they respectively appear in this circular.

7. EXPERT'S INTERESTS IN ASSETS

Investec has confirmed that as at the Latest Practicable Date, it did not have any holding, directly or indirectly, of any securities in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities of any member of the Group nor did it have any direct or indirect interests in any assets which have since 30 June 2013 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Leung Yim Yu, who is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The principal office of the Company in Hong Kong is at Room 1501, 15/F., Tower A, Manulife Financial Centre, No. 223–231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (e) As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since 30 June 2013 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.
- (f) There is no contract or arrangement entered into by any member of the Group, subsisting as at the date hereof in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.
- (g) In the event of inconsistency, the English text of this circular will prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal office of the Company at Room 1501, 15/F., Tower A, Manulife Financial Centre, No. 223–231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours for a period of up to 14 days and including the fourteenth date, after the date of this circular:

- (a) the Master Agreement;
- (b) the 1st Renewal Agreement;
- (c) the 2nd Renewal Agreement;
- (d) the 3rd Renewal Agreement;
- (e) the letter from the Independent Board Committee, the text of which is set out on pages 16 and 17 of this circular;

- (f) the letter from Investec, the text of which is set out on pages 18 to 26 of this circular;
- (g) the written consent from Investec referred to in the section headed “6. Qualification of expert and consent” in this appendix; and
- (h) this circular.

NOTICE OF SPECIAL GENERAL MEETING



TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Top Form International Limited (the “Company”) will be held at Room 1501, 15/F., Tower A, Manulife Financial Centre, No. 223–231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Thursday, 22 May 2014 at 9:30 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions:

1. **“THAT:**

- (a) the 3rd Renewal Agreement, as defined and described in the circular of the Company dated 2 May 2014 (the “Circular”), a copy of this agreement is tabled before the meeting and initialled by the chairman of the meeting for identification purpose, and the terms of the transactions contemplated under the 3rd Renewal Agreement and the implementation thereof be and are hereby accepted and approved;
- (b) the proposed annual caps in relation to the sales to Van de Velde N.V. as described in the 3rd Renewal Agreement and the Circular for each of the three financial years ending 30 June 2017 be and are hereby approved.”

2. **“THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Consolidated Shares (as defined below) to be in issue upon the Share Consolidation (as defined below) becoming effective, with effect from the first business day immediately following the date on which this resolution is passed:

- (a) every five (5) issued and unissued shares of HK\$0.10 each in the capital of the Company be consolidated into one (1) share of HK\$0.50 each (the “Consolidated Share(s)”) in the share capital of the Company (the “Share Consolidation”);
- (b) all of the Consolidated Shares shall rank *pari passu* in all respects with each other in the same class and have the rights and privileges and be subject to the restrictions contained in the bye-laws of the Company (the “Bye-laws”);

* For identification purpose only

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- (c) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefits of the Company in such manner and on such terms as the directors (“Directors”) of the Company may think fit; and
- (d) the Directors be and are hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under the seal of the Company (where applicable), on behalf of the Company, as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”

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

Hong Kong, 2 May 2014

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him in accordance with the Company’s Bye-laws. A proxy need not be a member of the Company but must be present in person to represent the member.
2. To be valid, a form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. The Directors as at the date of this notice are 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, 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.