High Fashion International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 608)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2014

CHAIRMAN'S STATEMENT

The Group achieved solid operating results in the first half of 2014 amidst mixed global economic climate and softness in the China retail market. Thanks to our strategic focus on continuous transformation and upgrading facilities in the past years, a solid foundation and sustainable platform for our Group's future has been laid. Sales turnover increased by 7.1% to HK$1.4 billion on the back of moderate growth in the global apparel fashion industry. The Group's gross profit increased by 22% to HK$387 million during the period under review, reflecting an overall improvement of our core businesses. Such exceptional achievement was nonetheless weighed down by the effects of a generally unexpected interruption in the 5 years trend of appreciation in the RMB exchange rates. The RMB staged a more than 3.3% depreciation during the period from January to June of 2014. The sudden aberration in RMB exchange rates during the period under review has resulted in negative effects on the valuation of our RMB based assets, including certain financial instruments. The RMB exchange rates have shown signs of a slight recovery since the end of the review period, and it could have had a mitigating effect on the valuation of our RMB related assets. We nonetheless remain confident in the prospect of the Chinese economy.

- Net profit for the period decreased from HK$67.90 million to HK$30 million
- Basic earnings per share was HK$0.10
- Net asset per share was HK$8.23
- An interim dividend per share of HK$0.05

The first half of 2014 was witnessed by a general weakness in retail sales and uncertain political and macroeconomic conditions. Whilst the outlook of our key export markets, USA and Europe, continues to remain challenging, our successful track record of innovative product development strategy not only will continue to place us in a leading position, but will also facilitate us in exploring additional opportunities for diversification, including but not limited to the silk cultural and tourism industries in China.

With growth, however, comes challenges. Whilst China remains the world's growth engine where we have our strong and dedicated presence since our inception more than 36 years ago, we are not the only one to face the rising pressure on cost and downward pressure on consumer spending especially in China.

As the global leader of silk enterprise, High Fashion will continue to focus to transform the silk industry through the attainment of leadership in technology relating to apparel industry, innovation and lifestyle product extension. We are committed to the development of silk culture, gift items, brand business, as well as related property development. We would continue to expand market through new channel development such as e-commerce.

We remain confident about the coming year and believe in our vision for the future, right development direction and team of great people to drive efficiencies to reinforce our leading position in the silk industry.

I am greatly appreciative of the enormous support and advice we constantly receive from our shareholders, banks, customers, suppliers and our fellow Directors. I would also like to thank the management team and all staff members of our Group for their dedication and contribution.

RESULTS

The Board of Directors (the "Board") of High Fashion International Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2014 together with the comparative figures.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**1,436,449**	1,341,164
Cost of sales		**(1,049,263)**	(1,023,447)
Gross profit		**387,186**	317,717
Other income		**64,489**	59,575
Other gains and losses	*4*	**(68,923)**	60,117
Administrative expenses		**(183,654)**	(173,111)
Selling and distribution expenses		**(125,765)**	(145,880)
Finance costs	*5*	**(36,386)**	(29,337)
Share of (losses) profits of joint ventures		**(1,216)**	206
PROFIT BEFORE TAXATION		**35,731**	89,287
Income tax expenses	*6*	**(11,853)**	(22,152)
PROFIT FOR THE PERIOD	*7*	**23,878**	67,135
OTHER COMPREHENSIVE (EXPENSE) INCOME	*8*		
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**(91,933)**	56,792
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**726**	(786)
Fair value (loss) gain on hedging instruments in cash flow hedges		**(85,978)**	70,991
Reclassification to profit or loss on realisation of cash flow hedges		**(33,552)**	(9,071)
Income tax relating to items that may be reclassified subsequently		**19,483**	(10,374)
		(99,321)	50,760
Other comprehensive (expense) income for the period, net of tax		**(191,254)**	107,552
TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD		**(167,376)**	174,687

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
For the six months ended 30 June 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Profit (loss) for the period attributable to:			
Owners of the Company		**30,001**	67,898
Non-controlling interests		**(6,123)**	(763)
		23,878	67,135
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(161,255)**	175,392
Non-controlling interests		**(6,121)**	(705)
		(167,376)	174,687
EARNINGS PER SHARE	*9*		
Basic		**10.09 HK cents**	22.84 HK cents

Condensed Consolidated Statement of Financial Position
At 30 June 2014

	Notes	**30 June 2014 (Unaudited)** *HK$'000*	31 December 2013 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**804,332**	840,607
Prepaid lease payments		**126,777**	131,776
Investment properties		**954,689**	959,403
Investments in joint ventures		**18,506**	20,260
Available-for-sale investments, at cost		**675**	675
Deferred tax assets		**42,740**	39,728
Long-term deposits and prepayments		**160,612**	26,723
Derivative financial instruments		**14,045**	67,288
		2,122,376	2,086,460
CURRENT ASSETS			
Inventories		**503,850**	537,422
Trade receivables	*11*	**484,014**	426,178
Bills receivable	*11*	**27,768**	41,855
Prepaid lease payments		**3,401**	3,473
Deposits, prepayments and other receivables		**113,923**	115,840
Amounts due from joint ventures		**473**	945
Tax recoverable		**121,854**	121,854
Derivative financial instruments		**36,721**	88,364
Structured deposits	*12*	**1,636,229**	1,442,333
Short-term deposits		**433,424**	270,186
Bank balances and cash		**591,145**	986,583
		3,952,802	4,035,033
CURRENT LIABILITIES			
Trade payables	*13*	**320,952**	356,020
Bills payable		**-**	343
Other payables and accruals		**206,449**	215,863
Amount due to an associate		**589**	589
Tax payable		**177,481**	173,963
Derivative financial instruments		**39,015**	2,494
Obligations under finance leases		**150**	86
Bank borrowings		**2,550,165**	2,417,710
Bank overdrafts		**589**	-
		3,295,390	3,167,068

Condensed Consolidated Statement of Financial Position (Cont'd)
At 30 June 2014

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
NET CURRENT ASSETS	**657,412**	867,965
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,779,788**	2,954,425
NON-CURRENT LIABILITIES		
Obligations under finance leases	**124**	78
Bank borrowings	**117,288**	117,999
Deferred tax liabilities	**162,942**	181,998
Derivative financial instruments	**48,942**	5,750
Provision for long service payments	**3,281**	3,431
	332,577	309,256
NET ASSETS	**2,447,211**	2,645,169
CAPITAL AND RESERVES		
Share capital	**29,721**	29,721
Share premium and reserves	**2,410,786**	2,616,623
Equity attributable to owners of the Company	**2,440,507**	2,646,344
Non-controlling interests	**6,704**	(1,175)
TOTAL EQUITY	**2,447,211**	2,645,169

Notes to the Condensed Consolidated Financial Statements

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) - INT 21	Levies

The application of the above new interpretation and amendments to HKFRSs in current interim period had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. Segment Information

The following is an analysis of the Group's revenue and results by reportable and operating segment:

<u>For the six months ended 30 June 2014 (unaudited)</u>

	Manufacture and trading of garments *HK$'000*	**Brand business** *HK$'000*	**Segment total** *HK$'000*	**Elimina-tions** *HK$'000*	**Consoli-dated** *HK$'000*
REVENUE					
External sales	**1,226,353**	**210,096**	**1,436,449**	**-**	**1,436,449**
Inter-segment sales (Note a)	**61,316**	**-**	**61,316**	**(61,316)**	**-**
Segment revenue	**1,287,669**	**210,096**	**1,497,765**	**(61,316)**	**1,436,449**
RESULT					
Segment profit (loss) (Note b)	**98,767**	**(22,222)**	**76,545**	**(4,428)**	**72,117**
Finance costs					**(36,386)**
Profit before taxation					**35,731**

<u>For the six months ended 30 June 2013 (unaudited)</u>

	Manufacture and trading of garments *HK$'000*	Brand business *HK$'000*	Segment total *HK$'000*	Elimina-tions *HK$'000*	Consoli-dated *HK$'000*
REVENUE					
External sales	1,084,576	256,588	1,341,164	-	1,341,164
Inter-segment sales (Note a)	82,393	-	82,393	(82,393)	-
Segment revenue	1,166,969	256,588	1,423,557	(82,393)	1,341,164
RESULT					
Segment profit (loss) (Note b)	136,207	(12,785)	123,422	(4,798)	118,624
Finance costs					(29,337)
Profit before taxation					89,287

Notes: (a) Inter-segment sales are charged at agreed terms set out in the subcontracting agreement entered into between group companies.

(b) Segment profit (loss) included i) fair value gain on investment properties of HK$4,587,000 and HK$1,975,000 (2013: fair value gain of HK$49,549,000 and fair value loss of HK$13,000); and ii) fair value loss on derivative financial instruments of HK$63,818,000 and nil (2013: fair value gain of HK$4,734,000 and nil) attributed to manufacture and trading of garments segment and brand business segment, respectively.

Segment profit (loss) represents the profit (loss) earned by each segment without allocation of finance costs. This is the measure reported to the Company's executive directors for the purposes of resources allocation and performance assessment.

4. Other Gains and Losses

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Increase in fair value of investment properties	**6,562**	49,536
Changes in fair value of derivative financial instruments	**(63,818)**	4,734
Loss on disposal of property, plant and equipment	**(56)**	(61)
Net foreign exchange (loss) gain	**(13,627)**	9,071
Net reversal of allowance for (allowance for) bad and doubtful debts	**2,045**	(2,044)
Impairment loss recognised in respect of amount due from a joint venture	**(29)**	(1,119)
	(68,923)	60,117

5. Finance Costs

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings and overdrafts wholly repayable within five years	**33,165**	26,629
Finance leases	**8**	13
Bank charges	**3,213**	2,695
	36,386	29,337

6. Income Tax Expenses

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax charge:		
Hong Kong	**7,550**	3,168
The People's Republic of China (the "PRC")	**4,715**	6,902
Other jurisdictions	**432**	1,171
	12,697	11,241
Under(over)provision in prior years:		
Hong Kong	**-**	(45)
PRC	**1,112**	6,405
	1,112	6,360
Deferred taxation - current year	**(1,956)**	4,551
	11,853	22,152

As disclosed in the Group's annual reports published in previous years, the Inland Revenue Department ("IRD") has initiated a tax audit on certain group companies for the years of assessment from 1999/2000 onwards. As a matter of IRD's practice, the IRD has issued estimated / additional assessments ("Assessments") demanding for tax to the relevant group companies for the years of assessment 1999/2000 to 2007/2008. During the course of the tax audit, there may be a possibility that estimated additional assessments for subsequent years be issued by the IRD to these group companies.

Since the tax audit is still at a fact-finding stage with different views being exchanged with the IRD, the outcome of the tax audit cannot be readily ascertained with reasonable accuracy. Management has in the current period followed the same basis for making provision as adopted in prior years. In the opinion of the directors, the provisions so made are adequate for the purpose mentioned above.

7. Profit for the Period

Profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation and amortisation		
Owned assets	**37,801**	38,576
Leased assets	**36**	57
Amortisation of prepaid lease payments	**1,701**	1,247
	39,538	39,880
Net allowance for (written back of allowance for) inventory obsolescence (included in cost of sales) (note i)	**502**	(4,564)
Realisation of cash flow hedges reclassified from other comprehensive income (note ii)	**(33,552)**	(9,071)
Investment income earned on		
- bank interest income	**(16,878)**	(16,979)
- interest income on other receivables	**(340)**	(2,472)
- interest income from structured deposits	**(29,175)**	(19,791)

Notes:

(i) Allowance for inventory obsolescence was written back when the relevant inventory was sold.

(ii) Gain of HK$34,853,000 (30 June 2013: HK$9,709,000) is included in revenue and the remaining balance of a loss of HK$1,301,000 (30 June 2013: HK$638,000) is included in finance costs.

8. Other Comprehensive (Expense) Income

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cash flow hedges:		
Fair value (loss) gain on hedging instruments	**(85,978)**	70,991
Reclassification adjustments upon recognition of hedged items in profit or loss	**(33,552)**	(9,071)
	(119,530)	61,920
Exchange differences arising on translation	**(91,207)**	56,006
Other comprehensive (expense) income	**(210,737)**	117,926
Income tax relating to components of other comprehensive income - fair value changes to hedging instruments in cash flow hedges	**19,483**	(10,374)
Other comprehensive (expense) income for the period, net of tax	**(191,254)**	107,552

9. Earnings Per Share

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

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the purpose of basic earnings per share attributable to owners of the Company	**30,001**	67,898
	Number of shares	Number of shares
Number of ordinary shares for the purpose of basic earnings per share	**297,213,550**	297,213,550

No diluted earnings per share has been presented as there is no potential ordinary share outstanding during both periods or at the end of the respective reporting period.

10. Dividends

During the current interim period, a final dividend of 15 HK cents (six months ended 30 June 2013: 15 HK cents) was declared to the shareholders for the year ended 31 December 2013 (six month ended 30 June 2013: for the year ended 31 December 2012) and included in other payables. Shareholders have an option to elect and receive in respect of part or all of the final dividends by way of scrip for the year ended 31 December 2013 (six months ended 30 June 2013: HK$44,582,000 was paid to the shareholders in cash for the year ended 31 December 2012) and will be paid on 11 July 2014.

The Board declared that an interim dividend of 5 HK cents per share for the six months ended 30 June 2014 (six months ended 30 June 2013: 5 HK cents) which will be paid to shareholders whose names appear in the register of members on 19 September 2014. This dividend was declared after the end of the interim reporting date, and therefore has not been included as a liability in the condensed consolidated statement of financial position.

11. Trade Receivables and Bills Receivable

The credit terms granted by the Group to its customers normally range from 30 days to 90 days.

The aged analysis of the Group's trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition dates, is as follows:

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Within 90 days	**423,133**	391,593
91 to 180 days	**37,976**	20,642
181 to 360 days	**20,035**	11,940
Over 360 days	**2,870**	2,003
	484,014	426,178

At the end of the reporting period, bills receivable of HK$27,768,000 (31 December 2013: HK$41,855,000) are aged within 180 days (31 December 2013: 180 days). Included in the bills receivable is discounted bills with recourse of HK$18,624,000 (31 December 2013: HK$31,595,000) of which corresponding financial liabilities are included in bank borrowings.

12. Structured Deposits

During the current interim period, the Group entered into certain structured deposits with aggregate amount of Renminbi ("RMB") 792,000,000 (equivalent to HK$990,000,000) (six months ended 30 June 2013: RMB590,000,000 (equivalent to HK$737,500,000)) which will mature in various dates from July 2014 to May 2015 (six months ended 30 June 2013: July 2013 to July 2014). The structured deposits are designated as fair value through profit or loss at initial recognition. The annual coupon rate is dependent on whether the i) spot rate for conversion of RMB, Euro and Australian dollar for United States dollar ("US$") and US$ for HK$ as prevailing in the international foreign exchange market falls under certain ranges as specified in the relevant agreements; ii) whether LOCO London gold prices falls under certain ranges as specified in the relevant agreements; or iii) whether 1 month London Interbank Offered Rate falls within 0% to 3% during the period from inception date to maturity date of the deposits. The issuing banks have a right to early redeem the structured deposits by repaying the principal and any accrued interest on the structured deposits before maturity. Structured deposits with aggregate carrying amount on maturity date of RMB631,671,000 (equivalent to HK$809,834,000) (six months ended 30 June 2013: RMB531,107,000 (equivalent to HK$659,759,000)) were settled during the current interim period. At the end of the reporting period, the structured deposits are stated at fair values. The fair values are calculated using discounted cash flow analysis based on the applicable yield curves of the relevant interest rates, exchange rates and LOCO London gold prices index.

13. Trade Payables

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Within 90 days	**108,529**	137,252
91 to 180 days	**6,679**	11,300
181 to 360 days	**2,272**	2,875
Over 360 days	**6,134**	5,569
	123,614	156,996
Accrued purchases	**197,338**	199,024
	320,952	356,020

The average credit period on purchases of goods is 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Revenue for the six months ended 30 June 2014 increased to HK$1.44 billion, up 7%. Profit attributable to shareholders for the six months ended 30 June 2014 was HK$30 million, compared with last corresponding period of HK$67.9 million. Basic earnings per share were 10 HK cents. Net asset value per share was HK$8.23.

Review of Operations

The segmental information is as follows:

	Revenue		**Contribution**	
	2014 **HK$'000**	2013 HK$'000	**2014** **HK$'000**	2013 HK$'000
By principal activity:				
Manufacturing and trading	**1,226,353**	1,084,576	**94,339**	131,409
Brand business	**210,096**	256,588	**(22,222)**	(12,785)
	1,436,449	1,341,164	**72,117**	118,624

Because of the rising inflationary cost pressure in our supply chain, we will achieve additional efficiencies through streamlining the operation process continuously in order to limit the impact of rising raw material and other operating overheads and also strategized quality product innovation to enlarge higher end market.

The manufacturing and trading business continued to deliver solid results. The profit for the first half of 2014 included an exceptional loss on fair value change of derivative financial instruments of HK$64 million (2013: gain of HK$5 million), which is the financial instruments for hedging RMB for the year from 2014 to 2017 and an increase in fair value of investment properties of HK$7 million (2013: HK$50 million) in the current period.

Liquidity and Financial Resources

The Group's total outstanding bank borrowings were increased to HK$2,668 million at the end of interim reporting period compared to HK$2,536 million as at 31 December 2013. The increase in bank borrowing was mainly due to our hedging facilities arrangement during the period. Our gearing ratio of non-current liabilities to shareholders' funds was 14% at the end of interim reporting period. Current ratio maintained at a healthy level of 1.2.

The Group's total cash and bank balances including structured deposits of HK$1,636 million (2013: HK$1,442 million) were HK$2,795 million at the end of interim reporting period compared to HK$2,699 million as at 31 December 2013. Based on the net cash position and the ample banking facilities available, the Group had a very strong working capital and liquidity to meet the operating needs and future growth.

The Group's trade receivables were mainly denominated in US dollars. Bank borrowings were denominated in US dollars and Hong Kong dollars. Since the Hong Kong dollar is pegged to the US dollar, the Group considers that its foreign exchange risk is minimal. The Group has taken conservative approach to handle foreign currency risk with adequate hedging reserve. The Group had no borrowings at fixed interest rates during the period.

The Group has no material contingent liabilities. Barring the pledge of trade receivables of certain subsidiaries of HK$24 million, there were no charges on the Group's assets.

Tax Audit

The Inland Revenue Department (IRD) initiated a tax audit on certain group companies in February 2006 for the years of assessment from 1999/2000 onwards. The management is of the opinion that, in all the years, adequate Hong Kong tax provision were made on the Hong Kong sourced income. Since the tax audit is still at a fact-finding stage, the outcome of the tax audit cannot be readily ascertained. After consulting with professional advisers, the management is of the opinion that the existing provisions are adequate.

Human Resources

The total number of employees of the Group including joint ventures as at the end of interim reporting period was about 8,100. Other than the competitive remuneration package offered to the employees, share options may also be granted to selected employees based on the Group's performance. No share options were granted to employees during the period.

Capital Expenditure

The Group purchased the plant and equipment and construction in progress of HK$22 million in order to upgrade its manufacturing capabilities during the period. Except for the above, there was no material capital expenditure during the period.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of 5 HK cents per share for the six months ended 30 June 2014 (six months ended 30 June 2013: interim dividend of 5 HK cents) on the shares in issue amounting to HK$15,281,000 (six months ended 30 June 2013: HK$14,861,000), to the shareholders whose names appear on the Register of Members on 19 September 2014. The dividend will be payable on or about 7 October 2014.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 18 September 2014 to Friday, 19 September 2014, both days inclusive, during which period no transfer of shares will be registered. In order to determine members who are entitled to qualify for the proposed interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by not later than 4:30 p.m. on Wednesday, 17 September 2014.

CORPORATE GOVERNANCE

The Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the accounting period for the six months ended 30 June 2014, except for the following deviations:

Code provision A.2.1

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Lam Foo Wah is the Chairman and Managing Director of the Company. The Board considers that the function of the Chairman and the Managing Director in the Company's strategic planning and development process are overlapping and it may not be for the benefit of the Company to have separate individuals occupying these two offices in the condition of the Group and its stage of development.

Code provision A.6.7

Under the code provision A.6.7 of the CG Code, the independent non-executive directors and non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Professor Yeung Kwok Wing (Non-executive Director) and Mr. Woo King Wai (Independent non-executive Director) were absent from the annual general meeting held on 6 June 2014 due to their other engagements.

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed the Group's unaudited condensed consolidated financial information and interim report for the six months ended 30 June 2014.

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

During the six months ended 30 June 2014, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Company (www.highfashion.com.hk) and the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

The 2014 Interim Report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

MEMBERS OF THE BOARD

As at the date of this announcement, the Board of the Company comprises of (1) executive directors: Mr. Lam Foo Wah, Ms. So Siu Hang, Patricia, Mr. Lam Gee Yu, Will and Mr. Lam Din Yu, Well; (2) non-executive directors: Mr. Chan Wah Tip, Michael and Professor Yeung Kwok Wing; and (3) independent non-executive directors: Mr. Woo King Wai, Mr. Wong Shiu Hoi, Peter and Mr. Leung Hok Lim.

By Order of the Board
High Fashion International Limited
Lam Foo Wah
Chairman & Managing Director

Hong Kong, 28 August 2014