High Fashion International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 608)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

CHAIRMAN'S STATEMENT

In the face of modest economic recovery in macro economies, consumer sentiment in key export markets remained fragile in the 1st half of 2017. We continue to accelerate our pace to expand our customer portfolio with deepened collaboration with key brands which have further strengthened our platform to support future business growth.

Leveraging the well-diversified and balanced portfolio of manufacturing; omnichannel sales and property businesses, a decent set of 2017 interim results is delivered which again demonstrated our resilience in difficult market conditions supported by strategically upscale customer segmentation through product innovation and operational excellence to best capitalize value gain from multiple channels.

- Net profit at HK$22.86 million
- Gearing ratio of non-current liabilities to shareholders' fund at 9.5%. Current ratio at 1.2
- Basic earnings per share landed at HK$0.075
- Net asset value per share amounted to HK$7.65
- Interim dividend per share of HK$0.03

The fashion apparel industry continues to transform at an unprecedented pace that our lean, efficient and flexible core manufacturing operation with proven record of embracing changes has placed us in a leading position as a trusted fashion partner. On top of the Group's competence and targeted strategies on speed, innovation and technological advancements to drive growth, the increasing capability to leverage group synergies and cross-selling opportunities among all sales & operating units as well as closer collaboration with key brands have created enormous additional growth potential to take the business forward.

Positive profitability enhancement continues to be realized in our multi-brand, multi-channel brand business through sharpened operating models with refreshed market positioning; enriched product offer as well as re-engineered cost structure. Full potential of the brand business is still far from being unlocked, to be driven by dedicated strategies & initiatives including new e-commerce business establishments leveraging the Group's smart technologies, superb product quality & innovation coupled with strong value chain capabilities which can tremendously broaden the customer base of the Group by tapping into a wide population of new customer segments.

With dedicated investment and management effort in the past 3 years, the quality portfolio of property projects at different stage of investment & development continues to deliver progressive value appreciation for the Group and is also creating a wider recurring income stream for the Group. Along the attainment of development milestones of each project, the property business will serve as powerful growth drivers for the Group with substantial enhancement in long-term shareholders' value.

Looking ahead, with global economic conditions returning to a more stable footing, we are convinced of the ample opportunities arising from our promising portfolio of diversified businesses, international network and solid foundation of the Group to successfully navigate the transformation of the fashion apparel industry. With our operation based in the Mainland China which offers a more steady and optimistic growth prospects, we believe our close connectivity and geographical proximity to the Mainland has placed us in a unique position to ride on the "internet +" and "Belt and road Initiatives" of China government with additional dimension of benefit realization.

I appreciate very much on the enormous support and advice constantly received 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 2017 together with the comparative figures.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**1,235,527**	1,268,846
Cost of sales		**(994,704)**	(1,037,694)
Gross profit		**240,823**	231,152
Other income		**33,167**	35,898
Other gains and losses	*4*	**42,880**	88,068
Administrative expenses		**(156,566)**	(199,337)
Selling and distribution expenses		**(84,266)**	(81,858)
Other expenses		**(5,665)**	(18,320)
Finance costs	*5*	**(16,989)**	(16,011)
Share of losses of joint ventures		**(1,177)**	(286)
PROFIT BEFORE TAXATION		**52,207**	39,306
Income tax expenses	*6*	**(28,770)**	(26,262)
PROFIT FOR THE PERIOD	*7*	**23,437**	13,044
OTHER COMPREHENSIVE INCOME	*8*		
Items that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**74,826**	(45,404)
Gain on revaluation of properties		**68,253**	-
Income tax relating to items that will not be reclassified		**(17,063)**	-
		126,016	(45,404)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,782)**	(2,563)
Fair value gain on hedging instruments under cash flow hedges		**25,218**	39,033
Reclassified to profit or loss on realisation of cash flow hedges		**17,263**	24,151
Income tax relating to items that may be reclassified subsequently		**(5,730)**	(8,358)
		34,969	52,263
Other comprehensive income for the period, net of tax		**160,985**	6,859
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**184,422**	19,903

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Profit for the period attributable to:			
Owners of the Company		**22,862**	15,380
Non-controlling interests		**575**	(2,336)
		23,437	13,044
Total comprehensive income attributable to:			
Owners of the Company		**184,332**	22,300
Non-controlling interests		**90**	(2,397)
		184,422	19,903
EARNINGS PER SHARE	*9*		
Basic		7.48 HK cents	5.03 HK cents

Condensed Consolidated Statement of Financial Position
At 30 June 2017

	Notes	**At 30 June 2017 (Unaudited)** *HK$'000*	At 31 December 2016 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**620,615**	638,585
Prepaid lease payments		**67,735**	105,071
Investment properties		**1,467,178**	1,188,791
Intangible assets		**7,676**	-
Interests in joint ventures		**15,343**	16,246
Available-for-sale investments		**675**	675
Deposit placed and prepayment of premium for a life insurance		**26,171**	26,264
Deferred tax assets		**21,084**	19,989
		2,226,477	1,995,621
CURRENT ASSETS			
Inventories		**448,746**	416,796
Properties held for sale		**158,762**	157,192
Trade receivables	*11*	**424,257**	370,466
Bills receivable	*11*	**8,565**	4,961
Prepaid lease payments		**1,584**	3,026
Deposits, prepayments and other receivables		**177,974**	150,234
Amounts due from joint ventures		**26,088**	26,136
Tax recoverable		**178,321**	162,333
Derivative financial instruments		**1,642**	64,769
Short-term bank deposits		**549,857**	623,092
Bank balances and cash		**423,959**	331,255
		2,399,755	2,310,260
CURRENT LIABILITIES			
Trade payables	*12*	**362,290**	329,595
Bills payable		**-**	441
Other payables and accruals		**162,774**	188,394
Amounts due to joint ventures		**3,161**	867
Amount due to an associate		**583**	583
Tax payable		**169,869**	157,731
Derivative financial instruments		**21,349**	63,847
Obligations under finance leases		**69**	62
Bank borrowings		**1,343,794**	1,215,433
Bank overdrafts		**1,325**	1,060
		2,065,214	1,958,013

Condensed Consolidated Statement of Financial Position (Cont'd)
At 30 June 2017

	At 30 June 2017 (Unaudited) *HK$'000*	At 31 December 2016 (Audited) *HK$'000*
NET CURRENT ASSETS	**334,541**	352,247
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,561,018**	2,347,868
NON-CURRENT LIABILITIES		
Derivative financial instruments	**1,562**	3,092
Deferred tax liabilities	**217,507**	178,051
Provision for long service payments	**3,483**	3,483
Obligations under finance leases	**56**	86
	222,608	184,712
NET ASSETS	**2,338,410**	2,163,156
CAPITAL AND RESERVES		
Share capital	**30,562**	30,562
Share premium and reserves	**2,333,064**	2,157,900
Equity attributable to owners of the Company	**2,363,626**	2,188,462
Non-controlling interests	**(25,216)**	(25,306)
TOTAL EQUITY	**2,338,410**	2,163,156

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 certain 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 2017 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following 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 HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of annual improvements to HKFRSs 2014 - 2016 cycle

The application of the above amendments to HKFRSs in the current interim period has 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. Additional disclosures about changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ended 31 December 2017.

3. Segment Information

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

For the six months ended 30 June 2017 (unaudited)

	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	**1,151,762**	**83,765**	**1,235,527**	**-**	**1,235,527**
Inter-segment sales (Note a)	**26,780**	**-**	**26,780**	**(26,780)**	**-**
Segment revenue	**1,178,542**	**83,765**	**1,262,307**	**(26,780)**	**1,235,527**
RESULT					
Segment profit (loss) (Note b)	**77,737**	**(6,914)**	**70,823**	**(1,627)**	**69,196**
Finance costs					**(16,989)**
Profit before taxation					**52,207**

For the six months ended 30 June 2016 (unaudited)

	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	1,162,039	106,807	1,268,846	-	1,268,846
Inter-segment sales (Note a)	19,462	-	19,462	(19,462)	-
Segment revenue	1,181,501	106,807	1,288,308	(19,462)	1,268,846
RESULT					
Segment profit (loss) (Note b)	78,814	(22,265)	56,549	(1,232)	55,317
Finance costs					(16,011)
Profit before taxation					39,306

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) includes i) fair value gain on investment properties of approximately HK$107,558,000 and nil (six months ended 30 June 2016: HK$60,722,000 and nil); and ii) fair value loss on derivative financial instruments of approximately HK$56,362,000 and nil (six months ended 30 June 2016: fair value gain of HK$23,655,000 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	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Increase in fair value of investment properties	**107,558**	60,722
Change in fair value of derivative financial instruments	**(56,362)**	23,655
(Loss) gain on disposal of property, plant and equipment and prepaid lease payments	**(1)**	1,479
Net foreign exchange (loss) gain	**(6,080)**	3,231
Net allowance for bad and doubtful debts	**(2,235)**	(1,019)
	42,880	88,068

5. Finance Costs

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings and overdrafts	**15,101**	13,609
Finance leases	**7**	6
Bank charges	**1,881**	2,396
	16,989	16,011

6. Income Tax Expenses

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax charge:		
Hong Kong	**737**	979
The People's Republic of China (the "PRC")	**5,708**	2,803
Other jurisdictions	**483**	497
	6,928	4,279
Underprovision in prior years:		
Hong Kong	**7,908**	-
The PRC	**3**	6,939
	7,911	6,939
Deferred taxation - current period	**13,931**	15,044
	28,770	26,262

6. Income Tax Expenses - continued

Current tax

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 in Hong Kong from the year of assessment 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 from 1999/2000 to 2010/2011. During the course of the tax audit, there may be a possibility that estimated additional assessments for subsequent years will be issued by the IRD to these group companies.

Up to 30 June 2017, the Group has made tax payment of approximately HK$172,384,000 (31 December 2016: HK$160,294,000) for conditional standover order of objection against the Assessments, including approximately HK$160,294,000 (31 December 2016: HK$160,294,000) tax reserve certificates purchased by the Group. The amount is included in "tax recoverable" in the condensed consolidated statement of financial position.

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 of the Company, the provision made is adequate for the purpose mentioned above.

Other than the tax audit, a group company has dispute with the IRD on the calculation of deductibility of interest expenses on bank borrowings for the years of assessment from 2010/2011 to 2015/2016. In view that the IRD has agreed on the basis of computing the extent of disallowable interest expenses, additional tax of approximately HK$7,908,000 (six months ended 30 June 2016: nil) has been provided during the current interim period and against which tax reserve certificate of HK$2,100,000 (31 December 2016: nil) was purchased for conditional standover order of objection against the assessment issued for the year of assessment 2010/2011. The amount is included in "tax recoverable" in the condensed consolidated statement of financial position.

In addition, another group company has purchased a tax reserve certificate of approximately HK$1,388,000 (31 December 2016: nil) for conditional standover order of objection against the assessment for the year of assessment 2010/2011 and the amount is included in "tax recoverable" in the condensed consolidated statement of financial position.

Deferred tax

Included in tax charge for the period is approximately HK$22,871,000 (six months ended 30 June 2016: HK$12,066,000) deferred tax charged on increase in fair value of investment properties.

7. Profit for the Period

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

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Amortisation of prepaid lease payments	**783**	1,617
Depreciation of property, plant and equipment	**31,567**	34,434
Net allowance for inventory obsolescence (included in cost of sales)	**1,280**	8,260
Realisation of cash flow hedges reclassified from other comprehensive income (Note)	**17,263**	24,151
Investment income earned on:		
Bank interest income	**(9,560)**	(4,348)
Interest income on other receivables	**(424)**	(407)
Interest income from structured deposits	**-**	(11,461)

Note: Loss of HK$16,429,000 (six months ended 30 June 2016: HK$23,507,000) is included in revenue and the remaining balance of a loss of HK$834,000 (six months ended 30 June 2016: HK$644,000) is included in finance costs.

8. Other Comprehensive Income

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cash flow hedges:		
Fair value gain on hedging instruments	**25,218**	39,033
Reclassification adjustments upon realisation of hedged items in profit or loss	**17,263**	24,151
	42,481	63,184
Gain on revaluation of properties	**68,253**	-
Exchange differences arising on translation	**73,044**	(47,967)
	183,778	15,217
Income tax relating to components of other comprehensive income:		
Fair value change in hedging instruments under cash flow hedges	**(5,730)**	(8,358)
Revaluation of properties	**(17,063)**	-
	(22,793)	(8,358)
Other comprehensive income for the period, net of tax	**160,985**	6,859

9. Earnings Per Share

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

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the purpose of basic earnings per share attributable to owners of the Company	**22,862**	15,380
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**305,615,420**	305,615,420

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 periods.

10. Dividends

During the current interim period, a final dividend of 3 HK cents (six months ended 30 June 2016: 3 HK cents) per share was declared to the shareholders for the year ended 31 December 2016 (six months ended 30 June 2016: for the year ended 31 December 2015) and paid in cash.

The Board declared that an interim dividend of 3 HK cents per share for the six months ended 30 June 2017 (six months ended 30 June 2016: 3 HK cents) which will be paid to shareholders whose names appear in the register of members on 22 September 2017. This dividend was declared after the end of the reporting period, and therefore it 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:

	At 30 June 2017 (Unaudited) *HK$'000*	At 31 December 2016 (Audited) *HK$'000*
Within 90 days	**373,879**	335,280
91 to 180 days	**37,879**	30,687
181 to 360 days	**11,040**	2,390
Over 360 days	**1,459**	2,109
	424,257	370,466

At the end of the reporting period, bills receivable of HK$8,565,000 (31 December 2016: HK$4,961,000) are aged within 90 days (31 December 2016: 90 days). Included in the bills receivable is discounted bills with recourse of HK$8,406,000 (31 December 2016: HK$4,147,000) of which the corresponding financial liabilities are included in bank borrowings.

12. Trade Payables

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

	At 30 June 2017 (Unaudited) *HK$'000*	At 31 December 2016 (Audited) *HK$'000*
Within 90 days	**109,211**	114,090
91 to 180 days	**10,959**	10,864
181 to 360 days	**15,966**	2,656
Over 360 days	**6,786**	7,033
	142,922	134,643
Accrued purchases	**219,368**	194,952
	362,290	329,595

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

13. Contingent Liabilities

In addition to the tax audit on certain group companies, as disclosed in note 6, the Group has the following contingent liabilities:

As disclosed in the Group's annual report for the year ended 31 December 2016 describe below:-

There were disputes amongst the Group, Hansen International Limited ("Hansen"), Ms. Leong Ma Li Mary, the beneficial owner of Hansen, and certain directors of the Company and several legal proceedings are taking place. The aforesaid parties in the action have agreed to generally extend the deadlines of filing various documents with court. Given that the evidence is still at an early stage, in the opinion of the directors of the Company, the ultimate outcome is unable to be determined and no provision has been made accordingly.

In addition, an enquiry of customs duty, the Judgment made earlier by the Intermediate People's Court Shaoxing, Zhejiang Province was revoked by the Higher People's Court of Zhejiang Province and the proceeding was remitted to the Intermediate People's Court for retrial during the current interim period. No payment for the Fine and Customs were made during the reporting period. Accordingly, no provision is considered necessary by the directors of the Company to be made in the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Review of Operations

The Group recorded a total revenue of HK$1.24 billion for the six months ended 30 June 2017, a slight decline of 2.6% versus last year yet gross margin % has been lifted up to 19.5% in 1H 2017 (vs 18.2% same period last year), with the resulting increase in overall gross margin$ in 2017 vs 2016.

In spite of escalating operating cost pressure in China, administrative expenses in 1H 2017 has been driven down below the level same period last year contributed by continuous re-engineering of operating process flow and cost base as well as better integration of organizational structure to support both existing businesses and new business development. Overall operating expenses for the six months ended 30 June 2017 included also professional & consultancy fees on a number of different projects as well as one-off expenses totaled HK$5.7 million (2016: HK$18.3 million) which is classified under "Other Expenses".

Net profit attributable to shareholders for the six months ended 30 June 2017 landed at HK$22.9 million, a significant increase compared with profit of HK$15.4 million same period last year. Basic earnings per share enjoyed a corresponding significant year-over-year increase to 7.48 HK cents. Net asset value per share also increased to HK$7.65.

Segment Information

The segmental information is as follows:

	Revenue		Contribution	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
By principal activity:				
Manufacturing and trading	**1,151,762**	1,162,039	**76,110**	77,582
Brand business	**83,765**	106,807	**(6,914)**	(22,265)
	1,235,527	1,268,846	**69,196**	55,317

Year-over-year bottom-line enhancement has again been realized in the first half of 2017 in restructuring & reshaping the multi-brand, multi-channel brand business towards sharpened operating models with refreshed market positioning; enriched product offer as well as re-engineered cost structure.

Profit for the first half of 2017 included an exceptional loss on fair value change of derivative financial instruments of HK$56 million (2016: gain of HK$24 million) and an increase in fair value of investment properties, net of tax, amounted to HK$85 million (2016: HK$49 million) in the current period.

Liquidity and Financial Resources

The Group's total outstanding bank borrowings increased slightly to HK$1,345 million at the end of interim reporting period compared to HK$1,216 million as at 31 December 2016. Our gearing ratio of non-current liabilities to shareholders' funds was 9.5% 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 were HK$974 million at the end of interim reporting period, a slight increase compared to HK$954 million as at 31 December 2016. Based on the ample banking facilities available, the Group had a 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 mainly 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.

As disclosed in note 13, the Group has no other material contingent liabilities. Barring the pledge of trade receivables of certain subsidiaries of HK$29 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 6,500. 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$27 million in order to upgrade its manufacturing capabilities and input HK$14 million for properties construction 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 3 HK cents per share for the six months ended 30 June 2017 (six months ended 30 June 2016: interim dividend of 3 HK cents) on the shares in issue amounting to HK$9,168,000 (six months ended 30 June 2016: HK$9,168,000), to the shareholders whose names appear on the Register of Members on 22 September 2017. The dividend will be payable on or about 16 October 2017.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 21 September 2017 to Friday, 22 September 2017, 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, 20 September 2017.

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 2017, except for the following deviation:

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.

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 2017.

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

During the six months ended 30 June 2017, 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 2017 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 director: 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, 29 August 2017