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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares 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, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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)**

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Top Form International Limited to be held at 7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong on Tuesday, 16 November 2021 at 2:00 p.m. is set out on pages 24 to 28 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.topformbras.com>).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

To prevent and control the spread of COVID-19, the Company will implement the following precautionary measures at the Annual General Meeting, including:

- all attendees will subject to compulsory body temperature checks at the entrance of the meeting venue;
- all attendees will be required to wear surgical face masks throughout the Annual General Meeting;
- maintaining proper distance between seats;
- any person who does not comply with the above measures may be denied entry to the meeting venue; and
- no beverage or refreshments will be served and no corporate gifts will be distributed at the Annual General Meeting.

**The Company strongly encourages the Shareholders to exercise their voting rights by appointing the chairman of the Annual General Meeting as their proxy to vote according to their indicated voting instructions as an alternative to attending the Annual General Meeting in person.**

\* for identification purposes only

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## DEFINITIONS

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

“2011 Share Option Scheme”	the share option scheme adopted by the Company on 3 November 2011
“Adoption Date”	the date on which the Shareholders approve the adoption of the New Share Option Scheme in accordance with the resolution of the Shareholders at the Annual General Meeting
“Annual General Meeting”	the annual general meeting of the Company to be held at 7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong on Tuesday, 16 November 2021 at 2:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 24 to 28 of this circular, or any adjournment thereof
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company currently in force
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Top Form International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participants”	(i) any employees, executives, officers or directors holding salaried office or employment with the Company or any of its subsidiaries, and any directors (including executive, non-executive and independent non-executive directors) of the Company, who as considered by the Board have contributed to the Company or any of its subsidiaries; and (ii) any consultants or advisers who will or have provided services to the Company or any of its subsidiaries
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

## DEFINITIONS

“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 24 to 28 of this circular
“Latest Practicable Date”	7 October 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association”	the memorandum of association of the Company
“New Share Option Scheme”	the new share option scheme to be proposed for adoption by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular
“Offer Date”	the date on which an Option is granted to an Eligible Participant by the Company
“Option”	an option to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	in respect of an Option, the period commencing after the second anniversary of the date upon which the Option is deemed to be granted and accepted or such period as the Board may in its absolute discretion to determine, save that such period shall not exceed 10 years from the Offer Date
“Rights Issue”	the issue of the 86,015,050 Shares by way of rights on the terms set out in the circular and the prospectus of the Company dated 9 December 2020 and 25 January 2021 respectively
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.50 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company

## DEFINITIONS

“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 24 to 28 of this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“VdV”	Van de Velde N.V., the shares of which are listed on the NYSE Euronext Brussels stock exchange, is a substantial shareholder of the Company
“%”	per cent.

**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)**

*Executive Directors:*

Mr. Wong Chung Chong (*Chairman*)

Mr. Wong Kai Chung, Kevin (*Chief Executive Officer*)

Mr. Wong Kai Chi, Kenneth (*Managing Director*)

*Non-executive Directors:*

Mr. Fung Wai Yiu

Mr. Lucas A.M. Laureys

Mr. Herman Van de Velde

*Independent Non-executive Directors:*

Ms. Leung Churk Yin, Jeanny

Mr. Leung Ying Wah, Lambert

Mr. Lin Sun Mo, Willy

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal Place of Business*

*in Hong Kong:*

7/F, Port 33,

33 Tseuk Luk Street,

San Po Kong,

Kowloon,

Hong Kong

15 October 2021

*To the Shareholders of the Company*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 16 November 2021.

\* *for identification purposes only*

## LETTER FROM THE BOARD

### **2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Bye-law no. 87(2) of the Bye-laws, Mr. Wong Kai Chi, Kenneth, executive Director, Mr. Lucas A.M. Laureys, non-executive Director and Mr. Leung Ying Wah, Lambert, Independent non-executive Directors, shall retire by rotation and at the Annual General Meeting, being eligible, offer themselves for re-election at the Annual General Meeting.

The Company has a nomination policy in place which set out the criteria and procedures when considering the candidates to be appointed or re-appointed as directors of the Company. The nomination committee of the Company has reviewed the skills, knowledge and experience, qualifications, time commitment and contributions of each of the retiring Director when making the recommendation to the Board for the re-election of the retiring Directors at the Annual General Meeting.

The nomination committee has also reviewed and assessed the independence of Mr. Leung Ying Wah, Lambert who has been serving as an independent non-executive Director of the Company for more than 9 years. Mr. Leung is not involved in the day to day management of the Company and there is no evidence that length of tenure is having an adverse impact on his independence. Additionally, Mr. Leung participated in the Board meetings and the committee meetings to offer impartial advice and exercise independent judgment and the Board is not aware of any circumstance that will interfere with his exercise of independent judgment. The Board had reviewed the annual confirmation on Mr. Leung's independence and confirmed that he had fulfilled the factors set out in Rule 3.13 of the Listing Rules and remained independent. In view of the above factors, the Board considers that Mr. Leung Ying Wah, Lambert is still independent and he will continue to provide valuable insights and bring contributions to the Group.

The nomination committee was of the view that all the retiring Directors met the criteria set out in the nomination policy and has recommended to the Board on the re-appointment of the retiring Directors. The Board believes that the re-election of all the retiring Directors will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity and is in the best interests of the Company and Shareholders as a whole.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

### **3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 17 November 2020, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 24 to 28 of this circular (i.e. a total of 30,105,267 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

## LETTER FROM THE BOARD

### 4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 17 November 2020, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 24 to 28 of this circular (i.e. a total of 30,105,267 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

### 5. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The 2011 Share Option Scheme was adopted by the Company on 3 November 2011 for a period of 10 years up to 2 November 2021, allowing the Company to grant share options to Eligible Participants as incentives or rewards for their contribution to the Group. In light of the expiry of the 2011 Share Option Scheme, an ordinary resolution will be proposed at the Annual General Meeting to adopt the New Share Option Scheme.

On 30 September 2019, 5,920,000 options had been granted under the 2011 Share Option Scheme. Due to the adjustments in the total number of issued Shares upon the completion of the Rights Issue, adjustments were made to the exercise price of the options and the number of Shares falling to be issued upon exercise of the outstanding options granted under the 2011 Share Option Scheme. Upon completion of the Rights Issue, the number of total outstanding options granted under the 2011 Share Option Scheme was adjusted from 5,920,000 to 6,645,836 Shares, 1,930,884 of which had lapsed subsequently. On 24 September 2021, 16,600,000 options had been granted under the 2011 Share Option Scheme of which no options had been lapsed. As at the Latest Practicable Date, the total number of outstanding options was 21,314,952 (representing approximately 7.08% of the issued Shares as at the Latest Practicable Date) and all outstanding options will continue to be valid and exercisable in accordance with the terms of 2011 Share Option Scheme. The details of the outstanding options granted under the 2011 Share Option Scheme are set out below:

Date of grant	Exercise Price per Share (HK\$)	Exercise period	No. of options granted	Adjustment due to Rights Issue	No. of options exercised	No. of options lapsed	No. of outstanding options
30 September 2019	1.044	30 September 2022 to 29 September 2024	5,920,000	725,836	–	(1,930,884)	4,714,952
24 September 2021	0.58	24 September 2024 to 23 September 2026	16,600,000	–	–	–	16,600,000



## LETTER FROM THE BOARD

The Company has no intention to grant further options under the 2011 Share Option Scheme from the Latest Practicable Date to the expiry date of 2011 Share Option Scheme.

Based on 301,052,675 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued prior to the adoption of the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options which may be granted pursuant to the New Share Option Scheme and any other share option schemes of the Company will be 30,105,267 Shares, representing 10% of the total issued share capital of the Company at the date of adoption of the New Share Option Scheme.

A summary of the terms of the New Share Option Scheme proposed to be approved and adopted at the Annual General Meeting is set out in Appendix III to this circular.

Adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of the resolution to adopt the New Share Option Scheme by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of the options under the New Share Option Scheme.

The purpose of the New Share Option Scheme is for the Group to attract, retain and motivate high-calibre employees to strive towards long term strategy and goals of the Group and to enable the Company to grant Options to Eligible Participants as incentives and rewards for their contribution to the Group.

The Board is of the opinion that the inclusion of consultants and advisers as Eligible Participants in the New Share Option Scheme can allow the Company to align the interests of these external parties with the long term development of the Group. By including participants other than employees and directors of the Group in the New Share Option Scheme, the Company can have more flexibility to incentivise and reward such persons who are expected to have a long term relationship with the Group so that they may participate in the growth of the Group and will continue to contribute to the benefit of the Group. The success of the Group depends on the contribution from not only the directors and employees, but also external parties including but not limited to consultants and advisers. As such, the Board considers that it is important and necessary to include these external parties as Eligible Participants as the cooperation and contributions of these external parties as well as the directors and employees of the Group is critical to the long term success of the Group.

Along with the growth and development of the Group's business, the Company may engage consultants or advisers to provide various aspects of professional services, including new product development, development of new manufacturing processes or solutions, exploration and establishment of new manufacturing locations, acquisition of new customers and new business development, etc., which may be commercially beneficial to the Group.

## LETTER FROM THE BOARD

The eligibility of these external parties other than employees and directors of the Group will be determined by the Board considering their potential and/or actual contribution to the operation and business of the Group. The Board will take into accounts various factors, including but not limited to strategic importance to the Group; quality and importance of the value of the services supplied or expected to be supplied; and long term impact on the Group's business, operation and financial position. As of the Latest Practicable Date, the Company does not have any plan to grant Options to any consultants or advisers under the New Share Option Scheme.

The Board shall be empowered to determine the subscription price of Shares pursuant to the exercise of options granted under the New Share Option Scheme, the basis of which is set out in paragraph 4 of Appendix III to this circular. Options granted under the New Share Option Scheme may be exercised at any time within certain period of time as set out in paragraph 9 of Appendix III to this circular so as to motivate and retain them for contribution to the benefit and success of the Group.

No trustees will be appointed under the New Share Option Scheme.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the New Share Option Scheme.

A copy of the New Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at 7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong for a period of 14 days before the Annual General Meeting, and at the Annual General Meeting.

### **6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the Annual General Meeting is set out on pages 24 to 28 of this circular.

Pursuant to the Listing Rules and the Bye-laws, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.topformbras.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch Share Registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

## LETTER FROM THE BOARD

### 7. 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 in this circular misleading.

### 8. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, proposed granting of the Share Repurchase Mandate and the Issuance Mandate and the proposed adoption of New Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**Top Form International Limited**  
**Wong Chung Chong**  
*Chairman*

<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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*The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.*

#### **EXECUTIVE DIRECTOR**

**Mr. Wong Kai Chi, Kenneth** (“**Mr. Kenneth Wong**”), aged 47, has been an executive Director and the Managing Director of the Company since 1 March 2011 and 22 May 2015 respectively. He has been appointed as a member of Nomination Committee of the Company since 19 February 2016. He is a director of Top Form Brassiere Mfg. Co., Limited, a principal wholly owned subsidiary of the Company and various subsidiaries of the Company.

Mr. Kenneth Wong joined the Group in 1997 and is responsible for the business development and marketing functions of the Group. He is currently the Honorary Chairman of Hong Kong Intimate Apparel Industries’ Association since 1 December 2016. He is also a panel member of the Textile and Clothing Research Projects Assessment under Innovation and Technology Fund for a period of two years starting from 1 January 2017 to 31 December 2018 and the Vice Chairman of Multi-Textiles and Fashion Accessories Council for Federation of Hong Kong Industries for a period of two years from 2017 to 2019. He holds a Bachelor degree in Marketing and Operations Management from School of Management, Boston University in the United States of America and a Master degree in International Business from Asian Institute of Technology in Thailand. He has been awarded the Young Industrialist Awards of Hong Kong 2015 by the Federation of Hong Kong Industries.

Save as disclosed above, Mr. Kenneth Wong did not hold any directorship in other public listed companies in the last three years or other major appointments.

Mr. Kenneth Wong has not entered into a service contract with the Company and he has not been appointed for a specific term of service, but he is subject to retirement by rotation and re-election at the annual general meetings in accordance with the Bye-laws of the Company. Mr. Kenneth Wong received a director’s remuneration of approximately HK\$2,656,000 for the year ended 30 June 2021. The remuneration package of Mr. Kenneth Wong was determined by reference to his duties and responsibilities in the Group, the Group’s performance and overall remuneration policy.

As at the Latest Practicable Date, Mr. Kenneth Wong is interested in 89,428,202 Shares and interested in 524,522 share options entitling him to subscribe for 524,522 Shares, representing an aggregate of 29.88% of the issued share capital of the Company. The 89,428,202 Shares were deemed to be interested by Mr. Kenneth Wong who was a party to certain agreements to which sections 317(1)(a) and/or (b) of the SFO (Cap. 571) apply. Save as disclosed herein, Mr. Kenneth Wong does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Kenneth Wong is the son of Mr. Wong Chung Chong, the Chairman, executive Director and substantial shareholder of the Company and the elder brother of Mr. Wong Kai Chung, Kevin, the Chief Executive Officer, executive Director and substantial shareholder of the Company. Save as disclosed herein, Mr. Kenneth Wong is not connected with any directors, senior management or substantial or controlling shareholders of the Company.

<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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Save as disclosed above, there is no information which is discloseable nor is/was Mr. Kenneth Wong involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Kenneth Wong that need to be brought to the attention of the Shareholders.

#### **NON-EXECUTIVE DIRECTOR**

**Mr. Lucas A.M. Laureys (“Mr. Laureys”)**, aged 76, has been a non-executive Director of the Company since September 2002. He has been re-designated as the non-executive director of Van de Velde N.V. (“VdV”) since 1 January 2016, the shares of which are listed on the NYSE Euronext Brussels Stock Exchange. Mr. Laureys has over 49 years of experience in the brassiere trade and specialises in Marketing. Mr. Laureys holds a degree in Economics from the University of Ghent, a Master degree in Marketing from the University of Leuven and a Master degree in Business Administration from the University of Ghent Vlerick Business School. He was formerly a board member of Delta Lloyd Bank N.V. and the Chairman of the Board of Omega Pharma (a company previously listed on Euronext).

Save as disclosed above, Mr. Laureys did not hold any directorship in other public listed companies in the last three years or other major appointment.

Mr. Laureys has not entered into a service contract with the Company and he has not been appointed for a specific term of service, but he is subject to retirement by rotation and reelection at the annual general meetings in accordance with the Bye-laws of the Company. Mr. Laureys is entitled to a director’s fee of HK\$200,000 per annum, which is determined by reference to the time and effort Mr. Laureys spent on the Group’s affairs as well as the prevailing market conditions. Mr. Laureys waived to receive any director’s fee for the year ended 30 June 2021.

As at the Latest Practicable Date, Mr. Laureys does not have any interest in the Company within the meaning of Part XV of the SFO.

Mr. Herman Van de Velde, a non-executive Director and a substantial shareholder of the Company by virtue of his indirect 56.26% interests in VdV, which in turn holds 25.66% interests in the Company, is the Chairman and a non-executive director of VdV. Save as disclosed herein, Mr. Laureys is not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no information which is discloseable nor is/was Mr. Laureys involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Laureys that need to be brought to the attention of the Shareholders.

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Leung Ying Wah, Lambert (“Mr. Leung”)**, aged 74, has been an independent non-executive Director of the Company since May 2006. He is the Chairman of the Audit Committee and a member of the Compensation Committee and the Nomination Committee. Mr. Leung was the Chief Executive Officer of a leading construction materials company. He is a fellow member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Leung was the Past Chairman of the Hong Kong Cement Traders and Producers Association and the Past Chairman of the Hong Kong Construction Materials Association.

Save as disclosed above, Mr. Leung did not hold any directorship in other public listed companies in the last three years or other major appointments.

Mr. Leung has not entered into a service contract with the Company and he has not been appointed for a specific term of service, but he is subject to retirement by rotation and reelection at the annual general meetings in accordance with the Bye-laws of the Company. Mr. Leung is entitled to a director’s fee of HK\$200,000 per annum, which is determined by reference to the time and effort Mr. Leung spent on the Group’s affairs as well as the prevailing market conditions. Mr. Leung waived to receive any director’s fee for the year ended 30 June 2021.

As at the Latest Practicable Date, Mr. Leung is interested in 112,000 Shares, representing 0.04% of the issued share capital of the Company. Save as disclosed herein, Mr. Leung does not have any interest in the Company within the meaning of Part XV of the SFO.

Mr. Leung is not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no information which is discloseable nor is/was Mr. Leung involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Leung that need to be brought to the attention of the Shareholders.

*The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.*

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 301,052,675 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 301,052,675 Shares, the Directors would be authorised under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 30,105,267 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

### **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders. Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **3. FUNDING OF SHARE REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association and the Bye-laws and the applicable laws of Bermuda. It is intended to finance the repurchases from the Company's available cash flow or working capital facilities. The Company is empowered under the Memorandum of Association to repurchase Shares and the same authority is given under section 42A of the Companies Act. The Bye-laws supplement the Memorandum of Association by providing that this power is exercisable by the Directors upon such terms and subject to such conditions as they think fit. The Companies Act provides that the funds permitted to be utilized in connection with a share repurchase may only be paid out of either the capital paid up on the relevant repurchased Shares, or the funds of the Company that would otherwise be available for dividend or distribution, or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution, or out of the share premium account of the Company before the Shares are repurchased. Under Bermuda law, a company's repurchased shares shall be treated as cancelled upon purchase and the company's issued share capital shall be diminished by the nominal value of those shares accordingly (but such repurchase is not to be taken as reducing the amount of the company's authorised share capital) or be treated as treasury shares.

**4. IMPACT OF SHARE REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 30 June 2021) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
October, 2020	0.623	0.525
November, 2020	0.846	0.517
December, 2020	0.739	0.677
January, 2021	0.802	0.620
February, 2021	0.850	0.580
March, 2021	0.650	0.560
April, 2021	0.650	0.580
May, 2021	0.660	0.610
June, 2021	0.720	0.570
July, 2021	0.650	0.550
August, 2021	0.600	0.550
September, 2021	0.700	0.530
October, 2021 (up to the Latest Practicable Date)	0.580	0.580

**6. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.



## 7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. Wong Chung Chong ("Mr. Wong") and his close associates (as defined in the Listing Rules) was in aggregate interested in 89,952,724 Shares representing approximately 29.88% of the total issued share capital whereas VdV was interested in 77,258,590 Shares, representing approximately 25.66% of issued share capital of the Company. In the event that the Directors exercise the proposed Share Repurchase Mandate in full and on the assumption that no further Shares are issued during the relevant period, the aggregate shareholding of Mr. Wong and his close associates would be increased to approximately 33.20% of the issued share capital of the Company whilst VdV's interest would be increased to approximately 28.51% of the issued share capital of the Company.

As at the Latest Practicable Date, the shareholding of substantial shareholders of the Company and the shareholding held by the public and their respective shareholding in the event the Share Repurchase Mandate is exercised in full were set out as follows:

Name of Shareholder	Number of Shares beneficially held	Shareholding as at the Latest Practicable Date	Shareholding in the event the Share Repurchase Mandate is exercised in full
Mr. Wong and his close associates	89,952,724	29.88%	33.20%
VdV	77,258,590	25.66%	28.51%
David Michael Webb	27,042,000	8.98%	9.98%
Other Public Shareholders	106,799,361	35.48%	28.31%
Total	<u>301,052,675</u>	<u>100.00%</u>	<u>100.00%</u>

The Directors consider that such increase in shareholding held by Mr. Wong would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange). The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

*The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the Annual General Meeting:*

## **1. PURPOSE OF THE NEW SHARE OPTION SCHEME**

The purpose of the New Share Option Scheme is for the Group to attract, retain and motivate high-calibre employees to strive towards long term strategy and goals of the Group and to enable the Company to grant Options to Eligible Participants as incentives and rewards for their contribution to the Group.

## **2. WHO MAY JOIN**

The Board may, at its discretion, offer to grant to Eligible Participants the options to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph 4 below. Eligible Participants are employees, executives, officers or directors holding salaried office or employment with the Company or any of its subsidiaries, and any directors (including executive, non-executive and independent non-executive directors) of the Company, who as considered by the Board have contributed to the Company or any of its subsidiaries; and any consultants or advisers who will or have provided services to the Company or any of its subsidiaries.

## **3. GRANT AND ACCEPTANCE OF OPTIONS**

The Board shall be entitled at any time on any day on which the Stock Exchange is open for the business of dealing in securities (“**Business Day**”) following the Adoption Date and before the tenth anniversary of the Adoption Date to offer to grant an Option to any Eligible Participant whom the Board may in its absolute discretion select and subject to such conditions as it may think fit.

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration is received by the Company not later than 14 days after the date on which such option is offered to the Eligible Participant.

## **4. SUBSCRIPTION PRICE OF SHARES**

Options may be exercised at a subscription price determined by the Board (subject to adjustments as provided in the rules of the New Share Option Scheme) and notified to an Eligible Participant, which in any event shall be the highest of:

- (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date of the Options;
- (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date of the Options;  
and
- (c) the nominal value of the Shares.

## 5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

The maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date, excluding for this purpose, Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the New Share Option Scheme (or any other share option scheme of the Group) (the “**Scheme Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company will not be counted for the purpose of calculating the Scheme Limit.

As at the Latest Practicable Date, there were 301,052,675 Shares in issue. Assuming no further Shares are issued prior to the Adoption Date, the number of Shares that may be issued upon exercise of all Options which may be granted under the New Share Option Scheme and any other share option schemes will be 30,105,267 Shares, representing 10% of the issued ordinary share capital of the Company as at the date of this circular.

Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (a) refresh the Scheme Limit at any time to 10% of the total number of Shares in issue as at the date of Shareholders’ approval of the refreshment of the Scheme Limit. However, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and under any other share option schemes of the Group under the limit must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the New Share Option Scheme or other share option schemes (including those outstanding, cancelled or lapsed in accordance with the relevant schemes or exercised options) will not be counted for the purpose of calculating the Scheme Limit as refreshed. The Company must send a circular to the Shareholders regarding the proposed refreshment in a manner complying with, and containing the information specified in the relevant provisions of Chapter 17 of the Listing Rules; and/or
- (b) grant options beyond the Scheme Limit to Eligible Participants specifically identified by the Board whereupon the Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted and the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted under the New Share Option Scheme and any other share option schemes of the Group at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company or any of its subsidiaries (including the New Share Option Scheme) if this will result in the 30% limit being exceeded.

## 6. MAXIMUM NUMBER OF OPTIONS TO AN ELIGIBLE PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of the Group (including those cancelled, exercised and outstanding options) to each Eligible Participant in any 12-month period shall not exceed 1% of the Shares in issue.

Any further grant of options to a participant which would result in the Shares issued and to be issued upon the exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate in excess of 1% of the Shares in issue shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Such Eligible Participant will be permitted to vote against the grant only if his intention to do so has been stated in the circular. The circular to be issued to the Shareholders must comply with the relevant provisions of Chapter 17 of the Listing Rules and contain the identity of the participant and the number and terms of the options to be granted (and options previously granted to such participant). The number and terms (including the exercise price) of the options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price of options.

## 7. GRANT OF OPTIONS TO CONNECTED PERSONS

Any grant of Options to a director, chief executive or substantial shareholder of the Company or any of its associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options).

If the Company proposes to grant Options to a substantial shareholder (as defined in the Listing Rules) or any independent non-executive Director of the Company or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares at the date of each grant,

such further grant of Options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting at which the grantee, his associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour at such general meeting, and/or such other requirements prescribed under the Listing Rules from time to time. The parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(1) of the Listing Rules may vote against the resolution at the general meeting provided that their intention to do so has been stated in relevant circular to shareholders.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (a) the details of the number and terms (including the Exercise Price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the Exercise Price of such options;
- (b) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (c) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

#### **8. RIGHTS ARE PERSONAL TO GRANTEE**

An Option shall be personal to the grantee and shall not be assignable or transferable and may be exercised or treated as exercised, as the case may be, in whole or in part.

#### **9. TIME OF EXERCISE OF OPTIONS**

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time after the second anniversary of the date upon which the Option is deemed to be granted and accepted. The Option Period during which an Option may be exercised will be determined by the Board in its absolute discretion, save that no Option may be exercised more than 10 years after it has been granted. The Option Period shall be determined on the date of grant of the Options and the Company shall notify the grantees such details in writing.

#### **10. PERIOD OF NEW SHARE OPTION SCHEME**

Subject to earlier termination by the Shareholders in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years after the Adoption Date. No Option may be granted more than 10 years after the Adoption Date of the New Share Option Scheme.

#### **11. PERFORMANCE TARGET**

A grantee is not required to achieve any performance targets before any Option granted under the New Share Option Scheme can be exercised.

**12. RIGHTS ON CEASING EMPLOYMENT/DEATH**

If the grantee of an Option is under employment with the Company and/or any of its subsidiaries, in the event the grantee ceases to be an Eligible Participant by any reason (including his death) and none of the events which would be a ground for termination of his employment arises or the termination does not occur during the 12-month period following the date on which his Option is deemed to be granted and accepted, the grantee or his personal representative(s) may exercise the Option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

**13. RIGHTS ON DISMISSAL**

If the grantee of an Option ceases to be an Eligible Participant by reason of being dismissed as an employee of the Company or its subsidiaries on the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, his Option will lapse and not be exercisable after the date of termination of his employment.

**14. RIGHTS ON A GENERAL OFFER**

If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the Option exercisable period of the relevant Option, the grantee shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within one month after the date on which the offer becomes or is declared unconditional, and to the extent that they are not so exercised, the Option shall upon the expiry of such period lapse automatically and not be exercisable.

**15. RIGHTS ON WINDING-UP**

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all grantees and thereupon, each grantee (or his legal personal representatives) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than four business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid.

**16. RIGHTS ON A SCHEME OF ARRANGEMENT**

If a compromise or arrangement between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies, the Company shall on the same date as it despatches such notice to its members or creditors give notice thereof to all grantees and thereupon, each grantee (or his legal personal representatives) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than four business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid. From the date of such meeting, the rights of all grantees to exercise their Options shall be suspended, and upon such compromise or arrangement becoming effective, all Options (to the extent not already exercised) shall lapse and not be exercisable.

**17. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof.

Subject to the aforesaid, Shares allotted and issued on the exercise of Options will rank *pari passu* with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully-paid Shares in issue on the relevant exercise date, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the relevant exercise date.

**18. EFFECT OF ALTERATIONS TO CAPITAL**

In the event of any alteration in the capital structure of the Company (including a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital) whilst any Options may become or remains exercisable, such corresponding adjustments (if any) shall be made in (a) the number or nominal amount of Shares subject to any Options so far as such Options or any part thereof remains unexercised; and/or (b) the subscription price per Share of each outstanding Option, or any combination thereof, as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of Chapter 17 of the Listing Rules. Any such adjustments will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which such person was previously entitled to subscribe pursuant to the options held by him before such alterations and the aggregate subscription price payable on the full exercise of any options is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such adjustment will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such adjustments.

**19. ALTERATION OF NEW SHARE OPTION SCHEME**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (b) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of Options granted,

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme or the Options shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

**20. CANCELLATION OF OPTIONS**

Any cancellation of Options granted but not exercised must be approved by the grantees of the relevant Options. For the avoidance of doubt, such approval is not required if an Option is cancelled due to the breach committed by the grantee of the non-transferability of an Option and as more particularly set out in the New Share Option Scheme.

**21. LAPSE OF OPTIONS**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the date of expiry of an Option as described in the above paragraph 9 headed "**Time of exercise of options**" and as more particularly set out in the New Share Option Scheme;
- (b) the expiry of any of the periods referred to in the above paragraphs 12 to 16 headed "**Rights on ceasing employment/death**", "**Rights on dismissal**", "**Rights on a general offer**", "**Rights on winding-up**", "**Rights on a scheme of arrangement**" respectively and as more particularly set out in the New Share Option Scheme;
- (c) the date of cancellation of an Option as decided by the Board in the case of a breach of the non-transferability requirement of an Option by the grantee as set out in the New Share Option Scheme; or
- (d) the date on which the Eligible Participant ceases to be employed by the Company and/or any of its subsidiaries if he ceases to be so employed during the 12-month period following the date upon which such Option is deemed to be granted and accepted.



**22. TERMINATION OF NEW SHARE OPTION SCHEME**

The Company may by resolution of the Shareholders in general meeting or by the Board at any time terminate the New Share Option Scheme and in such event no further Option shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**VALUE OF ALL OPTIONS THAT CAN BE GRANTED UNDER THE NEW SHARE OPTION SCHEME**

The Directors consider that it is not appropriate nor is helpful to Shareholders to state the value of all options that can be granted pursuant to the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors are of the opinion that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders given that the Options to be granted shall not be assignable, and no holder of the Option shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.

In addition, the calculation of the value of the Option is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

# NOTICE OF ANNUAL 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 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Top Form International Limited (the “**Company**”) will be held at 7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong on Tuesday, 16 November 2021 at 2:00 p.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To receive the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 30 June 2021.
2. To re-elect the following retiring Directors and to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration:
  - (a) To re-elect Mr. Wong Kai Chi, Kenneth as an executive Director;
  - (b) To re-elect Mr. Lucas A.M. Laureys as a non-executive Director;
  - (c) To re-elect Mr. Leung Ying Wah, Lambert as an independent non-executive Director;  
and
  - (d) To authorise the Board to fix the Directors’ remuneration.
3. To re-appoint KPMG as auditors of the Company and to authorise the Board to fix their remuneration.

\* *for identification purposes only*

## NOTICE OF ANNUAL GENERAL MEETING

4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company,

shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

## NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 4 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

7. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of any options under the share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained in the document marked “A” and signed by the Chairman of the meeting for the purpose of identification, the New Share Option Scheme be and is hereby approved and adopted and the board of directors of the Company be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give effect to the New Share Option Scheme including but without limitation:

- (i) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
- (iii) to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme;
- (iv) to make application at the appropriate time or times to the Stock Exchange, and any other stock exchange upon which the issued Shares may for the time being be listed, for listing of and permission to deal in any Shares which may from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and

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- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By Order of the Board  
**Top Form International Limited**  
**Wong Chung Chong**  
*Chairman*

Hong Kong, 15 October 2021

*Notes:*

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.

On a show of hands, every shareholder who is present or by proxy shall have one vote. In the case of a poll, every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.

3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Registers of Members of the Company will be closed from Thursday, 11 November 2021 to Tuesday, 16 November 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 10 November 2021.
5. To prevent and control the spread of COVID-19, the Company will implement the following precautionary measures at the Annual General Meeting, including:
  - all attendees will subject to compulsory body temperature checks at the entrance of the meeting venue;
  - all attendees will be required to wear surgical face masks throughout the Annual General Meeting;
  - maintaining proper distance between seats;
  - any person who does not comply with the above measures may be denied entry to the meeting venue; and
  - no beverage or refreshments will be served and no corporate gifts will be distributed at the Annual General Meeting.

**The Company strongly encourages the Shareholders to exercise their voting rights by appointing the chairman of the Annual General Meeting as their proxy to vote according to their indicated voting instructions as an alternative to attending the Annual General Meeting in person.**

6. As at the date of this Notice, the board of directors of the Company comprises Mr. Wong Chung Chong (Chairman), Mr. Wong Kai Chung, Kevin (Chief Executive Officer) and Mr. Wong Kai Chi, Kenneth (Managing Director) as executive Directors; Mr. Fung Wai Yiu, Mr. Lucas A.M. Laureys and Mr. Herman Van de Velde as non-executive Directors; and Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy as independent non-executive Directors.