TOP FORM

INTERNATIONAL LIMITED

STOCK CODE : 333

INTERIM REPORT

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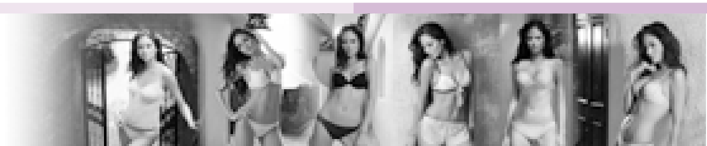
CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2007

	Notes	For the six months ended 31 December 2007 (Unaudited) HK$'000	2006 (Unaudited) HK$'000
Revenue	3	**682,566**	770,125
Cost of sales		**(532,200)**	(572,716)
Gross profit		**150,366**	197,409
Other income		**8,400**	7,201
Selling and distribution expenses		**(29,915)**	(33,737)
General and administrative expenses		**(87,809)**	(80,657)
Finance costs		**(231)**	(162)
Profit before taxation	4	**40,811**	90,054
Income tax expense	5	**(7,458)**	(14,352)
Profit for the period		**33,353**	75,702
Attributable to:			
Equity holders of the Company		**36,134**	74,645
Minority interests		**(2,781)**	1,057
		33,353	75,702
Dividend paid	6	**32,289**	32,289
Interim dividend	6	**16,128**	26,907
Earnings per share	7		
Basic		**3.4 cents**	6.9 cents

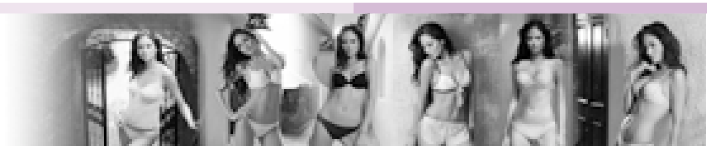


CONDENSED CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Notes	At 31 December 2007 (Unaudited) HK$'000	At 30 June 2007 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	*8*	**170,619**	177,268
Prepaid lease payments		**2,021**	2,077
Prepaid rental payments		**6,499**	3,134
Deferred tax assets		**5,033**	–
		184,172	182,479
Current assets			
Inventories		**231,829**	197,462
Debtors, deposits and prepayments	*9*	**188,310**	166,394
Bills receivable	*10*	**25,677**	12,818
Prepaid lease payments		**112**	112
Bank balances and cash		**209,091**	256,435
		655,019	633,221
Current liabilities			
Creditors and accrued charges	*11*	**144,066**	130,447
Taxation		**107,759**	96,744
Bank borrowings and other liabilities – due within one year	*12*	**5,591**	4,700
Obligations under finance leases – due within one year		**192**	211
		257,608	232,102
Net current assets		**397,411**	401,119
Total assets less current liabilities		**581,583**	583,598
Non-current liabilities			
Bank borrowings and other liabilities – due after one year	*12*	**21**	224
Obligations under finance leases – due after one year		**361**	41
Retirement benefit obligations		**4,464**	4,263
Deferred tax liabilities		**8,168**	10,416
		13,014	14,944
		568,569	568,654

	Notes	At 31 December 2007 (Unaudited) HK$'000	At 30 June 2007 (Audited) HK$'000
Capital and reserves			
Share capital	*13*	**107,519**	107,630
Reserves		**441,545**	438,640
Equity attributable to equity holders of the Company		**549,064**	546,270
Minority interests		**19,505**	22,384
		568,569	568,654

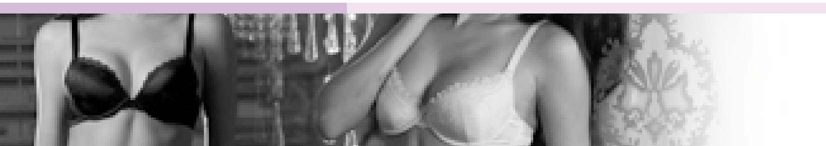


CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2007

	Attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Special reserve HK$'000 (note)	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 July 2006	107,630	1,499	122	7,139	(506)	345,308	461,192	19,160	480,352
Exchange difference arising on translation of overseas operations recognised directly in equity	–	–	–	–	4,308	–	4,308	–	4,308
Profit for the period	–	–	–	–	–	74,645	74,645	1,057	75,702
Total recognised income for the period	–	–	–	–	4,308	74,645	78,953	1,057	80,010
Dividend paid to minority shareholders of a subsidiary	–	–	–	–	–	–	–	(1,035)	(1,035)
Dividend paid	–	–	–	–	–	(32,289)	(32,289)	–	(32,289)
At 31 December 2006	107,630	1,499	122	7,139	3,802	387,664	507,856	19,182	527,038
Exchange difference arising on translation of overseas operations recognised directly in equity	–	–	–	–	6,999	–	6,999	1,131	8,130
Profit for the period	–	–	–	–	–	58,322	58,322	2,071	60,393
Total recognised income for the period	–	–	–	–	6,999	58,322	65,321	3,202	68,523
Dividend paid	–	–	–	–	–	(26,907)	(26,907)	–	(26,907)
At 30 June 2007	107,630	1,499	122	7,139	10,801	419,079	546,270	22,384	568,654
Exchange difference arising on translation of overseas operations recognised directly in equity	–	–	–	–	(101)	–	(101)	577	476
Profit for the period	–	–	–	–	–	36,134	36,134	(2,781)	33,353
Total recognised income and expense for the period	–	–	–	–	(101)	36,134	36,033	(2,204)	33,829
Repurchase of shares	(111)	–	111	–	–	(950)	(950)	–	(950)
Dividend paid to minority shareholders of a subsidiary	–	–	–	–	–	–	–	(675)	(675)
Dividend paid	–	–	–	–	–	(32,289)	(32,289)	–	(32,289)
At 31 December 2007	107,519	1,499	233	7,139	10,700	421,974	549,064	19,505	568,569

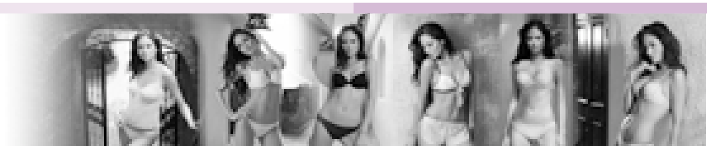
Note: Special reserve represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal amount of share capital of companies forming the Group, pursuant to the group reorganisation in 1991.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2007

	For the six months ended 31 December	
	2007	2006
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash (used in) generated from operating activities	**(3,671)**	136,577
Net cash used in investing activities:		
Purchase of property, plant and equipment	**(10,751)**	(15,734)
Proceeds from disposal of property, plant and equipment	**3**	32
	(10,748)	(15,702)
Net cash used in financing activities:		
Dividend paid	**(32,289)**	(32,289)
Repayment of borrowings	**(9,006)**	(5,890)
Payment for repurchase of shares	**(950)**	–
Dividend paid to minority shareholders of a subsidiary	**(675)**	(1,035)
New borrowings raised	**9,995**	4,941
	(32,925)	(34,273)
Net (decrease) increase in cash and cash equivalents	**(47,344)**	86,602
Cash and cash equivalents at the beginning of the period	**256,435**	65,253
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**209,091**	151,855



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2007

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2007.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (the "New HKFRSs") issued by the HKICPA, which are effective for the Group's accounting year beginning 1 July 2007. The adoption of these New HKFRSs has had no material effect on the results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new and revised standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – INT 12	Service Concession Arrangements[2]
HK(IFRIC) – INT 13	Customer Loyalty Programmes[3]
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[2]

[1] *Effective for annual periods beginning on or after 1 January 2009*
[2] *Effective for annual periods beginning on or after 1 January 2008*
[3] *Effective for annual periods beginning on or after 1 July 2008*

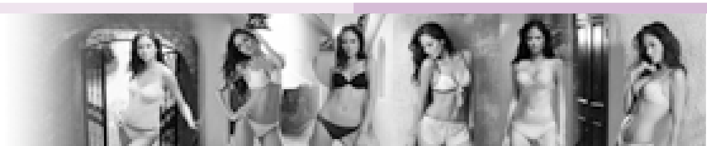
3. SEGMENT INFORMATION

For management reporting purposes, the Group's operations are currently organised into manufacturing business and branded business. Segment information in respect of these activities is as follows:

Business segments

Six months ended 31 December 2007

	Manufacturing business HK$'000	Branded business HK$'000	Elimination HK$'000	Consolidated HK$'000
Revenue				
External sales	**673,183**	**9,383**	**–**	**682,566**
Inter-segment sales *(note)*	**3,913**	**–**	**(3,913)**	**–**
Total sales	**677,096**	**9,383**	**(3,913)**	**682,566**
Results				
Segment results	**48,891**	**(3,716)**	**–**	**45,175**
Unallocated corporate expenses				**(8,362)**
Interest income				**4,229**
Finance costs				**(231)**
Profit before taxation				**40,811**
Income tax expense				**(7,458)**
Profit for the period				**33,353**



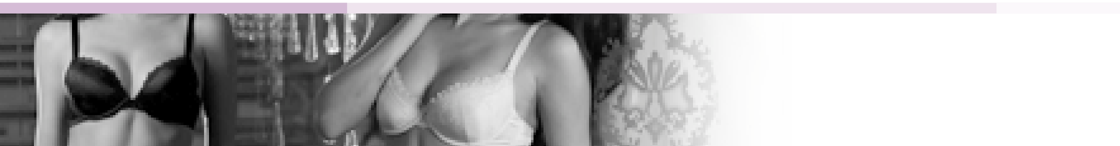
Six months ended 31 December 2006

	Manufacturing business HK$'000	Branded business HK$'000	Elimination HK$'000	Consolidated HK$'000
Revenue				
External sales	760,055	10,070	–	770,125
Inter-segment sales *(note)*	1,628	–	(1,628)	–
Total sales	761,683	10,070	(1,628)	770,125
Results				
Segment results	96,063	13	–	96,076
Unallocated corporate expenses				(7,947)
Interest income				2,087
Finance costs				(162)
Profit before taxation				90,054
Income tax expense				(14,352)
Profit for the period				75,702

Note: Inter-segment sales are charged at prevailing market rates.

Geographical segments

The Group's manufacturing operations are principally located in the People's Republic of China ("PRC") and Thailand. Branded business is principally carried out in Hong Kong and the PRC.



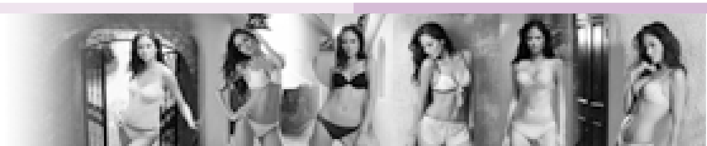
The following table provides an analysis of the Group's sales by geographical market, irrespective of origin of the goods:

Six months ended 31 December

	Sales revenue by geographical market	
	2007	2006
	HK$'000	HK$'000
United States of America and Canada	**432,610**	566,820
Europe	**183,910**	127,561
Australia and New Zealand	**38,915**	42,661
Asia (excluding Hong Kong)	**21,170**	24,570
Hong Kong	**5,664**	8,513
South Africa	**297**	–
	682,566	770,125

4. PROFIT BEFORE TAXATION

	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**16,238**	15,224
Amortisation of prepaid lease payments	**56**	56
Cost of textile quota entitlements	**5,879**	8,493
Loss on disposal of property, plant and equipment	**175**	23
and after crediting:		
Quota income	**2,001**	1,902
Interest income	**4,229**	2,087



5. INCOME TAX EXPENSE

	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**4,430**	10,729
Other jurisdictions	**4,485**	1,406
	8,915	12,135
Under(over) provision in prior year		
Hong Kong Profits Tax	**6,409**	309
Taxation in other jurisdictions	**(585)**	(214)
	5,824	95
Deferred tax:		
(Credit) charge for the period	**(7,281)**	2,122
	7,458	14,352

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 17.5% for the six months ended 31 December 2007 (six months ended 31 December 2006: 17.5%).

Taxation arising in other jurisdictions is recognised based on management's best estimate of the weighted average annual income tax rate expected to the full financial year. The estimated average annual tax rate used is 17% for the six months ended 31 December 2007 (six months ended 31 December 2006: 19%) calculated at the rates prevailing in the relevant jurisdictions.

The Group has recognised deferred tax assets in relation to the unused tax losses of a subsidiary during the current period.

6. DIVIDENDS

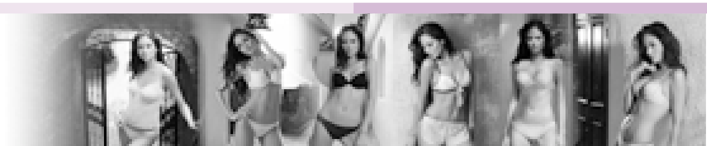
	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Dividend paid:		
2007 final dividend paid: HK$0.03 (year ended 30 June 2006: HK$0.03) per share on 1,076,298,125 shares (2006: 1,076,298,125 shares)	**32,289**	32,289
Dividend:		
Interim dividend *(Note)*	**16,128**	26,907

Note: An interim dividend of HK$0.015 (six months ended 31 December 2006: HK$0.025) per share on 1,075,188,125 shares (on 31 December 2006: 1,076,298,125 shares) has been declared by the Directors on 22 February 2008.

7. EARNINGS PER SHARE

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

	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit attributable to the equity holders of the Company for the purpose of basic earnings per share	**36,134**	74,645



	Number of shares	
Number of ordinary shares for the purpose of basic earnings per share	**1,076,079,158**	1,076,298,125

No diluted earnings per share has been presented because there are no potential dilutive ordinary shares for both years.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, additions of property, plant and equipment amounted to HK$10,751,000 (for the six months ended 31 December 2006: HK$15,734,000).

9. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in the balance are trade debtors of HK$152,074,000 (at 30 June 2007: HK$136,180,000). The Group allows an average credit period of 30 days to its trade customers.

An aged analysis of trade debtors at the balance sheet date is as follows:

	At 31 December 2007 (Unaudited) HK$'000	At 30 June 2007 (Audited) HK$'000
0 – 30 days	**148,833**	131,880
31 – 60 days	**2,385**	2,971
61 – 90 days	**790**	984
Over 90 days	**66**	345
	152,074	136,180

10. BILLS RECEIVABLE

Included in the balance is an amount of HK$21,432,000 (at 30 June 2007: HK$8,941,000) aged within 30 days, HK$4,245,000 (at 30 June 2007: HK$2,125,000) aged within 31 to 60 days. There is no balance (at 30 June 2007: HK$1,752,000) aged between 61 to 90 days.

11. CREDITORS AND ACCRUED CHARGES

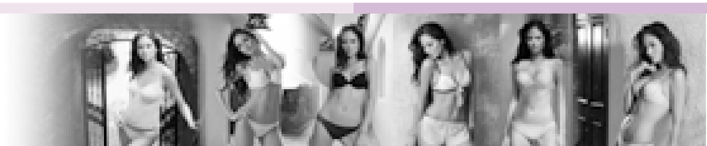
Included in the balance are trade creditors of HK$80,444,000 (at 30 June 2007: HK$60,461,000).

An aged analysis of trade creditors at the balance sheet date is as follows:

	At 31 December 2007 (Unaudited) HK$'000	At 30 June 2007 (Audited) HK$'000
0 – 30 days	**62,299**	50,852
31 – 60 days	**14,349**	6,165
61 – 90 days	**2,782**	2,089
Over 90 days	**1,014**	1,355
	80,444	60,461

12. BANK BORROWINGS AND OTHER LIABILITIES

	At 31 December 2007 (Unaudited) HK$'000	At 30 June 2007 (Audited) HK$'000
Bank borrowings:		
Trust receipts and import loans	**5,498**	4,670
Other unsecured liabilities	**114**	254
	5,612	4,924
Less: Amount due within one year shown as current liabilities	**(5,591)**	(4,700)
Amount due after one year	**21**	224
Unsecured	**5,612**	4,924



13. SHARE CAPITAL

	31 December 2007 Number of shares	30 June 2006 Number of shares	**31 December 2007 HK$'000**	30 June 2006 HK$'000
Ordinary shares of HK$0.10 each				
Authorised:				
At beginning and the end of the period/year	**1,500,000,000**	1,500,000,000	**150,000**	150,000
Issued and fully paid:				
At beginning of the period/year	**1,076,298,125**	1,076,298,125	**107,630**	107,630
Repurchase of shares during the period/year	**(1,110,000)**	–	**(111)**	–
At end of the period/year	**1,075,188,125**	1,076,298,125	**107,519**	107,630

During the period ended 31 December 2007, the Company repurchased certain of its own shares on the Stock Exchange.

The repurchased shares were cancelled upon repurchase and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares with corresponding increase in capital redemption reserve. The aggregate consideration paid on repurchase was charged to retained profits.

Month of repurchase	**Number of shares of HK$0.10 each**	**Price per share Highest** HK$	**Price per share Lowest** HK$	**Aggregate consideration paid** HK$'000
November 2007	1,110,000	0.87	0.84	950

14. OPERATING LEASE COMMITMENTS

At 31 December 2007, the Group had outstanding commitments under non-cancellable operating leases in respect of land and buildings, which fall due as follows:

	At 31 December 2007 (Unaudited) HK$'000	At 30 June 2007 (Audited) HK$'000
Within one year	**17,602**	16,792
In the second to fifth year inclusive	**14,365**	13,874
Over five years	**1,818**	1,631
	33,785	32,297

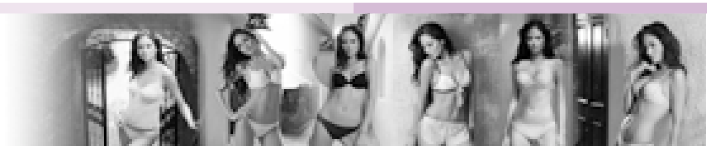
Leases are negotiated for lease terms of one to seven years with fixed rental over the terms of the relevant leases.

15. RELATED PARTY TRANSACTIONS

(a) During the period, the Group sold finished products of approximately HK$20,422,000 (for the six months ended 31 December 2006: HK$20,194,000) to a related company, Van de Velde N.V. ("VdV").

Messrs. Herman Van de Velde and Lucas A.M. Laureys, directors of the Company, are beneficial owners of VdV which held an effective interest of 16.39% in the Company as at 31 December 2007.

As at 31 December 2007, the balance of trade receivables from VdV amounted to HK$1,634,000 (at 30 June 2007: HK$1,793,000) was included in debtors, deposits and prepayments.



(b) Compensation of key management personnel

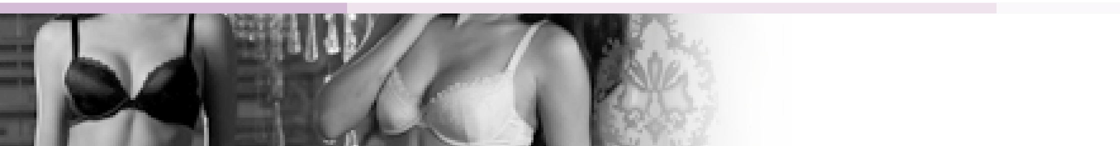
The remuneration of directors and other members of key management during the period was as follows:

	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries and other benefits	**7,962**	6,519
Retirement benefit scheme contributions	**24**	24
	7,986	6,543

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified, which have no effects on previously reported profit, to conform to the current period presentation.



MANAGEMENT DISCUSSION AND ANALYSIS

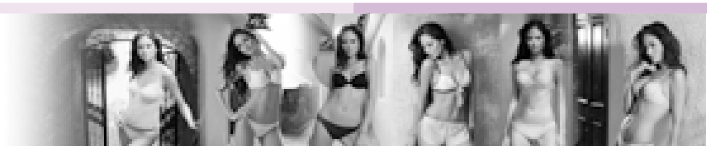
For the six months ended 31 December 2007, the Group experienced a decrease in both sales revenue and earnings when compared to the same period in the previous year. Sales revenue declined 11% to HK$682.6 million, after tax earnings 56% to HK$33.4 million and basic earnings per share were HK$0.034 compared to HK$0.069 in the corresponding period of the previous year.

Our core OEM business accounted for virtually 99% of the Group's revenue. During the period global sales totalled 25.1 million units of brassieres compared to 29.7 million units in the corresponding period last year. Our first quarter accounted for 12.2 million units (2007: 16.7 million units) and our second quarter 12.9 million units (2007: 13.0 million units). The third and fourth quarters of fiscal 2007 accounted for 13.5 and 12.3 million units respectively. The 16.7 million units shipped in the first quarter of fiscal 2007 were not truly representative of the trends in the market as, during that quarter, we were clearing the backlog of orders which arose due to the EU quota disruption experienced in fiscal 2006. Discounting the unusually high shipments caused by this disruption, the downward trend demonstrates the continuing softness of the U.S. market resulting, on a macro basis, from the economic downturn in that market.

The manufacturing environment in which we currently operate continues to deteriorate, particularly in the Pearl River Delta where the increases in minimum wages, labour and power shortages, a reduction in the tax rebate on imported materials for processing and export of textile and garment products and the appreciation of the RMB against the US dollar have all impacted our operations. In Thailand, labour shortages in the vicinity of Bangkok and the strength of the Baht are ongoing issues.

In order to mitigate the impact of these challenges a number of initiatives are in progress.

1. To combat the effects of the worsening operating environment we continue our strategy of repositioning our production facilities to low cost areas and where people need employment. In our first half of fiscal 2008, we downsized some of our most expensive operations, primarily by attrition. Despite the currently soft market demand, we have been actively researching for a geographic location where the operating environment is favorable for the establishment of a new plant. We believe in the need for additional capacity not only to bring down our average cost, but to support our growth as we expand our customer base and market channels.



2. In response to the prevailing market trends the geographic spread of our sales has changed as the focus moves away from the U.S. During the period 59% of our sales revenue was attributable to the U.S., down from 74% in the 2007 fiscal year, whilst European sales increased from 17% in 2007 to 27% in the current period.

3. In light of the steep increase in operating cost in Asia as noted earlier, we are targeting our sales to high value business with an objective of maintaining our profit margins. The marginal increase in average selling price during the period, despite heavy price pressures in the market, partially reflected this effort.

Our markets are changing. The economic downturn in the US has impacted demand, particularly evident in the mass markets, whilst the trend of sourcing outwith China continues. Retailers are globalizing and sourcing directly from Asia through local buying offices. Cost is increasingly a major factor in sourcing decisions and frequent changes in fashion contribute to short production cycles and small order sizes.

The 2005 Memorandum of Understanding between China and the EU, which capped imports from China to the EU, expired at the end of calendar 2007 and has been replaced by a system of joint import surveillance which will operate for one year in 2008 in tracking the issue of export licences in China.

The quota agreement with the US expires at the end of calendar 2008. China's usage of the 2007 quota was 75.9%. We have received our first allocation for 2008 and are comfortable of securing a balance which is sufficient for our needs.

Revenue for the period in our branded business was HK$9.4 million compared to HK$10.1 million in the corresponding period last year whilst losses attributable to this segment for the period increased to HK$3.7 million. As at 31 December 2007, we maintained sixteen sales counters in department stores in Shenzhen and one in Chengdu, Sichuan Province. At the same date last year we operated five counters. Our focus remains on expanding the distribution network for our "mx" brand in China. The results reflect the cautious approach we are taking to this expansion and are in line with our expectations at this stage in the development of this business.

On 19 December 2007 we published an Announcement stating our intention not to proceed with the acquisition of a majority interest in a compatible business in China.

Corporate spending remained stable when compared to the second half of fiscal 2007 and capital expenditure amounted to HK$11 million.

The financial position of the Group remains strong with shareholders funds standing at HK$549 million at 31 December 2007. Credit facilities available to the Group amounted to HK$150 million of which HK$5.5 million had been utilized. Bank balances stood at HK$209.1 million and, with a currently insignificant level of gearing, the Group is in a healthy position to take advantage of any opportunities to enhance shareholder value which may arise.

Your Board of Directors has resolved to declare an interim dividend of HK$0.015 per share for the half year. For the same period last year the interim dividend was HK$0.025 per share.

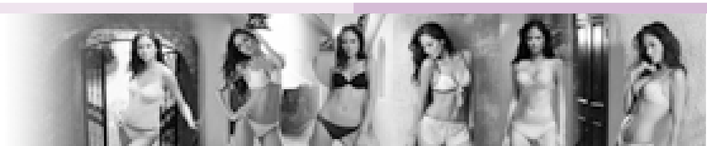
Our view of the outlook for the remainder of the year has not changed significantly since the publication of our Annual Report last September and our first quarter operational update published on our website in November 2007.

Our ability to manage increasing cost pressures will be tested, with labour shortages continuing to push up the cost of labour and the decline in the US dollar expected to continue. Whilst we are pleased that we have been able to maintain our gross profit at 22%, the same as the second half of fiscal 2007, it is imperative that we continue our efforts to shift production to those cost effective areas which also benefit from an adequate supply of labour and to target our sales at higher value business.

Quotas are unlikely to be an issue during 2008.

Our business model, which has served us well over many years is changing. Our focus is moving from OEM to ODM to enable us to develop direct sales to retail customers, particularly in the European market where we have previously established relationships. This is a continuous learning experience for the Group and requires investment, inter alia, in product development and sales support functions and, whilst growth and profitability may be compromised in the short term, the initial signs are encouraging and we are confident that the impact of these changes will be positively reflected in the business performance of the Company in the medium term.

We continue our search for M&A opportunities for our brands business in China and remain of the view that this is the optimal way to accelerate our presence in that market. The expansion of this business is an important cornerstone to our overall business strategy and, notwithstanding any strategic or equity relationships being consummated, we shall continue our internal expansion in the China market.



The transitional period in which we find ourselves brings pressures to bear on management and employees. We are, however, confident that the ongoing implementation of the measures and initiatives that we have put in place are in capable hands and will lead us to longer term prosperity.

DIRECTORS' INTERESTS

As at 31 December 2007, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

LONG POSITIONS:

Ordinary shares of HK$0.10 each of the Company

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Fung Wai Yiu	Beneficial owner and interests held by spouse and trust *(note 1)*	41,952,521	3.90%
Wong Chung Chong, Eddie	Beneficial owner and interests held by spouse and trust *(note 2)*	177,172,118	16.48%
Marvin Bienenfeld	Beneficial owner	870,521	0.08%
Chow Yu Chun, Alexander	Beneficial owner	3,400,521	0.32%
Leung Churk Yin, Jeanny	Beneficial owner	70,521	0.01%
Leung Ying Wah, Lambert	Beneficial owner	400,000	0.04%
Lucas A.M. Laureys	Interests held by controlled corporation *(note 3)*	176,181,544	16.39%
Herman Van de Velde	Interests held by controlled corporation *(note 3)*	176,181,544	16.39%

Notes:

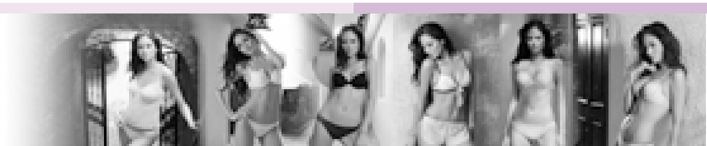
1. 770,521 shares were beneficially owned by Mr. Fung Wai Yiu ("Mr. Fung") whereas 216,000 shares were held by the spouse of Mr. Fung. 40,966,000 shares were registered in the name of Fung On Holdings Limited ("Fung On") or its nominee. The shares of Fung On were held by a family trust of which Mr. Fung and his family were eligible beneficiaries.

2. 1,480,521 shares were beneficially owned by Mr. Wong Chung Chong, Eddie ("Mr. Wong"), or his nominees whereas 100,000 shares were held by the spouse of Mr. Wong and 175,591,597 shares were registered in the name of High Union Holdings Inc. the trustee of a unit trust whereas the unit trust were held by a family trust of which the family members of Mr. Wong were eligible beneficiaries.

3. 176,181,544 shares were registered in the name of Van de Velde N.V. of which Mr. Lucas A.M. Laureys and Mr. Herman Van de Velde were beneficial owners.

Certain nominee shares in the Company's subsidiaries were held by Mr. Wong in trust for the Company's subsidiaries as at 31 December 2007.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.



SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2007, the interests and short positions of the persons (other than the Directors) in the shares, underlying shares and debentures of the Company as recorded in the register maintained by the Company pursuant to section 336 of the SFO were as follows:–

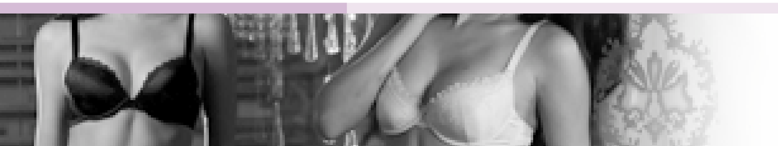
LONG POSITIONS:

Ordinary shares of HK$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Van de Velde N.V.	Beneficial owner	176,181,544	16.39%
High Union Holdings Inc.	Beneficial owner	175,591,597	16.33%
V.F. Corporation	Beneficial owner	106,000,000	9.86%
Allianz Aktiengesellschaft	Interests held by controlled corporation *(note 1)*	97,488,000	9.06%
Dresdner Bank Aktiengesellschaft ("Dresdner Bank")	Interests held by controlled corporation *(note 1)*	97,488,000	9.06%
Veer Palthe Voute NV ("VPV")	Investment manager *(note 1)*	97,488,000	9.06%
Deutsche Bank Aktiengesellschaft	Investment manager	89,374,000	8.31%

Note:

1. These shares refer to the same block of shares. VPV was indirectly wholly owned by Dresdner Bank, which in turn, was 81.10% indirectly owned by Allianz Aktiengesellschaft.



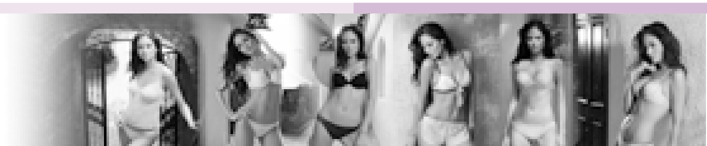
SHARE OPTIONS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 22 November 2001 for the primary purpose of providing incentives or rewards to the Directors, employees or any other persons at the discretion of the Board of Directors, and the Scheme will expire on 21 November 2012. Under the Scheme, the Board of Directors of the Company may grant options to any employees, including executives or officers of the Company and its subsidiaries and any other persons at the discretion of the Board to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital and with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 14 days of the date of grant, upon payment of HK$1 per grant. Options may generally be exercised at any time from the second anniversary of the date of acceptance to the tenth anniversary of the date of grant. In each grant of options, the Board of Directors of the Company may at their discretion determine the specific exercise period. The exercise price is determined by the Directors of the Company, and will not be less than the highest of the closing price of the Company's shares on the date of grant and the average closing price of the shares for the five business days immediately preceding the date of grant and the nominal value of the shares.

During the six months ended 31 December 2007, no options were granted under the Scheme.



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

During the period under review, the Company repurchased certain of its own shares on the Stock Exchange:

Month of repurchase	Number of shares of HK$0.1 each	Purchase consideration price per share		Aggregate consideration Paid
		Highest	**Lowest**	
		HK$	HK$	HK$'000
November 2007	1,110,000	0.87	0.84	950

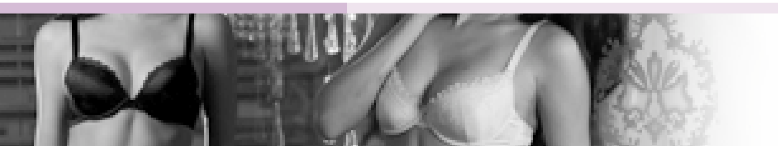
Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 31 December 2007.

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of HK$0.015 per share (six months ended 31 December 2006: HK$0.025 per share) to members whose names appear on the register of members on Thursday, 13 March 2008. The dividend will be paid on Thursday, 27 March 2008.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 11 March 2008 to Thursday, 13 March 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend of HK$0.015 per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 10 March 2008.



AUDIT COMMITTEE

The Audit Committee currently comprises Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy, all of whom are Independent Non-executive Directors and Ms. Leung Churk Yin, Jeanny, a Non-executive Director of the Company.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The unaudited interim financial report for the six months ended 31 December 2007 has been reviewed by the Audit Committee and Messrs. Deloitte Touche Tohmatsu, auditors of the Company.

CORPORATE GOVERNANCE

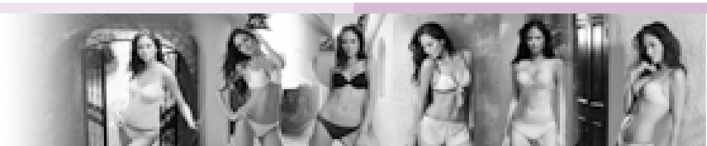
During the six months ended 31 December 2007, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, except for the following deviations:

CODE PROVISIONS A.4.1 AND A.4.2

Code A.4.1 provides, inter alia, that non-executive directors should be appointed for a specific term, subject to re-election.

Non-executive Directors of the Company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Company's Bye-laws.

Code A.4.2 also provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.



Under the Company's Bye-laws, at each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office provided that notwithstanding anything herein, the Chairman and the Group Managing Director shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. In the opinion of the Board, it is important for the stability and growth of the Company that there is, and is seen to be, continuity of leadership in the roles of Chairman and Group Managing Director and, in consequence, the Board is of the view that both should not be subject to retirement by rotation or hold office for a limited term at the present time.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. Based on specific enquiry of all its Directors, the Company considers that the Directors complied with the required standards set out in the Model Code throughout the period under review.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

EMPLOYEES

As at 31 December 2007, the Group has approximately 12,346 employees (30 June 2007: approximately 13,039 employees). The remuneration policy and package of the Group's employees are structured by reference to market terms and statutory requirements as appropriate. In addition, the Group also provides other staff benefits such as medical insurance, mandatory provident fund and a share option scheme to its employees.

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

Hong Kong, 22 February 2008