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Top Standard Corporation

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8510)

SUPPLEMENTAL ANNOUNCEMENT TO 2019 ANNUAL REPORT AND 2020 ANNUAL REPORT AND CHANGE IN THE USE OF PROCEEDS

References are made to (i) the annual report of Top Standard Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2019 (the “**2019 Annual Report**”) and (ii) the annual report of the Company for the year ended 31 March 2020 (the “**2020 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the 2019 Annual Report and the 2020 Annual Report.

USE OF PROCEEDS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the following supplemental information under the sub-section headed “USE OF PROCEEDS” of the section headed “MANAGEMENT DISCUSSION AND ANALYSIS” on page 7 of the 2019 Annual Report and pages 6-7 of the 2020 Annual Report regarding the net proceeds raised by the Company in connection with the Share Offer (the “**Net Proceeds**”).

The Board would like to announce that the Board has resolved to change the use of approximately HK\$7.7 million out of the remaining unutilised Net Proceeds. Breakdown of its change and usage is summarised as follows:

	Planned use of Net Proceeds up to Previous change in Use of Net Proceeds HK\$ (million)	Actual use of Net Proceeds up to the 2020 Annual Report HK\$ (million)	Unutilised Net Proceeds up to the 2020 Annual Report HK\$ (million)	Reallocation of unutilised Net Proceeds HK\$ (million)
Use of Net Proceeds				
Establishing a central kitchen	6.0	Nil	6.0	-
Renovating our premises and upgrading our equipment	10.7	10.7	-	-
Establishing MJH TST	10.0	10.0	-	-
Establishing PVH Taipei	8.9	7.9	1.0	-
Repayment of utilised banking facility	3.6	3.6	-	-
Strengthen our marketing effects	1.0	1.0	-	-
Upgrading our information system	0.9	0.2	0.7	-
General working capital	1.2	1.2	-	7.7 (Note 2)
Total	42.3	34.6	7.7	7.7

Notes:

- 1. The expected timeline for utilising the Net Proceeds is based on the estimation of the present and future business market conditions in Hong Kong made by the Group.*
- 2. The unutilised Net Proceeds HK\$7.7 million has been fully utilised up to the date of this announcement.*

REASONS FOR THE CHANGE IN USE OF NET PROCEEDS

The planned use of Net Proceeds from the Share Offer as disclosed in the Company's announcement dated 9 October 2018 (the "**Previous change in Use of Net Proceeds**") regarding the reallocation of the Use of Proceeds was based on the best estimation made by the Group in relation to the then future market conditions as at the date of this announcement, while the Net Proceeds were applied in accordance with the actual development of the market from time to time.

The Board has considered several factors including the fact that (i) the social incidents since June 2019; (ii) outbreak of the coronavirus disease 2019 pandemic ("**COVID-19**") since January 2020; (iii) a series of precautionary and quarantine control measures have been implemented in the PRC and Hong Kong. As at the date of this announcement, the COVID-19 pandemic is still developing and getting worse than that of the date of the 2020 Annual Report. Due to the latest development of COVID-19 pandemic, more restrictive measurement between Hong Kong and Guangdong Province had been implemented; (iv) the economic downturn to be experienced in Hong Kong which is expected to be gloomy. In view of these uncertainties and the market conditions, the Group's operations and financial performance is materially and adversely affected. Accordingly, the Group has adopted a more effective policy to maintain its existing business operations and cash flow liquidity.

The Group originally allocated (i) HK\$6.0 million for establishing a central kitchen to support its business expansion, of which the Group has not utilised the whole allocated HK\$6.0 million as a result of the difficulties encountered by the Group in identifying suitable premises as well as the additional financial and cash flow burden brought from increasing fixed operating expenses including monthly mortgage repayment and staff cost, hence there is approximately HK\$6.0 million in aggregate unutilised Net Proceeds; (ii) HK\$8.9 million for establishing PVH Taipei. Accordingly, there is approximately HK\$1.0 million in aggregate unutilised Net Proceeds as the business expansion in Taipei, Taiwan was stopped and (iii) HK\$0.9 million to upgrade the information system, however was stopped due to delayed in the Group's business expansion plan. Accordingly, there is approximately HK\$0.7 million in aggregate unutilised Net Proceeds.

Based on the interests of the Company and its Shareholders as a whole and in light of current market conditions and the Group's business needs, the Board has reallocated the unutilised Net Proceeds of approximately HK\$7.7 million to general working capital so as to meet its operational needs (especially the impact of COVID-19 which resulted in the Group incurring higher operating expenses). The Board would like to announce that the remaining unutilised Net Proceeds of approximately HK\$7.7 million has been fully utilised up to the date of this announcement.

In addition to the information provided in the 2019 Annual Report, the Board would like to provide further information and breakdown in relation to the other expenses of the Group for the year ended 31 March 2019 (with comparative figures of 2018) as follows:

	For the year ended 31 March 2019 (HK\$ in million)	For the year ended 31 March 2018 (HK\$ in million)
Advertising and promotion expense	3.7	0.7
Auditors' remuneration	0.5	0.9
Credit card commission expense	2.2	1.8
Insurance	1.0	0.7
License fee	0.3	0.3
Parking fee	0.4	0.7
Repairing and maintenance	0.9	0.7
Legal and professional fees	3.9	0.6
Others	2.3	1.3
Total	15.2	7.7

The above additional information does not affect other information contained in the 2019 Annual Report and the 2020 Annual Report. Save as disclosed above, all other information in the 2019 Annual Report and the 2020 Annual Report remains unchanged.

Save as disclosed above, there is no material delay or change in the use of proceeds. Should there be any material delay or further change in the use of proceeds, further announcement(s) will be made by the Company as and when appropriate.

By order of the Board of
Top Standard Corporation
Chuk Stanley
Chairman and Executive Director

Hong Kong, 10 August 2020

As at the date of this announcement, the executive Directors are Mr. Chuk Stanley, Mr. Lam Ka Wong, Johnson, Mr. Chuk Kin Yuen and Dr. Chen Liang, and the independent non-executive Directors are Mr. Wong Ching Wan, Mr. Yew Tak Yun, Paul and Mr. Chan Kwok Ki, Stephen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.topstandard.com.hk.