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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)

OPERATIONAL UPDATE FOR 3rd QUARTER OF FISCAL 2020

In continuation of the efforts to enhance the transparency of Top Form International Limited (the “**Company**”) and its subsidiaries (together the “**Group**”), the board (the “**Board**”) of directors (the “**Directors**”) of the Company announces the following operational update for the third quarter of fiscal 2020.

SALES

During the quarter, the Group has achieved sales of HK\$342 million, which was 4% higher compared with the corresponding period in the prior year. This was mainly due to a favourable product mix as compared with the third quarter of fiscal 2019.

For the nine months ended 31 March 2020, the Group has achieved sales of HK\$987 million, which was 5% higher compared with the corresponding period in the prior year. This was driven by higher sales to U.S. customers which offset the drop in sales to European customers. 78% of sales were to the U.S. market, 17% to the E.U., and 5% to the rest of the world.

MANUFACTURING

Production from Thailand and Cambodian plants accounted for 77% of the global output with China accounted for the remaining 23% during the quarter. Outputs from China plants dropped during the quarter as the plants had been closed for the most of February due to the Government measures in containing the spread of the coronavirus disease (“**COVID-19**”).

* For identification purpose only

During the quarter, gross profit margin was lower as compared with the previous quarter and the same period last year due to the outbreak of COVID-19 in China where the Group has incurred significant amount of costs in reshuffling the production from China to overseas facilities, and purchase of personal protective equipment for all employees.

FINANCIAL POSITION

During the quarter, the Group maintains a healthy capital structure with a gearing ratio of 19%.

OUTLOOK

Since March of this year, the outbreak of COVID-19 has become a global pandemic and is having a catastrophic effect on the global economy. With virtually all of the U.S. and Europe under lockdown starting from the end of March, our fourth-quarter results is expected to be significantly impacted. To cope with the crisis and preserve cash, the Group has taken immediate actions to drive down the operating costs including a reduction in manufacturing capacity, suspension of hiring, and temporary reduction in management salary. Additionally, the Directors have agreed to waive the Directors' fee for fiscal 2021. Based on the unaudited results of the Group, the Group is expected to incur a loss in fiscal 2020.

The Board wishes to remind investors that the above operational update for the third quarter of fiscal 2020 is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such information.

In the meantime, shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 10 June 2020

As at the date of this announcement, the Board comprises Mr. Wong Chung Chong, Mr. Wong Kai Chung, Kevin and Mr. Wong Kai Chi, Kenneth 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.