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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF A NON WHOLLY-OWNED SUBSIDIARY**

#### **ACQUISITION**

On 28 June 2024, the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell the Sale Shares at a consideration of HK\$19,000,000.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Sale and Purchase Agreement exceeds 5% but all of the applicable percentage ratios are less than 25%, the purchase of the Sale Shares constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Vendor is a director and a substantial shareholder of the Target Company, being an indirect non wholly-owned subsidiary of the Company. The Vendor is therefore a connected person to the Company at the subsidiary level. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

\* For identification purpose only

Since (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Acquisition; and (iii) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable, and that the Acquisition is on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Acquisition is subject to the announcement requirement but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## THE ACQUISITION

On 28 June 2024, the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell the Sale Shares at a consideration of HK\$19,000,000.

Details of the principal terms of the Sale and Purchase Agreement are set out below:

|                           |   |  |
|---------------------------|---|--|
| Date                      | : | 28 June 2024   |
| Vendor                    | : | Mr. Wan Ho Yau   |
| Purchaser                 | : | Top Form (B.V.I.) Limited, a direct wholly-owned subsidiary of the Company   |
| Nature of the transaction | : | Subject to the terms of the Sale and Purchase Agreement, the Vendor shall sell, and the Purchaser shall purchase the Sale Shares, representing 40% of the issued share capital of the Target Company |
|                           |   | Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company   |
| Consideration             | : | HK\$19,000,000   |

## CONSIDERATION

The consideration of the Sale Shares is HK\$19,000,000, which shall be paid by the Purchaser to the Vendor's designated bank account notified to the Purchaser at least five Business Days before the respective payment dates in the following manner, unless otherwise agreed by the parties in writing:

- (a) the first tranche of cash, being HK\$9,500,000, shall be paid on or before 1 July 2025; and
- (b) the second tranche of cash, being HK\$9,500,000, shall be paid on or before 1 July 2026.

The consideration for the Sale Shares was determined after arm's length negotiation between the Vendor and the Purchaser having considered, among others, the net asset value as shown in the consolidated management accounts of the Target Company as at 31 December 2023 and the latest business development and outlook of the Target Company. The consideration for the Sale Shares is expected to be financed by the internal resources of the Group.

### **INFORMATION OF THE PARTIES**

The Purchaser is a company limited by shares, incorporated in the British Virgin Islands. The principal business activity of the Purchaser is investment holding.

The Vendor is a director of the Target Company as at the date of this announcement and the beneficial owner of the Sale Shares immediately prior to the Completion.

The Target Company is a company incorporated in Hong Kong with limited liability. The principal business activity of the Target Company is moulding and laminating business.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT**

The Group is principally engaged in the design, manufacture and distribution of ladies' intimate apparel, principally brassieres.

The Target Company specialises in the manufacturing of foam cups, which is one of the component businesses of the Group. The Acquisition will allow the Group to gain full control over the management and operations of the Target Company, which will further enhance the Group's vertical integration of foam cup production and providing stability of supply as well as improved profitability.

Based on the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

## FINANCIAL INFORMATION ON THE TARGET COMPANY

Set out below is a summary of the financial information in the unaudited consolidated financial statements of the Target Company for the two financial years ended 30 June 2022 and 2023

|                        | For year ended 30 June  |                         |
|------------------------|-------------------------|-------------------------|
|                        | 2022                    | 2023                    |
|                        | (unaudited)<br>HK\$'000 | (unaudited)<br>HK\$'000 |
| Net profits before tax | 21,585                  | 2,795                   |
| Net profits after tax  | 19,136                  | 1,730                   |

The net asset value of the Target Company was approximately HK\$64,859,000 as at 31 December 2023.

The original cost of Sale Shares to the Vendor was HK\$40,000.

## IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisition are more than 5% but less than 25%, the purchase of the Sale Shares constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

The Vendor is a director and a substantial shareholder of the Target Company, being an indirect non wholly-owned subsidiary of the Company. The Vendor is therefore a connected person to the Company at the subsidiary level. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Acquisition; and (iii) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable, and that the Acquisition is on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Acquisition is subject to the announcement requirement but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

None of the Directors has any material interest in the Acquisition and is required to abstain from voting on the same at the relevant meeting of the Board.

## DEFINITIONS

In this announcement, the following expressions have the following meanings:

|                               |  |
|-------------------------------|--|
| “Acquisition”                 | the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement  |
| “Board”                       | the board of Directors   |
| “Business Day”                | a day (other than a Saturday) on which banks in Hong Kong are generally open for business  |
| “Company”                     | Top Form International Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 333)             |
| “Completion”                  | completion of the Sale and Purchase Agreement  |
| “Completion Date”             | 30 June 2024, the date on which the last conditions precedent set out in the Sale and Purchase Agreement has been fulfilled (or otherwise waived) or such other date as the parties may agree in writing |
| “Director(s)”                 | the director(s) of the Company   |
| “Group”                       | the Company and its subsidiaries   |
| “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  |
| “Listing Rules”               | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Purchaser”                   | Top Form (B.V.I.) Limited, a company incorporated in the British Virgin Islands, and a direct wholly-owned subsidiary of the Company   |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 28 June 2024 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares   |

|                  |  |
|------------------|--|
| “Sale Shares”    | 40,000 shares of the Target Company, representing 40% of all the issued shares of the Target Company   |
| “Shares”         | the issued shares of the Company   |
| “Shareholder(s)” | holder(s) of the Share(s)  |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “Target Company” | Grand Gain Industrial Limited, a company incorporated in Hong Kong with limited liability and owned as to 40% by the Vendor and 60% by the Purchaser prior to the Completion |
| “Vendor”         | Mr. Wan Ho Yau   |
| “%”              | per cent.  |

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

Hong Kong, 28 June 2024

*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. Herman Van de Velde and Ms. Lien Van de Velde as non-executive Directors; and Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Wang Man Hon, Sidney as independent non-executive Directors.*