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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 1ST QUARTER OF FISCAL 2019

In continuation of the efforts to enhance the transparency of Top Form International Limited (the “**Company**”) and its subsidiaries (together the “**Group**”), the Board of Directors (the “**Board**”) of the Company announces the following operational update for the first quarter of fiscal 2019.

SALES

During the quarter, the Group has achieved sales of \$276 million, which was 14% lower compared with corresponding period in the prior year. This was mainly due to the changes in the product mix where a higher portion of sales in the current quarter was from lower price brief products, which also resulted in a lower average selling price as compared with the first quarter of fiscal 2018. 60% of sales were to the U.S. market, 27% to the E.U. and 13% to the rest of the world.

MANUFACTURING

Production from Thailand and Cambodian plants accounted for 71% of the global output with China accounted for the remaining 29% during the quarter. Manufacturing capacity remained stable during the quarter with continuous improvements across all overseas factories while facilities in China maintained its performance.

During the quarter, gross profit margin was lower compared with last year same period as there were higher portion of low price brief products.

FINANCIAL POSITION

The financial position of the Group remains healthy with no borrowings.

* For identification purpose only

OUTLOOK

With trade disputes between China and US continuing to escalate with no improvement in the foreseeable future and the continued evolution in consumer preferences and distribution channel reorganization, i.e. offline to online, the management team is conscious of the potential impact these disruptions will bring to the global supply chain.

While the Group remains committed to its plans of investing in systems, technology and people, management will continue to control costs by optimizing manufacturing capacity through on-going efficiency improvements and the exploration of options to expand the Group's manufacturing footprint strategically.

We foresee the market conditions remaining challenging and volatile over the next twelve months and as such, do not expect an upturn in financial performance in the near future. In keeping with the Board's commitment to prudent capital management, the Group will be actively reviewing its financial position during this period.

The Board wishes to remind investors that the above operational update for the first quarter of fiscal 2019 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.

On behalf of the Board
Top Form International Limited
Wong Chung Chong
Chairman

Hong Kong, 31 October 2018

As at the date of this announcement, the Board comprises Mr. Wong Chung Chong, Mr. Wong Kai Chi, Kenneth and Mr. Wong Kai Chung, Kevin as executive directors, Mr. Fung Wai Yiu, Mr. Lucas A.M. Laureys and Mr. Herman Van de Velde as non-executive directors and Mr. Chow Yu Chun, Alexander, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy as independent non-executive directors.