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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 1<sup>ST</sup> QUARTER OF FISCAL 2010**

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 data for the first quarter of fiscal 2010.

#### **Fiscal 2010**

In the Company’s fiscal 2009 Annual Report the Board noted the negative effects of the global economic downturn on the core business.

Gross margins were under pressure, but there were signs of stabilization in the operating environment as a result of governmental initiatives in China. The currency appreciation of the PRC Rmb and Thai Baht against the US Dollar eased during the second half of the fiscal year. During the year the Company took the opportunity to accelerate the strategic moves to downsize the most expensive capacities in the manufacturing structure.

## Manufacturing

The shipping trend, by quarter, in terms of units of brassieres, is shown in the table below:

SHIPPING TREND					
Period	FISCAL 2009				FISCAL 2010
	1Q	2Q	3Q	4Q	1Q
Units (Million)	12.3	12.1	11.2	10.2	<b>10.2</b>

In our first quarter of the current fiscal year the Group shipped 10.2 million units of brassieres, the same as the previous quarter.

## Sales

The distribution of sales, by value, remains stable.

Region	SALES ANALYSIS BY VALUE	
	FISCAL 2009 %	1Q FISCAL 2010 %
U.S.	70	<b>69</b>
E.U.	23	<b>21</b>
Others	7	<b>10</b>

## Financial Position

The Financial position of the Group remains healthy with no external borrowing.

Capital expenditure for the three months ended 30 September 2009 amounted to HK\$5.3 million compared with HK\$3.2 million in the corresponding period last year.

## Outlook

There have been no significant changes in our view of the outlook as reported in our fiscal 2009 report.

While market demand for production has been on the rise recently, we believe the phenomenon is largely due to seasonal adjustments and relatively positive inventory management. Uncertainties and volatility on the way to market recovery remain and therefore call for continued cautious business approach. Our current order book, however, shows a return of business in our second quarter and beyond.

The Group will continue to invest in the improvement of its manufacturing structure.

**The Board wishes to remind investors that the above operational data for the first quarter of fiscal 2010 is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.**

**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**  
**Fung Wai Yiu**  
*Chairman*

Hong Kong, 4<sup>th</sup> December 2009

*As at the date of this announcement, the board comprises Mr. Fung Wai Yiu and Mr. Wong Chung Chong, Eddie as executive directors, Mr. Lucas A.M. Laureys and Mr. Herman Van de Velde as non-executive directors and Mr. Marvin Bienenfeld, 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.*

*\*For identification purpose only*