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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)

- (1) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY FIVE EXISTING SHARES HELD ON THE RECORD DATE;
 - (2) CONNECTED TRANSACTION IN RELATION TO THE UNDERWRITING AGREEMENT;
 - (3) APPLICATION FOR WHITEWASH WAIVER;
 - (4) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
- AND
- (5) CLOSURE OF REGISTER OF MEMBERS

Financial adviser to the Company



Independent Financial Adviser to the Listing Rules IBC,
the Takeovers Code IBC and the Independent Shareholders



* for identification purpose only

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$43.0 million before expenses by way of the Rights Issue to the Shareholders. The Rights Issue involves the issue of 86,015,050 Rights Shares at the Subscription Price of HK\$0.50 per Rights Share on the basis of two Rights Shares for every five existing Shares in issue on the Record Date. The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. There will be no excess application arrangements in relation to the Rights Issue. The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$40.5 million.

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company at the close of business on the Record Date and not being a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Tuesday, 22 December 2020. It is expected that the last day of dealing in the Shares on a cum-rights basis is Friday, 18 December 2020 and the Shares will be dealt with on an ex-rights basis from Monday, 21 December 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 December 2020 to Thursday, 17 December 2020 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM.

The register of members of the Company will be closed from Wednesday, 23 December 2020 to Wednesday, 30 December 2020 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

THE IRREVOCABLE UNDERTAKINGS AND THE UNDERWRITING AGREEMENT

As at the date of this announcement, the Wong Family Group is collectively interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the total number of the existing issued Shares, of which (i) High Union is the registered owner of 52,318,319 Shares, representing approximately 24.33% of the existing issued Shares; (ii) Triple Gains is the registered owner of 4,000,000 Shares, representing approximately 1.86% of the existing issued Shares; (iii) Mr. Wong and Mrs. Wong together are the registered owners of 4,844,504 Shares, representing approximately 2.25% of the existing issued Shares. Pursuant to the Irrevocable Undertakings, each member of the Wong Family Group has irrevocably and unconditionally undertaken to the Company that, among other things, it shall, subject to the granting of the Whitewash Waiver by the Executive, accept, or procure the registered owners to accept in full the Committed Shares.

Pursuant to the Underwriting Agreement, the Underwriters comprising High Union and Triple Gains have conditionally agreed to underwrite the Underwritten Shares. Assuming no acceptance by the Qualifying Shareholders under the Rights Issue and no placement made under the Compensatory Arrangements, the Underwriters will, severally but not jointly, be required to take up, or procure their affiliated companies to take up, the Underwritten Shares and the aggregate shareholding held by the Wong Family Group upon completion of the Rights Issue would be approximately 48.89% of the then total issued Shares as enlarged by the allotment and issue of the Rights Shares.

LISTING RULES IMPLICATIONS

As at the date of this announcement, High Union (which is wholly-owned by Mr. Wong, an executive Director and the chairman of the Company), is a substantial shareholder of the Company. Triple Gains is beneficially owned as to 41.36% by Mr. Kevin Wong (an executive Director and chief executive officer of the Company and the son of Mr. Wong), 29.84% by Mr. Kenneth Wong (an executive Director and the son of Mr. Wong, and the brother of Mr. Kevin Wong), and 28.80% by Mr. Keith Wong (the son of Mr. Wong and the younger brother of Mr. Kevin Wong and Mr. Kenneth Wong). Both High Union and Triple Gains are connected persons of the Company under the Listing Rules. Therefore, the Underwriting Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As required under the Listing Rules, each member of the Wong Family Group (including the Underwriters) shall abstain from voting in respect of the resolution(s) relating to the Underwriting Agreement at the SGM.

As the Rights Issue will not increase the number of issued Shares by more than 50%, the Rights Issue is not subject to Shareholders' approval under Rule 7.19A of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Wong Family Group (which includes the Underwriters) is collectively interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the total number of the existing issued Shares. Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed, severally but not jointly, to take up, or procure their affiliated companies, to underwrite the Underwritten Shares. Assuming no acceptance by the Qualifying Shareholders under the Rights Issue and no placement made under the Compensatory Arrangements, the Underwriters will be required to severally but not jointly, to take up, or procure their affiliated companies to take up, the Underwritten Shares and the aggregate shareholding to be held by the Wong Family Group (which includes the Underwriters) upon completion of the Rights Issue would be approximately 48.89% of the then total issued Shares as enlarged by the allotment and issue of the Rights Shares. Under such circumstances, the Underwriters would be obliged to make a mandatory general offer for all the securities of the Company (other than those already owned or agreed to be acquired by the Wong Family Group and parties acting in concert with any of its members) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

The Underwriters will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among others, the approval of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll. The resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent vote that are either in person or by proxy by the Independent Shareholders at the SGM. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Rights Issue will not proceed.

Pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, the Wong Family Group and parties acting in concert with any of its members shall abstain from voting in respect of the resolution(s) relating to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the Company's authorised share capital is HK\$150 million divided into 300,000,000 Shares. In order to facilitate the Rights Issue and to provide the Company with greater flexibility for potential future fund raising activities (if any), the Company proposes that the authorised share capital of the Company be increased to HK\$300 million divided into 600,000,000 Shares. The proposed Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

ESTABLISHMENT OF THE LISTING RULES IBC AND THE TAKEOVERS CODE IBC AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Listing Rules IBC comprising all independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM.

The Takeovers Code IBC comprising all non-executive Directors and independent non-executive Directors has been established to advise the Independent Shareholders as to whether the Rights Issue, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise (i) the Listing Rules IBC and the Independent Shareholders in respect of the Underwriting Agreement and the transactions contemplated thereunder; and (ii) the Takeovers Code IBC and the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver. The appointment of the Independent Financial Adviser has been approved by the Takeovers Code IBC pursuant to Rule 2.1 of the Takeovers Code. The Listing Rules IBC and the Takeovers Code IBC will formulate its view, as the case may be, with respect to the terms of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver after obtaining and considering the advice of the Independent Financial Adviser.

None of the members of the Listing Rules IBC nor the Takeovers Code IBC has any interest or involvement in the Rights Issue, the Underwriting Agreement and the Whitewash Waiver.

DESPATCH OF CIRCULAR

Pursuant to Rule 8.2 of the Takeovers Code, a circular containing, among others, (i) further details of the Rights Issue, the Underwriting Agreement, the Whitewash Waiver and the Increase in Authorised Share Capital; (ii) a letter of recommendations from the Listing Rules IBC and (iii) a letter of recommendations from the Takeovers Code IBC; (iv) a letter of advice from the Independent Financial Adviser to the Listing Rules IBC and the Takeovers Code IBC in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (v) other information required under the Listing Rules and the Takeovers Code; and (vi) a notice of the SGM, shall be despatched within 21 days of the date of this announcement, or such later date as the Executive may approve.

Subject to the approval by the Independent Shareholders of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver at the SGM having been obtained and the granting of the Whitewash Waiver by the Executive, the Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable. Subject to compliance with the applicable overseas laws and regulations, the Prospectus without the PAL will be sent to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in “The Underwriting Agreement – Termination of the Underwriting Agreement” in this announcement), and obtaining the Independent Shareholders’ approval for the Whitewash Waiver and the Whitewash Waiver being granted by the Executive.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 21 December 2020. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 5 January 2021 to Tuesday, 12 January 2021 (both days inclusive).

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

PROPOSED RIGHTS ISSUE

The Company proposes the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue	:	Two Rights Shares for every five existing Shares held on the Record Date
Subscription Price	:	HK\$0.50 per Rights Share
Number of existing Shares in issue as at the date of this announcement	:	215,037,625 Shares
Number of Rights Shares	:	86,015,050 Rights Shares
Amount to be raised before expenses	:	approximately HK\$43.0 million before expenses (based on the number of existing Shares in issue as at the date of this announcement, and assuming no Shares have been allotted and issued on or before the Record Date)
Total number of Shares in issue as enlarged by the Rights Shares upon completion of the Rights Issue	:	301,052,675 Shares

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represents 40% of the Company's total number of issued Shares as at the date of this announcement and will represent approximately 28.57% of the Company's total number of issued Shares as enlarged by the issue of the Rights Shares immediately after completion of the Rights Issue.

As at the date of this announcement, there are 5,920,000 outstanding share options under the share option scheme of the Company carrying rights for the holders thereof to subscribe for an aggregate of 5,920,000 new Shares. No such share option will become exercisable before the Record Date. Pursuant to the terms of the share option scheme, the exercise prices of the share options and the number of shares subject to options may be adjusted upon completion of the rights issues. The Company, in accordance with the share option scheme, will notify the holders of the share options the required adjustments (as certified by its auditors or an independent financial adviser) as soon as practicable on the basis that the grantees will be entitled to the same portion of equity capital in the Company.

Save for the above, the Company had no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the existing Shares as at the date of this announcement.

Subscription Price

The Subscription Price is HK\$0.50 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to the Qualifying Shareholder's shareholding in the Company held on the Record Date.

The Subscription Price:

- (i) represents a discount of approximately 21.88% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) represents a discount of approximately 21.88% to the average of the closing price of approximately HK\$0.64 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) represents a discount of approximately 23.08% to the average of the closing price of approximately HK\$0.65 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) represents a discount of approximately 16.67% to the theoretical ex-rights price of HK\$0.60 per Share based on the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) represents a discount of approximately 74.75% to the audited consolidated net asset value per Share of approximately HK\$1.98 based on the published audited equity attributable to owners of the Company of approximately HK\$425,747,575 as at 30 June 2020 as extracted from the annual report of the Company for the year ended 30 June 2020 and the issued share capital of the Company of 215,037,625 Shares as at the date of this announcement; and

- (vi) represents a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 6.25% of the theoretical diluted price of HK\$0.60 per Share to the benchmarked price of HK\$0.64 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.64 and the average of the closing prices of approximately HK\$0.64 per Share quoted on the Stock Exchange for the last five consecutive days up to and including the Last Trading Day). The Rights Issue will not result in a theoretical dilution effect of 25% or more calculated based on Rule 7.27B of the Listing Rules.

The Subscription Price and the subscription ratio of the Rights Issue were determined by the Company with reference to, among other factors, (i) the recent closing prices of the Shares; (ii) the prevailing market conditions, including but not limited to, the percentage discount(s) in other recent market comparable rights issues, the market price of the Shares prior to and including the Last Trading Day and the amount of funds the Company intends to raise under the Rights Issue; and (iii) the funding and capital needs of the Group for its business plans and prospects set out in the section headed “REASONS FOR THE RIGHTS ISSUE” in this announcement below.

After taking into consideration the reasons for the Rights Issue as stated in the section headed “REASONS FOR THE RIGHTS ISSUE” below, the Board (excluding the respective members of the Listing Rules IBC and the Takeovers Code IBC whose opinion will be set forth in the Circular after having been advised by the Independent Financial Adviser) considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Posting Date.

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company at the close of business on the Record Date and not being a Non-Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company at the close of business on the Record Date, all transfer of shares (together with the relevant share certificate(s)) must be lodged with the Registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Tuesday, 22 December 2020. It is expected that the last day of dealings in the Shares on a cum-rights basis is Friday, 18 December 2020 and the Shares will be dealt with on an ex-rights basis from Monday, 21 December 2020.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements, if any). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Closure of register of members

The register of members of the Company will be closed from Monday, 14 December 2020 to Thursday, 17 December 2020 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM.

The register of members of the Company will be closed from Wednesday, 23 December 2020 to Wednesday, 30 December 2020 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

Basis of provisional allotments

The basis of the provisional allotment shall be two Rights Shares (in nil-paid form) for every five Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Non-Qualifying Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Subject to compliance with the applicable overseas laws and regulations, the Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL to them.

The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders. In particular, VDV, a substantial Shareholder with a registered address in Belgium holding 55,184,708 Shares, representing approximately 25.66% of the total number of the existing issued Shares as at the date of this announcement, is an Overseas Shareholder. Based on the preliminary legal advice received by the Directors as of the date of this announcement (which can be subject to (if any) changes in the applicable overseas laws and regulations until the completion of the Rights Issue), VDV will not be excluded from the Rights Issue and will be a Qualifying Shareholder.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) will not have any entitlement under the Rights Issue. However, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, to be sold in the market in their nil-paid form as soon as practicable after dealing in nil-paid Rights Shares commence and before dealing in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

For the avoidance of doubt, the Non-Qualifying Shareholders may vote at the SGM unless such person is not an Independent Shareholder (in which case they shall abstain).

Any NQS Unsold Rights Shares will first be placed by the Placing Agent under the Placing Agreement together with the Unsubscribed Rights Shares, and if unsuccessfully sold, will be taken up by the Underwriters.

Net Gain (if any) will be paid (without interest) on a pro-rata basis (but rounded down to the nearest cent) to the relevant No Action Shareholders according to their shareholdings held on the Record Date in Hong Kong dollars on the basis of all NQS Unsold Rights Shares and Unsubscribed Rights Shares. The Company will retain individual amounts of less than HK\$100 for its own benefit.

For the nil-paid Rights Shares that are sold in the market by the Company, if the buyer(s) of such nil-paid Rights Shares does not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue pursuant to section 140 of the Companies Ordinance and Rule 13.36(2)(a) of the Listing Rules subject to the results of the enquiries made by the Board. The Company reserves the right to treat as invalid any acceptance of Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares. The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Status of Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on Thursday, 28 January 2021 by ordinary post to the allottees, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares. If the Rights Issue is terminated, refund cheques are expected to be despatched on or before Thursday, 28 January 2021 by ordinary post at the respective Shareholders' own risk.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated, rounded down to the nearest whole number and will be disposed of by the Company in the open market if a premium (net of expenses) can be obtained. The Company will keep the net proceeds for its own benefits. The unsold fractions of the Rights Shares will be underwritten by the Underwriters.

Odd lots arrangement

In order to alleviate the difficulties arising from the existence of odd lots of Rights Shares arising from the Rights Issue, the Company will arrange the odd lots matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Rights Shares to make up a full board lot, or to dispose of their holdings of odd lots of the Rights Shares. Details of the odd lots arrangement will be set out in the Circular.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other fees and charges payable

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and any other applicable fees and charges in Hong Kong.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, and the Compensatory Arrangements

The Underwriters are members of the Wong Family Group, which collectively are beneficially interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the existing issued Shares as at the date of this announcement. Pursuant to Rule 7.21(2) of the Listing Rules, as the Underwriters are connected persons of the Company, the Company must make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent places for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent places on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised from the Placing will be paid to the No Action Shareholders. The Placing Agent will, on a best effort basis, procure, by not later than 5:00 p.m. on Friday, 22 January 2021, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements will be taken up by the Underwriters pursuant to the terms of the Underwriting Agreement.

Net Gain (if any) will be paid on a pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to those Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

Conditions of the Rights Issue

The Rights Issue will be conditional upon, among others, (i) granting of the Whitewash Waiver by the Executive (and any such grant not having been withdrawn or revoked) and the satisfaction of any condition attached to the Whitewash Waiver; (ii) obtaining the Independent Shareholders' approval for the Underwriting Agreement and the Whitewash Waiver; and (iii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. For details of the conditions of the Underwriting Agreement, please refer to "THE UNDERWRITING AGREEMENT – Conditions of the Underwriting Agreement" in this announcement.

THE PLACING AGREEMENT

Details of the Placing Agreement are summarized below:

Date	:	4 November 2020 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Elstone Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, places to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.

The Placing Agent confirmed that:

- (a) it is an Independent Third Party;
- (b) as at the date of this announcement, neither the Placing Agent nor any of its associates hold any Shares;
- (c) there is no arrangement, agreement, understanding or undertaking with the Underwriters in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, save for the proposed terms of the Underwriting Agreement by which the Underwriters will take up all Unsubscribed Rights Shares and the NQS Unsold Rights Shares; and

(d) it is not a party acting in concert with the Wong Family Group within the meanings of the Takeovers Code.

- Placing fee and expenses : The higher of HK\$100,000 or 1% of the gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and reimbursement for the expenses in relation to the Placing (including but not limited to all the costs and out-of-pocket expenses actually, reasonably and properly incurred by the Placing Agent in connection with the Placing), which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at the completion of the Placing.
- Placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) : The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares.
- The placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall not be less than the Subscription Price.
- Placees : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the placees who and whose ultimate beneficial owner(s) are Independent Third Parties, and not a party acting in concert with the Wong Family Group within the meanings of the Takeovers Code.
- For the avoidance of doubt, no placee shall become a substantial Shareholder of the Company.
- Ranking of Unsubscribed Rights Shares and the NQS Unsold Rights Shares : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

- Conditions precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the Underwriting Agreement becoming unconditional and not terminated in accordance with the Underwriting Agreement.
- Placing completion date : The second Business Day after the Latest Placing Date or such other date as the Company and the Placing Agent may agree in writing.
- Termination : The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to 10:00 a.m. on the completion date of the Placing upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

(a) there develops, occurs or comes into force:

- i. any material adverse event, development or change and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong; or
- ii. the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange; or
- iii. any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong; or

- iv. a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
 - v. any suspension in the trading of Shares on the Stock Exchange for a continuous period of five Business Days (except pursuant to the transactions contemplated under this Announcement); or
- (b) any breach of any of the representations and warranties comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion date of the Placing set out above which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (c) the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any places as contemplated in the Placing Agreement.

The terms of the Placing Agreement (including the placing fee) were determined after arm's length negotiation between the Placing Agent and the Company and are on normal commercial terms. Having discussed with other potential placing agent candidates, the Directors consider that the placing fee charged by the Placing Agent is no less favourable to the Company than the market rate in recent placing transactions and are therefore of the view that the terms of the Placing Agreement are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, the Directors (excluding the respective members of the Listing Rules IBC and Takeovers Code IBC whose opinion will be set forth in the Circular after having been advised by the Independent Financial Adviser) consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Shareholders.

THE IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, the Wong Family Group is collectively interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the total number of the existing issued Shares, of which (i) High Union is the registered owner of 52,318,319 Shares, representing approximately 24.33% of the existing issued Shares; (ii) Triple Gains is the registered owner of 4,000,000 Shares, representing approximately 1.86% of the existing issued Shares; (iii) Mr. Wong and Mrs. Wong together are the registered owners of 4,844,504 Shares, representing approximately 2.25% of the existing issued Shares. Pursuant to the Irrevocable Undertakings, each member of the Wong Family Group has irrevocably and unconditionally undertaken to the Company that, among other things, it shall, subject to the granting of the Whitewash Waiver by the Executive, accept, or procure the relevant registered owners to accept in full the Committed Shares and shall procure that PALs in respect of the Committed Shares shall be lodged with the Registrar with payment in full therefor in cash on or before the Latest Time for Acceptance of its entitlements under the Rights Issue in accordance with the instructions printed on the relevant PALs.

THE UNDERWRITING AGREEMENT

Principal terms of the Underwriting Agreement are as follow:

Date	:	4 November 2020 (after trading hours)
Issuer	:	The Company
Underwriters	:	High Union and Triple Gains
Total number of Underwritten Shares	:	61,549,920 Rights Shares, being the difference between the total number of Rights Shares and the Committed Shares pursuant to the Irrevocable Undertakings
Commission	:	The Underwriters will not receive any underwriting commission in respect of the maximum number of Underwritten Shares for which the Underwriters have agreed to subscribe or procure subscription.

Subject to the fulfilment of the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms of the Underwriting Agreement, the Underwriters have agreed, severally but not jointly, to take up, or procure their affiliated companies to take up all Underwritten Shares that are not taken up by the Qualifying Shareholders and not placed by the Placing Agent under the Compensatory Arrangements, unsold entitlement of the Non-Qualifying Shareholders to the Rights Shares and unsold fractions of the Rights Shares.

As at the date of this announcement, Mr. Wong, Mr. Kevin Wong and Mr. Kenneth Wong, being members of the Wong Family Group have abstained from voting on the Board resolutions approving, among others, the Rights Issue and the Underwriting Agreement.

Among the Underwriters, (i) Triple Gains will first be required to underwrite such number of Rights Shares to be subscribed, at the Subscription Price, with an aggregate fund of HK\$20 million, which equals to a maximum of 40,000,000 Rights Shares based on the Subscription Price of HK\$0.50 per Rights Share, and (ii) High Union will then be required to underwrite the remaining balance, if any, of the Underwritten Shares, which equals to a maximum of 21,549,920 Rights Shares based on the Subscription Price of HK\$0.50 per Rights Share.

The Company approached four independent securities brokers to act as the underwriter to fully underwrite the Rights Issue, but none of them was willing to act as the underwriter to fully underwrite the Rights Issue given the prevailing market conditions. It is not in the ordinary course of business of the Underwriters to underwrite issues of shares. The Underwriters' role as an underwriter in respect of the Rights Issue and the Irrevocable Undertakings given by themselves signify strong support from a group of substantial Shareholders to the Group and their confidence in the prospects and development of the Group.

The Board (excluding the respective members of the Listing Rules IBC and Takeovers Code IBC whose opinion will be set forth in the Circular after having been advised by the Independent Financial Adviser) considers that the Underwriting Agreement was determined after arm's length negotiation between the Company and the Underwriters by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions in view of global economic uncertainty arising from the impact of the COVID-19 pandemic.

Conditions of the Underwriting Agreement

The obligations of the Underwriters to subscribe for the Underwritten Shares pursuant to the Underwriting Agreement are conditional on the fulfilment (or waiver of conditions (j) and (k) below by the Underwriters and subject as mentioned below) of the following conditions:

- a. the despatch of the Circular to the Shareholders and the passing of the ordinary resolution approving the Increase in Authorised Share Capital of the Company from HK\$150 million to HK\$300 million at the SGM by no later than the Posting Date;
- b. the approval by the Independent Shareholders of the Rights Issue and the Underwriting Agreement (and the transactions contemplated under the Underwriting Agreement) (more than 50% of the Independent Shareholders at the SGM by way of poll), and the Whitewash Waiver (at least 75% of the Independent Shareholders at the SGM by way of poll), in accordance with the Listing Rules and the Takeovers Code by no later than the Posting Date;
- c. the grant by the Executive of the Whitewash Waiver (and such grant not having been withdrawn or revoked) and the satisfaction of any condition as may be attached to the Whitewash Waiver granted;
- d. the grant (or agreement to grant) by the Listing Committee of the Stock Exchange (and such grant not having withdrawn or revoked) of the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) (subject only to allotment and despatch of the appropriate documents of title) by no later than the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively);
- e. the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or prior to the Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
- f. registration of the Prospectus Documents (and other documents required to be attached thereto) with the Registrar of Companies in Hong Kong on or before the Posting Date;
- g. the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date;
- h. the Shares remain listed on the Stock Exchange and no indication being received before the Latest Time for Termination from the Stock Exchange that such listing may be withdrawn or objected to (or conditions will or may be attached thereto);

- i. if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares pursuant to the Rights Issue;
- j. the compliance with and performance of all the Company's obligations and undertakings under the Underwriting Agreement and by the time specified;
- k. no material breach of any of the warranties of the Company contained in the Underwriting Agreement by the Latest Time for Termination;
- l. subject to the grant of the Whitewash Waiver, each member of the Wong Family Group complying with its obligations under the Irrevocable Undertakings;
- m. the Placing Agreement not being terminated on or before the Latest Time for Termination; and
- n. the Underwriting Agreement not being terminated by the Underwriters pursuant to its terms on or before the Latest Time for Termination.

If the conditions precedent are not satisfied and/or waived (to the extent such condition(s) precedent are capable of being waived) in whole or in part by the Latest Time for Acceptance or such later date or dates as the Underwriters may agree with the Company in writing, the Underwriting Agreement shall terminate and (save in respect of any provisions, clauses and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

Termination of the Underwriting Agreement

If at any time prior to the Latest Time for Termination, one or more of the following events or matters shall occur, arise, or come into effect:

- a. the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever; or
- b. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets; or
- c. any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

- d. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- e. there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise; or
- f. any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs,

which event or events is or are in the reasonable opinion of the Underwriters:

- i. likely to have a material adverse effect on the business or financial or trading position or prospects of the Group taken as a whole; or
- ii. likely to have a material adverse effect on the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or
- iii. make it inadvisable to proceed further with the Rights Issue,

then the Underwriters shall be entitled, by notice in writing to the Company terminate the Underwriting Agreement prior to the Latest Time for Termination.

If the Underwriters exercise such right of termination, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriters. Upon termination of the Underwriting Agreement, the obligations of the Underwriters and the Company under the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under it.

EFFECT OF RIGHTS ISSUE ON SHAREHOLDING OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Rights Issue are set out as below:

	As at the date of this announcement		Shareholding upon completion of the Rights Issue			
	No. of Shares	Approximate %	Assuming all Rights Shares are taken up by the Qualifying Shareholders		Assuming no Rights Shares are taken up by the Qualifying Shareholders and hence all Rights Shares are taken up by the Underwriters	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Wong Family Group						
High Union (Note 1, Note 2)	52,318,319	24.33	73,245,647	24.33	94,795,567	31.49
Triple Gains (Note 1, Note 2)	4,000,000	1.86	5,600,000	1.86	45,600,000	15.15
Mr. Wong and Mrs. Wong (Note 1)	4,844,504	2.25	6,782,306	2.25	6,782,306	2.25
Subtotal of the Wong Family Group	61,162,823	28.44	85,627,953	28.44	147,177,873	48.89
Mr. Herman Van de Velde (Note 3, Note 8)	55,184,708	25.66	77,258,592	25.66	55,184,708	18.33
Mr. Fung Wai Yiu (Note 4, Note 8) and his spouse	8,705,704	4.05	12,187,986	4.05	8,705,704	2.89
Mr. Leung Ying Wah, Lambert (Note 5, Note 8)	80,000	0.04	112,000	0.04	80,000	0.04
Ms. Leung Churk Yin, Jeanny (Note 6, Note 8)	14,104	0.01	19,746	0.01	14,104	0.01
Subtotal of the Wong Family Group and Directors and their spouses	125,147,339	58.20	175,206,277	58.20	211,162,389	70.14
Mr. David Michael Webb (Note 7)	10,772,000	5.01	15,080,800	5.01	10,772,000	3.58
Other public shareholders	79,118,286	36.79	110,765,598	36.79	79,118,286	26.28
Total	215,037,625	100.00	301,052,675	100.00	301,052,675	100.00

Notes:

1. Mr. Wong is the chairman of the Board and an executive Director, who is deemed to be interested in 61,162,823 Shares by virtue of the SFO, of which (i) 4,624,504 Shares are beneficially owned by himself, (ii) 220,000 shares were held by Mrs. Wong, (iii) 52,318,319 Shares were held by High Union which in turn is wholly-owned by Mr. Wong; and (iv) 4,000,000 Shares were held by Triple Gains and 41.36% equity interest of which was held by Mr. Kevin Wong, the son of Mr. Wong and an executive Director, 29.84% equity interest of which was held by Mr. Kenneth Wong, the son of Mr. Wong and an executive Director and 28.80% of equity interest was held by Mr. Keith Wong, the son of Mr. Wong, all of whom are deemed to be parties acting in concert with Mr. Wong under the SFO.
2. The Underwriters, which are High Union and Triple Gains, are members of the Wong Family Group. Among the Underwriters, (i) Triple Gains will first be required to underwrite such number of Rights Shares to be subscribed, at the Subscription Price, with an aggregate fund of HK\$20 million, which equals to a maximum of 40,000,000 Rights Shares based on the Subscription Price of HK\$0.50 per Rights Share; and (ii) High Union will then be required to underwrite the remaining balance, if any, of the Underwritten Shares, which equals to a maximum of 21,549,920 Rights Shares based on the Subscription Price of HK\$0.50 per Rights Share. Under the Underwriting Agreement, each of High Union and Triple Gains are entitled to discharge their underwriting obligations by procuring the subscription for the Underwritten Shares by their respective affiliated company(ies).
3. Mr. Herman Van de Velde is a non-executive Director, who is deemed to be interested in 55,184,708 Shares, which were held by VDV, of which 56.26% of equity interest is held by Van de Velde Holding N.V..
4. Mr. Fung Wai Yiu is a non-executive Director.
5. Mr. Leung Ying Wah, Lambert is an independent non-executive Director.
6. Ms. Leung Churk Yin, Jeanny is an independent non-executive Director.
7. Mr. David Michael Webb is one of the substantial shareholders by virtue of the SFO, who is deemed to be interested in 10,772,000 Shares, of which (i) 3,562,200 Shares are beneficially owned by himself and (ii) 7,209,800 Shares are held by Preferable Situation Assets Limited which in turn is beneficially owned by himself.
8. None of Mr. Herman Van de Velde, Mr. Fung Wai Yiu, Mr. Leung Ying Wah, Lambert, Ms. Leung Churk Yin, Jeanny is involved in the Rights Issue and/or the Underwriting Agreement whatsoever, save for the Board approval process of these transactions in their presence. Specifically, none of them is the Underwriters, a committed shareholder under the Irrevocable Undertakings or a party acting in concert with the Wong Family Group within the meanings of the Takeovers Code.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

	2020
Announcement of the Rights Issue	Wednesday, 4 November
Expected date of despatch of Circular with notice and form of proxy for the SGM	Wednesday, 25 November
Latest time for lodging transfer of Shares to qualify for attending and voting at the SGM	4:30 p.m. on Friday, 11 December
Closure of register of members of the Company for determining entitlement for attending the SGM (both days inclusive)	Monday, 14 December to Thursday, 17 December
Latest time for lodging forms of proxy for the SGM (not less than 48 hours prior to the time of the SGM)	10:00 a.m. on Tuesday, 15 December
Record date for determining attendance and voting at the SGM	Thursday, 17 December
Expected date and time of the SGM	10:00 a.m. on Thursday, 17 December
Announcement of poll results of the SGM	Thursday, 17 December
Last day of dealings in the Shares on a cum-rights basis	Friday, 18 December
First day of dealings in the Shares on an ex-rights basis	Monday, 21 December
Latest time for the Shareholders to lodge transfer of Shares to qualify for the Rights Issue	4:30 p.m. on Tuesday, 22 December
Closure of register of members of the Company in Hong Kong and Bermuda for the Rights Issue (both days inclusive)	Wednesday, 23 December to Wednesday, 30 December
Record Date for determining entitlements to the Rights Issue	Wednesday, 30 December
Despatch of Prospectus Documents (including PAL)	Thursday, 31 December

2021

First day of dealings in nil-paid Rights Shares Tuesday, 5 January

Latest time for splitting
nil-paid Rights Shares 4:30 p.m. on Thursday, 7 January

Last day of dealings in nil-paid Rights Shares Tuesday, 12 January

**Latest time to lodge transfer of nil-paid Rights Shares to qualify for
Compensatory Arrangements 4:00 p.m. on Friday, 15 January**

**Latest time for acceptance of and payment
for Rights Shares 4:00 p.m. on Friday, 15 January**

Latest time to terminate the Underwriting Agreement
and for the Rights Issue to become unconditional Tuesday, 19 January

Announcement of the number of Unsubscribed Rights Shares
subject to the Compensatory Arrangements and
the NQS Unsold Rights Shares Tuesday, 19 January

Commencement of placing the Unsubscribed Rights Shares
and the NQS Unsold Rights Shares
by the Placing Agent Wednesday, 20 January

Latest time of placing the Unsubscribed Rights Shares
and the NQS Unsold Rights Shares
by the Placing Agent 5:00 p.m. on Friday, 22 January

Announcement of results of the Rights Issue (including results
of the placing of Unsubscribed Rights Shares and the NQS
Unsold Rights Shares) Tuesday, 26 January

Despatch of refund cheques
(if the Rights Issue is terminated), and despatch
of share certificates for the fully paid
Rights Shares on or before Thursday 28, January

**Commencement of dealings of
fully paid Rights Shares 9:00 a.m. on Friday, 29 January**

Designated broker starts to stand in the market to
provide matching services for
the odd lots Shares 9:00 a.m. on Friday, 29 January

Payment of Net Gain to relevant
No Action Shareholders (if any) Wednesday, 10 February

Designated broker ceases to stand in the market to
provide matching services
for the odd lots Shares 4:00 p.m. on Friday, 19 February

All times and dates in this announcement refer to Hong Kong local times and dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriters. Any consequential changes to the expected timetable will be published or notified to Shareholders and the Stock Exchange appropriately.

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons, or a “black” rainstorm warning issued by the Hong Kong Observatory:

- (1) in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on Friday, 15 January 2021. Instead the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (2) in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Friday, 15 January 2021. Instead the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. Friday, 15 January 2021, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. The Company will notify the Shareholders by way of announcements of any change to the expected timetable as soon as practicable in this regard.

REASONS FOR THE RIGHTS ISSUE

The Group is engaged in the design, manufacture and distribution of ladies' intimate apparel, principally brassieres. As disclosed in the annual reports of the Company for the years ended 30 June 2018, 2019 and 2020 respectively, the Group recorded revenue of approximately HK\$1,281 million, HK\$1,225 million and HK\$1,236 million, respectively.

As disclosed in the previous announcements dated 20 August 2019, 31 October 2019 and the annual reports for the year ended 30 June 2019 and 30 June 2020, the Group has accelerated its strategy of diversifying manufacturing footprint by aggressively shifting of capacity out of the PRC and into South East Asia while also expanding the Group's product mix into seamless and fully fused products which has helped the Group mitigate the effect of the escalating Sino-US trade war while also capturing the growing consumer demand for comfortable and leisure apparel products. As such, the Group was able to achieve an approximately 6% year-over-year increase in revenue for the six months ended 31 December 2019 amidst the Sino-US trade war. For the year ended 30 June 2020, the Group has commenced operation in Myanmar and its new seamless product manufacturing facility in Thailand under a joint venture agreement, which the Company had owned as to 60% equity interest of the joint venture company through an indirect wholly-owned subsidiary, Top Form Brassiere Mfg. Co., Limited. Additionally, the Group has also made a strategic equity investment in an Indonesian company engaging in the manufacturing of ladies' underwear in Indonesia as the Company explores further expansion in South East Asia. For the year ended 30 June 2020, the Group's overseas manufacturing facilities in South East Asia accounted for approximately 78% of the global production output whilst the PRC accounted for the remaining approximately 22%, as compared to approximately 66% and 34% respectively for the year ended 30 June 2019.

However, no one could have predicted, even as uncertainties in the Sino-US trade war were still affecting business and supply chain, the world would confront a new crisis in the COVID-19 pandemic, which would send violent shockwaves across the global economy in the second half of financial year ended 30 June 2020. At the onset of the pandemic, the Company took immediate steps to manage the crisis by taking drastic cost rationalization measures and streamlining business operations while working hard to execute its key strategic initiatives, including the continued development of the Group's seamless product facility as well as supporting the ongoing production in its operations in South East Asia.

While the COVID-19 pandemic made significant impact to the global economy and the Group's business in the second half of the financial year ended 30 June 2020, the Group's foresight in building a resilient and flexible manufacturing footprint and in diversifying its product mix has strengthened the Group's position as the consumers and the global economy have begun adapting to the new normal of life under the pandemic. Over the last couple of months as people are working from home, maintaining social distance, there has been a paradigm shift in consumer preference to more comfort and leisure products which the Group believes will continue in the post pandemic era.

The Group is now encouraged to see a strong rebound in demand for its seamless and fully fused products while its diversified manufacturing capacity is being highly utilized over the recent past months. The Group has recently approached its existing commercial banks and other prospective banks for an increase in the existing short term trading facility and extension of a longer term borrowing facility. As the financial position of the Group is significantly impacted by the COVID-19 pandemic, the Group was unable to obtain commercially viable terms on long term financing, the Board (excluding the respective members of Listing Rules IBC and Takeovers Code IBC who will form their views after consulting the Independent Financial Adviser) considers that the Rights Issue would be a preferred means for the Company to raise long-term funds to finance long-term investments and new business potentials without subjecting itself to interest burden or additional debt and believes that the Rights Issue is the best option available and in the best interests of the Company and the Shareholders as a whole. With the additional capital from the Rights Issue, the Group can strengthen its financial position and accelerate the investment in key strategic initiatives including seamless product manufacturing and buildup of manufacturing capacity in lower cost countries in order to capture the business opportunities in the post pandemic era.

The Board (excluding the respective members of Listing Rules IBC and Takeovers Code IBC who will form their views after consulting the Independent Financial Adviser) considers that the Rights Issue offers all Qualifying Shareholders the opportunity to participate and grasp the benefit of the future development of the Group. The Board (excluding the respective members of Listing Rules IBC and Takeovers Code IBC who will form their views after consulting the Independent Financial Adviser) is of the view that the Rights Issue not only provides greater financial flexibility for the Company, but also offers all Qualifying Shareholders the opportunity to (a) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market subject to the availability; or (b) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market.

Furthermore, the capital base of the Company will be strengthened after completion of the Rights Issue and the improved financial position will provide sufficient internal resources and financing capacity for the Company to meet its future expansion and operation needs.

The Board (excluding the respective members of Listing Rules IBC and Takeovers Code IBC who will form their views after consulting the Independent Financial Adviser) believes that the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The estimated net proceeds of the Rights Issue after deducting the expenses will be approximately HK\$40.5 million (assuming no new Shares will be issued and no Shares will be repurchased on or after the date of this announcement and on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue as to:

- (i) approximately HK\$18.6 million for seamless manufacturing expansion of joint venture;
- (ii) approximately HK\$19.4 million for further expansion of manufacturing capacity in South East Asia; and
- (iii) approximately HK\$2.5 million for general working capital.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of equity securities during the past 12 months immediately before the date of this announcement.

TAXATION

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the Company's authorised share capital is HK\$150 million divided into 300,000,000 Shares. In order to facilitate the Rights Issue and to provide the Company with greater flexibility for potential future fund raising activities (if any), the Company proposes that the authorised share capital of the Company be increased to HK\$300 million divided into 600,000,000 Shares. The proposed Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

LISTING RULES IMPLICATIONS

As at the date of this announcement, High Union (which is wholly-owned by Mr. Wong, an executive Director and the chairman of the Company), is a substantial shareholder of the Company. Triple Gains is beneficially owned as to 41.36% by Mr. Kevin Wong (an executive Director and chief executive officer of the Company and the son of Mr. Wong), 29.84% by Mr. Kenneth Wong (an executive Director and the son of Mr. Wong, and the brother of Mr. Kevin Wong), and 28.80% by Mr. Keith Wong (the son of Mr. Wong and the younger brother of Mr. Kevin Wong and Mr. Kenneth Wong). Both High Union and Triple Gains are connected persons of the Company under the Listing Rules. Therefore, the Underwriting Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As required under the Listing Rules, each member of the Wong Family Group (including the Underwriters) shall abstain from voting in respect of the resolution(s) relating to the Underwriting Agreement at the SGM.

As the Rights Issue will not increase the number of issued Shares by more than 50%, the Rights Issue is not subject to Shareholders' approval under Rule 7.19A of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Wong Family Group (which includes the Underwriters) is collectively interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the total number of the existing issued Shares. Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed, severally but not jointly, to take up, or procure their affiliated companies, to underwrite the Underwritten Shares. Assuming no acceptance by the Qualifying Shareholders under the Rights Issue and no placement made under the Compensatory Arrangements, the Underwriters will be required to severally but not jointly, to take up, or procure their affiliated companies to take up, the Underwritten Shares and the aggregate shareholding to be held by the Wong Family Group (which includes the Underwriters) upon completion of the Rights Issue would be approximately 48.89% of the then total issued Shares as enlarged by the allotment and issue of the Rights Shares. Under such circumstances, the Underwriters would be obliged to make a mandatory general offer for all the securities of the Company (other than those already owned or agreed to be acquired by the Wong Family Group and parties acting in concert with any of its members) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

The Underwriters will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among others, the approval of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll. The resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent vote that are either in person or by proxy by the Independent Shareholders at the SGM. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Rights Issue will not proceed.

Pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, as the Underwriters are interested in the Whitewash Waiver, they and parties acting in concert with them are required to abstain from voting on the resolution(s) to be proposed at the SGM in relation to the Whitewash Waiver (including the resolutions regarding the Rights Issue and the Underwriting Agreement). The Wong Family Group, who is interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the total number of the existing issued Shares, and parties acting in concert with any of its members shall abstain from voting in respect of the resolution(s) relating to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver.

As at the date of this announcement, the Company does not believe that the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular relating to, among others, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder do not comply with other applicable rules and regulations.

DEALINGS OF THE SHARES BY THE WONG FAMILY GROUP AND PARTIES ACTING IN CONCERT WITH ANY OF ITS MEMBERS

As at the date of this announcement, neither the Wong Family Group nor any parties acting in concert with any of its members:

- (a) save for the Shares as set out in “EFFECT OF RIGHTS ISSUE ON SHAREHOLDING OF THE COMPANY” in this announcement, owns, controls or has direction over any Shares and right over Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) has received any irrevocable commitment to vote for or against the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver;
- (c) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (d) save for the Underwriting Agreement and Irrevocable Undertakings as described under the sections titled “THE UNDERWRITING AGREEMENT” and “IRREVOCABLE UNDERTAKINGS” respectively, has any other arrangements referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver, with any other persons;
- (e) save for the Underwriting Agreement and the Irrevocable Undertakings, has any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver;
- (f) has dealt in any relevant securities of the Company in the six-month period preceding the date of this announcement; and
- (g) has entered into any derivative in respect of the relevant securities in the Company which are outstanding.

As at the date of this announcement:

- (a) apart from the Rights Shares to be subscribed and underwritten by the Underwriters, the Company has not paid and will not pay any other consideration, compensation or benefit in whatever form to the Underwriters and parties acting in concert with them in connection with the Rights Issue and the Underwriting Agreement;
- (b) apart from the Underwriting Agreement and the Irrevocable Undertakings, there is no other understanding, arrangement or special deal between the Group on the one hand, and the Underwriters and parties acting in concert with them on the other hand; and
- (c) there is no understanding, arrangement or agreement or special deal between (i) any Shareholders; and (ii) the Underwriters and parties acting in concert with them; or the Company, its subsidiaries or associated companies.

SGM

The register of members of the Company will be closed from Monday, 14 December 2020 to Thursday, 17 December 2020 (with both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM.

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) Rights Issue (ii) the Underwriting Agreement; (iii) the Whitewash Waiver; (iv) the Increase in Authorised Share Capital. Only the Independent Shareholders will vote on the resolutions to approve the Rights Issue, the Underwriting Agreement and the Whitewash Waiver at the SGM.

INFORMATION ON THE UNDERWRITERS AND WONG FAMILY GROUP

High Union is a company incorporated in the British Virgin Islands on 5 June 1997 whose principal business is investment holding. High Union is currently wholly-owned by Mr. Wong, the chairman of the Board. Triple Gains is a company incorporated in the British Virgin Islands on 17 October 2014 whose principal business is investment holding. Triple Gains is currently held as to 41.36% by Mr. Kevin Wong, the executive Director and chief executive officer of the Company, 29.84% by Mr. Kenneth Wong, an executive Director of the Company, and 28.80% by Mr. Keith Wong, all of whom are the sons of Mr. Wong. The Underwriters are not engaged in the business of underwriting. As at the date of this announcement, the Wong Family Group is interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the entire issued Shares.

ESTABLISHMENT OF THE LISTING RULES IBC, THE TAKEOVERS CODE IBC AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Listing Rules IBC comprising all independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM.

The Takeovers Code IBC comprising all non-executive Directors and independent non-executive Directors has been established to advise the Independent Shareholders as to whether the Rights Issue, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise (i) the Listing Rules IBC and the Independent Shareholders in respect of the Underwriting Agreement and the transactions contemplated thereunder; and (ii) the Takeovers Code IBC and the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver. The appointment of the Independent Financial Adviser has been approved by the Takeovers Code IBC pursuant to Rule 2.1 of the Takeovers Code. The Listing Rules IBC and the Takeovers Code IBC will formulate its view, as the case may be, with respect to the terms of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver after obtaining and considering the advice of the Independent Financial Adviser.

None of the members of the Listing Rules IBC nor the Takeovers Code IBC has any interest or involvement in the Rights Issue, the Underwriting Agreement and the Whitewash Waiver.

DESPATCH OF CIRCULAR

Pursuant to Rule 8.2 of the Takeovers Code, a circular containing, among other matters, further details of (i) the Rights Issue, the Underwriting Agreement, the Whitewash Waiver and the Increase in Authorised Share Capital; (ii) a letter of recommendations from the Listing Rules IBC; (iii) a letter of recommendations from the Takeovers Code IBC; (iv) a letter of advice from the Independent Financial Adviser to the Listing Rules IBC and the Takeovers Code IBC in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (v) other information required under the Listing Rules and the Takeovers Code; and (vi) a notice of the SGM, shall be despatched within 21 days of the date of this announcement, or such later date as the Executive may approve.

Subject to the approval by the Independent Shareholders of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver at the SGM having been obtained and the granting of the Whitewash Waiver by the Executive, the Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable. Subject to compliance with the applicable overseas laws and regulations, the Prospectus without the PAL will be sent to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in “THE UNDERWRITING AGREEMENT – Termination of the Underwriting Agreement” in this announcement), and obtaining the Independent Shareholders’ approval for the Whitewash Waiver and the Whitewash Waiver being granted by the Executive.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 21 December 2020. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 5 January 2021 to Tuesday, 12 January 2021 (both days inclusive).

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“affiliated companies”	in the context of the Underwriting Agreement and in respect of High Union and Triple Gains, a body corporate which shares the same ultimate beneficial owner with each of them
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chairman”	chairman of the Board
“Circular”	the circular to be despatched to the Shareholders giving details of, among others, the Rights Issue, the Underwriting Agreement, the Whitewash Waiver and the Increase in Authorised Share Capital
“Committed Shares”	an aggregate of 24,465,130 Rights Shares to be offered to and subscribed by the Wong Family Group under the respective entitlements of each of its members as set out in the PAL pursuant to the Rights Issue and the Irrevocable Undertakings in respect of an aggregate of 61,162,823 Shares registered in their names as at the date of this announcement

“Company”	Top Form International Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“High Union”	High Union Holdings Inc., a company incorporated in British Virgin Islands with limited liability which holds 52,318,319 Shares, representing approximately 24.33% of the total issued Shares as at the date of this announcement, and is ultimately beneficially wholly-owned by Mr. Wong
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$150 million divided into 300,000,000 Shares to HK\$300 million divided into 600,000,000 Shares
“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Listing Rules IBC and the Takeovers Code IBC and the Independent Shareholders in relation to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver

“Independent Shareholders”	the Shareholders who are eligible to vote and not required to abstain from voting at the SGM under the Listing Rules or the Takeovers Code, as the case may be
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules
“Irrevocable Undertakings”	the irrevocable undertakings dated 4 November 2020 provided by the members of the Wong Family Group to the Company, details of which are set out in the section headed “IRREVOCABLE UNDERTAKINGS”
“Last Day for Transfer”	Tuesday, 22 December 2020, being the last date for lodging transfer of Shares prior to the closure of register of members of the Company to qualify for the Rights Issue
“Last Trading Day”	Wednesday, 4 November 2020, being the last full trading day for the Shares before the release of this announcement
“Latest Placing Date”	Friday, 22 January 2021 or such later date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares
“Latest Placing Time”	5:00 p.m. on the Latest Placing Date
“Latest Time for Acceptance”	4:00 p.m. on 15 January 2021 as agreed between the Company and the Underwriters, being the latest time for acceptance of and payment for Rights Shares

“Latest Time for Termination”	4:00 p.m. on the second Business Day immediately after the Latest Time for Acceptance, or such later time as may be agreed between the Company and the Underwriters, or such other date as the Company may determine
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules IBC”	an independent board committee of the Company, comprising all independent non-executive Directors (namely, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert, and Mr. Lin Sun Mo, Willy), which has been established under the Listing Rules to advise the Independent Shareholders in respect of the Underwriting Agreement and the transactions contemplated thereunder, and as to the voting action thereunder
“Mr. Wong”	Mr. Wong Chung Chong, the Chairman and an executive Director
“Mr. Keith Wong”	Mr. Wong Kai Chun, Keith, the son of Mr. Wong and the younger brother of Mr. Kevin Wong and Mr. Kenneth Wong
“Mr. Kenneth Wong”	Mr. Wong Kai Chi, Kenneth, an executive Director and interested in approximately 28.29% of the equity interest of the Company as at the date of this announcement and the son of Mr. Wong and the elder brother of Mr. Kevin Wong and Mr. Keith Wong
“Mr. Kevin Wong”	Mr. Wong Kai Chung, Kevin, an executive Director and the chief executive officer of the Company, interested in approximately 28.29% of the equity interest of the Company as at the date of this announcement and the son of Mr. Wong, the younger brother of Mr. Kenneth Wong and the elder brother of Mr. Keith Wong

“Mrs. Wong”	the spouse of Mr. Wong, the mother of Mr. Kevin Wong, Mr. Kenneth Wong and Mr. Keith Wong
“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees)
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed (including the Non-Qualifying Shareholders in respect of NQS Unsold Rights Shares)
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue

“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent and/or its sub-placing agents(s) to the places on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Elstone Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 7.21(1)(b) of the Listing Rules
“Placing Agreement”	the placing agreement dated 4 November 2020 and entered into between the Company and the Placing Agent in relation to the Placing on a best effort basis
“Placing Period”	the period commencing from the third Business Day after the Latest Time for Acceptance, which is expected to be on Wednesday, 20 January 2021, and ending at the Latest Placing Time
“Posting Date”	Thursday, 31 December 2020, or such other date as the Underwriters may agree in writing with the Company for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL and any supplementary prospectus or supplementary provisional allotment letter (if required)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date

“Record Date”	Wednesday, 30 December 2020, the record date to determine entitlements to the Rights Issue
“Registrar”	Tricor Secretaries Limited, the Company’s branch share registrar in Hong Kong, situated at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue of 86,015,050 Rights Shares at the Subscription Price on the basis of two Rights Shares for every five existing Shares held as at the close of business on the Record Date payable in full on acceptance
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of two Rights Shares for every five existing Shares in issue on the Record Date, being 86,015,050 Shares based on the Company’s issued share capital as at the date of the announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider, among others, the Rights Issue, the Underwriting Agreement, the Whitewash Waiver and the Increase in Authorised Share Capital
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.50 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Takeovers Code IBC”	an independent board committee of the Company, comprising all non-executive Directors and independent non-executive Directors (including Mr. Fung Wai Yiu, Mr. Lucas A.M. Laureys, Mr. Herman Van de Velde, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy) which has been established in compliance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on the terms of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver and as to the voting action thereafter
“Triple Gains”	Triple Gains Ventures Limited, a company incorporated in British Virgin Islands with limited liability which holds 4,000,000 Shares, representing approximately 1.86% of the total issued Shares as at the date of this announcement, and is held as to 41.36% by Mr. Kevin Wong, 29.84% by Mr. Kenneth Wong and 28.80% by Mr. Keith Wong
“Underwriters”	High Union and Triple Gains
“Underwriting Agreement”	the underwriting agreement dated 4 November 2020 and entered into between the Company and the Underwriters in relation to the Rights Issue
“Underwritten Shares”	61,549,920 Rights Shares (other than the Committed Shares) to be underwritten by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement
“Unsubscribed Rights Shares”	Rights Shares (other than the Committed Shares) that are not subscribed by the Qualifying Shareholders
“VDV”	Van de Velde N.V., a company incorporated in Belgium with limited liability which holds 55,184,708 Shares, representing approximately 25.66% of the total issued Shares as at the date of this announcement; the issued shares of which are listed on the NYSE Euronext Brussels stock exchange, which is approximately 56.26% owned by Van de Velde Holding N.V.

“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligation of the Underwriters to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Wong Family Group and parties acting in concert with any of its members which would otherwise arise as a result of the taking up of the Unsubscribed Rights Shares, the NQS Unsold Rights Shares and the unsold faction of the Rights Shares pursuant to the Underwriting Agreement
“Wong Family Group”	Mr. Wong, Mrs. Wong, Mr. Kevin Wong, Mr. Kenneth Wong, High Union and Triple Gains
“%”	per cent.

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

Hong Kong, 4 November 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.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.