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## **TOP FORM INTERNATIONAL LIMITED**

**黛麗斯國際有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 333)**

### **OPERATIONAL UPDATE FOR 1<sup>ST</sup> QUARTER OF FISCAL 2023**

This announcement is made by Top Form International Limited (the “**Company**”) and its subsidiaries (collectively “**Top Form**” or the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

In continuation of the efforts to enhance the transparency of the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company announces the following operational update for the first quarter of fiscal 2023.

#### **SALES**

During the quarter, the Group has achieved sales of HK\$307 million, which was 14% lower compared with corresponding period in the prior year. This was mainly driven by the significant drop in demand from our major customers in U.S. which was impacted by high inventory level and declining consumer demand. 66% of sales were to the U.S. market, 20% to the E.U. and 14% to the rest of the world.

#### **MANUFACTURING**

Production from the overseas manufacturing facilities in South East Asia accounted for 65% of the global output with China accounted for the remaining 35% during the quarter. The drop in customer demand mostly impacted our South East Asia facilities.

During the quarter, gross profit margin was 19% which was similar to the same period last year as lower sales was offset by improved customer and product mix.

\* *For identification purpose only*

## **FINANCIAL POSITION**

During the quarter, the Group maintains a capital structure with a gearing ratio of 20.5%.

## **OUTLOOK**

With major economies fighting the multi-decade high inflation which negatively impact consumer demand, and retailers and brands are all clearing up inventory glut from the supply chain chaos, sales for the Group has been greatly impacted and could reach the lowest level since the turmoil of COVID driven global standstill. Based on the current order book, we expect sales in second quarter of fiscal year 2023 will be significantly lowered as compared to the corresponding period in the prior year.

While the drop in customer demand will inevitably dampen our near term financial performance, we remain optimistic about the long term prospect of the business as we continue focusing on the execution of our strategy.

**The Board wishes to remind investors that the above operational update for the first quarter of fiscal 2023 is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such information.**

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 18 November 2022

*As at the date of this announcement, the Board comprises Mr. Wong Chung Chong, Mr. Wong Kai Chung, Kevin and Mr. Wong Kai Chi, Kenneth as executive Directors; Mr. Herman Van de Velde and Ms. Lien Van de Velde as non-executive Directors; and Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy as independent non-executive Directors.*