

## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Top Form International Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "15. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of persons with such addresses and beneficial owners of the Shares who are residents outside Hong Kong are referred to the important information set out in the section headed "Notices" and paragraph headed "Non-Qualifying Shareholders" under the section headed "Letter from the Board" of this Prospectus. **This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid rights or Rights Shares or to take up any entitlements to the nil-paid rights or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.**

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus will not be registered or filed under any applicable securities or equivalent legislation of any jurisdictions other than Hong Kong.

Dealings in the Shares or the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The securities described herein have not been registered under the US Securities Act or the laws of any state in the USA and may not be offered or sold within the USA, absent registration or an exemption from the registration requirements of the US Securities Act and applicable US state laws. There is no intention to register any portion of the Rights Issue or any securities described herein in the USA or to conduct a public offering of securities in the USA. Any failure to comply with this restriction may constitute a violation of US securities laws. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in the USA or any other jurisdiction in which such an offer or solicitation is unlawful. Except as otherwise set out in this Prospectus, the Rights Issue is not being extended to Shareholders with registered addresses in, or investors who are located or resident in any jurisdictions outside Hong Kong. This Prospectus has not been lodged or registered with any of the relevant authorities in any jurisdiction other than Hong Kong.



## TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

**RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR  
EVERY FIVE EXISTING SHARES HELD ON THE RECORD DATE**

Financial adviser to the Company



Capitalised terms used in this cover page have the same meanings as defined in this Prospectus, unless the context requires otherwise.

It should be noted that the Shares have been dealt in on an ex-rights basis from Thursday, 14 January 2021. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 27 January 2021 to Wednesday, 3 February 2021 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriters, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Wednesday, 27 January 2021 to Wednesday, 3 February 2021 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional and the Underwriters not having terminated or rescinded (as the case may be) the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Termination of the Underwriting Agreement" of this Prospectus). Accordingly, the Rights Issue may or may not proceed.**

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 8 February 2021. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 18 to 19 of this Prospectus.

\* for identification purpose only

# CONTENTS

	<i>Page</i>
<b>NOTICES</b> .....	ii
<b>EXPECTED TIMETABLE</b> .....	viii
<b>DEFINITIONS</b> .....	1
<b>TERMINATION OF THE UNDERWRITING AGREEMENT</b> .....	8
<b>LETTER FROM THE BOARD</b> .....	9
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b> .....	II-1
<b>APPENDIX III – GENERAL INFORMATION</b> .....	III-1

## NOTICES

The Rights Issue is 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. If the Rights Issue does not become unconditional, the Rights Issue will not proceed and the Company will make an announcement at the relevant time. It should also be noted that the Shares have been dealt on an ex-rights basis from Thursday, 14 January 2021 and that the nil-paid Rights Shares are expected to be dealt from Wednesday, 27 January 2021 to Wednesday, 3 February 2021 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the nil-paid Rights Shares from Wednesday, 27 January 2021 to Wednesday, 3 February 2021 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed and should exercise caution. Any person dealing or contemplating any dealing in the securities of the Company and/or the nil-paid Rights Shares during this period who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser.

**THIS PROSPECTUS DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO ACQUIRE, THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES OR TO TAKE UP ANY ENTITLEMENTS TO THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL.** None of the nil-paid Rights Shares, the Rights Shares, this Prospectus and the PAL will be registered under the securities laws of any jurisdiction (other than in Hong Kong). Accordingly, the nil-paid Rights Shares and the Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions. It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of any person with such addresses and beneficial owners of the Shares who are residents outside Hong Kong are referred to the section headed "Notices", and the paragraphs headed "Non-Qualifying Shareholders" under the section headed "Letter from the Board" of this Prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he or she or it is aware of the restrictions on offers and sales of nil-paid Rights Shares and/or Rights Shares as described in this Prospectus.

## NOTICES

### NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”)

In relation to the member states where the European Union’s Regulation 2017/1129 (and any amendments thereto, including those made by Regulation 2019/2115, and any implementing and delegated acts) (the “**Prospectus Regulation**”) applies (each, a “**relevant EEA member state**”), with effect from and including the date on which the different provisions of the Prospectus Regulation have entered into force (the “**relevant implementation date**”), no Shares, nil-paid Rights Shares or fully paid Rights Shares have been offered or will be offered pursuant to the Rights Issue to the public in that relevant EEA member state prior to the publication of a prospectus in relation to the Shares, nil-paid Rights Shares and fully paid Rights Shares which has been approved by the competent authority in that relevant EEA member state or, where appropriate, approved in another relevant EEA member state and notified to the competent authority in the relevant EEA member state, all in accordance with the Prospectus Regulation, except that with effect from and including the relevant implementation date, offers of Shares, nil-paid Rights Shares and fully paid Rights Shares may be made to the public in that relevant EEA member state at any time under the following exemptions under the Prospectus Regulation:

- (a) an offer addressed solely to qualified investors, as defined in the Prospectus Regulation; or
- (b) an offer addressed to fewer than 150 natural or legal persons per relevant EEA member state (other than qualified investors as defined in the Prospectus Regulation); or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For this purpose, the expression “an offer of any Shares, nil-paid Rights Shares and fully paid Rights Shares to the public” in relation to any Shares, nil-paid Rights Shares and fully paid Rights Shares in any relevant EEA member state means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any Shares, nil-paid Rights Shares and fully paid Rights Shares to be offered so as to enable an investor to decide to subscribe for or acquire any Shares, nil-paid Rights Shares and fully paid Rights Shares, as the same may be varied in that relevant EEA member state by any measure implementing the Prospectus Regulation in that relevant EEA member state.

In particular, the Rights Issue falls under the exemption for offers addressed to fewer than 150 natural or legal persons per relevant EEA member state (other than qualified investors as defined in the Prospectus Regulation). The Rights Issue has not been and will not be notified to, and none of the Rights Issue Documents and any other offering material relating to the shares has been or will be approved by, the Belgian Financial Services and Markets Authority or any other competent authority in an EEA member state.

## NOTICES

### NOTICE TO INVESTORS IN THE PRC

Neither of the Rights Shares nor the Prospectus has been or will be filed to or registered with any securities regulatory under the PRC laws. If a Shareholder resident in the PRC wishes to invest in the Rights Shares (both in their nil-paid and fully-paid forms), it shall be responsible for complying with relevant laws of the PRC, including but not limited to PRC foreign exchange and overseas investment related laws. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder nor the compliance of its investing in the Rights Shares under the PRC laws and thus, should the Company suffer any losses and damages due to non-compliance with the relevant laws of the PRC by any such Shareholder, the Shareholder shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Rights Shares (both in their nil-paid and fully-paid forms) to any such Shareholder, if the Company, in its absolute discretion, is satisfied that issuing the Rights Shares (both in their nil-paid and fully-paid forms) to such Shareholder does not comply with the relevant laws of the PRC.

### NOTICE TO INVESTORS IN THE UNITED KINGDOM

Neither this Prospectus nor any other document relating to the Rights Issue has been delivered for approval to the Financial Conduct Authority in the United Kingdom. No prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“**FSMA**”)) has been published or is intended to be published in relation to the Rights Issue. Accordingly the nil-paid Rights Shares and the Rights Shares referred to in this Prospectus may not be, and are not being, offered to the public in the United Kingdom under section 85(1) FSMA except in circumstances where section 86(1) FSMA applies. Any Shareholder or Beneficial Owner in the United Kingdom who takes up Rights Shares shall be deemed to represent and warrant that he/she/it is not taking up those Rights Shares on behalf of other persons in the United Kingdom. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

This Prospectus is not a financial promotion to which section 21(1) FSMA applies since article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), as amended, removes the financial promotion restriction from communications (which are communicated by a body corporate to its members) which relates to shares in the share capital of the body corporate. The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, persons (i) who fall within article 43 of the Order, as amended, or (ii) to whom it may otherwise be lawfully communicated (the “**relevant persons**”). Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

### NOTICE TO INVESTORS IN MALAYSIA

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“**SC**”) under the Capital Markets and Services Act 2007 (“**CMSA 2007**”). Furthermore, this Prospectus will not be deposited as an information memorandum with the SC.

## NOTICES

Accordingly, the nil-paid Rights Shares or fully-paid Rights Shares will only be made available or offered or sold exclusively to persons outside Malaysia. This Prospectus and any other document or material in connection with the issue or offer for subscription or sale, or invitation to subscribe for or purchase the nil-paid Rights Shares or fully-paid Rights Shares shall not be circulated nor distributed, nor may the nil-paid Rights Shares or fully-paid Rights Shares be made available or issued, offered for subscription or sold, or be made the subject of an invitation to subscribe for or purchase, whether directly or indirectly, to any person in Malaysia.

### **NOTICE TO INVESTORS IN THE PHILIPPINES**

The Rights Shares have not been, and it is not intended for the Rights Shares to be, registered with the Philippine Securities and Exchange Commission. To the extent that the Securities Regulation Code of the Philippines (“SRC”) applies to this particular offer, such offer is exempted from registration under Section 10.1(e) of the SRC. However, any future offer or sale of the Rights Shares in the Philippines must comply with the registration requirement under the SRC unless such offer or sale qualifies as an exempt transaction.

**THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE SECURITIES REGULATION CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

### **NOTICE TO INVESTORS IN TAIWAN**

The Rights Shares have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer or a solicitation of an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Rights Shares in Taiwan.

### **REPRESENTATIONS AND WARRANTIES**

Each subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriters and to any person acting on its or their behalf, unless in their sole discretion, the Company and the Underwriters waive such requirement:

- he/she/it was a Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire the nil-paid Rights Shares, directly or indirectly, from such a person;

## NOTICES

- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the nil-paid Rights Shares and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of: (a) the U.S.; or (b) any other territory where it would be unlawful to extend the Rights Issue;
- he/she/it is not accepting an offer to acquire or take up the nil-paid Rights Shares or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of: (a) the U.S.; or (b) any other territory where it would be unlawful to extend the Rights Issue at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the U.S. or any other territory where it would be unlawful to extend the Rights Issue;
- he/she/it is not acquiring the nil-paid Rights Shares and/or Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such nil-paid Rights Shares or Rights Shares into: (a) the U.S.; or (b) any other territory where it would be unlawful to extend the Rights Issue; and
- he/she/it understands that neither the nil-paid Rights Shares nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S..

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

### **FORWARD-LOOKING STATEMENTS**

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

## NOTICES

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.



## EXPECTED TIMETABLE

*The expected timetable for the Rights Issue is set out below. The expected timetable is indicative only and may be subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.*

*All time and date references contained in this Prospectus shall refer to Hong Kong local times and dates.*

<b>Events</b>	<b>Time and date</b>
	<b>2021</b>
First day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 27 January
Latest time for splitting nil-paid Rights Shares . . . . .	4:30 p.m. on Friday, 29 January
Last day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 3 February
Latest time to lodge transfer of nil-paid Rights Shares to qualify for Compensatory Arrangements . . . . .	4:00 p.m. on Monday, 8 February
Latest time for acceptance of and payment for Rights Shares . . . . .	4:00 p.m. on Monday, 8 February
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional . . . . .	Wednesday, 10 February
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements and the NQS Unsold Rights Shares. . . . .	Wednesday, 10 February
Commencement of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent . . . . .	Thursday, 11 February
Latest time of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent . . . . .	5:00 p.m. on Tuesday, 16 February
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares) . . . . .	Thursday, 18 February

## EXPECTED TIMETABLE

Despatch of refund cheques (if the Rights Issue is terminated), and despatch of share certificates for the fully paid Rights Shares on or before . . . . .	Friday, 19 February
Commencement of dealings of fully paid Rights Shares . . . . .	9:00 a.m. on Monday, 22 February
Designated broker starts to stand in the market to provide matching services for the odd lots Shares . . . . .	9:00 a.m. on Monday, 22 February
Payment of Net Gain to relevant No Action Shareholders (if any) . . . . .	Wednesday, 3 March
Designated broker ceases to stand in the market to provide matching services for the odd lots Shares . . . . .	4:00 p.m. on Monday, 15 March

*All time and date references contained in this Prospectus shall refer to Hong Kong local time and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company.*

### **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 Monday, 8 February 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 Monday, 8 February 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. Monday, 8 February 2021, the dates mentioned in the section headed “Expected Timetable” in this Prospectus 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

## DEFINITIONS

*Unless the context otherwise requires, terms used in this Prospectus 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
“Announcement”	the announcement of the Company dated 4 November 2020 (as supplemented by the supplemental announcement of the Company dated 21 December 2020) in relation to, among other things, the Rights Issue, the Underwriting Agreement, the Whitewash Waiver and the Increase in Authorised Share Capital
“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 of the Company dated 9 December 2020 (as supplemented by the supplemental announcement of the Company dated 21 December 2020) in relation to, among other things, 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 Latest Practicable Date
“Company”	Top Form International Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange

## DEFINITIONS

“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 Rule
“COVID-19”	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness
“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
“High Union”	High Union Holdings Inc., a company incorporated in the British Virgin Islands with limited liability which held 52,318,319 Shares, representing approximately 24.33% of the total issued Shares as at the Latest Practicable Date, and is ultimately beneficially wholly-owned by Mr. Wong
“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
“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 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

## DEFINITIONS

“Irrevocable Undertaking(s)”	the irrevocable undertaking(s) dated 4 November 2020 provided by the Wong Family Group to the Company (as extended by extension letters dated 30 November 2020 and 4 December 2020), details of which are set out in the section headed “THE IRREVOCABLE UNDERTAKINGS”
“Last Trading Day”	Wednesday, 4 November 2020, being the last full trading day for the Shares before the release of the Announcement
“Latest Placing Date”	Tuesday, 16 February 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 Practicable Date”	20 January 2021, being the latest practicable date prior to the publication of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Monday, 8 February 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
“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 Latest Practicable Date 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 Latest Practicable Date and the son of Mr. Wong, the younger brother of Mr. Kenneth Wong and the elder brother of Mr. Keith Wong

## DEFINITIONS

“Mr. Wong”	Mr. Wong Chung Chong, the Chairman and an executive Director
“Mrs. Wong”	also known as Ms. Chan He Lin, 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 Shares 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
“Placee”	any individual, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be a party acting in concert with the Wong Family Group and parties acting in concert with any of its members, and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owner(s) shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares pursuant to the Placing Agreement

## DEFINITIONS

“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 Placees on the terms and subject to the conditions of the Placing Agreement and the Supplemental 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 (as extended by extension letters dated 30 November 2020 and 4 December 2020) and entered into between the Company and the Placing Agent in relation to the Placing on a best effort basis, as supplemented by the Supplemental Placing Agreement
“Placing Period”	the period commencing from the third Business Day after the Latest Time for Acceptance, which is expected to be on Thursday, 11 February 2021, and ending at the Latest Placing Time
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus 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)
“Prospectus Posting Date”	Monday, 25 January 2021, or such other date as the Underwriters may agree in writing with the Company for the despatch of the Prospectus Documents
“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”	Friday, 22 January 2021, 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

## DEFINITIONS

“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
“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
“Supplemental Placing Agreement”	the supplemental placing agreement dated 21 December 2020 and entered into between the Company and the Placing Agent in relation to the placing on a best effort basis
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Triple Gains”	Triple Gains Ventures Limited, a company incorporated in the British Virgin Islands with limited liability which holds 4,000,000 Shares, representing approximately 1.86% of the total issued Shares as at the Latest Practicable Date, 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



## DEFINITIONS

“Underwriting Agreement”	the underwriting agreement dated 4 November 2020 (as extended by extension letters dated 30 November 2020 and 4 December 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 Latest Practicable Date; 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

*In case of inconsistency, the English text of this Prospectus shall prevail over its Chinese text.*

## 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.

## LETTER FROM THE BOARD



### TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

*Executive Directors:*

Mr. Wong Chung Chong (*Chairman*)  
Mr. Wong Kai Chung, Kevin (*Chief Executive Officer*)  
Mr. Wong Kai Chi, Kenneth (*Managing Director*)

*Non-executive Directors:*

Mr. Fung Wai Yiu  
Mr. Lucas A.M. Laureys  
Mr. Herman Van de Velde

*Independent non-executive Directors:*

Ms. Leung Churk Yin, Jeanny  
Mr. Leung Ying Wah, Lambert  
Mr. Lin Sun Mo, Willy

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business*

*in Hong Kong:*  
7/F, Port 33,  
33 Tseuk Luk Street,  
San Po Kong,  
Kowloon,  
Hong Kong

25 January 2021

*To the Qualifying Shareholders, and, for information only, to the Non-Qualifying Shareholders*

Dear Sir or Madam,

### **RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY FIVE EXISTING SHARES HELD ON THE RECORD DATE**

#### **INTRODUCTION**

Reference is made to the Announcement and the Circular in relation to, among other things, the Rights Issue. Subject to, among other conditions, the approval by the Independent Shareholders which was obtained at the SGM, the Board proposed to raise not less than approximately HK\$40.5 million before expenses by the Rights Issue on the basis of two (2) Rights Shares for every five (5) Shares held on the Record Date at the Subscription Price of HK\$0.5 per Rights Share.

The purpose of this Prospectus is to provide you with further details of the Rights Issue including information on dealings in, transfer and acceptance of the Rights Shares and certain financial and other information in respect of the Group.

\* for identification purpose only

## LETTER FROM THE BOARD

At the SGM convened and held at 10:00 a.m. on Tuesday, 12 January 2021, the necessary resolutions for approving, among other things, (i) the Rights Issue, the Underwriting Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders; and (ii) the Increase in Authorised Share Capital was duly passed by the Shareholders and became effective on 12 January 2021.

Pursuant to the Underwriting Agreement, the Underwritten Shares were fully underwritten by the Underwriters on the terms and subject to the conditions set out therein.

### RIGHTS ISSUE

On 4 November 2020 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriters in respect of the Rights Issue. Further details of the Rights Issue are set out 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 Latest Practicable Date	:	215,037,625 Shares
Number of Rights Shares to be issued	:	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 Latest Practicable Date, 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

## LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 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 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 Latest Practicable Date.

### **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 29.58% to the closing price of HK\$0.71 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) 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;
- (iii) 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;
- (iv) 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;

## LETTER FROM THE BOARD

- (v) 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;
- (vi) represents a discount of approximately 74.75% to the consolidated net asset value per Share of approximately HK\$1.98 based on the equity attributable to owners of the Company of approximately HK\$425.7 million 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 Latest Practicable Date;
- (vii) represents a discount of approximately 79.92% to the adjusted consolidated net asset value per Share of approximately HK\$2.49 based on the equity attributable to owners of the Company of approximately HK\$425.7 million as at 30 June 2020 as extracted from the annual report of the Company for the year ended 30 June 2020 and adjusted upward by the valuation of the property interest held by the Company attributable to owners of the Company of approximately HK\$110.2 million (a comparison between the Group's property interests with a book value of approximately HK\$179.3 million as at 30 June 2020 and the valuation of property interest as at the valuation date of HK\$289.5 million) and the issued share capital of the Company of 215,037,625 Shares as at the Latest Practicable Date; and
- (viii) 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 Prospectus below.

## LETTER FROM THE BOARD

When determining the Subscription Price, the Directors have considered that the Shares have been traded on the Stock Exchange in the price range between HK\$0.62 and HK\$0.82 with an average closing price of approximately HK\$0.70 per Share in the past 6 months prior to the Last Trading Day (the “**Review Period**”), which the Directors considered that the Review Period is an appropriate benchmark to reflect the prevailing market conditions and recent market sentiment. During the Review Period, the Subscription Price of HK\$0.50 represents (i) a discount of approximately 19.35% to the lowest closing price of HK\$0.62 per Share; (ii) a discount of approximately 39.02% to the highest closing price of HK\$0.85 per Share; and (iii) a discount of approximately 28.57% to the average closing price of the Shares of approximately HK\$0.70 per Share. Given the trading prices of the Shares during the Review Period have been affected by the recent downturn of the stock prices of the stock market in Hong Kong and the deteriorating market sentiment arisen from the impact of the COVID-19 pandemic, the Directors considered the level of Subscription Price demonstrated a reasonable discount to the Shareholders who wish to participate in the proposed Rights Issue.

At the same time, the Directors were also aware of the fact that the Subscription Price represents a discount of approximately 74.75% to the consolidated net asset value (“**NAV**”) per Share of approximately HK\$1.98 based on the 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. However, considering the level of closing price of the Shares during the Review Period as abovementioned, the Directors were of the view that the Shares had been consistently traded at a substantial discount to the NAV per Share since the publication of the latest unaudited financial statements of the Group. Therefore, when determining the Subscription Price, the Directors considered that it would be more appropriate to make reference to the prevailing market price of the Shares which reflected the fair market value of the Shares traded on the Stock Exchange, instead of making reference to the NAV per Share. If the Subscription Price was made with reference to the NAV per Share, the willingness of the Shareholders to participate in the Rights Issue would be significantly reduced, which would not be favourable to the long term development of the Company and the Shareholders as a whole.

In the trading period of the Shares from the Last Trading Day and up to the Latest Practicable Date, the closing price of Shares has been trading in a range of HK\$0.52 to HK\$0.79, which was hovering in the similar range as compared to the Review Period. The Subscription Price represents a discount of approximately 74.75% to the consolidated net asset value per Share of approximately HK\$1.98 based on the equity attributable to owners of the Company of approximately HK\$425.7 million 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 Latest Practicable Date. The Directors consider that there is no material change to the factors taken into consideration when determining the Subscription Price. The Directors consider that it is justifiable for the Company to set the Subscription Price at a discount to the market average so as to attract the Shareholders to participate in the Rights Issue under the current market sentiment.

## LETTER FROM THE BOARD

Furthermore, after taking into consideration the reasons for the Rights Issue as stated in the section headed “REASONS FOR THE RIGHTS ISSUE” below, the Board 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.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.470.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. The Company has despatched the Prospectus Documents to the Qualifying Shareholders on the Prospectus 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.

Beneficial owners 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.

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.**

### **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, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong on or before 4:00 p.m. on the Latest Time for Acceptance.



## LETTER FROM THE BOARD

### 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.

As at the Latest Practicable Date, the 9 Overseas Shareholders on the register of members of the Company are as follows:

Number of Overseas Shareholder	Jurisdiction of the registered address of the Overseas Shareholder	Number of Shares held
2	Belgium	34,752,414*
3	PRC	13,000
1	Taiwan	4,800
1	The United Kingdom	4,800
1	Malaysia	4,000
1	The Philippines	663

\* To the best knowledge of the Directors and based on the disclosure of interests, VDV held 55,184,708 shares as at the Latest Practicable Date.

The total shareholding of the Overseas Shareholders represents approximately 16.17% of total issued Shares as at the Latest Practicable Date.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. Based on local legal advice as at the Latest Practicable Date, the Board is of the view that (i) local legal restrictions and requirements of the relevant regulatory body or stock exchange do not make it necessary or expedient to exclude Overseas Shareholders with registered addresses in Belgium, the PRC, the United Kingdom, Taiwan and the Philippines from the Rights Issue and the Rights Issue is being offered to Overseas Shareholders in those jurisdictions; and (ii) the relevant local legal restrictions and requirements of the relevant regulatory body or stock exchange make it necessary or expedient to exclude Overseas Shareholders with registered addresses in Malaysia from the Rights Issue and the Rights Issue is not being offered to Overseas Shareholders in Malaysia.

### **Belgium**

Based on the legal advice on the applicable laws in Belgium obtained by the Company, any offers of Shares, nil-paid Rights Shares and fully paid Rights Shares may only be made to the public in Belgium without the obligation to publish a prospectus or information note if such offer falls under an exemption of the Prospectus Regulation, including an offer addressed to fewer than 150 natural or legal persons per relevant EEA member state (other than qualified investors as defined in the Prospectus Regulation) in such relevant member states. As there are two Shareholders in the Belgium, the exemption under the Prospectus Regulation should apply. 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

## LETTER FROM THE BOARD

the existing issued Shares as at the Latest Practicable Date, is an Overseas Shareholder in Belgium. Based on the legal advice received by the Directors as of the Latest Practicable Date, VDV will not be excluded from the Rights Issue and will be a Qualifying Shareholder.

### *The PRC*

Based on the legal advice on the applicable laws in the PRC obtained by the Company, no authorizations, consents or approvals by, or registrations or filings with, any PRC governmental authorities are required for the Company to deliver, circulate and distribute the Prospectus Documents or issue the Rights Shares in accordance with the Prospectus Documents to the PRC Shareholders; and there is no express legal requirements under the PRC Laws as to the content of the Prospectus Documents to be delivered to the PRC Shareholders for the purpose of this Rights Issue.

### *Taiwan*

Based on the legal advice on the applicable laws in Taiwan obtained by Company, there are no legal restrictions or requirements applicable to the Company under Taiwan law for the Company to (a) offer rights issue shares from the Company to its Taiwan-domiciled shareholders; and (b) provide and deliver a prospectus and other listing documents to its Taiwan-domiciled shareholders, and that the Company is not required to file or submit any registration with Taiwan's competent authorities for (a) and (b).

### *The United Kingdom*

Based on the legal advice on the applicable laws in the United Kingdom obtained by the Company, the Rights Issue would constitute an offer of transferrable securities to the public under section 85 of FSMA and a requirement for a prospectus would therefore be triggered. However, Section 86 of FSMA contains exemptions from the requirement to produce a prospectus where shares are offered to the public, including an exemption for an offer made to or directed at fewer than 150 persons, other than qualified investors. As there is only one Shareholder in the United Kingdom, the Company should be able to rely on the exemption set out in Section 86(1) FSMA as set out above.

### *The Philippines*

Based on the legal advice on the applicable laws in Philippines obtained by the Company, the exemption under the SRC applies to the Rights Issue and the offer of Rights Shares thereunder is exempted from registration under Section 10.1(e) of the SRC. As such, the Directors have decided to extend the Rights Issue to the Overseas Shareholder in the Philippines.

## LETTER FROM THE BOARD

### *Malaysia*

Based on the legal advice on the applicable laws in Malaysia obtained by the Company, there is no need to seek approval from the Securities Commission Malaysia (“SC”) as it is exempted under Item 8(c) (iv) of Schedule 5 of the Capital Markets and Services Act 2007 (“CMSA 2007”), and the issuance of any disclosure document are not required to be registered as the proposed Rights Issue is an “excluded offer and issue” under the CMSA 2007. However, in the event the Overseas Shareholders subscribed/received such right issue shares, there is an obligation to deposit the relevant disclosure document to the SC within 7 days upon the issuance of such document. The Board is of the view that, based on the potential cost of satisfying such requirement, it is considered necessary or expedient to exclude the Overseas Shareholder with a registered address in Malaysia from the Rights Issue. Hence, the Rights Issue is not being offered to Overseas Shareholders in Malaysia.

### *Arrangements for Non-Qualifying Shareholders*

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 dealings in nil-paid Rights Shares commence and before dealings 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.

Any NQS Unsold Rights Shares will first be placed by the Placing Agent under the Placing Agreement and the Supplemental 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.

Receipt of the Prospectus Documents or the crediting of nil-paid Rights Shares to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, the Prospectus Documents must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of the Prospectus Documents or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil- paid Rights Shares to any person in, into or from, any such jurisdiction. If a PAL or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL or transfer the nil-paid Rights Shares in CCASS unless the Company determines that such actions would not violate any applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward the Prospectus Documents in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient’s attention to the contents of this section. No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the written consent of the Company.

## LETTER FROM THE BOARD

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.** It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any failure to observe these restrictions may constitute a violation of the securities law of any such jurisdiction. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties above.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so may violate applicable legal or regulatory requirements. Notwithstanding any other provision in this Prospectus Documents, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. 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.

### **Procedures for acceptance of and payment and/or transfer of the Right Shares**

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 8 February 2021. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to **"Top Form International Limited – Rights Issue Account" and crossed "Account Payee Only"**.

## LETTER FROM THE BOARD

It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Monday, 8 February 2021, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Friday, 29 January 2021 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as "splitting" of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" is not fulfilled by the Latest Time for Acceptance, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Friday, 19 February 2021.

### **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.

## LETTER FROM THE BOARD

### **Share certificates for the Rights Issue and refund cheques**

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 Friday, 19 February 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 Friday, 19 February 2021 by ordinary post at the respective applicants' 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, a designated broker is appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Monday, 22 February 2021 to Monday, 15 March 2021 (both dates inclusive). Holders of the Shares in odd lots who wish to take advantage of this facility either to acquire odd lots of the Shares to make up a full board lot or dispose their odd lots of the Shares may, directly or through their brokers, contact Mr. Edward Yeung of Elstone Securities Limited at Suite 1601-04, 16/F, West Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong (telephone number (852) 3725 4300) during such period.

### **Application for listing**

The Company has applied 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.

Dealings in the nil-paid and fully-paid Rights Shares will be in the board lots of 2,000 Rights Shares.

No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

### **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 settlement 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.

## LETTER FROM THE BOARD

### **Stamp duty and other fees and charges payable**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms 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 Latest Practicable Date. 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 Placees 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 Placees 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 Tuesday, 16 February 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.

## LETTER FROM THE BOARD

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 Shares 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 Shares 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 Shares 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 Prospectus.

### THE PLACING AGREEMENT AND THE SUPPLEMENTAL PLACING AGREEMENT

Details of the Placing Agreement and the Supplemental 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, Placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. |



## LETTER FROM THE BOARD

The Placing Agent confirmed that:

- (a) it is an Independent Third Party;
- (b) as at the Latest Practicable Date, 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 and parties acting in concert with any of its members 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 and 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 and parties acting in concert with any of its members within the meanings of the Takeovers Code.

## LETTER FROM THE BOARD

For the avoidance of doubt, pursuant to the Supplemental Placing Agreement, the Company will ensure that it will continue to comply with the public float requirements under Rule 8.08(1) of the Listing Rules after the Placing.

- 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 and the Supplemental 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 and the Supplemental 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

## LETTER FROM THE BOARD

- 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 Prospectus); 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 the Supplemental 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 and the Supplemental 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 and the Supplemental 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 placees as contemplated in the Placing Agreement and the Supplemental Placing Agreement.

The terms of the Placing Agreement and the Supplemental 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 and the Supplemental 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 consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Shareholders.

## LETTER FROM THE BOARD

### THE IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, the Wong Family Group and parties acting in concert with any of its members 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 Latest Practicable Date, 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.

## LETTER FROM THE BOARD

In accordance with Rule 7.19(1)(b), the Underwriters are ultimately beneficially wholly-owned by members of the Wong Family Group, being the substantial Shareholders to the 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 a 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 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 Prospectus Documents 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 Prospectus 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 Prospectus 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;

## LETTER FROM THE BOARD

- 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 Prospectus 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 Prospectus Posting Date;
- g. the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus 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.

## LETTER FROM THE BOARD

### 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.

## LETTER FROM THE BOARD

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:

	Shareholding upon completion of the Rights Issue					
	As at the Latest Practicable Date		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 and parties acting in concert with any of its members						
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 and parties acting in concert with any of its members	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 parties acting in concert with any of its members 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)	12,914,000	6.01	18,079,600	6.01	12,914,000	4.29
Other public shareholders	76,976,286	35.79	107,766,798	35.79	76,976,286	25.57
Total	215,037,625	100.00	301,052,675	100.00	301,052,675	100.00



## LETTER FROM THE BOARD

*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. Mr. Herman Van de Velde has confirmed that he is not a party acting in concert with the Wong Family Group and parties acting in concert with any of its members within the meanings of the Takeovers Code.
4. Mr. Fung Wai Yiu is a non-executive Director and he has confirmed that he is not a party acting in concert with the Wong Family Group and parties acting in concert with any of its members within the meanings of the Takeovers Code.
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 12,914,000 Shares, of which (i) 5,244,200 Shares are beneficially owned by himself and (ii) 7,669,800 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 and parties acting in concert with any of its members within the meanings of the Takeovers Code.

## LETTER FROM THE BOARD

### 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 engaged 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 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.

## LETTER FROM THE BOARD

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 approached its existing commercial banks and other prospective banks since the beginning of 2019 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 longer term financing on commercially viable terms.

In addition, according to the annual report of the Company for the year ended 30 June 2020, the Company recorded bank balances and cash of approximately HK\$122.9 million and bank loans of approximately HK\$97.4 million. Based on the management accounts of the Group as of 30 November 2020, the bank balances amounted to approximately HK\$76.9 million and bank loans due within one year amounted to approximately HK\$89.9 million.

Given (i) the relatively low liquidity capital position of the Group due to the current level of bank loans and the uncertainty of securing the existing short term bank facilities; (ii) the decrease in bank balances and cash by approximately HK\$46.0 million or 37.4% from approximately HK\$122.9 million as at 30 June 2020 to HK\$76.9 million as at 30 November 2020; (iii) the additional working capital required to support the expansion of the seamless joint venture and further manufacturing expansion in South East Asia; and (iv) the weakened global economy and the uncertainties over the outlook pursuant to the Sino-US trade war and COVID-19 pandemic, the Board considers that it is crucial for the Company to maintain a sufficient cash level for facing the upcoming potential challenges in the uncertain economic environment and supporting the long term expansion plans to prepare itself for future business opportunities and 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 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 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 believes that the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

### 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 Latest Practicable Date 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 purchase of additional santoni machines for the seamless manufacturing expansion in Thailand, which would be in the form of capital contribution into Goal Plus Investment Limited, a joint venture company which is owned as to 60% by Top Form Brassiere Mfg. Co., Limited, an indirect wholly-owned subsidiary of the Company. The relevant capital injection is expected to be utilized by the end of 2021;
- (ii) approximately HK\$13.0 million for the increase of investment in an Indonesian company engaging in the manufacturing of ladies' underwear, which is expected to be utilized by the end of 2021;
- (iii) approximately HK\$6.4 million for the construction of the Myanmar factory facilities, which is expected to be utilized by the end of June 2021; and
- (iv) approximately HK\$2.5 million for the general working capital to support the daily operations of the Group.

### 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 Latest Practicable Date.

### 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.

## LETTER FROM THE BOARD

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

As at the Latest Practicable Date, 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 Prospectus, 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 “THE 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 Latest Practicable Date; and
- (g) has entered into any derivative in respect of the relevant securities in the Company which are outstanding.

## LETTER FROM THE BOARD

As at the Latest Practicable Date:

- (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.

### 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 Latest Practicable Date, the Wong Family Group and parties acting in concert with any of its members is interested in an aggregate of 61,162,823 Shares, representing approximately 28.44% of the entire issued Shares.

It is the intention of the Underwriters and the Wong Family Group to continue to carry on the businesses of the Group and to continue the employment of the employees of the Group. The Underwriters and the Wong Family Group has no intention to introduce any major changes to the businesses of the Group, including any redeployment of the fixed assets of the Group.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,  
On behalf of the Board of  
**Top Form International Limited**  
**Wong Chung Chong**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the years ended 30 June 2018, 2019, and 2020 are disclosed in the following documents which have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<https://www.topformbras.com>).

- (i) Annual report of the Company for the year ended 30 June 2020 published on 15 September 2020 (page 45-112)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1014/2020101400403.pdf>

- (ii) Annual report of the Company for the year ended 30 June 2019 published on 27 August 2019 (page 45-110)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0923/ltn20190923167.pdf>

- (iii) Annual report of the Company for the year ended 30 June 2018 published on 24 August 2018 (page 57-122)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0920/ltn20180920377.pdf>

Set out below is a summary of the consolidated financial statements of the Group for the years ended 30 June 2018, 2019, and 2020.

	<b>For the year ended 30 June</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,281,021	1,225,402	1,236,659
Profit/(loss) before taxation	15,082	(59,409)	(79,306)
Profit/(loss) for the year attributable to:			
Owners of the Company	12,869	(61,224)	(77,235)
Non-controlling interest	(522)	(1,567)	(291)
	<u>12,347</u>	<u>(62,791)</u>	<u>(77,526)</u>
Total comprehensive income for the year attributable to:			
Owners of the Company	18,501	(16,733)	(90,165)
Non-controlling interest	(435)	(1,795)	(267)
	<u>18,066</u>	<u>(18,528)</u>	<u>(90,432)</u>
Earnings/(loss) per share			
Basic and diluted	<u>HK\$0.060</u>	<u>HK\$(0.285)</u>	<u>HK\$(0.359)</u>
Total dividends per share	<u>HK\$0.10</u>	–	–

No modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the auditor's report of the Company from KPMG for each of the year ended 30 June 2018, 2019 and 2020.

## **2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 30 November 2020, being the latest practicable date for the purpose of this indebtedness statement, the indebtedness of the Group was as follows:

- (i) unsecured bank borrowings of HK\$89,928,000 which were guaranteed by the Company; and
- (ii) lease liabilities of HK\$28,577,000 which were secured by rental deposits and unguaranteed.

Save as aforesaid and apart from intra-group liabilities and trade payables in the normal course of business, as at the close of business on 30 November 2020, the Group did not have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

## **3. SUFFICIENCY OF WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the present financial resources available to the Group including but not limited to revenue generated by its principal businesses, cash and cash equivalents on hand, the facilities currently available and the net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of the Prospectus Documents in the absence of unforeseeable circumstances.

## **4. MATERIAL CHANGE**

Save for the impact in relation to the disposal of property, where the Group is expected to recognise an unaudited gain of approximately HK\$28,000,000 from the disposal, which is calculated based on the consideration received by the Group from the disposal less the carrying value of the property as at 30 June 2020 before any expenses and tax, details of which was set out in the Company's announcement dated 16 September 2020, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 30 June 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.



## 5. FINANCIAL AND OPERATING PROSPECT

At the Latest Practicable Date, 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.

Looking forward, the Group expects to encounter all sorts of adversities as the global market continues to be affected by unpredictable economic and political risks, including but not limited to the prolonged trade dispute between the United States of America and the PRC and the COVID-19 outbreak that will have a severe negative impact on every business sector of the world and significantly slow down global economic growth.

Despite the uncertainties of the global economic outlook and the existing challenging global environment, the Group is prudently optimistic about the prospects of ladies' intimate apparel industry and believes the market will continue to grow over the long term. The Group will firmly grasp the development opportunities in South East Asia although its enhancements have been inevitably slowed by the delays in deliveries of materials and other logistical constraints caused by the recent COVID-19 pandemic.

<b>APPENDIX II</b>	<b>UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b>
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**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to the Shareholders as if the Rights Issue had been completed on 30 June 2020. As it is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group upon completion of the Rights Issue or any future date after completion of the Rights Issue. The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2020 as derived from the Group's published audited consolidated financial statements for the year ended 30 June 2020 and is adjusted for the effect of the Rights Issue as if the Rights Issue had been completed on 30 June 2020.

Consolidated net tangible assets attributable to the Shareholders as at 30 June 2020 <i>(Note 1)</i> <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the Shareholders as at 30 June 2020 <i>HK\$'000</i>	Consolidated net tangible assets attributable to the Shareholders per Share as at 30 June 2020 <i>(Note 3)</i> <i>HK\$</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the Shareholders per Share as at 30 June 2020 <i>(Note 4)</i> <i>HK\$</i>
Based on 86,015,050 Rights Shares to be issued at the Subscription Price of HK\$0.50 per Rights Share				
425,747	40,466	466,213	1.98	1.55

*Notes:*

1. The amount of consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2020 is based on consolidated net assets the Group of HK\$448,670,000 after deducting non-controlling interests of HK\$22,923,000 as extracted from the published audited consolidated financial statements of the Group for the year ended 30 June 2020.
2. The estimated net proceeds from the Rights Issue are based on the issuance of 86,015,050 Rights Shares at HK\$0.50 each, after deducting the estimated related expenses of HK\$2,542,000 to be incurred by the Group.
3. The consolidated net tangible assets of Group attributable to the Shareholders per Share as at 30 June 2020 is calculated based on the consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2020 of HK\$425,747,000 divided by 215,037,625 Shares which represents Shares in issue as at 30 June 2020.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders per Share as at 30 June 2020 is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2020 and 301,052,675 Shares in issue upon completion of the Rights Issue as at 30 June 2020, which comprises 215,037,625 Shares in issue as at 30 June 2020 before the Rights Issue and 86,015,050 Rights Shares to be issued under the Rights Issue.
5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2020.

**(B) REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this Prospectus.*



**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

**TO THE DIRECTORS OF TOP FORM INTERNATIONAL LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Top Form International Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 June 2020 and related notes as set out in Part A of Appendix II to the Prospectus dated 25 January 2021 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed issue of 86,015,050 rights shares at HK\$0.50 each on the basis of two shares for every five existing shares (the “**Rights Issue**”) on the Group's financial position as at 30 June 2020 as if the Rights Issue had taken place at 30 June 2020. As part of this process, information about the Group's financial position as at 30 June 2020 has been extracted by the Directors from the consolidated financial statements of the Company for the year then ended, on which an audit report has been published.

*Directors' Responsibilities for the Pro Forma Financial Information*

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

*Our Independence and Quality Control*

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Reporting Accountants’ Responsibilities*

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circulars is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 30 June 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group, and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**KPMG**

*Certified Public Accountants*

Hong Kong

25 January 2021

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately after the completion of the proposed Rights Issue (assuming no other issue or repurchase of Shares from the Latest Practicable Date to completion of the Rights Issue) will be as follows:

- i. The authorized and issued share capital of the Company were as follows:

<i>Authorised share capital:</i>		<i>HK\$</i>
<u>600,000,000</u>	Ordinary Shares of HK\$0.50 each	<u>300,000,000</u>

<i>Issued and fully paid share capital:</i>		
<u>215,037,625</u>	Ordinary Shares of HK\$0.50 each	<u>107,518,812</u>

- ii. The following table illustrates the share capital structure of the Company immediately after the completion of the proposed Rights Issue (assuming no other issue or repurchase of Shares from the Latest Practicable Date to completion of the Rights Issue) will be as follows:

<i>Authorised share capital:</i>		<i>HK\$</i>
<u>600,000,000</u>	Ordinary Shares of HK\$0.50 each	<u>300,000,000</u>

<i>Issued and fully paid share capital:</i>		
<u>215,037,625</u>	Ordinary Shares of HK\$0.50 each	<u>107,518,812</u>
<u>86,015,050</u>	Rights Shares to be allotted and issued upon completion of the Rights Issue	<u>43,007,525</u>
<u>301,052,675</u>	Ordinary Shares of HK\$0.50 each	<u>150,526,337</u>

All the Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the then existing Shares in issue in all respects including rights to dividends, voting and return of capital.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company had not issued any Shares since 30 June 2020, being the end of the last financial year of the Company, and up to the Latest Practicable Date.

As at the Latest Practicable Date, there were 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. Save for these outstanding share options, 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.

The Company has applied to the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

#### (a) **Interests and short positions of Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares and underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the SFO and the Takeovers Code); or which were required in the register required to be kept by the Company pursuant to Section 352 of the SFO; or which were otherwise required to be notified to the Company and The Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the “**Model Code**”), are set out below:

*Long positions in the Shares and underlying Shares*

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of issued ordinary shares held</b>	<b>Number of share options held (Note 1)</b>	<b>Total interests by number of Shares</b>	<b>Percentage of the issued share capital of the Company (Note 7)</b>
Mr. Wong	Beneficial owner and interests held by spouse, a controlled corporation and persons acting in concert (Note 2)	147,577,873	–	147,577,873	68.63%
Mr. Kevin Wong	Interests held by a controlled corporation and persons acting in concert (Note 3)	147,377,873	–	147,577,873	68.63%
	Beneficial owner	–	200,000		
Mr. Kenneth Wong	Persons acting in concert (Note 4)	147,377,873	–	147,577,873	68.63%
	Beneficial owner	–	200,000		
Mr. Herman Van de Velde	Interests held by a controlled corporation (Note 5)	55,184,708	–	55,184,708	25.66%
Mr. Fung Wai Yiu	Beneficial owner and interests held by spouse (Note 6)	8,705,704	–	8,705,704	4.05%
Mr. Leung Ying Wah, Lambert	Beneficial owner	80,000	–	80,000	0.04%
Ms. Leung Churk Yin, Jeanny	Beneficial owner	14,104	–	14,104	0.01%



*Notes:*

1. As at the Latest Practicable Date, 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. For further details of the share options granted to the Directors, please refer to annual report of the Company for the year ended 30 June 2020.
2. 4,624,504 Shares were beneficially owned by Mr. Wong whereas 220,000 Shares were held by the spouse of Mr. Wong and 52,318,319 Shares were registered in the name of High Union, the shares of which were held by Mr. Wong. 4,000,000 Shares were registered in the name of Triple Gains, 41.36% equity interest of which was held by Mr. Kevin Wong, and deemed to be interested by Mr. Wong who was a party to certain agreements to which sections 317(1)(a) and/or (b) of the SFO (Cap. 571) apply. Pursuant to the Rights Issue and the Irrevocable Undertakings, (i) 1,849,802 Rights Shares; (ii) 88,000 Rights Shares; and (iii) 20,927,328 Rights Share, respectively will be offered and subscribed by each of Mr. Wong, Mrs. Wong, and High Union under their respective entitlements. Pursuant to the Underwriting Agreement, High Union and Triple Gains shall underwrite a maximum of 21,549,920 Rights Shares and 40,000,000 Rights Shares, respectively.
3. 4,000,000 Shares were held by Triple Gains, 41.36% equity interest of which was held by Mr. Kevin Wong, and 101,777,873 Shares were deemed to be interested by Mr. Kevin Wong who was a party to certain agreements to which sections 317(1)(a) and/or (b) of the SFO (Cap. 571) apply. Pursuant to the Rights Issue, 1,600,000 Rights Shares will be offered and subscribed by Triple Gains under its entitlement. Pursuant to the Underwriting Agreement, Triple Gains shall underwrite 40,000,000 Rights Shares.
4. 147,377,873 Shares were deemed to be interested by Mr. Kenneth Wong who was a party to certain agreements to which sections 317(1)(a) and/or (b) of the SFO (Cap. 571) apply.
5. 55,184,708 Shares were held by VDV. Mr. Herman Van de Velde held an indirect equity interest in Van de Velde Holding N.V. which in turn directly held 56.26% of the equity interest of VDV.
6. 4,618,504 Shares were beneficially owned by Mr. Fung Wai Yiu whereas 4,087,200 Shares were held by the spouse of Mr. Fung Wai Yiu.
7. shareholding percentage is calculated based on 215,037,625 Shares issued as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and/or chief executives of the Company nor their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders' and other persons' interests and/or short position in the Shares and underlying Shares**

As at the Latest Practicable Date and so far as is known to the Directors, the following substantial Shareholders (other than Directors and chief executives of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were recorded in the register required to be kept by the Company under section 336 of the SFO and the Takeovers Code:

*Long positions in the Shares and underlying Shares*

<b>Name</b>	<b>Capacity</b>	<b>Total interests (by number of Shares)</b>	<b>Percentage of the issued share capital of the Company (Note 4)</b>
High Union	Beneficial owner, persons acting in concert and underwriter (Note 1)	147,577,873	68.63%
Triple Gains	Beneficial owner, persons acting in concert and underwriter (Note 2)	147,577,873	68.63%
VDV	Beneficial owner	55,184,708	25.66%
Mr. David Michael Webb	Beneficial owner and interests held by a controlled corporation (Note 3)	12,914,000	6.01%

*Notes:*

- 73,245,647 Shares were beneficially owned by High Union whereas 52,782,306 Shares were deemed to be interested by High Union which was a party to certain agreements to which sections 317(1)(a) and/or (b) of the SFO (Cap. 571) apply. High Union agreed to underwrite a maximum of 21,549,920 Rights Shares pursuant to the Underwriting Agreement.
- 5,600,000 Shares were beneficially owned by Triple Gains whereas 101,977,873 Shares were deemed to be interested by Triple Gains which was a party to certain agreements to which sections 317(1)(a) and/or (b) of the SFO (Cap. 571) apply. Triple Gains agreed to underwrite a maximum of 40,000,000 Rights Shares a maximum of pursuant to the Underwriting Agreement.
- 5,244,200 Shares were beneficially owned by Mr. David Michael Webb and 7,669,800 shares were held by Preferable Situation Assets Limited, the shares of which were held by Mr. David Michael Webb.
- shareholding percentage is calculated based on 215,037,625 Shares issued as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had an interest or short position in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who, as of the Latest Practicable Date, was directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

#### **4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS**

The Group has been for the past 38 years conducting transactions with VDV by supplying ladies' intimate apparel to VDV. VDV is a connected person of the Company by virtue of it being a substantial shareholder of the Company holding approximately 25.66% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Lucas A.M. Laureys is the non-executive Director of VDV. Mr. Herman Van de Velde is the chairman of the board of VDV and the non-executive director of VDV. A master agreement dated 18 September 2005 (the "**Master Agreement**") had been entered into between VDV and the Company. The Master Agreement had been renewed by entering into (i) the first renewal agreement dated 12 June 2008 for a terms of three years ended 30 June 2011; (ii) the second renewal agreement dated 1 April 2011 for a terms of three years ended 30 June 2014; (iii) the third renewal agreement dated 9 April 2014 for a terms of three years ended 30 June 2017; (iv) the fourth renewal agreement dated 10 April 2017 for a terms of three years ended 30 June 2020; and (v) the fifth renewal agreement dated 7 April 2020 for a terms of three years ending 30 June 2023.

Save as disclosed above, as at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 30 June 2020 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

#### **5. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

Mr. Lucas A.M. Laureys is the non-executive director of VDV where principal business activity is the manufacture and marketing of luxury lingerie. Mr. Herman Van de Velde, the chairman of the board of VDV and non-executive director of VDV, has an indirect interest in Van de Velde Holding N.V. which held a direct interest of 56.26% in VDV. The Board considers the business of VDV may indirectly compete with the business of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

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

As at the Latest Practicable Date, neither the Wong Family Group nor any parties acting in concert with any of its members:

- i. save for the Shares as set out in “EFFECT OF RIGHTS ISSUE ON SHAREHOLDING OF THE COMPANY” in this Prospectus, 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;
- ii. has received any irrevocable commitment to vote for or against the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver;
- iii. has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- iv. save for the Underwriting Agreement and the Irrevocable Undertakings as described under the sections titled “THE UNDERWRITING AGREEMENT” and “THE 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;
- v. 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;
- vi. has dealt in any relevant securities of the Company in the six-month period preceding the Latest Practicable Date; and
- vii. has entered into any derivative in respect of the relevant securities in the Company which are outstanding.

As at the Latest Practicable Date,

- (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;
- (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; and
- (d) there is no agreement, arrangement or understanding between the Underwriters (and any parties acting in concert with them) and any other person whereby the Shares to be acquired under the Rights Issue will be transferred, charged or pledged to any other persons.

## 7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which:

- i. (including both continuous and fixed terms contracts) had been entered into or amended within six months before the date of the Announcement;
- ii. was a continuous contract with a notice period of 12 months or more;
- iii. was a fixed term contract with more than 12 months to run irrespective of the notice period; or
- iv. does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

## 8. LITIGATION

As at the Latest Practicable Date, no member of the Group was involved in any litigation or claims of material importance and no litigation or claims of material importance were known to the Directors to be pending or threatened against any member of the Group.

## 9. EXPERT AND CONSENT

The following sets out the qualifications of the expert who have given opinions, letters or advices included in this Prospectus:

<b>Name</b>	<b>Qualifications</b>
KPMG	Certified Public Accountants

KPMG has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, advice or report, as the case may be, and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, KPMG did not have any shareholding, directly or indirectly, in any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, KPMG did not have any direct or indirect interest in any assets which had been, since 30 June 2020 (the date to which the latest published audited financial statements of the Group were made up), acquired, or disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

## 10. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group from 5 November 2018 (being the date falling two years immediately preceding 4 November 2020 (being the date of the Announcement)) up to and including the Latest Practicable Date:

- (i) the Placing Agreement;
- (ii) the Supplemental Placing Agreement;
- (iii) the Underwriting Agreement;
- (iv) the preliminary sale and purchase agreement dated 16 September 2020 and the formal sale and purchase agreement dated 7 October 2020 entered into between Top Form Brassiere Mfg. Co., Limited (黛麗斯胸圍製造廠有限公司) (formerly known as Top Form Brassiere Manufacturing Company Limited) (an indirect wholly-owned subsidiary of the Company) and Win Smart International Limited (永卓國際有限公司) (an Independent Third Party) in relation to the sale and purchase of a property used as warehouse and office premises at a consideration of HK\$28,000,000; and
- (v) the joint venture agreement entered into between Top Form Brassiere Mfg. Co., Limited (黛麗斯胸圍製造廠有限公司) (formerly known as Top Form Brassiere Manufacturing Company Limited) (an indirect wholly-owned subsidiary of the Company), Hong Kong Tak Fung Holdings Limited (香港德豐控股有限公司) (a joint venture partner and an Independent Third Party) and Goal Plus Investment Limited (承匯投資有限公司) (the joint venture company) on 20 August 2019 in relation to the formation and management of Goal Plus Investment Limited.

## 11. EXPENSES

The expenses in connection with the Rights Issue and the Whitewash Waiver, including but not limited to the financial advisory fees, placing fee, legal, printing, registration, accounting and documentation charges, property valuation, etc. are estimated to be approximately HK\$2.5 million and are payable by the Company.

## 12. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office	Clarendon House 2 Church Street, Hamilton HM 11 Bermuda
Head office and principal place of business in Hong Kong	7/F, Port 33 33 Tseuk Luk Street San Po Kong, Kowloon Hong Kong
Hong Kong branch share registrar and transfer office	Tricor Secretaries Limited Level 54 Hopewell Centre 183 Queen's Road East Hong Kong
Company secretary	Mr. Pun Chi Wa
Authorised representatives	Mr. Wong Chung Chong Mr. Wong Kai Chung, Kevin
Principal bankers	Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong  Hang Seng Bank Limited 83 Des Voeux Road Central, Hong Kong
Auditor and reporting accountants	KPMG 8th Floor Prince's Building 10 Chater Road, Central Hong Kong
Financial adviser to the Company	Elstone Capital Limited Suite 1612, 16/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Legal adviser to the Company as to Hong Kong laws	Deacons 5th Floor Alexandra House 18 Chater Road Central, Hong Kong

Placing Agent	Elstone Securities Limited Suite 1601-04, 16/F West Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong
The Underwriters	High Union Holdings Inc. Sea Meadow House Blackburne Highway (P.O. Box 116) Road Town, Tortola British Virgin Islands  Triple Gains Ventures Limited Vistra Corporate Services Centre Wickhams Cay II Road Town, Tortola, VG1110 British Virgin Islands
Directors of the Underwriters	High Union Holdings Inc. Mr. Wong Chung Chong Ms. Chan He Lin Mr. Wong Kai Chi, Kenneth Mr. Wong Kai Chung, Kevin Mr. Wong Kai Chun, Keith  Triple Gains Ventures Limited Mr. Wong Kai Chi, Kenneth Mr. Wong Kai Chung, Kevin Mr. Wong Kai Chun, Keith
Ultimate controlling shareholder(s) of the Underwriters	High Union Holdings Inc. Mr. Wong Chung Chong  Triple Gains Ventures Limited Mr. Wong Kai Chi, Kenneth Mr. Wong Kai Chung, Kevin Mr. Wong Kai Chun, Keith



## 13. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Address
<b>Executive Directors</b>	
Mr. Wong Chung Chong	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Mr. Wong Kai Chung, Kevin	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Mr. Wong Kai Chi, Kenneth	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
<b>Non-executive Directors</b>	
Mr. Fung Wai Yiu	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Mr. Lucas A.M. Laureys	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Mr. Herman Van de Velde	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
<b>Independent non-executive Directors</b>	
Ms. Leung Churk Yin, Jeanny	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Mr. Leung Ying Wah, Lambert	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Mr. Lin Sun Mo, Willy, GBS, MBE, JP, FCILT	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
<b>Senior management</b>	
Mr. Thomas Hirschmugl	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Ms. Anna Maria Swierkosz	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong

Name	Address
Mr. Pun Chi Wa	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Ms. Tse Ting Ting	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong
Mr. Eduardo Portabella	7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong

#### Executive directors

**Mr. Wong Chung Chong**, aged 75, has been the Chairman and an executive Director since 31 October 2014 and 19 November 1991 respectively. He is also the authorized representative and was a member of the Nomination Committee of the Company until 31 October 2018. Mr. Wong is the co-founder of the Group and has taken over the role as Chairman of the Company since 31 October 2014. He is responsible for managing the Board issue and supervising the management team in adherence to the long term strategic development of the Group. He attains extensive experience and is very knowledgeable in the brassiere manufacturing industry. He has over 54 years of experience in the brassiere trade. He is also a director of a number of subsidiaries of the Company. Mr. Wong is the father of Mr. Wong Kai Chi, Kenneth and Mr. Wong Kai Chung, Kevin, both are executive Directors of the Company.

**Mr. Wong Kai Chung, Kevin**, aged 45, has been an executive Director since 1 March 2011, and was the Vice Chairman of the Company from 22 May 2015 to 23 August 2018. He was appointed as the Group's Chief Executive Officer on 24 August 2018. He is the authorized representative of the Company. Mr. Kevin Wong is an alternate Nomination Committee member to Mr. Kenneth Wong since 19 February 2016. Mr. Kevin Wong joined the Group in 2001 and is a director of Top Form Brassiere Mfg. Co., Limited and various subsidiaries of the Company. He has over 21 years of experience in business development, manufacturing operations, supply chain and finance. Mr. Kevin Wong graduated from Colby College, the United States of America majoring in Economics and International Studies in 1998. He was awarded a Master of Business Administration degree issued jointly by the Kellogg School of Management at Northwestern University and the Hong Kong University of Science and Technology in 2016. He is the holder of the Chartered Financial Analyst designation. Mr. Kevin Wong is the son of Mr. Wong Chung Chong and the younger brother of Mr. Kenneth Wong.

**Mr. Wong Kai Chi, Kenneth**, aged 46, has been an Executive Director and the Managing Director of the Company since 1 March 2011 and 22 May 2015 respectively. Mr. Kenneth Wong has been appointed as a member of the Nomination Committee of the Company since 19 February 2016. He joined the Group in 1997 and is a director of Top Form Brassiere Mfg. Co., Limited, a principal wholly owned subsidiary of the Company and various subsidiaries of the Company. Mr. Kenneth Wong is responsible for the Group's business development and marketing functions.

He is currently the Honorary Chairman of Hong Kong Intimate Apparel Industries' Association since 1 December 2016. He is also a panel member of the Textile and Clothing Research Projects Assessment under Innovation and Technology Fund since 1 January 2017 and the Vice Chairman of Multi-Textiles and Fashion Accessories Council for Federation of Hong Kong Industries since 2017. He holds a Bachelor degree in Marketing and Operations Management from School of Management, Boston University in the United States of America and a Master degree in International Business from Asian Institute of Technology in Thailand. He has been awarded the Young Industrialist Awards of Hong Kong 2015 by the Federation of Hong Kong Industries. Mr. Kenneth Wong is the son of Mr. Wong Chung Chong and the elder brother of Mr. Wong Kai Chung, Kevin.

#### **Non-executive Directors**

**Mr. Fung Wai Yiu**, aged 73, is a non-executive Director and was a member of the Nomination Committee of the Company until 31 October 2019. Since 1998 and prior to his re-designation as a non-executive Director of the Company on 31 October 2014, Mr. Fung served as the Chairman and an Executive Director of the Company and was responsible for the Group's business strategy and development. Mr. Fung was a director of Hongkong Sales (International) Limited, a knitwear apparel manufacturing company until his retirement on 31 October 2019. He has over 50 years of experience in the apparel industry.

**Mr. Lucas A.M. Laureys**, aged 75, has been a non-executive Director of the Company since September 2002. He has been re-designated as a non-executive director of Van de Velde N. V. since 1 January 2016, the shares of which are listed on the NYSE Euronext Brussels stock exchange. Mr. Laureys has over 48 years of experience in the brassiere trade and specialises in marketing. Mr. Laureys holds a degree in Economics from the University of Ghent, a Master Degree in Marketing from the University of Leuven and a Master Degree in Business Administration from the University of Ghent Vlerick Business School. He was formerly a board member of Delta Lloyd Bank N. V. and the Chairman of the Board of Omega Pharma (a company previously listed on Euronext).

**Mr. Herman Van de Velde**, aged 66, has been a non-executive Director of the Company since September 2002. He also serves as a member of the Compensation Committee and the Nomination Committee of the Company. He has been appointed as the Chairman of the board of Van de Velde N. V. since 1 January 2016 and remains a non-executive director of Van de Velde N. V., the shares of which are listed on the NYSE Euronext Brussels stock exchange. He is also an independent director of Alsico, a Belgian garment company and Brabantia, a Dutch family owned company. He also holds several mandates in non-profit organisations. Mr. Van de Velde joined the brassiere industry in 1981 and is well versed in operating the brassiere business in Europe.

**Independent non-executive Directors**

**Ms. Leung Churk Yin, Jeanny**, aged 56, has been an independent non-executive Director of the Company since September 2008. Prior to this, she had been an Executive Director of the Company since February 1998 and re-designated as a non-executive Director in April 1999. She also serves as a member of the Audit Committee, the Compensation Committee and the Nomination Committee of the Company. Ms. Leung is a seasoned investment banker with 30 years of corporate finance experience in Hong Kong, Mainland China and Taiwan. Ms. Leung is currently an executive director of Altus Holdings Limited (stock code: 8149), a company listed on GEM of the Stock Exchange.

**Mr. Leung Ying Wah, Lambert**, aged 74, has been an independent non-executive Director of the Company since May 2006. He is the chairman of the Audit Committee and the Nomination Committee, and a member of the Compensation Committee. Mr. Leung was the Chief Executive Officer of a leading construction materials company. He is a fellow member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Leung was the Past Chairman of the Hong Kong Cement Traders and Producers Association and the Past Chairman of the Hong Kong Construction Materials Association.

**Mr. Lin Sun Mo, Willy**, GBS, MBE, JP, FCILT, aged 61, has been an independent non-executive Director of the Company since May 2006. Mr. Lin also serves as the chairman of the Compensation Committee of the Company and a member of both Audit Committee and Nomination Committee of the Company. He holds a Bachelor of Science degree from Babson College in the United States of America and is the Managing Director of Milo's Knitwear (International) Limited. Mr. Lin is concurrently the Chairman of The Hong Kong Shippers' Council and Hong Kong Productivity Council, Honorary Chairman of Textile Council of Hong Kong, a member of the HKSAR's Logistics Development Council, Maritime and Port Board, Trade and Industry Advisory Board, an Ex-officio member of Committee on Innovation, Technology and Re-industrialisation, a Committee Member of the Chinese People's Political Consultative Committee of Jieyang, Guangdong, Honorary Trade Advisor of Ministry of Commerce of Thailand and Honorary Consul of the Slovak Republic in Hong Kong and Macao.

**Senior management**

**Mr. Thomas Hirschmugl**, aged 52, was appointed Chief Manufacturing Officer of the Group in November 2018. He is responsible for the Group's supply chain, manufacturing systems and engineering capabilities. He has over 30 years of experience in industrial engineering and manufacturing. He held senior positions in various large scale multi-site manufacturing companies in China, Asia-Pacific and Europe. He holds a Bachelor's degree in Business Administration.

**Ms. Anna Maria Swierkosz**, aged 54, joined the Group in January 2019 as the Chief Product Officer of the Group. She leads the development of product strategy and manages product design, innovation and creation capabilities to support business strategy of the Group. She possesses more than 30 years of experience in intimate design and product development. She holds a degree of Associate in Applied Science.

**Mr. Pun Chi Wa**, aged 48, was appointed Chief Financial Officer of the Group and the Company Secretary of the Company in June 2018. He is responsible for managing the Company's finances and assisting on all of the Group's strategic developments and tactical matters in the formulation of future Group direction. He has over 26 years of financial and operational management experience and held senior positions in various companies before joining the Group. Mr. Pun holds a Bachelor's degree in Business Administration and is a member of the Hong Kong Institute of Certified Public Accountants.

**Ms. Tse Ting Ting**, aged 53, is the Chief People Officer of the Group. She oversees all aspects of human resources management for the Group and assists in developing the Group's strategy in relation to human capital. She joined the Group in September 2018 and has over 30 years of experience in human resources roles with more than 10 years in regional management roles at multinational corporations and business with large workforce. She holds a Master's degree in Business Administration.

**Mr. Eduardo Portabella**, aged 48, is the Group Technical Director and the Executive Director of Grand Gain Industrial Limited ("**Grand Gain**"), a subsidiary of the Company. He joined the Group in June 2016 and was appointed Group Technical Director in April 2020. He is responsible for leading the Group's technical and industrial design, and business development and product innovation for Grand Gain, the polyurethane foam cup subsidiary of the Group. Mr. Portabella has extensive experience in business development, manufacturing and supply chain operations, project management, and engineering. He holds an Executive Master of Business Administration degree. He also holds a Doctoral degree in Electrical Engineering, a Master's degree and a Bachelor's degree in Telecommunications Engineering.

#### **14. BINDING EFFECT**

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

#### **15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "9. EXPERT AND CONSENT" in this Appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

**16. GENERAL**

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) The English text of this Prospectus shall prevail over the Chinese text in case of inconsistency.

**17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the head office and principal place of business of the Company in 7/F, Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong during normal business hours (except Saturdays and public holidays) from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:00 p.m. for the period of 14 days from the date of this Prospectus:

- (i) the memorandum of association and the bye-laws of the Company and the Underwriters;
- (ii) the annual reports of the Company for each of the years ended 30 June 2018, 2019 and 2020;
- (iii) the report from KPMG on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (iv) the written consent referred to in the paragraph headed “EXPERT AND CONSENT” in this appendix;
- (v) the material contracts referred to in the paragraph headed “MATERIAL CONTRACTS” in this appendix;
- (vi) the Irrevocable Undertakings;
- (vii) the Placing Agreement;
- (viii) the Supplemental Placing Agreement;
- (ix) the Underwriting Agreement;
- (x) the Announcement;
- (xi) the Circular; and
- (xii) the Prospectus Documents.