



TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

OPERATIONAL UPDATE FOR 1ST QUARTER OF FISCAL 2009

In continuation of the efforts to enhance the transparency of Top Form International Limited (the “Company”) and its subsidiaries (together the “Group”), the board of directors (the “Board”) of the Company announces the following operational data for the first quarter of fiscal 2009.

Fiscal 2008

In the Company’s fiscal 2008 Annual Report the Board noted the bleak outlook on the backdrop of the global economic downturn affecting the Group’s markets which, together with the rising costs and deteriorating operating environment in Asia, have resulted in profit erosion for manufacturing companies.

Whilst the Group does not see any positive developments that would support an optimistic forecast, ongoing strategic moves would stabilize the position and improve long term performance, and hopefully counter the challenges to be faced in the foreseeable future brought on by the global financial crisis that has now directly affected the Group’s customers and business.

These strategic moves included reshuffling manufacturing facilities to low cost areas while continuing to trim high cost production, and to review the strategic direction of the Group’s brand business with an objective of safeguarding resources that are much needed in the current economic climate.

Manufacturing

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

SHIPPING TREND					
Period	FISCAL 2008				FISCAL 2009
	1Q	2Q	3Q	4Q	1Q
Units (Million)	12.2	12.9	11.2	13.1	12.3

In the first quarter of the current fiscal year the Group shipped 12.3 million units of brassieres, compared to 13.1 million units in the fourth quarter of fiscal 2008.

The trend of repositioning the Group's production facilities to the regions in China and Thailand continues.

UNIT PRODUCTION OUTPUT BY REGIONS			
	1Q Fiscal 2007	1Q Fiscal 2008	1Q Fiscal 2009
	%	%	%
CHINA	59	62	59
THAILAND	34	31	34
PHILIPPINES	7	7	7

Sales

The Group's reliance on the US market continues to lessen with the targeting of higher value business particularly in the EU market where demand is comparatively less price – sensitive.

SALES ANALYSIS BY VALUE			
	Fiscal 2007	Fiscal 2008	1Q Fiscal 2009
	%	%	%
US	75	68	67
EU	16	23	25
Others	9	9	8

Brands Operation

As at 30 September 2008, the Group maintained 24 counters in department stores in Shenzhen and 1 counter in a department store in Chengdu. The Board continues to monitor closely the strategic development of this business.

Share Acquisition Agreement

On 24 November 2008, it was announced that a subsidiary within the Group would not be proceeding with the acquisition contemplated in a Share Acquisition Agreement dated 26 July 2008 and announced on 30 July 2008. On 24 November 2008, the Vendors (as defined in the Share Acquisition Agreement), the Company and the subsidiary entered into an agreement to terminate the Share Acquisition Agreement with effect from the same date.

It is the intention of the Group to continue to work with the Vendors to explore areas of commercial collaboration for mutual benefit, including the possibility of the Group being a potential investor in the future.

Financial Position

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

Capital expenditure for the three months ended 30 September 2008 amounted to HK\$3.2 million compared with HK\$7 million in the corresponding period last year.

Outlook

The operating environment in the region seems to be stabilizing as a result of governmental initiatives in China aiming to help its industries in the global economic crisis and the easing of currency appreciation of PRC Rmb and Thai Baht against the US Dollar.

The greatest challenge confronting the Group is external. The financial turmoil, which is having a severe knock-on effect on the Group's markets, is not only unlikely to abate in the coming year, but is expected to worsen in the next twelve months. The effects are seen in the most recent forecasts of the Group's customers, who have either delayed their current purchases for the next months or cut back future production needs for the second half of 2009.

The Group will continue to trim its output in the most expensive locations in China and Thailand, replacing the lost capacity by expanding in low cost areas in those countries. A new satellite plant outside of Guangdong Province is scheduled to become operational before the end of the calendar year.

The Board wishes to remind investors that the above operational data for the first quarter of fiscal 2009 is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

In the meantime, shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

On behalf of the Board
Top Form International Limited
Fung Wai Yiu
Chairman

Hong Kong, 8 December 2008

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

** For identification purpose only*