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## High Fashion International Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 608)**

### CLARIFICATION ANNOUNCEMENT REGARDING 2019 ANNUAL RESULTS ANNOUNCEMENT

Reference is made to the audited final results (the “Audited Results”) announcement (the “Announcement”) for the year ended 31 December 2019 of the Group dated 17 April 2020, there are certain adjustments made as compared with the unaudited final results (the “Unaudited Results”) for the year ended 31 December 2019 published by the Group on 30 March 2020. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement. The Board would like to clarify the amendments as below:

	<b>Audited Results announced on 17 April 2020 HK\$'000</b>	<b>Unaudited Results announced on 30 March 2020 HK\$'000</b>	<b>Amended HK\$'000</b>	<b>Notes</b>
Revenue	2,913,710	2,913,710	-	
Gross profit	579,116	602,890	(23,774)	1
Other income and expenses	(533,088)	(530,659)	(2,429)	2
<b>PROFIT BEFORE TAXATION</b>	<b>46,028</b>	<b>72,231</b>	<b>(26,203)</b>	
Income Tax Credit/(Expense)	19,242	(21,066)	40,308	3
<b>PROFIT FOR THE YEAR</b>	<b>65,270</b>	<b>51,165</b>	<b>14,105</b>	

Notes:

1. During the audit process subsequent to 30 March 2020, certain costs are identified and required to be provided for in the Audited Consolidated Statement of Profit or Loss and Other Comprehensive Income including an impairment loss for aged and obsolete stock of HK\$15 million made under costs of sales.

Certain credits of approximately HK\$9 million booked under cost of sales in the Unaudited Results are reclassified to other income in the Audited Results.

2. Other than the reclassification as mentioned in note 1 above, during the audit process subsequent to 30 March 2020, there is also a downward adjustment on an investment property of HK\$8.9 million as well as further impairment loss for account receivables of about HK\$3 million made in compliance with Hong Kong Financial Reporting Standards 9.
3. A tax credit is recognized amounting to HK\$37.2 million relating to the reversal of tax provision made in prior years as a result of settlement of a Hong Kong tax case and corresponding tax refunded from the Hong Kong Inland Revenue Department. Detail of which is disclosed in note 6 (ii) of the Announcement. The aforesaid tax credit is included in reserves of the Unaudited Consolidated Statement of Financial Position at 30 March 2020. In subsequent audit process, it is confirmed that the amount should be reflected in the 2019 Consolidated Statement of Profit or Loss in accordance with Hong Kong International Financial Reporting Interpretations Committee Interpretation 23.

Other minor adjustments related to the tax impact on the respective adjustments mentioned in notes 1 and 2 above.

Adjustments on Audited Consolidated Statement of Financial Position are made correspondingly to the above-mentioned adjustments on the Audited Consolidated Statement of Profit or Loss in the Announcement.

The Board considers that the net impact of the above adjustments to the consolidated statement of profit or loss is positive to the annual results achieved in the financial year ended 31 December 2019.

By Order of the Board  
**High Fashion International Limited**  
**Lam Gee Yu, Will**  
*Executive Director & Managing Director*

Hong Kong, 6 May 2020

As at the date of this announcement, the Board comprises of (1) Executive Directors: Mr. Lam Foo Wah, Ms. So Siu Hang, Patricia, Mr. Lam Gee Yu, Will and Mr. Lam Din Yu, Well; (2) Non-executive Directors: Professor Yeung Kwok Wing and Mr. Hung Ka Hai, Clement; and (3) Independent Non-executive Directors: Mr. Wong Shiu Hoi, Peter, Mr. Leung Hok Lim and Mr. Chung Kwok Pan.