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TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

OPERATIONAL UPDATE FOR 3rd QUARTER OF FISCAL 2021

In continuation of the efforts to enhance the transparency of Top Form International Limited (the “**Company**”) and its subsidiaries (collectively “**Top Form**” or the “**Group**”), the board (the “**Board**”) of directors (the “**Directors**”) of the Company announces the following operational update for the third quarter of fiscal 2021.

SALES

During the quarter, the Group has achieved sales of HK\$412 million, which was 20% higher compared with the corresponding period in the prior year. This was mainly due to the recovery of our major market in the U.S. and Europe and also the robust demand of seamless products.

For the nine months ended 31 March 2021, the Group has achieved sales of HK\$1,051 million, which was 6% higher compared with the corresponding period in the prior year. This was driven by higher sales to the U.S. customers which offset the drop in sales to European customers. During the quarter 77% of sales were to the U.S. market, 15% to the E.U., and 8% to the rest of the world.

MANUFACTURING

Production from the overseas manufacturing facilities in Southeast Asia accounted for 68% of the global output with China accounted for the remaining 32% during the quarter. As the COVID situation remained challenging in Southeast Asia, the Group has increased the capacity in China during the quarter to cope with the robust customer demand. In the long run, with the geopolitical tension and the increased labour cost in China, the Group will continue to shift capacity from China to other competitive Southeast Asian countries.

* *for identification purpose only*

During the quarter, with the significant turmoil in Myanmar, we are able to continue regular operation and service our customer. Given the political turmoil and uncertainty in the foreseeable future, the Group has suspended further capacity expansion plan in Myanmar. We will continue to monitor the situation and take further actions as necessary.

During the quarter, gross profit margin was higher as compared with the same period last year due to higher sales and also improved customer and product mix.

FINANCIAL POSITION

During the quarter, the Group maintains a capital structure with a gearing ratio of 22%.

OUTLOOK

As many western countries have started to recover from the worst of the pandemic through mass scale of vaccination, the situation in South and Southeast Asia remains very challenging with severe spike in infection rates and intermittent lock downs. All of our operations in Southeast Asia have already experienced various level of disruptions due to controls and restrictive measures that have been imposed by respective government to curb the spread of the virus. We expect this difficult trend to continue and have prepared our operations the best we can.

In the immediate term, the Group will remain focused on the safety and wellbeing of our people while continuing to drive the efficiency of our operation and further develop our capacity in lower cost countries to meet the increasing customer demand.

The Board wishes to remind investors that the above operational update for the third quarter of fiscal 2021 is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such information.

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

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

Hong Kong, 9 June 2021

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