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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 1st QUARTER OF FISCAL 2022

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 first quarter of fiscal 2022.

SALES

During the quarter, the Group has achieved sales of HK\$366 million, which was 17% higher compared with corresponding period in the prior year. This was mainly driven by the strong sales of seamless products and also recovery of sales to European customers. 60% of sales were to the U.S. market, 20% to the E.U. and 20% to the rest of the world.

MANUFACTURING

Production from the overseas manufacturing facilities in Southeast Asia accounted for 56% of the global output with China accounted for the remaining 44% during the quarter. In the last few months, our overseas factories experienced different level of disruption due to the rampant Delta variant in Southeast Asia countries including sporadic closure of production lines, increased absenteeism due to community lockdown, etc. In order to cope with the capacity shortfall in overseas factories the Group has swiftly shifted the orders to our Chinese factories and minimized disruption to the customer delivery schedule. Despite the recent challenges in global supply chain, the Group remains committed to shift and increase the manufacturing capacity in lower cost Southeast Asian countries.

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.

* *For identification purpose only*

FINANCIAL POSITION

During the quarter, the Group maintains a capital structure with a gearing ratio of 27%.

OUTLOOK

Restrictions of varying degree caused by the Delta variant in Southeast Asia and the congestion in major ports in the U.S. have caused significant disruptions in the operating environment, from locational lock downs to inability to book containers to deliver goods from Asia to the U.S. and Europe to significant increase in freight costs globally. While Southeast Asia appears to be improving the management of the surge of COVID infections, the tight labor market in the U.S. and the huge amount of backlog pending clearance at major ports should continue well into 2022 which may negatively impact our financial performance in the coming months.

We will closely monitor the situation and work with our customers to find alternatives to mitigate the impact on shipment and order.

The Board wishes to remind investors that the above operational update for the first quarter of fiscal 2022 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, 16 November 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.