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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 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 third quarter of fiscal 2022.

SALES

During the quarter, the Group has achieved sales of HK\$449 million, which was 9% higher compared with the corresponding period in the prior year. This was mainly due to the continued robust demand of seamless products and also higher average selling price as a result of inflation in materials and logistic costs.

For the nine months ended 31 March 2022, the Group has achieved sales of HK\$1,163 million, which was 11% higher compared with the corresponding period in the prior year. This was driven by higher sales to the European customers, addition of new customers during the year, and higher average selling price. During the quarter 72% of sales were to the U.S. market, 16% to the E.U., and 12% to the rest of the world.

MANUFACTURING

Production from the overseas manufacturing facilities in South East Asia accounted for 69% of the global output with China accounted for the remaining 31% during the quarter. Despite the surging of Omicron cases in China and South East Asia during the quarter, we managed to keep all our factories open and operational without any major disruptions.

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 21%.

OUTLOOK

During this quarter there has been a number of factors affecting the operating environment. The zero COVID policy adopted in China and the associated lock downs of major cities have resulted in disruption to global supply chain. Our operation has also been impacted to some extent by the delay in material supplier shipment in the fourth quarter which inevitably increased our operation costs.

While from the demand side, inflation has reached decades high in the USA and the Federal Reserve has began a cycle of aggressive interest rate increase to tame down an overheated economy. We expect the likelihood of softening demand as consumers manage the surge in price of basic necessity such as gasoline and food. We are being proactive in adjusting our capacity to cope with the potential change in customer demand, and maintain diligence in managing costs.

The Board wishes to remind investors that the above operational update for the third 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, 8 June 2022

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.