

FISCAL 2008 – 3RD QUARTER

OPERATIONAL UPDATE

In continuation of our efforts to enhance the transparency of the Group, the Board of Directors of Top Form International Limited announces the following operational data for the third quarter of fiscal 2008.

The First Half

In our fiscal 2008 interim report we discussed the continuing softness in the U.S. markets, together with the deteriorating manufacturing environment in which we currently operate.

In order to mitigate the impact of these challenges a number of initiatives were in progress.

1. Repositioning of production facilities to lower cost areas where people need employment and where the operating environment is favorable for future growth.
2. Changing the geographic spread of sales to move the focus from the U.S. market.
3. Targeting our sales to high value business.
4. Expanding the distribution network for our “mx” brand in China.

Manufacturing

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

Period	SHIPPING TREND				
	FISCAL 2007		FISCAL 2008		
	3Q	4Q	1Q	2Q	3Q
Units (million)	13.5	12.3	12.2	12.9	11.2

In our third quarter we shipped 11.2 million units of brassieres, compared to 12.9 million units in the second quarter and 13.5 million units in the third quarter of fiscal 2007.

We continue with the repositioning of our production facilities in China and Thailand regions.

UNIT PRODUCTION OUTPUT BY REGIONS		
	Fiscal 2007 %	9 months to 31 March 2008 %
CHINA		
Shenzhen	16	14
Nan Hai	20	20
Longnan	23	26
THAILAND		
Bangkok vicinity	19	15
Regions	15	17
PHILIPPINES	7	8

Sales

The geographic spread of our sales is changing as the focus moves away from the U.S. market.

SALES ANALYSIS BY VALUE		
	Fiscal 2007 %	9 Months to 31 March 2008 %
U.S.	75	67
E.U.	16	24
Others	9	9

Brands Operation

We continue the cautious expansion of our distribution network for our “mx” brand in China. As at 31 March 2008, we maintained twenty sales counters in department stores in Shenzhen and one in Chengdu. This compares with sixteen, and one, at 31 December 2007.

Financial Position

There have been no significant changes to the healthy financial position of the Group during the third quarter.

Capital expenditure for the nine months ended 31 March 2008 amounted to HK\$14 million.

Outlook

There have been no significant changes in our view of the outlook as reported in our 2008 interim report.

We are actively searching new areas to reposition our production facilities.

The transition of our business model from OEM to ODM continues and we are comfortable with the progress, albeit a medium term project.

We continue to search for M&A opportunities for our brands business which would accelerate our growth in the China market. Our internal expansion, whilst cautious, is in line with our expectations and we anticipate operating a total of 31 counters by our fiscal year end.

The Board wishes to remind investors that the above operational data for the third quarter of fiscal 2008 is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

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