



TOP FORM INTERNATIONAL LIMITED

**TOP FORM INTERNATIONAL LIMITED
ANNOUNCED FY2011 INTERIM RESULTS**
(Stock Code: 333)

Highlights

- Sales revenue increased by 18 % to HK\$748.6 million for the first half of FY2011
- Half year profit after tax was HK\$50.0 million, compared to HK\$33.8 million in the corresponding period of last year
- The Board of Directors declared an interim dividend of HK\$0.015 for the first half of FY2011
- 23.5 million pieces of brassiere products sold in the first half of FY2011

Hong Kong, February 28, 2011 – Top Form International Limited (“TFI”; Stock Code: 333), a leading brassiere manufacturing company, announced on February 25, 2011 its interim results for the six months ended December 31, 2010.

During the period under review, the Group recorded a 18 % increase in sales revenue to HK\$748.6 million, compared to HK\$633.2 million in the same period of last year. Profit after taxation reached HK\$50.0 million, representing a growth of 48 % compared to HK\$33.8 million in the corresponding period of last year. Earnings per share increased from 2.9 cents to 4.4 cents.

The improved profit performance was primarily attributable to the increase in sales, together with the ongoing strategy to migrate production to the most effective locations and thus improve overall cost efficiency. During the period TFI expanded its production capacity in Thailand whilst, in December 2010, ceased its manufacturing operations in the Philippines. The Group’s gross manufacturing margin fell marginally to 21% in the six months ended December 31, 2010, compared to 22% in the corresponding period of last year.

TFI achieved global sales of 23.5 million units of brassiere products during the period under review, compared to 20.2 million pieces in the same period of last year. The Group’s exports to the US amounted to 65 % of total sales revenue, compared to 65% in the first half of last fiscal year, whilst sales to the EU represented 20 %, compared to 22% in the corresponding period of last year. Sales to the rest of the world amounted to 15 % of total sales revenue, compared to 13% in the same period of last year.

The Group’s financial position remains healthy with shareholders funds of HK\$571.8 million. As at December 31, 2010, credit facilities available to the Group amounted to HK\$150 million of which HK\$0.3 million had been utilized.

Capital expenditure to date was HK\$15.1 million compared with HK\$9.7 million in the same period of last year.

The Board of Directors has declared an interim dividend of HK\$0.015 for the first half of FY2011.

Mr Willie Fung, Chairman of TFI, commented, “In 2010, challenges such as inflation and the stability of labour affected the entire manufacturing industry in China. Our proactive efforts to streamline our production capacity and control costs have positioned us well to cope with the dynamics of the industry. We will continue to increase the flexibility of our operations and look for expansion opportunities outside of China.” He continued, “Recent developments in the global environment affect all aspects of economic activity. The Group is not immune to the effects and faces a challenging market. We are therefore prudent in our business outlook for the near future.”

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About Top Form International Limited

Top Form International Limited (Stock Code: 333) is a leading brassiere manufacturing company. Its customers are located in the United States, Europe and Asia. The Group's manufacturing facilities are located in Thailand and Mainland China. Further information is available at www.topformbras.com.

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**TOP FORM INTERNATIONAL LIMITED****Consolidated income statement**

(For the six months ended 31 December 2010)

	For the six months ended 31 December	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Revenue	748,583	633,208
Cost of sales	(591,302)	(495,577)
Gross profit	157,281	137,631
Other income	9,894	2,741
Selling and distribution expenses	(11,838)	(14,822)
General and administrative expenses	(86,041)	(82,881)
Other expenses	(7,421)	-
Finance costs	(12)	(15)
Profit before taxation	61,863	42,654
Income tax expense	(11,824)	(8,814)
Profit for the period	50,039	33,840
Attributable to:		
Owners of the Company	47,001	30,825
Non-controlling interests	3,038	3,015
	50,039	33,840
Dividends paid	26,880	26,880
Interim dividend	16,128	16,128
Earnings per share		
Basic	4.4 cents	2.9 cents



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Consolidated balance sheet

(At 31 December 2010))

	At 31 December 2010 (Unaudited)	At 30 June 2010 (Audited)
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	142,004	139,224
Prepaid lease payments	1,791	1,815
Prepaid rental payments	7,304	7,410
Interest in an associate	-	-
Deferred tax assets	797	1,152
	151,896	149,601
Current assets		
Inventories	229,793	225,085
Debtors and other receivables	137,010	159,743
Bills receivable	24,367	29,676
Prepaid lease payments	48	48
Tax recoverable	-	9,366
Tax reserve certificates	-	77,920
Bank balances and cash	207,139	220,646
	598,357	722,484
Current liabilities		
Creditors and accrued charges	129,623	132,779
Taxation	14,465	149,267
Bank borrowings and other liabilities - due within one year	281	828
Obligations under finance leases - due within one year	72	131
	144,441	283,005
Net current assets	453,916	439,479
Total assets less current liabilities	605,812	589,080
Non-current liabilities		
Obligations under finance leases - due after one year	-	11
Retirement benefit obligations	6,321	10,305
Deferred tax liabilities	3,830	4,216
	10,151	14,532
Net assets	595,661	574,548



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	At 31 December 2010 (Unaudited)	At 30 June 2010 (Audited)
	HK\$'000	HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	464,238	443,207
Equity attributable to owners of the Company	<u>571,757</u>	<u>550,726</u>
Non-controlling interests	23,904	23,822
Total equity	<u>595,661</u>	<u>574,548</u>