



## TOP FORM INTERNATIONAL LIMITED

### TOP FORM INTERNATIONAL LIMITED ANNOUNCED FY2013 INTERIM RESULTS (Stock Code: 333)

#### **Highlights**

- Sales revenue decreased by 4% to HK\$547.8 million in the first half of FY2013
- Half year loss after tax was HK\$3.3 million, compared to a loss of HK\$9.7 million in the comparable period of last year
- The Board of Directors does not declare an interim dividend
- 15.1 million pieces of brassiere products sold in the first half of FY2013

*Hong Kong, February 25, 2013* – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on February 22, 2013 its interim results for the six months ended December 31, 2012.

During the period under review, the Group recorded a 4% decrease in sales revenue to HK\$547.8 million, compared to HK\$570.9 million in the same period last year. A loss after taxation of HK\$3.3 million was recorded, compared with a loss of HK\$9.7 million in the corresponding period of last year. Loss per share was HK0.3 cents, down from a loss per share of HK0.9 cents.

The loss in the interim period was mainly attributable to continuing challenges in the Group’s business environment, including a 40% increase in Thailand’s minimum wage since 1 April 2012, as well as escalating labour costs in Mainland China.

During the period under review, TFI improved the cost efficiency of its PRC operations following the closure of its manufacturing operations in Shenzhen, while improving productivity at its Thailand plants after addressing previous operational issues.

TFI achieved global sales of 15.1 million units of brassiere products during the period, compared to 16.6 million pieces in the same period of last year. Exports to the US amounted to 48% of the Group’s total sales revenue, whilst sales to the EU represented 27%, and 25% to the rest of the world.

The financial position of the Group remains healthy with shareholders’ funds of HK\$497 million. As at December 31, 2012, credit facilities available to the Group amounted to HK\$150 million. Capital expenditure to date was HK\$3.9 million compared with HK\$26 million in the same period last year.

Looking forward, the Group expects markets to remain challenging and price sensitive. It will continue to expand in Cambodia to further reduce cost pressures, while also focusing on less price sensitive parts of the business. When fully operational, the Group expects its Cambodian operations will represent 15% of total capacity.

The Board of Directors has taken into account of the current business climate, cash position and reinvestment needs, and therefore has resolved not to pay an interim dividend.

Mr Willie Fung, Chairman of TFI, commented, “Top Form made great strides to improve the efficiency of its operations during the period and has continued to reduce costs in areas where it can. Our performance is likely to be constrained in the short term by an economic and business environment that will remain challenging. We are confident that the Group will see fruitful results as we continue to expand our low-cost production capacity in Cambodia to mitigate cost pressures.”

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## **TOP FORM INTERNATIONAL LIMITED**

### **About Top Form International Limited**

Top Form International Limited (Stock Code: 333) is a leading brassiere manufacturing company. Its principal subsidiaries are engaged in the design, manufacture and distribution of ladies' intimate apparel, principally brassieres. Its customers are located in the United States, Europe and Asia. The Company's manufacturing facilities are located in Thailand, Mainland China and Cambodia. Further information is available at [www.topformbras.com](http://www.topformbras.com).

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## TOP FORM INTERNATIONAL LIMITED

### Consolidated statement of profit or loss

(For the six months ended 31 December 2012)

|                                     | For the six months ended 31 December |                                 |
|-------------------------------------|--------------------------------------|---------------------------------|
|                                     | 2012<br>(Unaudited)<br>HK\$'000      | 2011<br>(Unaudited)<br>HK\$'000 |
| Revenue                             | 547,759                              | 570,880                         |
| Cost of sales                       | (458,140)                            | (477,134)                       |
| <b>Gross profit</b>                 | <b>89,619</b>                        | <b>93,746</b>                   |
| Other income and gains              | 8,427                                | 3,227                           |
| Selling and distribution expenses   | (17,196)                             | (18,953)                        |
| General and administrative expenses | (83,601)                             | (87,147)                        |
| Finance costs                       | (93)                                 | (7)                             |
| <b>Loss before taxation</b>         | <b>(2,844)</b>                       | <b>(9,134)</b>                  |
| Income tax expense                  | (459)                                | (554)                           |
| <b>Loss for the period</b>          | <b>(3,303)</b>                       | <b>(9,688)</b>                  |
| <b>Attributable to:</b>             |                                      |                                 |
| Owners of the Company               | (3,350)                              | (10,138)                        |
| Non-controlling interests           | 47                                   | 450                             |
|                                     | <b>(3,303)</b>                       | <b>(9,688)</b>                  |
| <b>Loss per share</b>               |                                      |                                 |
| Basic                               | <b>0.3 cents</b>                     | <b>0.9 cents</b>                |

**TOP FORM INTERNATIONAL LIMITED****Consolidated statement of financial position**

(At 31 December 2012)

|   | At 31 December 2012<br>(Unaudited) | At 30 June 2012<br>(Audited) |
|---|------------------------------------|------------------------------|
|   | HK\$'000                           | HK\$'000                     |
| <b>Non-current assets</b>                                   |                                    |                              |
| Property, plant and equipment                               | 144,197                            | 153,654                      |
| Prepaid lease payments                                      | 1,696                              | 1,719                        |
| Investment properties                                       | 50,241                             | 49,294                       |
| Prepaid rental payments                                     | 4,569                              | 5,008                        |
| Interest in an associate                                    | -                                  | -                            |
| Deferred tax assets   | 4,264                              | 4,422                        |
|   | <b>204,967</b>                     | <b>214,097</b>               |
| <b>Current assets</b>                                       |                                    |                              |
| Inventories   | 182,430                            | 170,253                      |
| Debtors and other receivables                               | 145,795                            | 116,572                      |
| Bills receivable  | 12,109                             | 30,960                       |
| Prepaid lease payments                                      | 48                                 | 48                           |
| Tax recoverable   | 2,327                              | 4,224                        |
| Bank balances and cash                                      | 121,793                            | 145,665                      |
|   | <b>464,502</b>                     | <b>467,722</b>               |
| <b>Current liabilities</b>                                  |                                    |                              |
| Creditors and accrued charges                               | 134,854                            | 145,683                      |
| Taxation  | 1,770                              | 2,242                        |
| Bank borrowings and other liabilities - due within one year | 337                                | -                            |
|   | <b>136,961</b>                     | <b>147,925</b>               |
| <b>Net current assets</b>                                   | <b>327,541</b>                     | <b>319,797</b>               |
| <b>Total assets less current liabilities</b>                | <b>532,508</b>                     | <b>533,894</b>               |
| <b>Non-current liabilities</b>                              |                                    |                              |
| Retirement benefit obligations                              | 3,033                              | 3,033                        |
| Deferred tax liabilities                                    | 14,628                             | 15,614                       |
|   | <b>17,661</b>                      | <b>18,647</b>                |
| <b>Net assets</b>   | <b>514,847</b>                     | <b>515,247</b>               |



**TOP FORM INTERNATIONAL LIMITED**

|   | At 31 December 2012<br>(Unaudited) | At 30 June 2012<br>(Audited) |
|---|------------------------------------|------------------------------|
|   | HK\$'000                           | HK\$'000                     |
| <b>Capital and Reserves</b>                         |                                    |                              |
| Share capital                                       | 107,519                            | 107,519                      |
| Reserves  | 389,775                            | 390,307                      |
| <b>Equity attributable to owners of the Company</b> | <b>497,294</b>                     | <b>497,826</b>               |
| Non-controlling interests                           | 17,553                             | 17,421                       |
| <b>Total equity</b>                                 | <b>514,847</b>                     | <b>515,247</b>               |