



TOP FORM INTERNATIONAL LIMITED

**TOP FORM INTERNATIONAL LIMITED
RETURNS TO PROFIT IN SIX MONTHS ENDED 31 DEC 2013**

(Stock Code: 333)

Highlights

- Group returns to profit during interim period
- Profit after tax in the first half of fiscal 2014 was HK\$9.4 million, compared to a loss of HK\$3.3 million in the corresponding period of the previous year, due to tighter cost-controls
- Sales revenue decreased by 1% to HK\$540 million during the six months under review
- The Board of Directors has resolved to declare an interim dividend of HK\$0.01 per share
- 15.6 million pieces of brassiere products sold during the six months under review

Hong Kong, February 24, 2014 – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on February 21, 2014 its interim results for the six months ended December 31, 2013.

During the period under review, the Group recorded sales revenue of HK\$540 million, a decline of 1% compared to HK\$548 million in the same period of last year. The Group recorded a profit of HK\$9.4 million after taxation, compared to a loss after taxation of HK\$3.3 million in the corresponding period of last year. Earnings per share were HK0.8 cents, compared to a loss per share of HK0.3 cents.

The return to profit during the interim period was mostly attributable to the Group’s ongoing efforts to maintain cost controls and competitiveness across all areas of its business, resulting in a decline of both selling and distribution expenses and general and administration expenses. This encouraging result was made possible by TFI’s earlier strategic decision to expand its overseas capacity in Thailand and Cambodia.

As of the end of 2013, China accounted for only 49% of TFI’s total output (compared to 57% at the end of 2012), with Thailand and Cambodia now accounting for 46% and 5% of total capacity respectively.

In the six months ended December 31, 2013, TFI achieved global sales of 15.6 million units of brassiere products, compared to 15.1 million pieces during the same period of last year. In monetary terms, sales to the US amounted to 52% of the Group’s total sales revenue, with sales to the EU representing 29%, and 19% to the rest of the world.

The financial position of the Group remains healthy with shareholders’ funds of HK\$508 million. As at December 31, 2013, credit facilities available to the Group amounted to HK\$159 million. Capital expenditure to date was HK\$8.9 million compared with HK\$3.9 million during the same period last year.

Looking forward, the Group expects demand to remain flat and price driven, with the present business environment unlikely to worsen beyond what has been experienced in recent years. The Group will also closely monitor statutory minimum wage disputes in Cambodia and take necessary steps, if required, to respond to any disruptions to its operation.

The Group will also continue to strengthen its product capability and seek to expand its low cost capacity, in order to maintain its competitiveness and the long term growth of its business.

The Board of Directors has resolved to declare an interim dividend of HK\$0.01 per share.

Mr Willie Fung, Chairman of TFI, commented, “I would like to thank all Top Form employees for their hard work and dedication over the past few challenging years. We will continue to invest in further measures that will improve our cost structure and underpin the Group’s future growth in order to deliver sustainable returns to shareholders.”



TOP FORM INTERNATIONAL LIMITED

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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.

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TOP FORM INTERNATIONAL LIMITED

Consolidated statement of profit or loss

(For the six months ended 31 December 2013)

	For the six months ended 31 December	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Revenue	540,448	547,759
Cost of sales	(446,853)	(458,140)
Gross profit	93,595	89,619
Other revenue and net income	9,843	8,427
Selling and distribution expenses	(10,321)	(17,196)
General and administrative expenses	(80,315)	(83,601)
Finance costs	(70)	(93)
Profit / (loss) before taxation	12,732	(2,844)
Income tax	(3,350)	(459)
Profit / (loss) for the period	9,382	(3,303)
Attributable to:		
Owners of the Company	8,402	(3,350)
Non-controlling interests	980	47
Profit / (loss) for the period	9,382	(3,303)
Earnings/ (loss) per share		
Basic and diluted	0.8 cents	(0.3) cents



TOP FORM INTERNATIONAL LIMITED

Consolidated statement of financial position

(At 31 December 2013)

	At 31 December 2013 (Unaudited)	At 30 June 2013 (Audited)
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	136,852	144,627
Prepaid lease payments	1,647	1,671
Investment properties	59,597	58,877
Prepaid rental payments	3,102	3,859
Deferred tax assets	1,318	3,131
	202,516	212,165
Current assets		
Inventories	197,570	152,040
Debtors and other receivables	130,034	132,458
Bills receivable	32,169	13,523
Prepaid lease payments	48	48
Current tax recoverable	1,091	2,288
Bank balances and cash	133,784	136,010
	494,696	436,367
Current liabilities		
Creditors and accrued charges	150,144	110,717
Current tax payable	1,372	1,761
	151,516	112,478
Net current assets	343,180	323,889
Total assets less current liabilities	545,696	536,054
Non-current liabilities		
Retirement benefit obligations	2,173	2,173
Deferred tax liabilities	15,457	15,515
	17,630	17,688
Net assets	528,066	518,366



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	At 31 December 2013 (Unaudited)	At 30 June 2013 (Audited)
	HK\$'000	HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	400,911	392,304
Equity attributable to owners of the Company	508,430	499,823
Non-controlling interests	19,636	18,543
Total equity	528,066	518,366