



TOP FORM INTERNATIONAL LIMITED

TOP FORM INTERNATIONAL LIMITED IMPROVES PROFITABILITY IN SIX MONTHS ENDED 31 DECEMBER 2014

(Stock Code: 333)

Highlights

- Group's profit went up 82% to HK\$ 17.1 million during interim period, due to growth in sales and improvement in margins and productivity
- Sales revenue grew by 8% to HK\$ 582 million during the six month period under review
- The Board of Directors has resolved to declare an interim dividend of HK\$0.05 per share
- 16.3 million pieces of brassiere products sold during the six month period under review

Hong Kong, 16 February, 2015 – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on February 12, 2015 its interim results for the six month period ended December 31, 2014.

During the period under review, the Group recorded sales revenue of HK\$ 582 million, an increase of 8 % compared to HK\$540 million in the same period last year. The Group recorded a profit of HK\$ 17.1 million after taxation, compared to an after-tax profit of HK\$9.4 million in the corresponding period of last year. Earnings per share were HK\$0.07, compared to HK\$0.04 per share previously.

The growth in profit during the interim period was attributable to the Group's ongoing efforts to enhance cost efficiency and productivity across all areas of its business, and rising cost being partly offset by favourable currency movement of Thai Baht and RMB against the US dollar. This encouraging result was made possible by TFI's strategic decision to further expand capacity in the offshore plants.

In the six months ended December 31, 2014, China accounted for 49% of our global output, Thailand 46% and Cambodia 5%.

In the six months ended December 31, 2014, TFI achieved global sales of 16.3 million units of brassiere products, compared to 15.6 million pieces during the same period 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 28%, and 20% to the rest of the world, compared to 52%, 29% and 19% respectively during the previous interim period.

The financial position of the Group remains healthy with shareholders' funds of HK\$552 million. As at December 31, 2014, credit facilities available to the Group amounted to HK\$159 million. Capital expenditure incurred was HK\$ 8.5 million compared with HK\$8.9 million during the same period last year.

Looking ahead to 2015, the Group expects demand and selling price to remain subdued, as the global economic recovery stays uneven due to impact of falling oil prices and a new round of quantitative easing across the Eurozone. The Group will closely manage the impact from a 28% rise of the statutory minimum wage in Cambodia, effective on January 1, 2015.

The Group will continue to expand its offshore capacity to sustain the long term growth of its business.

The Board of Directors has resolved to declare an interim dividend of HK\$0.05 per share.



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Mr Eddie Wong, Chairman of TFI, said, “Global economy remains uncertain. While the operating environment continues to be challenging due to further increase in mandated social benefit rate in China and the increase in statutory minimum wages in Cambodia, we will continue to improve our manufacturing efficiency and cautiously expand our offshore plants in order to maintain our competitiveness and deliver sustainable returns to shareholders.”

- End -

About Top Form International Limited

Top Form International Limited (Stock Code: 333) is a leading brassiere manufacturing company. The Group’s 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. Additional 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 2014)

	For the six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue	581,649	540,448
Cost of sales	(469,286)	(446,853)
Gross profit	112,363	93,595
Other income and gains	6,039	9,843
Selling and distribution expenses	(12,228)	(10,321)
General and administrative expenses	(84,291)	(80,315)
Finance costs	(187)	(70)
Profit before taxation	21,696	12,732
Income tax	(4,640)	(3,350)
Profit for the period	17,056	9,382
Attributable to:		
Owners of the Company	16,023	8,402
Non-controlling interests	1,033	980
Profit for the period	17,056	9,382
Profit per share		(Restated)
Basic	HK\$0.07	HK\$0.04



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Consolidated statement of financial position

(At 31 December 2014)

	At 31 December 2014 (Unaudited)	At 30 June 2014 (Audited)
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	121,445	125,871
Prepaid lease payments	1,599	1,623
Investment properties	101,553	101,553
Prepaid rental payments	2,310	3,075
	226,907	232,122
Current assets		
Inventories	178,748	177,347
Debtors and other receivables	163,600	188,892
Bills receivable	1,063	2,982
Prepaid lease payments	48	48
Current tax recoverable	519	1,136
Bank balances and cash	176,663	129,160
	520,641	499,565
Current liabilities		
Creditors and accrued charges	144,307	125,575
Current tax payable	6,848	2,619
	151,155	128,194
Net current assets	369,486	371,371
Total assets less current liabilities	596,393	603,493
Non-current liabilities		
Retirement benefit obligations	1,576	1,576
Deferred tax liabilities	23,491	24,257
	25,067	25,833
Net assets	571,326	577,660



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	At 31 December 2014 (Unaudited)	At 30 June 2014 (Audited)
	HK\$'000	HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	444,056	449,436
Equity attributable to owners of the Company	551,575	556,955
Non-controlling interests	19,751	20,705
Total equity	571,326	577,660