



TOP FORM INTERNATIONAL LIMITED

**TOP FORM INTERNATIONAL LIMITED
2015 ANNUAL RESULTS ANNOUNCEMENT**

(Stock Code: 333)

Highlights

- Sales revenue reached HK\$1,170 million with 34.2 million pieces of ladies' intimate apparel products sold
- Gross profit amounted to HK\$219 million, increased 8% in compare to HK\$203 million in fiscal 2014; gross profit margin increased to 19% from 18% in fiscal 2014
- Profit after tax amounted to HK\$35.9 million
- The Board of Directors proposed a final dividend of HK\$0.05 per share

Hong Kong, 28 August 2015 – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on 27 August 2015 its annual results for the year ended on 30 June 2015.

TFI recorded sales revenue of HK\$1,170 million, an increase of 3%, compared to fiscal 2014; gross profit margin increased to 19% from 18% in fiscal 2014; after taking out the effect of the one-off gain on disposal of a property for HK\$18.5 million in fiscal 2014, the Group's after tax profit surged 73% to HK\$35.9 million; earnings per share is HK\$0.16. The Board proposed to declare a final dividend of HK\$0.05 per share.

The Group has pursued the stated strategy to expand the overseas capacity and lower the proportion of China capacity in responding to the escalating costs pressure and dwindling labor supply in China. In this fiscal year, China accounted for 47% of global output, while Thailand and Cambodia accounted for 47% and 6% of global output respectively. The capacity ratio of China versus overseas has been changed from 49% : 51% in the first half to 44% : 56% in the second half of this fiscal year.

In this fiscal year, the Group's average selling prices shows a modest increase. On a half yearly basis, the gross margin declines from 19% in the first half to 18% in the second half. Labor shortage and rising labor costs continue to impact and add cost pressure to the manufacturing operation. Material prices remained stable.

TFI's financial position remains healthy with shareholders' funds standing at HK\$559 million (2014: HK\$557 million). Bank balances and cash stood at HK\$169 million whilst credit facilities available to the Group amounted to HK\$159 million and gearing remained at an insignificant level.

Looking forward, the volatility in the global stock and currency markets as well as further plunge in commodities prices bring about uncertainties in the global economy, TFI expects the market situation remains volatile and uncertain. Business demand will continue to be price driven which will add further pressure to the margin.

The Group will continue to enhance production capacity and productivity in its manufacturing bases. The Group will further expand the capacity in the Thailand plants by adding new headcounts while maintaining the capacity of plants in China for high value, skill demanding products and short lead time orders. It is expected the proportion of production from overseas plants will increase from 53% in this fiscal year to over 60% of our global capacity.

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Mr. Eddie Wong, Chairman of TFI, commented, “Given the challenging market conditions in the next twelve months, we remain cautious in our future. With our proven track record of being a reliable business partner and our vital and dynamic executive team, we will continue to attract new business and provide quality service to our long term business partners, and reward our shareholders.”

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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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Consolidated Statement of Profit or Loss

(For the year ended 30 June 2015)

	2015 HK\$'000	2014 HK\$'000
Revenue	1,170,468	1,131,696
Cost of sales	(951,316)	(928,294)
Gross Profit	219,152	203,402
Other income and gains	15,120	13,379
Gain on disposal of properties	-	18,493
Selling and distribution expenses	(25,196)	(25,881)
General and administrative expenses	(166,629)	(163,256)
Finance costs	(320)	(264)
Profit before tax	42,127	45,873
Income tax expense	(6,219)	(6,569)
Profit for the year	35,908	39,304
Profit for the year attributable to:		
Owners of the company	34,178	37,026
Non-controlling interests	1,730	2,278
	35,908	39,304
Earnings per share		
Basic	HK\$0.16	HK\$0.17



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Consolidated Statement of Financial Position

(As at 30 June 2015)

	2015 HK\$'000	2014 HK\$'000
Non-current assets		
Property, plant and equipment	117,786	125,871
Prepaid lease payments	1,575	1,623
Investment properties	104,725	101,553
Prepaid rental payments	1,883	3,075
	225,969	232,122
Current assets		
Inventories	189,494	177,347
Debtors and other receivables	174,671	188,892
Bills receivable	2,752	2,982
Prepaid lease payments	48	48
Current tax recoverable	10	1,136
Bank balances and cash	169,215	129,160
	536,190	499,565
Current liabilities		
Creditors and accrued charges	150,687	125,575
Current tax payable	5,686	2,619
	156,373	128,194
Net current assets	379,817	371,371
Total assets less current liabilities	605,786	603,493
Non-current liabilities		
Retirement benefit obligations	1,460	1,576
Deferred tax liabilities	25,353	24,257
	26,813	25,833
	578,973	577,660



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	2015 HK\$'000	2014 HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	451,007	449,436
Equity attributable to owners of the Company	<hr/> 558,526	<hr/> 556,955
Non-controlling interests	20,447	20,705
	<hr/> 578,973 <hr/>	<hr/> 577,660 <hr/>