



TOP FORM INTERNATIONAL LIMITED

**TOP FORM INTERNATIONAL LIMITED
2016 ANNUAL RESULTS ANNOUNCEMENT**

(Stock Code: 333)

Highlights

- Sales revenue reached HK\$1,179 million
- Gross profit amounted to HK\$211 million, decreased 4% in compare to HK\$220 million in fiscal 2015; gross profit margin decreased to 18% from 19% in fiscal 2015
- Profit after tax amounted to HK\$34.3 million
- The Board of Directors proposed a final dividend of HK\$0.05 per share for the year ended 30 June 2016

Hong Kong, 29 August 2016 — Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on 26 August 2016 its annual results for the year ended 30 June 2016.

TFI recorded sales revenue of HK\$1,179 million, a slight increase of 1%, compared to fiscal 2015; gross profit margin decreased to 18% from 19% in fiscal 2015. Nevertheless, the gross margin remained flat at 18% as compared to the second half of fiscal 2015. The Group’s after tax profit declined by 5% to HK\$34.3 million; earnings per share is HK\$0.15. The Board proposed to declare a final dividend of HK\$0.05 per share.

Adhering to TFI’s plan of expanding overseas capacity, by end of fiscal 2016, the proportion of the production from the overseas plants and China plants are 59% and 41% respectively. In this fiscal year, China accounted for 41% of global capacity, while Thailand and Cambodia accounted for 49% and 10% respectively.

In fiscal 2016, 59% of the Group’s sales were to the US market whilst the sales to the EU represented 27% and the rest of the world accounted for 14%. The continuous decline of average selling price resulting from the price driven demand in the business, along with the rising labor costs, contributed to the reduction of the gross profit and profit after tax in this fiscal year.

TFI’s financial position remains healthy with shareholders’ funds standing at HK\$558 million (2015: HK\$559 million) as at 30 June 2016. Bank balances and cash stood at HK\$167 million whilst credit facilities available to the Group amounted to HK\$149 million and gearing remained at an insignificant level.

Looking forward, the general outlook continues to be challenging. The Group does not expect an upturn in business and financial performance in the near future. TFI has been investing in projects and systems to improve its manufacturing methods, supply chain processes and product capabilities, to ensure the Group’s efficiency in the entire supply chain. These include the implementations of new production planning system and a Product Lifecycle Management (“PLM”) system for optimizing the product development and production planning processes.

At the meantime, the Group continues to expedite new plants locations, such as Yangon, Myanmar, to reduce its expenditure on labor cost, while serving as an option for the Group’s EU customers to enjoy duty saving imports from Myanmar.

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Mr. Eddie Wong, Chairman of TFI, commented, “Whilst the business environment continues to be challenging, we will maintain the current production capacity before further expansion and continue to assess the strategic and cost effectiveness of our current manufacturing footprint. We will also focus on improving the effectiveness and efficiency of our business by investing in various improvements projects, which will optimize our overall business processes and add to our product capabilities. TFI is delivering value via providing strategic manufacturing and supply chain capabilities. We are confident that by improving our productivity continuously, we will sustain the growth of the business in the long run.”

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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 year ended 30 June 2016)

	2016 HK\$'000	2015 HK\$'000
Revenue	1,179,025	1,170,468
Cost of sales	(968,424)	(951,316)
Gross Profit	210,601	219,152
Other income	21,917	15,120
Selling and distribution expenses	(24,270)	(25,196)
General and administrative expenses	(173,125)	(166,629)
Finance costs	(233)	(320)
Share of profits of a joint venture	5,054	-
Profit before tax	39,944	42,127
Income tax expense	(5,660)	(6,219)
Profit for the year	34,284	35,908
Profit for the year attributable to:		
Owners of the Company	32,298	34,178
Non-controlling interests	1,986	1,730
	34,284	35,908
Earnings per share		
Basic	HK\$0.15	HK\$0.16



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Consolidated Statement of Financial Position

(As at 30 June 2016)

	2016 HK\$'000	2015 HK\$'000
Non-current assets		
Property, plant and equipment	96,748	117,786
Prepaid land lease payments	1,527	1,575
Investment properties	100,991	104,725
Derivative financial instrument	3,639	-
Interest in a joint venture	17,580	-
Prepaid rental payments	1,335	1,883
	221,820	225,969
Current assets		
Inventories	135,293	189,494
Debtors and other receivables	192,245	174,671
Bills receivable	-	2,752
Amount due from a joint venture	11	-
Prepaid land lease payments	48	48
Current tax recoverable	-	10
Bank balances and cash	166,680	169,215
	494,277	536,190
Current liabilities		
Creditors and accrued charges	117,460	150,687
Obligation under finance lease	139	-
Current tax payable	4,638	5,686
	122,237	156,373
Net current assets	372,040	379,817



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	2016 HK\$'000	2015 HK\$'000
Total assets less current liabilities	593,860	605,786
Non-current liabilities		
Obligation under finance lease	338	-
Retirement benefit obligations	1,253	1,460
Deferred tax liabilities	23,436	25,353
	25,027	26,813
	568,833	578,973
Capital and Reserves		
Share capital	107,519	107,519
Reserves	450,199	451,007
Equity attributable to owners of the Company	557,718	558,526
Non-controlling interests	11,115	20,447
	568,833	578,973