



TOP FORM INTERNATIONAL LIMITED

**TOP FORM INTERNATIONAL LIMITED IMPROVES
PROFITABILITY IN SIX MONTHS ENDED 31 DECEMBER 2015**

(Stock Code: 333)

Highlights

- Sales revenue grew by 6% to HK\$ 618 million during the six month period under review
- Group's profit surged 17% to HK\$ 20 million during interim period, due to increased sales volume and productivity
- The Board of Directors has resolved to declare an interim dividend of HK\$ 0.05 per share

Hong Kong, 22 February, 2016 – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on February 19, 2016 its interim results for the six month period ended December 31, 2015.

During the period under review, the Group recorded sales revenue of HK\$618 million, an increase of 6%, compared to HK\$582 million in the same period last year. The Group recorded a profit of HK\$20 million after taxation, an increment of 17% compared to HK\$17 million in the corresponding period of last year. Earnings per share were HK\$0.09, compared to HK\$0.07 per share previously. The Board has resolved to declare an interim dividend of HK\$0.05 per share.

In the six month period, the Group's gross profit margin reduced from 19% to 18% whilst it remained flat when compared with the second half of the last fiscal year due to the price driven demand and the rise in labor costs. Such pressure has been eased by the favorable currency movement of Thai Baht and RMB against the US dollar during the period.

During the interim period, in monetary terms, sales to the US amounted to 62% of the Group's total sales revenue, with sales to the EU representing 22% and 16% to the rest of the world, compared to 52%, 28% and 20% respectively during the previous interim period. The growth in sales revenue was mainly attributable to the increase in sales volume to the US market and the sales to new customers driven by TFI's continuous effort to broaden the customer base.

Following the strategic plan to increase the capacity offshore, the Group has continued to expand the capacity in the overseas plants by adding new headcounts and maintain the capacity of the plants in China. During the period, China accounted for 42% of the Group's global capacity, Thailand 49% and Cambodia 9%. The capacity ratio of overseas versus China has further increased from 51%:49% during the six months period a year ago to 58%:42% during the current period.

Looking ahead to a challenging 2016, the Group will continue to maximize the cost efficiency and productivity of plants through process synchronization and improvement to counter the escalating cost trend and the volatile markets in the near future.

Mr Eddie Wong, Chairman of TFI, said, “In responding to the changing market conditions and price driven demand, we will continue to expand our overseas capacity, improve productivity and efficiency of the plants, seek for lower cost locations to maintain our competitiveness, and pursue growth opportunities in our business.”

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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 2015)

	For the six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue	618,047	581,649
Cost of sales	(508,321)	(469,286)
Gross profit	109,726	112,363
Other income	11,360	6,039
Selling and distribution expenses	(13,003)	(12,228)
General and administrative expenses	(86,460)	(84,291)
Finance costs	(109)	(187)
Share of profits of a joint venture	1,541	-
Profit before taxation	23,055	21,696
Income tax	(3,025)	(4,640)
Profit for the period	20,030	17,056
Attributable to:		
Owners of the Company	18,685	16,023
Non-controlling interests	1,345	1,033
Profit for the period	20,030	17,056
Earnings per share		
Basic	HK\$0.09	HK\$0.07



TOP FORM INTERNATIONAL LIMITED

Consolidated statement of financial position

(At 31 December 2015)

	At 31 December 2015 (Unaudited)	At 30 June 2015 (Audited)
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	95,912	117,786
Prepaid lease payments	1,551	1,575
Investment properties	100,941	104,725
Interest in a joint venture	14,183	-
Prepaid rental payments	1,193	1,883
	213,780	225,969
Current assets		
Inventories	153,800	189,494
Debtors and other receivables	217,440	174,671
Bills receivable	480	2,752
Prepaid lease payments	48	48
Current tax recoverable	-	10
Bank balances and cash	139,971	169,215
	511,739	536,190
Current liabilities		
Creditors and accrued charges	132,576	150,687
Amount due to a joint venture	298	-
Obligations under finance lease	23	-
Current tax payable	3,048	5,686
	135,945	156,373
Net current assets	375,794	379,817
Total assets less current liabilities	589,574	605,786
Non-current liabilities		
Obligations under finance lease	527	-
Retirement benefit obligations	1,460	1,460
Deferred tax liabilities	23,135	25,353
	25,122	26,813
Net assets	564,452	578,973



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	At 31 December 2014 (Unaudited)	At 30 June 2015 (Audited)
	HK\$'000	HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	446,437	451,007
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Equity attributable to owners of the Company	553,956	558,526
Non-controlling interests	10,496	20,447
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Total equity	564,452	578,973
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