TOP FORM INTERNATIONAL LIMITED
黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

The Board of Directors of Top Form International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 December 2007

		For the six months ended 31 December	
		2007	2006
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**682,566**	770,125
Cost of sales		**(532,200)**	(572,716)
Gross profit		**150,366**	197,409
Other income		**8,400**	7,201
Selling and distribution expenses		**(29,915)**	(33,737)
General and administrative expenses		**(87,809)**	(80,657)
Finance costs		**(231)**	(162)
Profit before taxation	*4*	**40,811**	90,054
Income tax expense	*5*	**(7,458)**	(14,352)
Profit for the period		**33,353**	75,702
Attributable to:			
Equity holders of the Company		**36,134**	74,645
Minority interests		**(2,781)**	1,057
		33,353	75,702
Dividend paid	*6*	**32,289**	32,289
Interim dividend	*6*	**16,128**	26,907
Earnings per share	*7*		
Basic		**3.4 cents**	6.9 cents

* *for identification purposes only*

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Notes	At 31 December 2007 (Unaudited) HK$'000	At 30 June 2007 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**170,619**	177,268
Prepaid lease payments		**2,021**	2,077
Prepaid rental payments		**6,499**	3,134
Deferred tax assets		**5,033**	–
		184,172	182,479
Current assets			
Inventories		**231,829**	197,462
Debtors, deposits and prepayments	*8*	**188,310**	166,394
Bills receivable	*9*	**25,677**	12,818
Prepaid lease payments		**112**	112
Bank balances and cash		**209,091**	256,435
		655,019	633,221
Current liabilities			
Creditors and accrued charges	*10*	**144,066**	130,447
Taxation		**107,759**	96,744
Bank borrowings and other liabilities – due within one year		**5,591**	4,700
Obligations under finance leases – due within one year		**192**	211
		257,608	232,102
Net current assets		**397,411**	401,119
Total assets less current liabilities		**581,583**	583,598
Non-current liabilities			
Bank borrowings and other liabilities – due after one year		**21**	224
Obligations under finance leases – due after one year		**361**	41
Retirement benefit obligations		**4,464**	4,263
Deferred tax liabilities		**8,168**	10,416
		13,014	14,944
		568,569	568,654

	At 31 December 2007 (Unaudited) *HK$'000*	At 30 June 2007 (Audited) *HK$'000*
Capital and reserves		
Share capital	**107,519**	107,630
Reserves	**441,545**	438,640
Equity attributable to equity holders of the Company	**549,064**	546,270
Minority interests	**19,505**	22,384
	568,569	568,654

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2007

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2007.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (the "New HKFRSs") issued by the HKICPA, which are effective for the Group's accounting year beginning 1 July 2007. The adoption of these New HKFRSs has had no material effect on the results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new and revised standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – INT 12	Service Concession Arrangements[2]
HK(IFRIC) – INT 13	Customer Loyalty Programmes[3]
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[2]

[1] *Effective for annual periods beginning on or after 1 January 2009*

[2] *Effective for annual periods beginning on or after 1 January 2008*

[3] *Effective for annual periods beginning on or after 1 July 2008*

3. SEGMENT INFORMATION

For management reporting purposes, the Group's operations are currently organised into manufacturing business and branded business. Segment information in respect of these activities is as follows:

Business segments

Six months ended 31 December 2007

	Manufacturing business *HK$'000*	**Branded business** *HK$'000*	**Elimination** *HK$'000*	**Consolidated** *HK$'000*
Revenue				
External sales	**673,183**	**9,383**	**–**	**682,566**
Inter-segment sales *(note)*	**3,913**	**–**	**(3,913)**	**–**
Total sales	**677,096**	**9,383**	**(3,913)**	**682,566**
Results				
Segment results	**48,891**	**(3,716)**	**–**	**45,175**
Unallocated corporate expenses				**(8,362)**
Interest income				**4,229**
Finance costs				**(231)**
Profit before taxation				**40,811**
Income tax expense				**(7,458)**
Profit for the period				**33,353**

Six months ended 31 December 2006

	Manufacturing business *HK$'000*	Branded business *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
Revenue				
External sales	760,055	10,070	–	770,125
Inter-segment sales *(note)*	1,628	–	(1,628)	–
Total sales	761,683	10,070	(1,628)	770,125
Results				
Segment results	96,063	13	–	96,076
Unallocated corporate expenses				(7,947)
Interest income				2,087
Finance costs				(162)
Profit before taxation				90,054
Income tax expense				(14,352)
Profit for the period				75,702

Note: Inter-segment sales are charged at prevailing market rates.

Geographical segments

The Group's manufacturing operations are principally located in the People's Republic of China ("PRC") and Thailand. Branded business is principally carried out in Hong Kong and the PRC.

The following table provides an analysis of the Group's sales by geographical market, irrespective of origin of the goods:

Six months ended 31 December

	Sales revenue by geographical market	
	2007	2006
	HK$'000	*HK$'000*
United States of America	**432,610**	564,091
Europe	**183,910**	127,561
Australia and New Zealand	**38,915**	42,661
Asia (excluding Hong Kong)	**21,170**	27,299
Hong Kong	**5,664**	8,513
South Africa	**297**	–
	682,566	770,125

4. PROFIT BEFORE TAXATION

	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**16,238**	15,224
Amortisation of prepaid lease payments	**56**	56
Cost of textile quota entitlements	**5,879**	8,493
Loss on disposal of property, plant and equipment	**175**	23
and after crediting:		
Quota income	**2,001**	1,902
Interest income	**4,229**	2,087

5. INCOME TAX EXPENSE

	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**4,430**	10,729
Other jurisdictions	**4,485**	1,406
	8,915	12,135
Under(over) provision in prior year		
Hong Kong Profits Tax	**6,409**	309
Taxation in other jurisdictions	**(585)**	(214)
	5,824	95
Deferred tax:		
(Credit) charge for the period	**(7,281)**	2,122
	7,458	14,352

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 17.5% for the six months ended 31 December 2007 (six months ended 31 December 2006: 17.5%).

Taxation arising in other jurisdictions is recognised based on management's best estimate of the weighted average annual income tax rate expected to the full financial year. The estimated average annual tax rate used is 17% for the six months ended 31 December 2007 (six months ended 31 December 2006: 19%) calculated at the rates prevailing in the relevant jurisdictions.

The Group has recognised deferred tax assets in relation to the unused tax losses of a subsidiary during the current period.

6. DIVIDENDS

	For the six months ended 31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Dividend paid:		
2007 final dividend paid: HK$0.03 (year ended 30 June 2006: HK$0.03) per share on 1,076,298,125 shares (2006: 1,076,298,125 shares)	**32,289**	32,289
Dividend:		
Interim dividend *(Note)*	**16,128**	26,907

Note: An interim dividend of HK$0.015 (six months ended 31 December 2006: HK$0.025) per share on 1,075,188,125 shares (six months ended 31 December 2006: 1,076,298,125 shares) has been declared by the Directors on 22 February 2008.

7. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	For the six months ended 31 December	
	2007	**2006**
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit attributable to the equity holders of the Company for the purpose of basic earnings per share	**36,134**	74,645
	Number of shares	
Number of ordinary shares for the purpose of basic earnings per share	**1,076,079,158**	1,076,298,125

No diluted earnings per share has been presented because there are no potential dilutive ordinary shares for both years.

8. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in the balance are trade debtors of HK$152,074,000 (at 30 June 2007: HK$136,180,000). The Group allows an average credit period of 30 days to its trade customers.

An aged analysis of trade debtors at the balance sheet date is as follows:

	At 31 December 2007 (Unaudited) *HK$'000*	At 30 June 2007 (Audited) *HK$'000*
0 – 30 days	**148,833**	131,880
31 – 60 days	**2,385**	2,971
61 – 90 days	**790**	984
Over 90 days	**66**	345
	152,074	136,180

9. BILLS RECEIVABLE

Included in the balance is an amount of HK$21,432,000 (at 30 June 2007: HK$8,941,000) aged within 30 days, HK$4,245,000 (at 30 June 2007: HK$2,125,000) aged within 31 to 60 days. There is no balance (at 30 June 2007: HK$1,752,000) aged between 61 to 90 days.

10. CREDITORS AND ACCRUED CHARGES

Included in the balance are trade creditors of HK$80,444,000 (at 30 June 2007: HK$60,461,000).

An aged analysis of trade creditors at the balance sheet date is as follows:

	At 31 December 2007 (Unaudited) *HK$'000*	At 30 June 2007 (Audited) *HK$'000*
0 – 30 days	**62,299**	50,852
31 – 60 days	**14,349**	6,165
61 – 90 days	**2,782**	2,089
Over 90 days	**1,014**	1,355
	80,444	60,461

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 31 December 2007, the Group experienced a decrease in both sales revenue and earnings when compared to the same period in the previous year. Sales revenue declined 11% to HK$682.6 million, after tax earnings 56% to HK$33.4 million and basic earnings per share were HK$0.034 compared to HK$0.069 in the corresponding period of the previous year.

Our core OEM business accounted for virtually 99% of the Group's revenue. During the period global sales totalled 25.1 million units of brassieres compared to 29.7 million units in the corresponding period last year. Our first quarter accounted for 12.2 million units (2007: 16.7 million units) and our second quarter 12.9 million units (2007: 13.0 million units). The third and fourth quarters of fiscal 2007 accounted for 13.5 and 12.3 million units respectively. The 16.7 million units shipped in the first quarter of fiscal 2007 were not truly representative of the trends in the market as, during that quarter, we were clearing the backlog of orders which arose due to the EU quota disruption experienced in fiscal 2006. Discounting the unusually high shipments caused by this disruption, the downward trend demonstrates the continuing softness of the U.S. market resulting, on a macro basis, from the economic downturn in that market.

The manufacturing environment in which we currently operate continues to deteriorate, particularly in the Pearl River Delta where the increases in minimum wages, labour and power shortages, a reduction in the tax rebate on imported materials for processing and export of textile and garment products and the appreciation of the RMB against the US dollar have all impacted our operations. In Thailand, labour shortages in the vicinity of Bangkok and the strength of the Baht are ongoing issues.

In order to mitigate the impact of these challenges a number of initiatives are in progress.

1. To combat the effects of the worsening operating environment we continue our strategy of repositioning our production facilities to low cost areas and where people need employment. In our first half of fiscal 2008, we downsized some of our most expensive operations, primarily by attrition. Despite the currently soft market demand, we have been actively researching for a geographic location where the operating environment is favorable for the establishment of a new plant. We believe in the need for additional capacity not only to bring down our average cost, but to support our growth as we expand our customer base and market channels.

2. In response to the prevailing market trends the geographic spread of our sales has changed as the focus moves away from the U.S. During the period 59% of our sales revenue was attributable to the U.S., down from 74% in the 2007 fiscal year, whilst European sales increased from 17% in 2007 to 27% in the current period.

3. In light of the steep increase in operating cost in Asia as noted earlier, we are targeting our sales to high value business with an objective of maintaining our profit margins. The marginal increase in average selling price during the period, despite heavy price pressures in the market, partially reflected this effort.

Our markets are changing. The economic downturn in the US has impacted demand, particularly evident in the mass markets, whilst the trend of sourcing outwith China continues. Retailers are globalizing and sourcing directly from Asia through local buying offices. Cost is increasingly a major factor in sourcing decisions and frequent changes in fashion contribute to short production cycles and small order sizes.

The 2005 Memorandum of Understanding between China and the EU, which capped imports from China to the EU, expired at the end of calendar 2007 and has been replaced by a system of joint import surveillance which will operate for one year in 2008 in tracking the issue of export licences in China.

The quota agreement with the US expires at the end of calendar 2008. China's usage of the 2007 quota was 75.9%. We have received our first allocation for 2008 and are comfortable of securing a balance which is sufficient for our needs.

Revenue for the period in our branded business was HK$9.4 million compared to HK$10.1 million in the corresponding period last year whilst losses attributable to this segment for the period increased to HK$3.7 million. As at 31 December 2007, we maintained sixteen sales counters in department stores in Shenzhen and one in Chengdu, Sichuan Province. At the same date last year we operated five counters. Our focus remains on expanding the distribution network for our "mx" brand in China. The results reflect the cautious approach we are taking to this expansion and are in line with our expectations at this stage in the development of this business.

On 19 December 2007 we published an Announcement stating our intention not to proceed with the acquisition of a majority interest in a compatible business in China.

Corporate spending remained stable when compared to the second half of fiscal 2007 and capital expenditure amounted to HK$11 million.

The financial position of the Group remains strong with shareholders funds standing at HK$549 million at 31 December 2007. Credit facilities available to the Group amounted to HK$150 million of which HK$5.5 million had been utilized. Bank balances stood at HK$209.1 million and, with a currently insignificant level of gearing, the Group is in a healthy position to take advantage of any opportunities to enhance shareholder value which may arise.

Your Board of Directors has resolved to declare an interim dividend of HK$0.015 per share for the half year. For the same period last year the interim dividend was HK$0.025 per share.

Our view of the outlook for the remainder of the year has not changed significantly since the publication of our Annual Report last September and our first quarter operational update published on our website in November 2007.

Our ability to manage increasing cost pressures will be tested, with labour shortages continuing to push up the cost of labour and the decline in the US dollar expected to continue. Whilst we are pleased that we have been able to maintain our gross profit at 22%, the same as the second half of fiscal 2007, it is imperative that we continue our efforts to shift production to those cost effective areas which also benefit from an adequate supply of labour and to target our sales at higher value business.

Quotas are unlikely to be an issue during 2008.

Our business model, which has served us well over many years is changing. Our focus is moving from OEM to ODM to enable us to develop direct sales to retail customers, particularly in the European market where we have previously established relationships. This is a continuous learning experience for the Group and requires investment, inter alia, in product development and sales support functions and, whilst growth and profitability may be compromised in the short term, the initial signs are encouraging and we are confident that the impact of these changes will be positively reflected in the business performance of the Company in the medium term.

We continue our search for M&A opportunities for our brands business in China and remain of the view that this is the optimal way to accelerate our presence in that market. The expansion of this business is an important cornerstone to our overall business strategy and, notwithstanding any strategic or equity relationships being consummated, we shall continue our internal expansion in the China market.

The transitional period in which we find ourselves brings pressures to bear on management and employees. We are, however, confident that the ongoing implementation of the measures and initiatives that we have put in place are in capable hands and will lead us to longer term prosperity.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, the Company repurchased certain of its own shares on the Stock Exchange:

Month of repurchase	Number of shares of HK$0.1 each	Purchase consideration price per share Highest	Purchase consideration price per share Lowest	Aggregate consideration Paid
		HK$	*HK$*	*HK$'000*
November 2007	1,110,000	0.87	0.84	950

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 31 December 2007.

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of HK$0.015 per share (six months ended 31 December 2006: HK$0.025 per share) to members whose names appear on the register of members on Thursday, 13 March 2008. The dividend will be paid on Thursday, 27 March 2008.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 11 March 2008 to Thursday, 13 March 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend of HK$0.015 per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 10 March 2008.

AUDIT COMMITTEE

The Audit Committee currently comprises Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy, all of whom are Independent Non-executive Directors and Ms. Leung Churk Yin, Jeanny, a Non-executive Director of the Company.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The unaudited interim financial report for the six months ended 31 December 2007 has been reviewed by the Audit Committee and Messrs. Deloitte Touche Tohmatsu, auditors of the Company.

CORPORATE GOVERNANCE

During the six months ended 31 December 2007, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, except for the following deviations:

Code Provisions A.4.1 and A.4.2

Code A.4.1 provides, inter alia, that non-executive directors should be appointed for a specific term, subject to re-election.

Non-executive Directors of the Company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the Company's Bye-laws.

Code A.4.2 also provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the Company's Bye-laws, at each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office provided that notwithstanding anything herein, the Chairman and the Group Managing Director shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. In the opinion of the Board, it is important for the stability and growth of the Company that there is, and is seen to be, continuity of leadership in the roles of Chairman and Group Managing Director and, in consequence, the Board is of the view that both should not be subject to retirement by rotation or hold office for a limited term at the present time.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. Based on specific enquiry of all its Directors, the Company considers that the Directors complied with the required standards set out in the Model Code throughout the period under review.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

EMPLOYEES

As at 31 December 2007, the Group has approximately 12,346 employees (30 June 2007: approximately 13,039 employees). The remuneration policy and package of the Group's employees are structured by reference to market terms and statutory requirements as appropriate. In addition, the Group also provides other staff benefits such as medical insurance, mandatory provident fund and a share option scheme to its employees.

On behalf of the Board
Top Form International Limited
Fung Wai Yiu
Chairman

Hong Kong, 22 February 2008

As at the date of this announcement, the Board comprises Mr. Fung Wai Yiu and Mr. Wong Chung Chong as executive directors, Mr. Lucas A.M. Laureys, Ms. Leung Churk Yin, Jeanny and Mr. Herman Van de Velde as non-executive directors, Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy as independent non-executive directors.