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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00333)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2008

RESULTS

The board of directors ("the Board") of Top Form International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2008

	Notes	**2008** *HK$'000*	2007 *HK$'000*
Revenue	*2*	**1,368,682**	1,467,496
Cost of sales		**(1,079,835)**	(1,115,411)
Gross profit		**288,847**	352,085
Other income		**13,409**	26,108
Selling and distribution expenses		**(57,590)**	(51,597)
General and administrative expenses		**(178,838)**	(159,396)
Finance costs		**(394)**	(362)
Profit before taxation	*3*	**65,434**	166,838
Taxation	*4*	**(12,095)**	(30,743)
Profit for the year		**53,339**	136,095
Attributable to:			
Equity holders of the Company		**57,966**	132,967
Minority interests		**(4,627)**	3,128
		53,339	136,095
Earnings per share	*6*		
Basic		**5.4 cents**	12.4 cents

* *for identification only*

CONSOLIDATED BALANCE SHEET

At 30 June 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		**171,627**	177,268
Prepaid lease payments		**1,965**	2,077
Prepaid rental payments		**6,113**	3,134
Interests in an associate		**–**	–
Deferred tax assets		**4,030**	–
		183,735	182,479
Current assets			
Inventories		**230,210**	197,462
Debtors, deposits and prepayments	*7*	**189,381**	166,394
Bills receivable	*8*	**16,255**	12,818
Prepaid lease payments		**112**	112
Bank balances and cash		**211,659**	256,435
		647,617	633,221
Current liabilities			
Creditors and accrued charges	*9*	**133,769**	130,447
Taxation		**102,567**	96,744
Bank borrowings and other liabilities			
– due within one year		**5,018**	4,700
Obligations under finance leases			
– due within one year		**165**	211
		241,519	232,102
Net current assets		**406,098**	401,119
Total assets less current liabilities		**589,833**	583,598

	Notes	2008 HK$'000	2007 HK$'000
Non-current liabilities			
Bank borrowings and other liabilities			
– due after one year		**23**	224
Obligations under finance leases			
– due after one year		**262**	41
Retirement benefit obligations		**5,762**	4,263
Deferred tax liabilities		**6,933**	10,416
		12,980	14,944
		576,853	568,654
Capital and reserves			
Share capital		**107,519**	107,630
Reserves		**450,899**	438,640
Equity attributable to equity holders of the Company		**558,418**	546,270
Minority interests		**18,435**	22,384
		576,853	568,654

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for accounting periods beginning on or after 1 July 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the new HKFRSs had had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective. The Directors of the Group anticipate that the application of these standards, amendments 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]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 12	Service Concession Arrangements[3]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]

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

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

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

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

[5] *Effective for annual periods beginning on or after 1 October 2008*

2. REVENUE AND SEGMENT INFORMATION

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

(a) Business segments

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2008

	Manufacturing business *HK$'000*	**Branded business** *HK$'000*	**Elimination** *HK$'000*	**Consolidated** *HK$'000*
REVENUE				
External sales	**1,348,089**	**20,593**	**–**	**1,368,682**
Inter-segment sales	**8,587**	**–**	**(8,587)**	**–**
Total sales	**1,356,676**	**20,593**	**(8,587)**	**1,368,682**
RESULTS				
Segment results	**87,496**	**(9,638)**	**–**	**77,858**
Unallocated corporate expenses				**(17,645)**
Interest income				**5,615**
Finance costs				**(394)**
Profit before taxation				**65,434**
Taxation				**(12,095)**
Profit for the year				**53,339**

Inter-segment sales are charged at prevailing market rate.

For the year ended 30 June 2007

	Manufacturing business *HK$'000*	Branded business *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
REVENUE				
External sales	1,448,348	19,148	–	1,467,496
Inter-segment sales	3,906	–	(3,906)	–
Total sales	1,452,254	19,148	(3,906)	1,467,496
RESULTS				
Segment results	177,303	(1,184)	–	176,119
Unallocated corporate expenses				(14,309)
Interest income				5,390
Finance costs				(362)
Profit before taxation				166,838
Taxation				(30,743)
Profit for the year				136,095

Inter-segment sales are charged at prevailing market rate.

(b) ***Geographical segments***

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

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

Year ended 30 June

	Sales revenue by geographical market	
	2008	2007
	HK$'000	*HK$'000*
United States of America and Canada	**911,739**	1,104,029
Europe	**315,094**	226,503
Australia and New Zealand	**82,048**	79,351
Asia (excluding Hong Kong)	**45,406**	42,789
Hong Kong	**14,098**	14,824
South Africa	**297**	–
	1,368,682	1,467,496

3. PROFIT BEFORE TAXATION

	2008	2007
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Auditors' remuneration	**2,900**	2,699
Cost of textile quota entitlements	**5,702**	13,601
Depreciation of property, plant and equipment	**28,065**	31,644
Allowance for (write back of allowance for) obsolete inventories	**3,948**	(18,752)
Release of prepaid lease payments	**112**	112
Loss on disposal of property, plant and equipment	**257**	313
Impairment loss arising in respect of:		
Leasehold improvements	**–**	433
Furniture, fixture and equipment	**–**	516
	–	949
Minimum lease payments paid under operating leases in respect of land and buildings	**28,437**	22,774
Cost of inventories recognised as an expense	**1,079,835**	1,115,411
Net exchange gain	**(1)**	(4,630)
Staff costs, including directors' emoluments	**361,435**	334,926
Quota income	**(2,278)**	(9,346)
Interest income	**(5,615)**	(5,390)

4. TAXATION

	2008	2007
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
Hong Kong Profits Tax calculated at 16.5% (2007: 17.5%) on the estimated assessable profit for the year	**8,205**	28,332
Taxation in other jurisdictions calculated at the rates prevailing in the respective jurisdictions	**3,945**	2,343
	12,150	30,675
Under (over) provision in prior years		
Hong Kong Profits Tax	**6,263**	248
Taxation in other jurisdictions	**1,195**	(937)
	7,458	(689)
Deferred taxation		
Current year	**(6,918)**	757
Attributable to changes in tax rates	**(595)**	–
	(7,513)	757
	12,095	30,743

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in the Hong Kong Profits Tax rate by 1% to 16.5% effective for the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the year ended 30 June 2008.

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations have changed the tax rate from 33% to 25% for the Group's subsidiaries effective from 1 January 2008, except for those subsidiaries who are enjoying tax holiday or tax concession rates.

During the year, the Hong Kong Inland Revenue Department (the "IRD") initiated a tax audit on certain subsidiaries of the Company for the years of assessment from 2001/02 to 2006/07. The IRD has requested information and documents of certain subsidiaries of the Group for the propose of the tax audit. As the tax audit is still at the fact finding stage, the scope and outcome cannot be ascertained at the current stage. No additional provision for Hong Kong Profits Tax is considered necessary at this stage.

5. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Interim dividend paid for the year ended 30 June 2008 of HK$0.015 (2007: for the year ended 30 June 2007 of HK$0.025) per share	**16,128**	26,907
Final dividend paid for the year ended 30 June 2007 of HK$0.03 (2007: for the year ended 30 June 2006 of HK$0.03) per share	**32,289**	32,289
	48,417	59,196

The Board does not recommend the payment of a final dividend for the year ended 30 June 2008 (2007: HK$0.03 per share).

6. 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:

	2008	2007
	HK$'000	*HK$'000*
Profit attributable to the equity holders of the Company for the purpose of basic earnings per share	**57,966**	132,967

	Number of shares	
	2008	2007
Number of ordinary shares for the purpose of basic earnings per share	**1,075,624,732**	1,076,298,125

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

7. DEBTORS, DEPOSITS AND PREPAYMENTS

	2008	2007
	HK$'000	*HK$'000*
Trade debtors	**154,872**	136,180
Deposits and prepayments	**34,509**	30,214
Total debtors, deposits and prepayments	**189,381**	166,394

Before accepting any new customers, the Group will assess the potential customer's credit quality. 97% of the trade receivables that are neither past due nor impaired have the best credit quality.

The Group allows an average credit period of 30 days to its trade customers.

An aged analysis of trade debtors is as follows:

	2008	2007
	HK$'000	*HK$'000*
0-30 days	**150,617**	131,880
31-60 days	**3,261**	2,971
61-90 days	**911**	984
Over 90 days	**83**	345
	154,872	136,180

8. BILLS RECEIVABLE

Included in the bills receivable is an amount of HK$14,156,000 (2007: HK$8,941,000) aged within 30 days, HK$2,099,000 (2007: HK$2,125,000) aged within 31 to 60 days and nil balance (2007: HK$1,752,000) is aged between 61 to 90 days.

9. CREDITORS AND ACCRUED CHARGES

Included in the balance are trade creditors of HK$71,225,000 (2007: HK$60,461,000).

An aged analysis of trade creditors is as follows:

	2008	2007
	HK$'000	*HK$'000*
0-30 days	**60,365**	50,852
31-60 days	**7,603**	6,165
61-90 days	**1,624**	2,089
Over 90 days	**1,633**	1,355
	71,225	60,461

The average credit period on purchase of goods is 30 days. The Group has financial risk management policies in place to ensure that all are paid within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's business activities are organized into two operating units, namely Manufacturing and Brands, and a corporate cost centre.

	Revenue		**Profit (Loss/Expenses)**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Manufacturing	**1,348,089**	1,448,348	**93,275**	182,317
Brands	**20,593**	19,148	**(9,616)**	(1,171)
Corporate	**–**	–	**(18,225)**	(14,308)
	1,368,682	1,467,496	**65,434**	166,838

For the year ended 30 June 2008, the Group experienced a decrease in both sales revenue and after tax profit when compared to the previous year. Sales revenue declined 6.7% to HK$1,368.7 million, after tax earnings 60.8% to HK$53.3 million and basic earnings per share were HK$0.054 compared to HK$0.124 in the corresponding period of the previous year.

MANUFACTURING

Our core OEM Manufacturing business accounts for some 99% of the Group's revenue. During the year our global sales totalled 49.4 million units of brassieres compared to 55.5 million units in 2007.

Our first half accounted for 25.1 million units, compared to 29.7 million units in 2007. In our second half we sold 24.3 million units compared 25.8 million units in 2007. The 29.7 million units sold in the first half of 2007 was not truly representative of market conditions as it included a backlog of orders following the quota disruption experienced in fiscal 2006. Once this factor is taken out of the equation it is apparent that the downward trend in orders continues.

Our markets are changing. The economic downturn in the US has impacted demand, particularly evident in the mass markets, while 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 manufacturing environment in which we 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 from 13% to 11% 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 operating costs. In Thailand, labour shortages in the vicinity of Bangkok have resulted in labor-intensive operations being highly inefficient and uncompetitive. During the year we took steps to close down one plant completely and reduced the workforce of the remaining plant to a headcount of only 700, primarily through the process of natural attrition. At the same time, we spearheaded the expansion of the new factory located near the Western border of the country where labor supply is more accessible and increased the headcount of the operation from 1,400 recorded a year ago to 2,100 at the time of writing this report.

In response to the prevailing market trends, we continued our effort to develop the EU business and we have seen encouraging results as reflected by the changes in the geographic spread of our sales. The EU accounted for 23% of our total global sales during the fiscal year, an increase of 39% in absolute dollar terms from 15% in the previous year, while US sales by comparison represented 62% from 75% in 2007. This also reflects our strategy of targeting high value business particularly in the EU market where demand is less price-sensitive.

Whilst average selling prices showed modest increases during the year this was due in a large part to the higher work content in units sold and gross margins remained under pressure.

Our three plants in China accounted for 61% of our total output. Minimum wages in our Nan Hai plant increased by 12% on 1 April 2008, in Longnan by 7% on 1 January 2008 and in Shenzhen by 8% on 1 July 2008. The RMB appreciated by some 10% against the US dollar from 1 July 2007 to 30 June 2008.

Our plants in Thailand accounted for 31% of our global output; 15% was attributable to those plants on the vicinity of Bangkok and 16% to the other regions. The shortage of labour in the vicinity of Bangkok and the continuing strength of the Baht are ongoing issues.

In order to mitigate the impact of these challenges we continue the repositioning of our production facilities to lower costs areas where people need employment and where the operating environment is favorable for future growth. We have downsized some of our most expensive operations, primarily by attrition. In China, our most cost effective plant in Longnan accounted for 26% of our global output, up from 24% last year due to our cutting back the capacities of our expensive plants in Guangdong province. In Thailand, as a result of the developments noted earlier, the regional operations accounted for 16% of our global output, up from 14% last year.

The 2005 Memorandum of Understanding between China and the EU, which capped imports from China, 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 licenses 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% and we received sufficient quota for our needs.

BRANDS

Revenue for the year attributable to our branded business amounted to HK$20.6 million compared to HK$19.1 million in the previous year. Losses, which were in line with our forecast during this build up period, amounted to HK$9.6 million compared to HK$1.2 million in the previous year. We continue the cautious expansion of the distribution network for our "MX Lingerie" brand in China. As at 30 June 2008, we maintained 24 sales counters in department stores in Shenzhen and one in Chengdu, while 4 counters were terminated due to their unsatisfactory sales performance.

In 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.

In June 2008 we closed one of our two Marguerite Lee shops in Hong Kong upon the expiry of the lease term because of unfavorable rental rates and to enable us to focus our management resources on building the China market.

CORPORATE

The charges attributable to our corporate cost centre increased from HK$14.3 million in the previous year to HK$18.2 million this year. The increase was primarily due to the professional expenses incurred from the corporate finance activities of the Group during the year.

FINANCIAL POSITION

Our balance sheet remains strong, with shareholders' funds standing at HK$558.4 million as at 30 June 2008, up from HK$546.3 million in 2007. During the year, the Company repurchased 1,110,000 shares on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") for an aggregate consideration of HK$950,000.

As at the year end, credit facilities available to the Group amounted to HK$150 million with an insignificant level of gearing.

As at 30 June 2008, bank balances and cash stood at HK$211.7 million.

Capital expenditure during the year amounted to HK$21.7 million.

OUTLOOK

The outlook for the coming twelve months remains bleak on the backdrop of the global economic downturn. While the Group does not forecast any significant growth for the coming year, we believe our strategic moves made in the past year in reshuffling our manufacturing capacities and in the development of new customers and market channels would not only stabilize our position in the deteriorating business and operating environments, but could help to improve our long term performance. We will continue to look for opportunities outside of our existing manufacturing locations. At present we have started a satellite plant outside Guangdong which if proven a successful pilot project, may lead to the addition of a fully-fledged and low cost production facility to cater for our business needs.

We will continue to monitor closely the development of our Brands business in China, both in Shenzhen and other key cities.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year under review, the Company repurchased 1,110,000 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 year ended 30 June 2008.

CORPORATE GOVERNANCE

The Group continues to commit itself to maintaining high standards of corporate governance principles and practices with an emphasis on enhancing transparency and accountability and ensuring the application of these principles and practices within the Group and thereby, enhancing shareholder value and benefiting our stakeholders at large.

During the year under review, the Company has complied with the code provisions as well as some recommended best practices as set out in the Code on Corporate Governance Practices ("Code Provisions") set out in the Rules ("Listing Rules") Governing the Listing of Securities on the Stock Exchange except for the following deviations:

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

The Chairman and the Group Managing Director of the Company 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.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company has assessed their independence and concluded that all the Independent Non-executive Directors are independent.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 standard as set out in the Model Code during the year.

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 30 June 2008, the Group has approximately 12,836 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 provide other staff benefits such as medical insurance, mandatory provident fund and a share option scheme to its employees.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the external auditors the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the audited financial statements for the year ended 30 June 2008.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2008 (2007: HK$0.03 per share).

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

19 September 2008

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