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 2010

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 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2010

		For the six months ended 31 December	
		2010	2009
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**748,583**	633,208
Cost of sales		**(591,302)**	(495,577)
Gross profit		**157,281**	137,631
Other income and gains		**9,894**	2,741
Selling and distribution expenses		**(11,838)**	(14,822)
General and administrative expenses		**(86,041)**	(82,881)
Other expenses	*4*	**(7,421)**	–
Finance costs		**(12)**	(15)
Profit before taxation	*5*	**61,863**	42,654
Income tax expense	*6*	**(11,824)**	(8,814)
Profit for the period		**50,039**	33,840

* *For identification purpose only*

	Note	For the six months ended 31 December	
		2010	2009
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Profit for the period attributable to:			
Owners of the Company		**47,001**	30,825
Non-controlling interests		**3,038**	3,015
		50,039	33,840
Earnings per share	*8*		
Basic		**4.4 cents**	2.9 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2010

	For the six months ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**50,039**	33,840
Other comprehensive income		
Exchange differences arising on translation of foreign operations	**1,584**	(168)
Total comprehensive income for the period	**51,623**	33,672
Total comprehensive income attributable to:		
Owners of the Company	**47,911**	30,549
Non-controlling interests	**3,712**	3,123
	51,623	33,672

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 December 2010

	Notes	At 31 December 2010 (Unaudited) HK$'000	At 30 June 2010 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**142,004**	139,224
Prepaid lease payments		**1,791**	1,815
Prepaid rental payments		**7,304**	7,410
Interest in an associate		**–**	–
Deferred tax assets		**797**	1,152
		151,896	149,601
Current assets			
Inventories		**229,793**	225,085
Debtors and other receivables	*9*	**137,010**	159,743
Bills receivable	*10*	**24,367**	29,676
Prepaid lease payments		**48**	48
Tax recoverable		**–**	9,366
Tax reserve certificates	*6*	**–**	77,920
Bank balances and cash		**207,139**	220,646
		598,357	722,484
Current liabilities			
Creditors and accrued charges	*11*	**129,623**	132,779
Taxation		**14,465**	149,267
Bank borrowings and other liabilities			
– due within one year		**281**	828
Obligations under finance leases			
– due within one year		**72**	131
		144,441	283,005
Net current assets		**453,916**	439,479
Total assets less current liabilities		**605,812**	589,080

	At 31 December 2010 (Unaudited) *HK$'000*	At 30 June 2010 (Audited) *HK$'000*
Non-current liabilities		
Obligations under finance leases		
– due after one year	**–**	11
Retirement benefit obligations	**6,321**	10,305
Deferred tax liabilities	**3,830**	4,216
	10,151	14,532
Net assets	**595,661**	574,548
Capital and reserves		
Share capital	**107,519**	107,519
Reserves	**464,238**	443,207
Equity attributable to owners of the Company	**571,757**	550,726
Non-controlling interests	**23,904**	23,822
Total equity	**595,661**	574,548

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2010

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 2010.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA.

HKAS 32 (Amendment)	Classification of Right Issues
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to amendments to HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 39, HKFRS 5 and HKFRS 8
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 in relation to amendments to HKAS 24 and HK(IFRIC) - Int 14
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK - Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the application of the new and revised standards, amendments and interpretations has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Amendments to HKAS 17 Leases

As part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated balance sheet. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 July 2010 based on information that existed at the inception of the leases and concluded all leasehold land classified as operating lease did not qualify for finance lease classification. Therefore, no adjustment is required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 in relation to amendments to HKAS 1, HKAS 27, HKFRS 1, HKFRS 3 and HKFRS 7[1]
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets[1]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKFRS 9	Financial Instruments[3]
HKAS 24 (as revised in 2009)	Related Party Disclosures[1]
HK (IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[1]

[1] *Effective for annual periods beginning on or after 1 January 2011.*

[2] *Effective for annual periods beginning on or after 1 January 2012.*

[3] *Effective for annual periods beginning on or after 1 January 2013.*

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 30 June 2014 and that the application of the new Standard may not have a significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group's executive directors, being the Group's chief operating decision makers, review the operations on a plant by plant basis. No discrete financial information is available for each plant and the Group's executive directors review financial information on a consolidated basis. The Group has therefore only one operating segment, namely manufacturing and sale of ladies' intimate apparel, for the six months ended 31 December 2010 and 31 December 2009.

The accounting policies of the financial information reviewed by executive directors are the same as the Group's accounting policies. Segment revenue is the consolidated revenue of the Group. Segment profit is the consolidated profit after tax.

All the Group's segment assets and liabilities are under the manufacturing business as at 31 December 2010 and 30 June 2010.

4. OTHER EXPENSES

During the current period, a decision was made to cease manufacturing operations in the plant in the Republic of the Philippines resulting in severance payments and other costs amounting to approximately HK$7,421,000 being recognised in the condensed consolidated income statement during the six months ended 31 December 2010. The nature of expense was as follows:

	For the six months ended 31 December 2010 *HK$'000* **(Unaudited)**
Severance payments to employees	**10,478**
Reversal of retirement benefit obligations previously recognised	**(4,168)**
Impairment losses recognised in respect of property, plant and equipment	**59**
Other costs	**1,052**
	7,421

5. PROFIT BEFORE TAXATION

	For the six months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**14,379**	14,191
Amortisation of prepaid lease payments	**24**	54
(Gain) loss on disposal of property, plant and equipment	**(301)**	6
Severance payments and other costs *(Note)*	**7,421**	6,233
Exchange (gain) loss, net	**(7,363)**	604
Interest income	**(369)**	(261)

Note: Details of the severance payments and other costs for the current period have been set out in note 4.

For the six months ended 31 December 2009, the Group has transferred the manufacturing operations of a plant located in the vicinity of Bangkok to a regional facility incurring severance payments and other costs amounting to approximately HK$6,233,000 as an expense in the condensed consolidated income statement.

6. INCOME TAX EXPENSE

	For the six months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**8,646**	5,582
Other jurisdictions	**3,210**	3,413
	11,856	8,995
Deferred tax:		
Credit for the period	**(32)**	(181)
	11,824	8,814

Hong Kong Profits Tax rate used is 16.5% for the six months ended 31 December 2010 (six months ended 31 December 2009: 16.5%).

During the years ended 30 June 2008, 2009 and 2010, certain subsidiaries of the Company were subject to tax audit raised by the Hong Kong Inland Revenue Department (the "IRD") for the years of assessment from 2001/02 to 2009/10. The IRD requested information and documents relating to certain subsidiaries of the Group for the purpose of the tax audit.

As at 30 June 2010, the IRD had issued notices of estimated assessment demanding final tax on certain subsidiaries for the years of assessment from 2002/03 to 2007/08. As at 30 June 2010, tax reserve certificates amounting to HK$77,920,000 relating to these estimated assessments were purchased.

Before the issuance of the last annual report dated 17 September 2010 of the Group for the year ended 30 June 2010, the Group reached a settlement with the IRD at a sum of HK$136,431,000, inclusive of HK$21,000,000 as a compound penalty, as a full and final settlement of the whole case for all of the relevant years of assessment. As a result, additional income tax of HK$16,037,000 for the relevant years of assessment had been provided for the year ended 30 June 2010. During the current period, tax reserve certificates amounting to HK$77,920,000 has been utilised to settle part of the income tax for the relevant years of assessment.

Taxation arising in other jurisdictions 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 20% for the six months ended 31 December 2010 (six months ended 31 December 2009: 20%) 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 and deferred tax liabilities in relation to accelerated tax depreciation.

7. DIVIDENDS

	For the six months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Dividends recognised as distribution during the period:		
2010 final dividend paid: HK$0.025 per share (2009: 2009 final dividend of HK$0.025 per share) on 1,075,188,125 shares	**26,880**	26,880
Dividend declared:		
Interim dividend *(Note)*	**16,128**	16,128

Note: Subsequent to the end of the interim reporting period, an interim dividend of HK$0.015 per share (six months ended 31 December 2009: HK$0.015 per share) has been declared by the directors of the Company for the six months ended 31 December 2010.

8. EARNINGS PER SHARE

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

	For the six months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period attributable to the owners of the Company for the purpose of basic earnings per share	**47,001**	30,825

	Number of shares	
Number of ordinary shares for the purpose of basic earnings per share	**1,075,188,125**	1,075,188,125

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

9. DEBTORS AND OTHER RECEIVABLES

Included in the balance are trade debtors of HK$110,719,000 (at 30 June 2010: HK$135,749,000). The Group allows an average credit period of 30 days to its trade customers.

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

	At 31 December 2010	At 30 June 2010
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
0 – 30 days	**106,723**	131,086
31 – 60 days	**3,227**	4,455
61 – 90 days	**609**	208
Over 90 days	**160**	–
	110,719	135,749

10. BILLS RECEIVABLE

As at 31 December 2010, all of the bills receivable is aged within 30 days (at 30 June 2010: HK$27,270,000 aged within 30 days, HK$2,399,000 aged within 31 to 60 days and HK$7,000 aged within 61 to 90 days). The Group does not hold any collateral over these balances.

11. CREDITORS AND ACCRUED CHARGES

Included in the balance are trade creditors of HK$51,394,000 (at 30 June 2010: HK$58,607,000).

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

	At 31 December 2010 (Unaudited) ***HK$'000***	At 30 June 2010 (Audited) *HK$'000*
Current	**41,067**	47,499
Less than 1 month past due	**8,246**	7,935
1 to 2 months past due	**1,956**	2,950
More than 2 months but less than 3 months past due	**29**	63
More than 3 months past due	**96**	160
	51,394	58,607

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 31 December 2010, the Group recorded an increase in both sales revenue and profit after taxation when compared with the corresponding period last year.

Sales revenues increased by 18%, from HK$633.2 million to HK$748.6 million, whilst profit attributable to the Group increased by 48%, from HK$33.8 million to HK$50.0 million. Earnings per share increased from 2.9 cents to 4.4 cents.

Gross manufacturing margin reduced from 22% to 21%.

During the period, in monetary terms, 65% of our sales were to the US market compared to 65% in the first half last year. The EU accounted for 20% (22% in the corresponding period last year) and the rest of the world 15% (13% in the same period last year).

Unit sales during the period were 23.5 million units compared to 20.2 million in the first half of last year.

China accounted for 49% of our global capacity, Thailand 37% and the Philippines 14%.

In furtherance of our ongoing strategy to migrate production to our most effective locations and to improve overall cost efficiency, on 23 December 2010, we ceased manufacturing operations in our Philippines plant. The lost capacity is being taken up by an expansion of production capacity in Thailand.

The financial position of the Group remains strong with shareholders' funds standing at HK$571.8 million as at 31 December 2010. Credit facilities available to the Group amounted to HK$150 million of which HK$0.3 million had been utilized.

Corporate expenditure for the period amounted to HK$7.4 million compared to HK$6.9 million in the corresponding period last year and capital expenditure was HK$15.1 million.

Your Board of Directors has resolved to declare an interim dividend of HK$0.015 per share. An interim dividend of HK$0.015 per share was paid last year.

Recent developments in the global environment affect all aspects of economic activity. The group is not immune to the effects and faces a challenging market. We are therefore prudent in our business outlook for the near future.

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

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 2010.

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of HK$0.015 per share for the six months ended 31 December 2010 (six months ended 31 December 2009: HK$0.015 per share). Shareholders whose names appear on the register of members of the Company on Friday, 18 March 2011 will be entitled to the interim dividend which will be paid on Friday, 25 March 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 16 March 2011 to Friday, 18 March 2011, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the interim dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 15 March 2011.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy, all of whom are Independent Non-executive Directors 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 Company's unaudited interim financial report for the six months ended 31 December 2010 has been reviewed by the Audit Committee and Messrs. Deloitte Touche Tohmatsu, auditor of the Company.

CORPORATE GOVERNANCE

During the six months ended 31 December 2010, 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 Provision 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 Provision 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 but not less than 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 2010, the Group had approximately 9,491 employees (30 June 2010: approximately 10,675 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 contributions and a share option scheme to its employees.

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

Hong Kong, 25 February 2011

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, Mr. Chow Yu Chun, Alexander, Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy as Independent Non-executive Directors.