



TOP FORM INTERNATIONAL LIMITED

**TOP FORM INTERNATIONAL LIMITED
2017 ANNUAL RESULTS ANNOUNCEMENT**

(Stock Code: 333)

Highlights

- Sales revenue reached HK\$1,126 million
- Gross profit amounted to HK\$205 million, a decline of 3% compared with fiscal 2016 (HK\$211 million). Gross profit margin maintained at 18% in fiscal 2017
- Profit after tax amounted to HK\$6 million
- The Board of Directors proposed a special dividend of HK\$0.05 per share for the year ended 30 June 2017

Hong Kong, 25 August 2017 — Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on 24 August, 2017 its annual results for the fiscal year ended on 30 June, 2017.

TFI recorded sales revenue of HK\$1,126 million, a slight decrease of 4% compared to the fiscal year of 2016. Gross profit margin maintained at 18% in the fiscal year of 2017. The Group recorded a profit of HK\$6 million after tax.

In December 2016, the Group entered a sale and purchase agreement to dispose of an investment property in Hong Kong at a consideration of HK\$19 million. The transaction was completed in February 2017. The Board has decided to propose a special dividend of HK\$0.05 per share.

In this fiscal year, 53% of the Group’s sales came from the US market whilst the sales in the EU represented 33% and the rest of the world accounted for 14%. The average selling price shows a moderate increase due to a lower proportion of sales in price sensitive products.

The drop in sales revenue reflected the softness of demand of the US market and the cautious inventory management in the supply chain. However, this phenomenon is not persistent and sales increase with orders return in the second half of fiscal 2017. In response to the situation, the production capacity was largely kept during the past fiscal year. The Group also maintained a similar manufacturing capacity portfolio ratio between its overseas and local plants in China. The production from the overseas plants accounted for 63% of the global output and that of the China plants accounted for the remaining 37% at the end of the fiscal year of 2017.

TFI’s financial position remains healthy with shareholders’ funds standing at HK\$546 million (2016: HK\$558 million) as of 30 June 2017. Bank balances and cash stood at HK\$133 million whilst credit facilities available to the Group amounted to HK\$149 million and gearing remained at an insignificant level.

Looking forward, the Group’s business operations continue to be challenging. Market demand continues to be volatile, making speed and flexibility often the major factors in supply chain decisions.

Mr. Eddie Wong, Chairman of TFI, commented, “We look for recalibrating our global capacity and expand our China capacity in Long Nan Jiangxi Province in China to sustain and grow our business for the long term. Together with our continuous effort to improve the productivity and efficiency of our existing plants and to optimize the overall planning and business process, we believe we are well positioned to improve our performance going forward.”

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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 2017)

	2017 HK\$'000	2016 HK\$'000
Revenue	1,126,008	1,179,025
Cost of sales	(920,758)	(968,424)
Gross Profit	205,250	210,601
Other income	15,367	21,917
Selling and distribution expenses	(27,694)	(24,270)
General and administrative expenses	(191,646)	(173,125)
Finance costs	(222)	(233)
Share of profits of a joint venture	7,396	5,054
Profit before tax	8,451	39,944
Income tax expense	(2,473)	(5,660)
Profit for the year	5,978	34,284
Profit for the year attributable to:		
Owners of the company	5,397	32,298
Non-controlling interests	581	1,986
	5,978	34,284
Earnings per share		
Basic	HK\$0.025	HK\$0.15

**TOP FORM INTERNATIONAL LIMITED****Consolidated Statement of Financial Position**

(As at 30 June 2017)

	2017 HK\$'000	2016 HK\$'000
Non-current assets		
Property, plant and equipment	111,622	96,748
Prepaid land lease payments	1,480	1,527
Investment properties	84,180	100,991
Derivative financial instrument	4,313	3,639
Interest in a joint venture	24,736	17,580
Prepaid rental payments	936	1,335
	227,267	221,820
Current assets		
Inventories	150,284	135,293
Debtors and other receivables	209,694	192,245
Amount due from a joint venture	-	11
Prepaid land lease payments	48	48
Current tax recoverable	1,105	-
Bank balances and cash	133,300	166,680
	494,431	494,277
Current liabilities		
Creditors and accrued charges	139,300	117,460
Obligation under finance lease	145	139
Current tax payable	4,210	4,638
	143,655	122,237
Net current assets	350,776	372,040
Total assets less current liabilities	578,043	593,860
Non-current liabilities		
Obligation under finance lease	205	338
Retirement benefit obligations	939	1,253
Deferred tax liabilities	20,999	23,436
	22,143	25,027
	555,900	568,833



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	2017 HK\$'000	2016 HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	438,501	450,199
Equity attributable to owners of the Company	<u>546,020</u>	<u>557,718</u>
Non-controlling interests	9,880	11,115
	<u>555,900</u>	<u>568,833</u>