



TOP FORM INTERNATIONAL LIMITED

TOP FORM INTERNATIONAL LIMITED 2019 INTERIM RESULTS ANNOUNCEMENT (Stock Code: 333)

Hong Kong, 21 February, 2019 – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on February 21, 2019 its interim results for the six-month period ended December 31, 2018.

During the period under review, the Group recorded sales revenue of HK\$606.7 million, a decrease of 6% compared to HK\$645.3 million in the same period last year. The Group recorded a net loss of HK\$13.9 million as compared with a profit after tax of HK\$19.3 million in the corresponding period last year. The Board has resolved not to declare an interim dividend.

During the period, in monetary terms, sales to the US amounted to 63% of the Group’s total sales, with sales to the EU representing 21% and 16% to the rest of the world, compared to 63%, 26% and 11% respectively during the previous interim period. The decrease in revenue was mainly due to lower sales to customers and also changes in product mix where a higher portion of sales was from lower price brief products, which resulted in a lower average selling price as compared with the corresponding period of fiscal 2018.

The Group maintained a consistent manufacturing capacity ratio between its overseas and local plants in China during the period. The production from the overseas plants accounted for 67% of the global production output whilst China accounted for the remaining 33%. In view of the uncertainties in the trade dispute between US and China and the rising costs of operation in China, the Group will continue shifting more capacity from China to overseas.

Commenting on the interim results, Mr. Eddie Wong, Chairman of TFI, said, “The Group expects no major change in the macro environment, and operation remains challenging in the second half of the financial year. Despite that, Top Form will proactively respond to the challenges. The Group remains committed to invest in system, technology and people to expand its customer base, product offering and improving operational efficiency. In addition, the Group believes the importance of having financial flexibility to cope with the potential downturn in the global economy and will continue managing the capital prudently.”

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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.



TOP FORM INTERNATIONAL LIMITED

Consolidated statement of profit or loss

(For the six months ended 31 December 2018)

	For the six months ended 31 December	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Revenue	606,696	645,260
Cost of sales	(506,938)	(522,065)
Gross profit	99,758	123,195
Other net income	6,285	5,865
Selling and distribution expenses	(19,566)	(20,179)
General and administrative expenses	(101,646)	(86,244)
Finance costs	(98)	(158)
Share of profits of a joint venture	2,135	2,437
Other expenses	-	(3,141)
(Loss)/profit before tax	(13,132)	21,775
Income tax expense	(803)	(2,480)
(Loss)/profit for the period	(13,935)	19,295
Attributable to:		
Owners of the Company	(11,808)	19,834
Non-controlling interests	(2,127)	(539)
(Loss)/profit for the period	(13,935)	19,295
(Loss)/earnings per share (HK cents)		
Basic	(5.49)	9.22

**TOP FORM INTERNATIONAL LIMITED****Consolidated statement of financial position**

(At 31 December 2018)

	At 31 December 2018 (Unaudited) HK\$'000	At 30 June 2018 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	122,845	122,352
Prepaid land lease payments	1,408	1,432
Investment properties	83,349	86,705
Deferred tax assets	781	781
Derivative financial instrument	2,800	2,800
Interest in a joint venture	27,482	25,830
Prepaid rental payments	494	631
	239,159	240,531
Current assets		
Inventories	170,171	148,736
Debtors and other receivables	257,886	222,627
Prepaid land lease payments	48	48
Current tax recoverable	-	500
Bank balances and cash	68,285	102,616
	496,390	474,527
Current liabilities		
Creditors and accrued charges	187,465	137,504
Obligations under finance lease	139	149
Current tax payable	679	1,851
	188,283	139,504
Net current assets	308,107	335,023
Total assets less current liabilities	547,266	575,554
Non-current liabilities		
Obligations under finance lease	-	62
Retirement benefit obligations	1,403	832
Deferred tax liabilities	21,668	22,198
	23,071	23,092
Net assets	524,195	552,462



TOP FORM INTERNATIONAL LIMITED

Consolidated statement of financial position (continued)

(At 31 December 2018)

	At 31 December 2018 (Unaudited)	At 30 June 2018 (Audited)
	HK\$'000	HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	409,545	435,498
Equity attributable to owners of the Company	<u>517,064</u>	<u>543,017</u>
Non-controlling interests	7,131	9,445
Total equity	<u>524,195</u>	<u>552,462</u>