



## TOP FORM INTERNATIONAL LIMITED

### TOP FORM INTERNATIONAL LIMITED 2018 ANNUAL RESULTS ANNOUNCEMENT (Stock Code: 333)

#### **Highlights**

- Sales revenue reached HK\$1,281 million
- Gross profit increased 12% to HK\$229.9 million from HK\$205.3 million in fiscal 2017
- Gross profit margin maintained at 18%
- Profit after tax increased 107% to HK\$12.3 million
- The Board of Directors proposed a final dividend of HK\$0.05 per share for the year ended 30 June 2018

*Hong Kong, 27 August, 2018* – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on 24 August, 2018 its annual results for the fiscal year ended on 30 June, 2018.

TFI recorded a sales revenue of HK\$1,281 million, an increase of 14% compared to HK\$1,126 million in the previous fiscal year. The Group recorded a profit of HK\$12.3 million after tax, a significant increase of 107% compared to HK\$6 million in the previous fiscal year. The Board has decided to propose a final dividend of HK\$0.05 per share for the year ended 30 June 2018.

In this fiscal year, 63% of the Group’s sales came from the US market whilst the sales in the EU represented 26% and the rest of the world accounted for 11%. The revenue growth in the US market came from the expanded market share in key customers, which was offset by the lower sales in Europe and other regions. As the Group continues to optimize the customer and product mix, a higher sales volume and average selling price were recorded, hence the overall revenue has increased.

The Group maintained a consistent manufacturing capacity ratio between its overseas and local plants in China during the year. Production from Thailand and Cambodian plants accounted for 65% of the global output while China accounted for the remaining 35%. The Group continues to rationalize and optimize the capacity of its manufacturing facilities and to raise productivity and efficiency through investment in new technology, people and process optimization. We have seen improvements in efficiency across all facilities during the year.

During the period under review, the positive impact from improving efficiency was offset by escalating labor costs and the appreciation of the Thai baht and the Renminbi against US dollars. The gross profit amounted to HK\$229.9 million, representing an increase of 12% as compared with HK\$205.3 million in fiscal 2017. The gross profit margin remained at 18% in the fiscal year of 2018. In constant currency terms, the gross profit margin was 20%, improved by 2% as compared to last corresponding year.

The financial position of the Group remains healthy with the shareholders’ funds standing at HK\$543 million as of 30 June 2018 compared to HK\$546 million at the previous year end. Bank balances and cash stood at HK\$103 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. Global economic growth is approaching the end of a business cycle; together with the escalating trade conflicts between the US and China which poses potential disruption to the global supply chain, this creates a highly volatile market environment.



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As part of the Group's succession planning and leadership transition, the Board has appointed Mr. Wong Kai Chung, Kevin as the Chief Executive Officer of the Group to lead the Group forward and build the next generation leadership team for future sustainable growth.

Mr. Eddie Wong, Chairman of TFI, commented, "To cope with the above challenges and the ongoing changes in the fashion industry, the Group will continue to improve productivity and efficiency through investments in technology, people and process optimization for sustainable growth. In addition, the Board is confident that the new management structure and leadership will guide the Company through the difficult market conditions and volatility in the year ahead."

- End -

### **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](http://www.topformbras.com).

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**TOP FORM INTERNATIONAL LIMITED**Consolidated Statement of Profit or Loss  
(For the year ended 30 June 2018)

	For the year ended 30 June	
	2018 (Audited) HK\$'000	2017 (Audited) HK\$'000
<b>Revenue</b>	<b>1,281,021</b>	<b>1,126,008</b>
Cost of sales	(1,051,111)	(920,758)
<b>Gross profit</b>	<b>229,910</b>	<b>205,250</b>
Other net income	8,792	15,367
Selling and distribution expenses	(23,017)	(27,694)
General and administrative expenses	(200,671)	(191,646)
Finance costs	(307)	(222)
Share of profits of a joint venture	3,516	7,396
Other expenses	(3,141)	-
<b>Profit before tax</b>	<b>15,082</b>	<b>8,451</b>
Income tax expense	(2,735)	(2,473)
<b>Profit for the year</b>	<b>12,347</b>	<b>5,978</b>
<b>Attributable to:</b>		
Owners of the Company	12,869	5,397
Non-controlling interests	(522)	581
<b>Profit for the year</b>	<b>12,347</b>	<b>5,978</b>
<b>Earnings per share</b>		
Basic	<b>HK\$0.060</b>	<b>HK\$0.025</b>



## TOP FORM INTERNATIONAL LIMITED

### Consolidated Statement of Financial Position

(As at 30 June 2018)

	As at 30 June 2018 (Audited) HK\$'000	As at 30 June 2017 (Audited) HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	122,352	111,622
Prepaid land lease payments	1,432	1,480
Investment properties	86,705	84,180
Deferred tax assets	781	-
Derivative financial instrument	2,800	4,313
Interest in a joint venture	25,830	24,736
Prepaid rental payments	631	936
	<b>240,531</b>	<b>227,267</b>
<b>Current assets</b>		
Inventories	148,736	150,284
Debtors and other receivables	222,627	209,694
Prepaid land lease payments	48	48
Current tax recoverable	500	1,105
Bank balances and cash	102,616	133,300
	<b>474,527</b>	<b>494,431</b>
<b>Current liabilities</b>		
Creditors and accrued charges	137,504	139,300
Obligations under finance lease	149	145
Current tax payable	1,851	4,210
	<b>139,504</b>	<b>143,655</b>
<b>Net current assets</b>	<b>335,023</b>	<b>350,776</b>
<b>Total assets less current liabilities</b>	<b>575,554</b>	<b>578,043</b>
<b>Non-current liabilities</b>		
Obligations under finance lease	62	205
Retirement benefit obligations	832	939
Deferred tax liabilities	22,198	20,999
	<b>23,092</b>	<b>22,143</b>
<b>Net assets</b>	<b>552,462</b>	<b>555,900</b>



**TOP FORM INTERNATIONAL LIMITED**

**Consolidated statement of financial position (continued)**

(As at 30 June 2018)

	As at 30 June 2018 (Audited)	As at 30 June 2017 (Audited)
	HK\$'000	HK\$'000
<b>Capital and Reserves</b>		
Share capital	107,519	107,519
Reserves	435,498	438,501
<b>Equity attributable to owners of the Company</b>	<u>543,017</u>	<u>546,020</u>
Non-controlling interests	9,445	9,880
<b>Total equity</b>	<u><u>552,462</u></u>	<u><u>555,900</u></u>