



**TOP FORM INTERNATIONAL LIMITED**

**TOP FORM INTERNATIONAL LIMITED  
ANNOUNCES PROFIT FOR FY2014 ANNUAL RESULTS**  
(Stock Code: 333)

**Highlights**

- Manufacturing sales revenue amounted to HK\$1,132 million in FY2014, with 33.5 million pieces of ladies' intimate apparel products sold
- Full year profit of HK\$39.3 million, compared to HK\$4 million loss in previous financial year
- Group to take on lacklustre market situation and challenges in the operating environment by expanding capacity outside China, including the building of a new production facility in Myanmar
- The Board of Directors proposed a final dividend of HK\$0.05 per share and a special dividend of HK\$0.05 per share

*Hong Kong, August 28, 2014* – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on August 27, 2014 its annual results for the year ended June 30, 2014.

The Group recorded sales revenue of HK\$1,132 million, an increase of 7%, compared to HK\$1,054 million of sales revenue in fiscal 2013, with 33.5 million pieces of ladies' intimate apparel products sold. Gross profit margin improved to 18% in the fiscal year, compared to 17% in the previous fiscal year. The Group recorded a profit of HK\$39.3 million after taxation, reversing the HK\$4 million loss recorded in fiscal 2013. Earnings per share for the year under review was HK\$0.17, compared to a loss of HK\$0.02 in fiscal 2013.

The return to profit was mostly attributable to the Group's stated strategy of expanding its production capacity in lower-cost locations outside China, as well as its continuous efforts on controlling costs across all area of its business. This led to a decline in both selling and distribution expenses and general and administrative expenses during the year under review. As of June 30, 2014, China accounted for 47% (compared to 55% in fiscal 2013) of global output, while Thailand and Cambodia accounted for 47% and 6% of global output respectively (compared to 40% and 5% respectively in fiscal 2013).

The Group's full-year profit also included a one-off gain of HK\$18.5 million from the disposal of a small warehouse property in Tuen Mun.

The Group's improved financial performance was also supported by the weakening of the Thai Baht against the U.S. Dollar during the fiscal year, as well as a more stable operating environment in China and Thailand, where the minimum wage levels remained unchanged during the year. Material prices also remained stable during the year under review.

The Board of Directors proposed to declare a final dividend of HK\$0.05 per share and a special dividend of HK\$0.05 per share.

In monetary terms, the U.S. market accounted for 53% of global sales (compared to 49% in fiscal 2013), the EU market accounted for 29% (compared to 29% in fiscal 2013) and the rest of the world accounted for 18% (compared to 22% in fiscal 2013).

The Group's financial position remains healthy, with shareholders' funds standing at HK\$557 million, as at June 30, 2014, compared to HK\$500 million at the end of the previous year. The Group's bank balances and cash stood at HK\$129 million at 30 June 2014. Credit facilities available to the Group amounted to HK\$147 million, while gearing remains at an insignificant level.



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Looking forward, the Group expects the business environment to remain volatile and price driven. Key challenges include the increase in minimum wage and mandated social benefit rate in some provinces of the PRC effective from July 2014, as well as an anticipated rise in Cambodia's statutory minimum wage in January 2015.

The Group will focus on securing more production orders to fill its diversified manufacturing capacity, while continuing to sustain the profitability of its business by lowering the cost structure of its manufacturing base and improving operational efficiency. This includes the setup of a new facility in Myanmar, located in close proximity to the Group's existing plants in Thailand's border region. This new facility is expected to be operational in the 4th quarter of the 2014 calendar year.

Mr Willie Fung, Chairman of TFI, commented, "We remain mindful about the challenges still facing us and are thankful that our strategy has brought us positive results. We are confident that TFI will continue to be the supplier of choice to customers in terms of our scale, product capabilities, diversity of manufacturing locations, and most importantly, our proven performance of being a reliable business partner."

- End -

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

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**Consolidated Statement of Profit or Loss**

(For the year ended 30 June 2014)

	2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue	1,131,696	1,054,451
Cost of sales	(928,294)	(879,570)
<b>Gross profit</b>	<b>203,402</b>	<b>174,881</b>
Other income and gains	13,379	15,259
Gain on disposal of properties	18,493	—
Selling and distribution expenses	(25,881)	(27,432)
General and administrative expenses	(163,256)	(164,865)
Finance costs	(264)	(260)
<b>Profit / (loss) before tax</b>	<b>45,873</b>	<b>(2,417)</b>
Income tax expense	(6,569)	(1,627)
<b>Profit / (loss) for the year</b>	<b>39,304</b>	<b>(4,044)</b>
<b>Profit / (loss) for the year attributable to:</b>		
Owners of the Company	37,026	(4,687)
Non-controlling interests	2,278	643
	<b>39,304</b>	<b>(4,044)</b>
<b>Profit / (loss) per share</b>		
Basic	<b>HK\$0.17</b>	<b>HK\$(0.02)</b>



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## Consolidated Statement of Financial Position

(At 30 June 2014)

	2014 HK\$'000	2013 HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	125,871	144,627
Prepaid lease payments	1,623	1,671
Investment properties	101,553	58,877
Prepaid rental payments	3,075	3,859
Deferred tax assets	—	3,131
	<b>232,122</b>	<b>212,165</b>
<b>Current assets</b>		
Inventories	177,347	152,040
Debtors and other receivables	188,892	132,458
Bills receivable	2,982	13,523
Prepaid lease payments	48	48
Current tax recoverable	1,136	2,288
Bank balances and cash	129,160	136,010
	<b>499,565</b>	<b>436,367</b>
<b>Current liabilities</b>		
Creditors and accrued charges	125,575	110,717
Current tax payable	2,619	1,761
	<b>128,194</b>	<b>112,478</b>
<b>Net current assets</b>	<b>371,371</b>	<b>323,889</b>
<b>Total assets less current liabilities</b>	<b>603,493</b>	<b>536,054</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,576	2,173
Deferred tax liabilities	24,257	15,515
	<b>25,833</b>	<b>17,688</b>
	<b>577,660</b>	<b>518,366</b>



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	2014 HK\$'000	2013 HK\$'000
<b>Capital and Reserves</b>		
Share capital	107,519	107,519
Reserves	449,436	392,304
Equity attributable to owners of the Company	<u>556,955</u>	<u>499,823</u>
Non-controlling interests	20,705	18,543
	<u><b>577,660</b></u>	<u><b>518,366</b></u>