

TOP FORM INTERNATIONAL LIMITED MAINTAINS GROSS PROFIT MARGIN IN SIX MONTHS ENDED 31 DECEMBER 2016

(Stock Code: 333)

Highlights

- Sales revenue reached HK\$535 million during the six month period under review
- The Group's net profit amounted to HK\$2 million during interim period
- Gross profit margin maintained at 18% for the period
- The Board of Directors has resolved to declare an interim dividend of HK\$0.05 per share

Hong Kong, 24 February, 2017 – Top Form International Limited ("TFI" or "the Group"; Stock Code: 333), a leading brassiere manufacturing company, announced on February 23, 2017 its interim results for the sixmonth period ended December 31, 2016.

During the period under review, the Group recorded sales revenue of HK\$535 million, a decrease of 13% compared to HK\$618 million, and recorded a profit of HK\$2 million after taxation, a decline of 90% compared to HK\$20 million in the corresponding period of last year. The Board has resolved to declare an interim dividend of HK\$0.05 per share.

For the six months ended December 31, 2016, the Group's gross profit margin maintained at 18%. Average selling price showed a modest increase due to a lower proportion of sales in price sensitive products during this half. Rising operating costs remained as the major challenge for TFI.

Sales to the US amounted to 50% of the Group's total sales revenue, with sales to the EU representing 35% and 15% to the rest of the world, compared to 62%, 22% and 16% respectively during the previous interim period. Sales to the EU market has shown a moderate increase during the period under review but the weakening demand in the US market has resulted in the decrease in the Group's revenue. The capacity maintained a balance between overseas and China plants that the production from the overseas plants accounted for 62% of global output and China accounted for the remaining 38%.

Given the challenging market outlook and foreseeable cost increases, such as the rise in statutory minimum wage of Cambodia since 1 January 2017 by 9%, TFI will continue to be flexible in reacting to the strategic needs of the market. The company will also maintain the current production capacity and manage the capacity of the manufacturing facilities effectively to mitigate the short term challenges.

Commenting on the interim results, Mr. Eddie Wong, Chairman of TFI, said, "We will continue to assess the strategic and cost effectiveness of our operations and optimize our business processes, given the market challenges. These will support us to build a solid foundation to grow the business when the economy recovers."



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.

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Consolidated statement of profit or loss

(For the six months ended 31 December 2016)

For the six months ended 31 December

	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Revenue	534,626	618,047
Cost of sales	(437,440)	(508,321)
Gross profit	97,186	109,726
Other income	7,185	11,360
Selling and distribution expenses	(14,072)	(13,003)
General and administrative expenses	(91,916)	(86,460)
Finance costs	(102)	(109)
Share of profits of a joint venture	4,971	1,541
Profit before tax	3,252	23,055
Income tax expense	(911)	(3,025)
Profit for the period	2,341	20,030
Attributable to:		
Owners of the Company	1,701	18,685
Non-controlling interests	640	1,345
Profit for the period	2,341	20,030
Earnings per share		
Basic	HK\$0.79 cents	HK\$8.69 cents



Consolidated statement of financial position

(At 31 December 2016)

Non-current assets HK\$'000 HK\$'000 Property, plant and equipment 100,035 96,748 Prepaid land lease payments 1,503 1,527 Investment properties 78,485 100,991 Derivative financial instrument 4,849 3,639 Interest in a joint venture 21,869 17,580 Prepaid rental payments 1,103 1,335 Current assets 200,844 221,820 Investment property held for sale 19,000 - Investment property held for sale 11,000 - Investment property hel		At 31 December 2016 (Unaudited)	At 30 June 2016 (Audited)
Property, plant and equipment 100,035 96,748 Prepaid land lease payments 1,503 1,527 Investment properties 78,485 100,991 Derivative financial instrument 4,849 3,639 Interest in a joint venture 21,869 17,580 Prepaid rental payments 1,103 1,335 207,844 221,820 Current assets Investment property held for sale 19,000 - Investment property held for sale 19,000 - <		HK\$'000	HK\$'000
Prepaid land lease payments 1,503 1,527 Investment properties 78,485 100,991 Derivative financial instrument 4,849 3,639 Interest in a joint venture 21,869 17,580 Prepaid rental payments 1,103 1,335 207,844 221,820 Current assets Investment property held for sale 19,000 - Inventories 162,565 135,293 Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 Bank balances and cash 137,683 166,680 Current liabilities 11,460 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 Current assets 370,428 372,040 Non-current liabilities	Non-current assets		
Investment properties 78,485 100,991 Derivative financial instrument 4,849 3,639 Interest in a joint venture 21,869 17,580 Prepaid rental payments 1,103 1,335 Current assets 1,100 - Investment property held for sale 19,000 - Inventories 162,565 135,293 Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 Current liabilities 520,879 494,277 Current liabilities 136 139 Current tax payable 3,719 4,638 Current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253	Property, plant and equipment	100,035	96,748
Derivative financial instrument 4,849 3,639 Interest in a joint venture 21,869 17,580 Prepaid rental payments 1,103 1,335 207,844 221,820 Current assets 19,000 - Investment property held for sale 19,000 - - Propaid land lease payments 48 48 48 48 - - 11 - - - 11 -	Prepaid land lease payments	1,503	1,527
Interest in a joint venture 21,869 17,580 Prepaid rental payments 1,103 1,335 207,844 221,820 Current assets 19,000 - Investment property held for sale 19,000 - Poeticut of an accrued the ges and cash 102,245 - Current tax recoverable 137,683 166,680 Current liabilities 136 139 Current liabilities 3,719 4,638 Obligations under finance lease 370,428 372,040 Total assets less current liabilities 578,272 <td>Investment properties</td> <td>78,485</td> <td>100,991</td>	Investment properties	78,485	100,991
Prepaid rental payments 1,103 1,335 Current assets Investment property held for sale 19,000 - Inventories 162,565 135,293 Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 Evaluation of the payments 146,596 117,460 Current liabilities 136 139 Current tax payable 3,719 4,638 Current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 578,272 593,860 Non-current benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 Effective tax liabilities 22,317 23,436	Derivative financial instrument	4,849	3,639
Current assets 19,000 - Investment property held for sale 19,000 - Inventories 162,565 135,293 Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 Bank balances and cash 137,683 166,680 Current liabilities 520,879 494,277 Current and accrued charges 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 Urrent assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436	Interest in a joint venture	21,869	17,580
Current assets 19,000 - Inventories 162,565 135,293 Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 Bank balances and cash 137,683 166,680 Current liabilities Creditors and accrued charges 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 Urrent assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 578,272 593,860 Non-current benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 25,027 23,436 25,027	Prepaid rental payments	1,103	1,335
Investment property held for sale 19,000 - Inventories 162,565 135,293 Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 Experiment liabilities Current liabilities Creditors and accrued charges 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities Obligations under finance lease 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436		207,844	221,820
Inventories 162,565 135,293 Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 520,879 494,277 Current liabilities 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 Urrent assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 Deferred tax liabilities 23,856 25,027	Current assets		
Debtors and other receivables 200,544 192,245 Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 520,879 494,277 Current liabilities 7 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 25,027	Investment property held for sale	19,000	-
Amount due from a joint venture - 11 Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 520,879 494,277 Current liabilities 7 117,460 Coligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Inventories	162,565	135,293
Prepaid land lease payments 48 48 Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 520,879 494,277 Current liabilities Creditors and accrued charges 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Debtors and other receivables	200,544	192,245
Current tax recoverable 1,039 - Bank balances and cash 137,683 166,680 520,879 494,277 Current liabilities Total assets 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Amount due from a joint venture	-	11
Bank balances and cash 137,683 166,680 520,879 494,277 Current liabilities 7 494,277 Current sand accrued charges 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Prepaid land lease payments	48	48
Current liabilities 520,879 494,277 Current liabilities 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 Net current assets 370,451 122,237 Net current assets 370,428 372,040 Non-current liabilities Obligations under finance lease 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Current tax recoverable	1,039	-
Current liabilities Creditors and accrued charges 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities Obligations under finance lease 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Bank balances and cash	137,683	166,680
Creditors and accrued charges 146,596 117,460 Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities Non-current liabilities 578,272 593,860 Non-current benefit obligations 1,253 1,253 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027		520,879	494,277
Obligations under finance lease 136 139 Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities Non-current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Current liabilities		
Current tax payable 3,719 4,638 150,451 122,237 Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Creditors and accrued charges	146,596	117,460
Net current assets 150,451 122,237 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Obligations under finance lease 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Obligations under finance lease	136	139
Net current assets 370,428 372,040 Total assets less current liabilities 578,272 593,860 Non-current liabilities 286 338 Obligations under finance lease 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Current tax payable	3,719	4,638
Total assets less current liabilities Non-current liabilities Obligations under finance lease 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	•	150,451	122,237
Non-current liabilities 286 338 Obligations under finance lease 1,253 1,253 Retirement benefit obligations 22,317 23,436 Deferred tax liabilities 23,856 25,027	Net current assets	370,428	372,040
Non-current liabilities 286 338 Obligations under finance lease 1,253 1,253 Retirement benefit obligations 22,317 23,436 Deferred tax liabilities 23,856 25,027			
Obligations under finance lease 286 338 Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Total assets less current liabilities	578,272	593,860
Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Non-current liabilities		
Retirement benefit obligations 1,253 1,253 Deferred tax liabilities 22,317 23,436 23,856 25,027	Obligations under finance lease	286	338
Deferred tax liabilities 22,317 23,436 23,856 25,027	-		
23,856 25,027	_		
<u> </u>			
	Net assets		



Consolidated statement of financial position (continued)

(At 31 December 2016)

	At 31 December 2016 (Unaudited)	At 30 June 2016 (Audited)
	HK\$'000	HK\$'000
Capital and Reserves		
Share capital	107,519	107,519
Reserves	435,894	450,199
Equity attributable to owners of the Company	543,413	557,718
Non-controlling interests	11,003	11,115
Total equity	554,416	568,833