



TOP FORM INTERNATIONAL LIMITED

TOP FORM INTERNATIONAL LIMITED ANNOUNCED FY2012 INTERIM RESULTS (Stock Code: 333)

Highlights

- Sales revenue decreased by 23.7 % to HK\$570.9 million in the first half of FY2012
- Half year loss after tax was HK\$9.7 million, compared to a profit of HK\$50 million in the comparable period of last year
- The Board of Directors declared an interim dividend of HK\$0.01 for the first half of FY2012.
- 16.6 million pieces of brassiere products sold in the first half of FY2012

Hong Kong, February 24, 2012 – Top Form International Limited (“TFI” or “the Group”; Stock Code: 333), a leading brassiere manufacturing company, announced on February 23, 2012 its interim results for the six months ended December 31, 2011.

During the period under review, the Group recorded a 23.7% decrease in sales revenue to HK\$570.9 million, compared to HK\$ 748.6 million in the same period last year. A loss after taxation of HK\$9.7 million was recorded, compared with a profit of HK\$50 million in the corresponding period of last year. Earnings per share decreased from 4.4 cents to loss per share 0.9 cents.

The loss in the interim period was mainly attributable to a weaker market sentiment leading to a falling number of orders, the rising labour costs in Mainland China, as well as some operational issues encountered in the expansion of the Thailand operations which led to delays in shipments and impacted sales. The Group is continuing to execute its on-going strategic plan to shift production to lower-cost manufacturing centres such as Cambodia.

TFI achieved global sales of 16.6 million units of brassiere products during the period under review, compared to 23.5 million pieces in the same period of last year. The Group’s exports to the US amounted to 57 % of total sales revenue, compared to 65% in the first half of last fiscal year, whilst sales to the EU represented 27 %, compared to 20% in the corresponding period last year, and the rest of the world 16%, compared to 15% in the same period of last year.

The financial position of the Group remains healthy with shareholders funds of HK\$522 million. As at December 31, 2011, credit facilities available to the Group amounted to HK\$150 million. Capital expenditure to date was HK\$26 million compared with HK\$15.1 million in the same period last year, primarily related to the development of the Cambodian plant.

During the period under review, TFI completed the expansion of its Thailand facilities, which has already commenced operations. This expansion, combined with the Group’s existing facilities, represents a 100% increase in floor space in Thailand. As the Group’s facilities are located in Thailand’s highlands, it was not impacted by the large scale flooding in the country during the period.

The Group also secured a long term lease for factory premises in Phnom Penh, Cambodia. Once the Cambodian operations are fully in place, the operations could accommodate up to 1,200 sewing operators and become 20% of TFI’s capacity.

The Board of Directors has declared an interim dividend of HK\$0.01 per share for the first half of FY2012.

Mr Willie Fung, Chairman of TFI, commented, “The ongoing impact of the European debt crisis, slow US economic recovery, uncertainties in the macro economy and rising labour costs in PRC, meant that the first half of the financial year was particularly challenging for TFI. We will seek to maintain our cost competitiveness in the market through our expanded operations in Thailand, while we anticipate our



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Cambodian plant will start contributing to our low-cost manufacturing capacity before the end of the 2012 calendar year.”

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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 income statement**

(For the six months ended 31 December 2011)

	For the six months ended 31 December	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Revenue	570,880	748,583
Cost of sales	(477,134)	(591,302)
Gross profit	93,746	157,281
Other income and gains	3,227	9,894
Selling and distribution expenses	(18,953)	(11,838)
General and administrative expenses	(87,147)	(86,041)
Other expenses	-	(7,421)
Finance costs	(7)	(12)
(Loss) profit before taxation	(9,134)	61,863
Income tax expense	(554)	(11,824)
(Loss) profit for the period	(9,688)	50,039
Attributable to:		
Owners of the Company	(10,138)	47,001
Non-controlling interests	450	3,038
	(9,688)	50,039
Dividends paid	26,880	26,880
Interim dividend	10,752	16,128
(Loss) earnings per share		
Basic	(0.9) cents	4.4 cents

**TOP FORM INTERNATIONAL LIMITED****Consolidated balance sheet**

(At 31 December 2011)

	At 31 December 2011 (Unaudited) HK\$'000	At 30 June 2011 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	160,972	150,128
Prepaid lease payments	1,743	1,767
Prepaid rental payments	5,660	6,510
Interest in an associate	-	-
Deferred tax assets	2,196	529
	170,571	158,934
Current assets		
Inventories	208,140	181,521
Debtors and other receivables	143,303	132,743
Bills receivable	25,113	17,231
Prepaid lease payments	48	48
Tax recoverable	4,458	-
Bank balances and cash	128,842	222,773
	509,904	554,316
Current liabilities		
Creditors and accrued charges	131,949	107,443
Taxation	1,780	15,945
Bank borrowings and other liabilities - due within one year	-	2,555
Obligations under finance leases - due within one year	-	11
	133,729	125,954
Net current assets	376,175	428,362
Total assets less current liabilities	546,746	587,296
Non-current liabilities		
Retirement benefit obligations	2,002	2,002
Deferred tax liabilities	3,169	3,836
	5,171	5,838
Net assets	541,575	581,458
Capital and Reserves		
Share capital	107,519	107,519
Reserves	414,914	455,496
Equity attributable to owners of the Company	522,433	563,015
Non-controlling interests	19,142	18,443
Total equity	541,575	581,458