



TOP FORM INTERNATIONAL LIMITED

TOP FORM INTERNATIONAL LIMITED ANNOUNCED FY2010 ANNUAL RESULTS

(Stock Code: 333)

Highlights

- Manufacturing Revenues amounted to HK\$1.3 billion in FY2010.
- Full year net profit before tax reached HK\$88 million, compared to a profit of HK\$14 million last year.
- Net profit after tax reached HK\$54 million, compared to a loss of HK\$14 million last year.
- Earnings per share was HK4.4 cents, compared with a loss per share of HK1.2 cents last fiscal year.
- The Board of Directors declared a final dividend of HK\$0.025 per share for the year.
- 42.9 million pieces of brassiere products sold in FY2010

Hong Kong, September 20, 2010 – Top Form International Limited (“TFI”; Stock Code: 333), a leading brassiere manufacturing Group, announced its annual results for the year ended June 30, 2010 on September 17, 2010.

TFI recorded manufacturing revenues of HK\$1.3 billion in fiscal year 2010, similar to the previous year. Sales in the second half of the year accounted for 53% of revenues. Net profit after taxation was HK\$54 million, compared with a loss of HK\$14 million in FY2009. The increase in revenues in the second half of FY2010 was primarily due to the recovery in market confidence in the second quarter of FY2010. The Group’s strategic decision to exit from its brand business during the previous fiscal year, together with the termination of a Share Acquisition Agreement, enabled the Group to focus fully on the development of its core OEM business. Earnings per share for FY2010 was HK4.4 cents compared to a loss per share of HK1.2 cents in the previous fiscal year.

In view of the current business climate, as well as the Group’s cash position and reinvestment needs, the Board of Directors decided to propose a final dividend of HK\$0.025 per share, which when taken together with an interim dividend of HK\$0.015, represents an aggregate distribution of HK\$0.04 per share for the fiscal year.

TFI achieved global sales of 42.9 million units of brassieres during the year compared to 45.8 million units in the previous year. The first half of the fiscal year accounted for 20.2 million units compared to 24.4 million units in FY2009, while the second half accounted for 22.7 million units compared to 21.4 million units in FY2009. Gross margin improved to 22% compared to 20% last year.

The financial position of the Group remains healthy, with shareholders’ funds at HK\$550.7 million, as at June 30, 2010, compared with HK\$545.8 million at the end of the previous year. The Group’s bank balances and cash amounted to HK\$220.6 million as at 30 June 2010. Credit facilities available to the Group amounted to HK\$150 million while gearing remains at an insignificant level.

Mr. Willie Fung, Chairman of TFI, commented, “The manufacturing industry is facing a variety of challenges, including increasing wages, a dwindling labour supply and RMB appreciation. However, we are very pleased that we are able to deliver improved financial results to our shareholders. To ensure the growth and sustainability of our core business, we will continue to control costs rigorously, expand our capacities in appropriate locations, and also look for joint venture and M&A opportunities. We are confident about the prospects of our business and we will continue to strive to deliver quality products to our customers and better returns to our shareholders.”

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About Top Form International Limited

Top Form International Limited (Stock Code: 333) is a leading brassiere manufacturing Group. 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 Group's manufacturing facilities are located in Thailand, the Philippines and Mainland China. Further information is available at www.topformbras.com.

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TOP FORM INTERNATIONAL LIMITED

Consolidated income statement

(For the year ended 30 June 2010)

	2010 HK\$'000	2009 HK\$'000
Revenue	1,342,480	1,370,026
Cost of sales	(1,048,518)	(1,100,833)
Gross profit	293,962	269,193
Other income and gains	4,799	9,410
Selling and distribution expenses	(37,883)	(48,676)
General and administrative expenses	(173,332)	(181,426)
Impairment losses and other costs	-	(25,308)
Other expenses	-	(9,219)
Finance costs	(27)	(137)
Profit before taxation	87,519	13,837
Income tax expense	(33,835)	(27,787)
Profit (loss) for the year	53,684	(13,950)
Attributable to:		
Owners of the Company	46,823	(12,605)
Non-controlling interests	6,861	(1,345)
	53,684	(13,950)
Earnings (loss) per share		
Basic	HK\$4.4 cents	HK\$(1.2 cents)



TOP FORM INTERNATIONAL LIMITED

Consolidated balance sheet

(At 30 June 2010)

	2010 HK\$'000	2009 HK\$'000
Non-current assets		
Property, plant and equipment	139,224	148,644
Prepaid lease payments	1,815	1,861
Prepaid rental payments	7,410	5,144
Interests in an associate	-	-
Deferred tax asset	1,152	2,401
	149,601	158,050
Current assets		
Inventories	225,085	162,920
Debtors and other receivables	159,743	150,477
Bills receivable	29,676	20,489
Prepaid lease payments	48	104
Tax recoverable	9,366	9,769
Tax reserve certificates	77,920	3,520
Bank balances and cash	220,646	318,314
	722,484	665,593
Current liabilities		
Creditors and accrued charges	132,779	124,158
Taxation	149,267	121,508
Bank borrowings and other liabilities - due within one year	828	604
Obligations under finance leases - due within one year	131	124
	283,005	246,394
Net current assets	439,479	419,199
Total assets less current liabilities	589,080	577,249
Non-current liabilities		
Obligations under finance leases - due after one year	11	135
Retirement benefit obligations	10,305	10,089
Deferred tax liabilities	4,216	4,175
	14,532	14,399
	574,548	562,850

**TOP FORM INTERNATIONAL LIMITED**

	2010 HK\$'000	2009 HK\$'000
Capital and reserves		
Share Capital	107,519	107,519
Reserves	443,207	438,259
Equity attributable to owners of the Company	550,726	545,778
Non-controlling Interests	23,822	17,072
	574,548	562,850