

Listed Company Information

TOPSEARCH INT'L<02323> - Results Announcement (Summary)

Topsearch International (Holdings) Limited announced on 18/9/2002:
(stock code: 2323)
Year end date: 31/12/2002
Currency: HK\$
Auditors' Report: N/A
Review of Interim Report by: Audit Committee

| | (Unaudited) Current Period from 1/1/2002 to 30/6/2002 ('000) | (Unaudited) Last Corresponding Period from 1/1/2001 to 30/6/2001 ('000) |
|--|---|---|
| Turnover | : 508,005 | 536,694 |
| Profit/(Loss) from Operations | : 57,196 | 66,340 |
| Finance cost | : (6,313) | (10,113) |
| Share of Profit/(Loss) of Associates | : NIL | NIL |
| Share of Profit/(Loss) of Jointly Controlled Entities | : NIL | NIL |
| Profit/(Loss) after Tax & MI | : 46,505 | 48,074 |
| % Change over Last Period | : -3.3% | |
| EPS/(LPS)-Basic | : \$0.10 | \$0.10 |
| -Diluted | : N/A | N/A |
| Extraordinary (ETD) Gain/(Loss) | : NIL | NIL |
| Profit/(Loss) after ETD Items | : 46,505 | 48,074 |
| Interim Dividend per Share | : NIL | N/A |
| (Specify if with other options) | : NIL | NIL |
| B/C Dates for Interim Dividend | : N/A | |
| Payable Date | : NIL | |
| B/C Dates for (-) General Meeting | : N/A | |
| Other Distribution for Current Period | : NIL | |
| B/C Dates for Other Distribution | : N/A | |

Remarks:

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The Company was incorporated as an exempted company with limited liability in Bermuda on 12 May, 1998 under the Companies Act 1981 of Bermuda (as amended). Pursuant to a reorganisation scheme (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 29 May, 2002. The shares of the Company were listed on the Stock Exchange on 21 June, 2002.

These Interim Financial Statements have been prepared using the merger basis of accounting in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 27 "Accounting for Group Reconstructions" issued by the Hong Kong Society of Accountants ("HKSA"). Under this basis, the Interim Financial Statements together with the comparative figures of the corresponding period last year and the related notes thereto have also been presented on the basis that the Company is treated as the holding company of its subsidiaries for the financial period presented rather than from the subsequent date of acquisition of the subsidiaries pursuant to the Group Reorganisation on 29 May, 2002, or since the respective dates of their incorporation, where this is a shorter

period.

The Interim Financial Statements of the Group have been prepared in accordance with SSAP No. 25 "Interim Financial Reporting" issued by HKSA and the requirements of the Main Board Listing Rules of the Stock Exchange (the "Listing Rules").

The basis of presentation and accounting policies adopted in these Interim Financial Statements are consistent with those as set out in the prospectus of the Company dated 11 June, 2002 except for the adoption of the following new and revised SSAPs:-

| | |
|-------------------|--|
| SSAP 1 (Revised) | : Presentation of Financial Statements |
| SSAP 11 (Revised) | : Foreign Currency Translation |
| SSAP 15 (Revised) | : Cash Flow Statements |
| SSAP 33 | : Discontinuing Operations |
| SSAP 34 | : Employee Benefits |

A summary of their major effects is as follows:

SSAP 1 (Revised) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The main revision to this SSAP is to change the requirements from presenting a statement of recognised gains and losses to a statement of changes in equity. The condensed combined statement of changes in equity for the current interim period and the comparative figures have been presented in accordance with the revised SSAP.

SSAP 11 (Revised) prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of this revised SSAP on the condensed combined financial statements is that the profit and loss account of subsidiaries and associates operating in the People's Republic of China (the "PRC") and overseas are translated at an average rate for the period on consolidation, rather than translated at the applicable rates of exchange ruling at the balance sheet date as was previously required. This SSAP is required to be applied retrospectively. The Group has adopted the transitional provision of this SSAP that where the calculation of a prior year adjustment is impractical, these changes in policy are applied only to current and future financial statements and the effect on the results of the current period is not significant.

SSAP 15 (Revised) prescribes the provision of information about the historical changes in cash and cash equivalents by means of a cash flow statement which classifies cash flows during the period into operating, investing and financing activities. The condensed combined cash flow statement for the current interim period and the comparative figures have been presented in accordance with the revised SSAP.

SSAP 33 prescribes the basis for reporting information about discontinuing/discontinued operations. This SSAP has had no major impact on the Interim Financial Statements.

SSAP 34 prescribes the accounting treatment and disclosures for employee benefits. This SSAP has had no major impact on the Interim Financial Statements.

2. TURNOVER

Turnover represents the net invoiced value of goods sold net of discounts and returns.

The Group's principal activities during the Period was the manufacture and sale of printed circuit boards with production facilities in Guangdong Province, the PRC. Accordingly, no analysis of the Group's turnover by principal activities is provided.

The turnover of the Group by geographical area is analysed as follows:-

Turnover by geographical area for the six months ended

| | 30 June 2002 (Unaudited) HK\$'000 | 30 June 2001 (Unaudited) HK\$'000 |
|-----------------------|--|--|
| South East Asia | 234,368 | 162,115 |
| North America | 94,079 | 139,216 |
| The PRC and Hong Kong | 102,231 | 148,243 |
| Taiwan | 52,398 | 40,510 |
| Europe | 24,929 | 46,610 |
| | ----- | ----- |
| | 508,005 | 536,694 |

Note: The location of the customer is determined by the location of the entity placing the orders for the purchase of the Group's products.

The contribution to profit from operating activities by geographical area is substantially in line with the overall rate of contribution to turnover and accordingly a geographical analysis of contribution pursuant to Listing Rules requirements is not presented

3. PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities is arrived at after charging/(crediting):-

| | For the six months ended | |
|----------------------------------|--|--|
| | 30 June 2002 (Unaudited) HK\$'000 | 30 June 2001 (Unaudited) HK\$'000 |
| Depreciation | 56,926 | 50,336 |
| Loss on disposal of fixed assets | - | 2,631 |
| Interest income | (94) | (241) |

4. FINANCE COSTS

| | For the six months ended | |
|--|--|--|
| | 30 June 2002 (Unaudited) HK\$'000 | 30 June 2001 (Unaudited) HK\$'000 |
| Interest expenses on:- | | |
| Bank loans and overdrafts wholly repayable with five years | 3,907 | 3,027 |
| Bank loans repayable beyond five years | 158 | 498 |
| Finance leases | 4,295 | 6,588 |
| Total interest | 8,360 | 10,113 |
| Less: Interest capitalised | (2,047) | - |
| | ----- | ----- |
| | 6,313 | 10,113 |

5. TAX

| | For the six months ended | |
|-----------------------------------|--|--|
| | 30 June 2002 (Unaudited) HK\$'000 | 30 June 2001 (Unaudited) HK\$'000 |
| Hong Kong: | | |
| Current | 3,115 | 4,122 |
| PRC, other than Hong Kong: | | |
| Current | 4,263 | 4,031 |
| Refund of 5% corporate income tax | (3,000) | - |
| | ----- | ----- |
| Tax charge for the Period | 4,378 | 8,153 |

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on

the estimated assessable profits arising in Hong Kong in respect of the Period.

Corporate income tax is also provided on the assessable profits generated by a subsidiary in Shekou, the PRC, at a rate of 15% (2001:15%) during the Period.

6. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June, 2002 (2001: Nil).

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the combined net profit from ordinary activities attributable to shareholders of approximately HK\$46,505,000 for the six months ended 30 June, 2002 (2001: HK\$48,074,000) and the weighted average share capital of 487,955,800 (2001: 480,000,000) ordinary shares deemed to have been issued throughout the period.

There were no potential dilutive ordinary shares in existence for the six months ended 30 June, 2002 and 2001. Accordingly, no diluted earnings per share have been presented.