

Listed Company Information

TOPSEARCH INT'L<02323> - Results Announcement

Topsearch International (Holdings) Limited announced on 16/4/2004:
 (stock code: 02323)
 Year end date: 31/12/2003
 Currency: HKD
 Auditors' Report: Unqualified

	(Audited) Current Period from 1/1/2003 to 31/12/2003 Note ('000)	(Audited) Last Corresponding Period from 1/1/2002 to 31/12/2002 ('000)
Turnover	: 1,159,339	1,041,298
Profit/(Loss) from Operations	: 51,533	68,853
Finance cost	: (10,330)	(11,089)
Share of Profit/(Loss) of Associates	: N/A	N/A
Share of Profit/(Loss) of Jointly Controlled Entities	: N/A	N/A
Profit/(Loss) after Tax & MI	: 32,503	47,837
% Change over Last Period	: -32.1 %	
EPS/(LPS)-Basic (in dollars)	: 0.051	0.084
-Diluted (in dollars)	: N/A	N/A
Extraordinary (ETD) Gain/(Loss)	: N/A	N/A
Profit/(Loss) after ETD Items	: 32,503	47,837
Final Dividend per Share	: 1.02 cents	1.5 cents
(Specify if with other options)	: N/A	N/A
B/C Dates for Final Dividend Payable Date	: 20/5/2004 : 31/5/2004	to 25/5/2004 bdi.
B/C Dates for Annual General Meeting	: 20/5/2004	to 25/5/2004 bdi.
Other Distribution for Current Period	: N/A	
B/C Dates for Other Distribution	: N/A	

Remarks:

1. IMPACT OF A REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE ("SSAP")

The following revised SSAP is effective for the first time for the current year's financial statements and has had a significant impact thereon:

- SSAP 12 (Revised): "Income taxes"

This SSAP prescribes new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in the financial statements of adopting this SSAP are summarised as follows:

SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

The principal impact of the revision of this SSAP on these financial statements is described below:

Measurement and recognition:

- deferred tax assets and liabilities relating to the differences between capital allowances for tax purposes and depreciation for financial reporting purposes and other taxable and deductible temporary differences are generally fully provided for, whereas previously the deferred tax was recognised for timing differences only to the extent that it was probable that the deferred tax asset or liability would crystallise in the foreseeable future; and
- a deferred tax liability has been recognised on the revaluation of the Group's land and buildings.

2. BASIS OF PREPARATION AND CONSOLIDATION

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2003. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively.

The comparative consolidated financial statements have been prepared using the merger basis of accounting. Under this basis, the Company has been treated as the holding company of its subsidiaries throughout the year ended 31 December 2002 rather than from the date of acquisition of the subsidiaries. Accordingly, the consolidated results and cash flows of the Group for the year ended 31 December 2002 included the results and cash flows of the Company and its subsidiaries with effect from 1 January 2002 or since their respective dates of incorporation/establishment, where this was a shorter period, as if the Group had been in existence at that date.

3. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business segment

No further business segment information is presented as the manufacture and sale of printed circuit boards is the only major business segment of the Group.

(b) Geographical segment

In determining the Group's geographical segments, revenue and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

The segment revenue of the Group by geographical area is analysed as follows:

	2003	2002
	HK\$'000	HK\$'000
Asia, excluding the PRC, Hong Kong and Taiwan	489,247	448,079
Taiwan	213,506	160,446
The PRC, including Hong Kong	197,544	188,218
North America	182,584	184,503
Europe	76,458	60,052
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	1,159,339	1,041,298
	=====	=====

As the Group's production facilities are located in Guangdong Province, the PRC, no further geographical segment information on assets and capital expenditure is provided.

4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

	2003	2002
	HK\$'000	HK\$'000
Cost of inventories sold	943,623	800,969
Depreciation	129,012	119,896
Minimum lease payments under operating lease rentals		
on land and buildings	12,152	11,455
Auditors' remuneration	1,202	1,024
Staff costs, excluding directors' remuneration		
Wages and salaries	151,604	158,250
Retirement scheme contributions	7,717	8,017
Less: Forfeited contributions	(904)	(481)
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Net pension contributions	6,813	7,536
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	158,417	165,786
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Exchange losses, net	2,516	838
Loss on disposal of fixed assets	132	655
Write-back of provision for obsolete inventories	(101)	(1,330)
	=====	=====

5. FINANCE COSTS

	Group	
	2003	2002
	HK\$'000	HK\$'000

Interest expenses on:		
Bank loans and overdrafts wholly repayable within five years	10,146	7,536
Shareholder's loan	43	-
Finance leases	4,017	7,423
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Total interest	14,206	14,959
Less: Interest capitalised	(3,876)	(3,870)
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	10,330	11,089
	=====	=====

6. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year. In the prior year, Hong Kong profits tax had been provided at the rate of 16% on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Tax recoverable represents the excess of provisional tax paid over the estimated tax liability.

	2003	2002
	HK\$'000	HK\$'000
Group:		
Current - Hong Kong		
Charge for the year	-	2,400
Underprovision in prior years	-	227
Current - Elsewhere	3,700	5,800
Deferred	5,000	1,500
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Total tax charge for the year	8,700	9,927
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A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e. the statutory tax rates) to the effective tax rates, are as follows:

	Group			
	2003		2002	
	HK\$'000	%	HK\$'000	%
Profit before tax	41,203		57,764	
	=====		=====	
Tax at the statutory tax rate	7,211	17.5	9,242	16.0
Lower tax rates for PRC subsidiary at 15% (2002: 15%)	(588)	(1.4)	(1,297)	(2.2)
Effect on opening deferred tax of increase in rates	794	1.9	-	-
Adjustments in respect of current tax of previous periods	-	-	227	0.4
Income not subject to tax	-	-	(12)	(0.0)
Expenses not deductible for tax	1,283	3.1	1,767	3.1
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Tax charge at the Group's effective rate	8,700	21.1	9,927	17.2
	=====		=====	

7. DIVIDEND

	2003	2002
	HK\$'000	HK\$'000
Proposed final - 1.02 cent (2002: 1.5 cent) per ordinary share	6,528	9,600
	=====	=====

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$32,503,000 (2002: HK\$47,837,000) and the weighted average of 640,000,000 (2002: 567,955,800) ordinary shares in issue during the year.

Diluted earnings per share amounts for the two years ended 31 December 2003 and 2002 have not been disclosed as no diluting events existed during these years.

