

## Listed Company Information

TOPSEARCH INT'L<02323> - Results Announcement

Topsearch International (Holdings) Limited announced on 29/08/2005:  
 (stock code: 02323 )  
 Year end date: 31/12/2005  
 Currency: HKD  
 Auditors' Report: N/A  
 Interim report reviewed by: Audit Committee

	(Unaudited ) Current Period from 01/01/2005 to 30/06/2005 Note ('000 )	(Unaudited ) Last Corresponding Period from 01/01/2004 to 30/06/2004 ( '000 )
Turnover	: 777,063	607,156
Profit/(Loss) from Operations	: 64,753	38,115
Finance cost	: (9,983)	(5,145)
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	: 51,470	38,799
% Change over Last Period	: +33 %	
EPS/(LPS)-Basic (in dollars)	: 0.075	0.06
-Diluted (in dollars)	: 0.074	N/A
Extraordinary (ETD) Gain/(Loss)	: N/A	N/A
Profit/(Loss) after ETD Items	: 51,470	38,799
Interim Dividend per Share	: Nil	Nil
(Specify if with other options)	: N/A	N/A
B/C Dates for Interim Dividend	: N/A	
Payable Date	: N/A	
B/C Dates for (-) General Meeting	: N/A	
Other Distribution for Current Period	: N/A	
B/C Dates for Other Distribution	: N/A	

Remarks:

### 1. Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The accounting policies and the basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2004 except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") which also include HKASs and Interpretations that affect the Group and are adopted for the first time for the current period's financial statements:

HKAS 17 Leases  
 HKFRS 3 Business Combinations

#### A. HKAS 17 - Leases

In prior periods, leasehold land and buildings held for own use were stated at cost less accumulated depreciation and any impairment losses.

Upon the adoption of HKAS 17, the Group's leasehold interests in land and buildings are separated into leasehold land and leasehold buildings. The Group's interest in leasehold land is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from fixed assets to prepaid land premiums/land lease payments, while leasehold buildings continue to be classified as part of property, plant and equipment. Lease premiums for land paid under operating leases are initially stated at cost and subsequently amortized on the straight-line basis over the lease term.

This change in accounting policy has had no effect on the condensed consolidated income statement and retained earnings. The comparatives on the condensed consolidated balance sheet for the year ended 31 December 2004 have been revised to reflect the reclassification of leasehold land.

#### B. HKFRS 3 - Business Combinations

The adoption of HKFRS 3 has resulted in a change in accounting policy for negative goodwill. Prior to the adoption of HKFRS 3, the negative goodwill arising from the acquisition of a subsidiary was credited to the

capital reserve in the year of acquisition pursuant to the transitional provision of Statement of Standard Accounting Practice No. 30 "Business Combination". Pursuant to HKFRS 3, the carrying amount of negative goodwill credited to the capital reserve as at 1 January 2005 of HK\$4,064,000 was de-recognized by way of a corresponding adjustment to the opening retained profits as at 1 January 2005.

## 2. Turnover

Turnover represents the net invoiced value of goods sold net of discounts and returns. The Group's principal activity during the Period was the manufacture and sale of printed circuit boards ("PCBs"), which is the only major business segment of the Group, with production facilities in Guangdong Province, the People's Republic of China (the "PRC"). Accordingly, no further analysis of the Group's turnover by business segment is provided.

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

	For the six months ended	
	30 June 2005 (Unaudited) HK\$'000	30 June 2004 (Unaudited) HK\$'000
Asia, excluding the PRC, Hong Kong and Taiwan	387,103	254,182
The PRC and Hong Kong	153,332	111,063
Taiwan	104,932	89,566
North America	71,426	99,337
Europe	60,270	53,008
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	777,063	607,156
	=====	=====

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 the Listing Rules requirements is not presented.

## 3. Profit from Operating Activities

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

	For the six months ended	
	30 June 2005 (Unaudited) HK\$'000	30 June 2004 (Unaudited) HK\$'000
Cost of inventories sold	617,160	482,751
Depreciation	74,473	67,589
Exchange differences	311	1,099
Interest income	(248)	(120)
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## 4. Finance Costs

	For the six months ended	
	30 June 2005 (Unaudited) HK\$'000	30 June 2004 (Unaudited) HK\$'000
Interest expenses on:		
Bank loans and overdrafts wholly repayable within five years	8,110	4,747
Bank loans repayable beyond five years	-	-
Shareholder's loan	303	52
Finance leases	1,970	1,748
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Total interest	10,383	6,547
Less: Interest capitalised	(400)	(1,402)
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	9,983	5,145
	=====	=====

## 5. Tax

	For the six months ended	
	30 June 2005 (Unaudited) HK\$'000	30 June 2004 (Unaudited) HK\$'000
Current-PRC, other than Hong Kong	5,300	-
Refund of 5% corporate income tax	-	(5,829)
Deferred tax	(2,000)	-
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Total tax charge/(credit) for the		
Period	3,300	(5,829)
	=====	=====

PRC corporate income tax had been provided on the assessable profits generated by a subsidiary in Shekou, the PRC, at the rate of 15% during the period. No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong in the current period.

#### 6. Earnings Per Share

The calculation of basic earnings per share is based on the consolidated net profit from ordinary activities attributable to shareholders of HK\$ 51,470,000 for the six months ended 30 June 2005 (2004: HK\$38,799,000) and the weighted average of 689,522,099 ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the net profit attributable to shareholders for the period of HK\$ 51,470,000. The weighted average number of ordinary shares used in the calculation is the 689,522,099 ordinary shares in issue during the period, as used in the basic earnings per share calculation and the weighted average of 4,276,386 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year.

The diluted earnings per share amount for the period ended 30 June 2004 had not been disclosed as no diluting events existed during that period.