

Listed Company Information

TOPSEARCH INT'L<02323> - Results Announcement

Topsearch International (Holdings) Limited announced on 06/04/2006:
 (stock code: 02323)
 Year end date: 31/12/2005
 Currency: HKD
 Auditors' Report: Unqualified

	(Audited) Current Period from 01/01/2005 to 31/12/2005 Note ('000)	(Audited) Last Corresponding Period from 01/01/2004 to 31/12/2004 ('000)
Turnover	: 1,631,423	1,313,000
Profit/(Loss) from Operations	: 120,552	93,062
Finance cost	: (25,765)	(11,670)
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	: 93,214	88,956
% Change over Last Period	: +4.79 %	
EPS/(LPS)-Basic (in dollars)	: 0.133	0.139
-Diluted (in dollars)	: 0.133	0.139
Extraordinary (ETD) Gain/(Loss)	: N/A	N/A
Profit/(Loss) after ETD Items	: 93,214	88,956
Final Dividend per Share (Specify if with other options)	: Nil	2.8 cents
	: N/A	N/A
B/C Dates for Final Dividend Payable Date	: N/A : N/A	
B/C Dates for Annual General Meeting	: 30/05/2006	to 05/06/2006 bdi.
Other Distribution for Current Period	: 1 Bonus Warrant for every 10 shares held	
B/C Dates for Other Distribution	: 30/05/2006	to 05/06/2006 bdi.

Remarks:

1. Basis of presentation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain buildings which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2005. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

2. Revenue, Other Income and Gains

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	2005 HK\$'000	2004 HK\$'000
Revenue		
Sale of goods	1,631,423	1,313,000
	=====	
Other income		
Tooling income	8,915	6,496
Tax refund for reinvestment of profits in a PRC subsidiary *	1,237	13,062
Subcontracting income	-	743
Bank interest income	1,066	320

Others	605	130
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	11,823	20,751
	-----	-----
Gains		
Foreign exchange differences, net	1,362	-
	-----	-----
	13,185	20,751
	=====	=====

* The PRC corporate income tax refund was received by the Group during the year for the reinvestment of profits earned by a PRC subsidiary as capital contribution during the prior years.

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 segment 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:

	2005 HK\$'000	2004 HK\$'000
Asia, excluding the People's Republic of China (the "PRC") and Taiwan	712,611	478,762
PRC, including Hong Kong	410,360	307,298
Taiwan	238,746	217,271
North America	136,796	199,368
Europe	132,910	110,301
	-----	-----
	1,631,423	1,313,000
	=====	=====

As the Group's production facilities are all located in the 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 before tax is arrived at after charging/(crediting):

	Note	2005 HK\$'000	2004 HK\$'000 (Restated)
Cost of inventories sold		1,310,429	1,049,795
Depreciation		155,840	139,995
Minimum lease payments under operating lease rentals on land and buildings		11,339	10,510
Auditors' remuneration		1,712	1,428
Employee benefits expense (excluding directors' remuneration):			
Wages and salaries		174,459	142,052
Equity-settled share option expense		120	-
Retirement scheme contributions		13,481	7,870
Less: Forfeited contributions		(82)	(510)
		-----	-----
Net retirement scheme contributions *		13,399	7,360
		-----	-----
		187,978	149,412
		-----	-----
Foreign exchange differences, net		(1,362)	1,873

Loss on disposal of items of property, plant and equipment	1,676	683
Provision for obsolete inventories	6,058	3,600
	=====	

* At 31 December 2005, there was no forfeited contribution available to reduce contributions to the retirement scheme in future years (2004: Nil).

5. Finance costs

	Group 2005 HK\$'000	2004 HK\$'000
Interest on:		
Bank loans and overdrafts wholly repayable within five years	22,589	10,613
Shareholder's loan	912	177
Finance leases	5,521	3,508

Total interest	29,022	14,298
Less: Interest capitalised	(3,257)	(2,628)

	25,765	11,670
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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 (2004: Nil). No Macau profits tax has been provided as the Macau subsidiary of the Company is exempted from Macau Complementary Tax (2004: Nil). No corporate income tax was provided for a subsidiary of the Group in the PRC, which is under the "exempt for two years and 50% reduction for the following three years" PRC tax holiday. 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.

	2005 HK\$'000	2004 HK\$'000
Group:		
Current - Hong Kong		
Overprovision in prior years	(185)	(4,550)
Current - Elsewhere	8,300	6,110
Refund of 5% PRC corporate income tax *	(472)	(6,474)
Deferred	(6,070)	(2,650)

Total tax charge/(credit) for the year	1,573	(7,564)
	=====	

* PRC corporate income tax is provided at the rate of 15% on the profits generated by a subsidiary of the Company in the PRC, Topsearch Printed Circuits (Shenzhen) Ltd. The applicable corporate income tax rate will be reduced to 10% from the standard rate of 15% according to "Detailed Rules for the Implementation of the Income Tax Law of the People's Republic of China for Foreign Investment Enterprises and Foreign Enterprises" if the company is granted Export Enterprise status by the Shenzhen Economic Development Bureau. The status has to be certified every year based on a criterion that the export sales made by the company exceeded 70% of total sales in any particular year.

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries in which the Company and the majority of 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			
	2005 HK\$'000	%	2004 HK\$'000	%
Profit before tax	94,787		81,392	
	=====		=====	
Tax at the statutory tax rate of 15%	14,218	15.0	12,209	15.0
Lower tax rates for other jurisdiction	(2,300)	(2.4)	(4,452)	(5.5)
Adjustments in respect of current tax of previous periods	(185)	(0.2)	(4,550)	(5.6)
Refund of 5% of profits earned in 2004 (2004: earned in 2001 - 2003)	(472)	(0.5)	(6,474)	(7.9)
Income not subject to tax	(10,451)	(11.0)	(6,096)	(7.5)

Expenses not deductible for tax	763	0.8	1,799	2.2

Tax charge/(credit) at the Group's effective rate	1,573	1.7	(7,564)	(9.3)
	=====			

7. Earnings Per Share attributable to ordinary equity holders of the parent

The calculation of basic earnings per share amount is based on the net profit for the year attributable to ordinary equity holders of the parent of HK\$93,214,000 (2004: HK\$88,956,000) and the weighted average number of 700,220,000 (2004: 640,000,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share amount is based on the net profit for the year attributable to ordinary equity holders of the parent of HK\$93,214,000 (2004: HK\$88,956,000). The weighted average number of ordinary shares used in the calculation is the 700,220,000 (2004: 640,000,000) weight average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of 3,208,000 (2004: 121,133) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.