

**TOPSEARCH INTERNATIONAL (HOLDINGS) LTD :
THIS COMPANY COULD BE A WINNER IN YEARS TO COME**

Irrespective of the fact that there has been a decided downturn in the worldwide sales of mobile telecommunication devices, over the past few years, with more reductions in sales, slated for the remainder of the year, and, irrespective of the fact that sales of personal computers are following the same path as the sales of mobile telecommunications devices, it would appear that, over the next few decades, those companies that can stay ahead of the IT (Information Technology) 'game' are almost guaranteed to come up trumps in the fullness of time.

Such a company would appear to be Topsearch International (Holdings) Ltd, which is now known as Stock Code Number 2323, the Main Board, The Stock Exchange of Hongkong Ltd.

Topsearch International is a company, which has devoted its activities to the manufacture of **Printed Circuit Boards (PCBs)**, the guts of personal computers, mobile telecommunication devices and the like, and a host of other electronic devices that has become part of nearly everybody's life, today.

This Company went to the Main Board in order to collect about \$HK200 million, net, by Placing 136 million, 10-cent New Shares at a Premium of \$HK1.28 per Share and Offering another tranche of 24 million New Shares on the same basis as the Placed Shares.

According to the Prospectus of this Company, the money, raised in this exercise, is earmarked for the following purposes:

1. About \$HK170 million for the completion of the construction of an 8-storey production facility in the People's Republic of China (PRC);
2. About \$HK26.20 million for the purchase of new machinery; and ,
3. About \$HK3.80 million to be applied to the General Working Capital Account.

Topsearch International was founded in August 1984 by Mr Cheok Ho Fung, the Chairman of the Company and the man who, beneficially, owns about 75 percent of the Issued and Fully Paid-Up Share Capital. (Page 111 of the Prospectus)

The Company has, always, engaged in its principal occupation: The manufacture and sales of PCBs, double-sided and multiple-layered.

After establishing itself, originally, in the Hongkong Special Administrative Region (HKSAR) of the PRC, it moved, in 1987, to Shekou, Shenzhen, the PRC, proper, in order to cash in on cheaper manufacturing costs, all round.

Today, Topsearch International boasts of annual turnovers of more than \$HK1 billion.

The following table is lifted from Page 143 of the Prospectus:

	Financial Year ended December 31
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	1999	2000	2001
	All Figures are Denominated in \$HK'000 (except where otherwise specified)		
Turnover	953,766	1,148,529	1,149,143
Cost of Sales	(672,612)	(833,366)	(833,538)
Gross Profit	281,154	315,163	315,605
Gross Profit Margin	29.48 percent	27.44 percent	27.46 percent
Other Revenue and Gains	3,184	8,423	6,939
Selling and Distribution Costs	(52,714)	(54,358)	(78,479)
Administrative Expenses	(74,464)	(75,357)	(94,844)
Other Operating Expenses	(2,237)	(1,580)	(1,658)
Profit from Operating Activities	154,923	192,291	147,563
Financing Costs	(10,465)	(15,090)	(18,557)
Profit before Taxation	144,458	177,201	129,006
Taxation	(32,370)	(10,709)	(18,753)
Net Profit from Ordinary Activities Attributable to Shareholders	112,088	166,492	110,253

Sales of the Company's products go to 5 main regions of the world, as the following little table illustrates:

Sales by Geographical Area

	Financial Year ended December 31		
	1999	2000	2001
	All Figures are Denominated in \$HK'000		
Taiwan	46,261	41,458	130,857
North America	257,517	320,061	288,556
Southeast Asia	421,166	378,201	366,877
Europe	47,688	86,234	74,117
The PRC, proper, and the HKSAR	181,134	322,575	288,736
TOTAL	953,766	1,148,529	1,149,193

Topsearch International, today, is knocking out just 3 types of PCB: Double-Sided; Four Layers; and, Six Layers and above.

Page 95 of the Prospectus gives a breakdown of each type of PCB that the Company is ... [CLICK TO ORDER FULL ARTICLE](#)

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