



SOLARTECH INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)



ANNUAL REPORT 2005

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Corporate Information

DIRECTORS

Executive Directors

CHAU Lai Him (*Chairman and Managing Director*)

ZHOU Jin Hua (*Deputy Chairman*)

LAU Man Tak

LIU Jin Rong

Independent Non-Executive Directors

CHUNG Kam Kwong

LO Kao Cheng

LO Wai Ming

COMPANY SECRETARY

LAU Man Tak

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 7, 2nd Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

AUDITORS

Deloitte Touche Tohmatsu

26th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Secretaries Limited

G/F, Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

PRINCIPAL BANKS (in alphabetical order)

Bank of China (Hong Kong) Limited

CITIC Ka Wah Bank Limited

DBS Bank (Hong Kong) Limited

Equitable PCI Bank, Inc., Hong Kong Branch

HSH Nordbank, Hong Kong Branch

Standard Chartered Bank (Hong Kong) Limited

The Hong Kong and Shanghai Banking

Corporation Limited

UFJ Bank Limited

RESULTS

The Directors of the Company and its subsidiaries (the "Group") announced the results for the 15 months period from 1 April 2004 to 30 June 2005 (the "Period"). Due to the change of financial year end date from 31 March to 30 June, the results for the Period should not be directly compared with the results for the period from 1 April 2003 to 31 March 2004 (the "Previous Year") or any of her previous periods.

The results for the Period are as follows:

The Group recorded a total turnover of approximately HK\$2,056,288,000, while profit from operations and loss attributable to shareholders were approximately HK\$2,694,000 and HK\$61,135,000 respectively. Loss per share was approximately HK19.1 cents. Excluding the impairment loss recognised in respect of goodwill, impairment loss of machineries and equipment and provision for doubtful debts of approximately HK\$61,205,000 in aggregate, which had been included in the profit and loss account for the year, the Period was in fact a profit-making period.

FINAL DIVIDEND

The Directors resolved not to pay any final dividend for the period ended 30 June 2005 (Previous Year: Nil).

BUSINESS REVIEW

During 2004, the Company underwent restructuring and reorganisation, the purpose of which was to inject the business of manufacturing and sales of copper rods and related products to another listed company, so as to enable the Group's copper rod business to raise funds independently. The plan provided a good opportunity for the Group to realise its investment in its copper rod business at a reasonable price while at the same time maintain its controlling interests in the business.

The copper rod business is currently operated by Hua Yi Copper Holdings Limited ("Hua Yi Copper"), a listed subsidiary of the Group. Upon completion of restructuring of the Company, Hua Yi Copper will concentrate its resources on copper rods and related business while the Company will focus on the development of cable and wire and connectors and terminals business. Through the restructuring activities, the principal business of the Group will be more explicit, and in particular, investors will be able to make more accurate and profitable decisions based on the Company's clearer and more focused performance. Such factors will be significant in enhancing the Company's reputation and investors confidence.

During the Period, performance of the Group business was as follows:

During the Period, sales of cable and wire products was approximately HK\$807,486,000, representing 39.27% of the Group's total sales; sales of copper rod products during the Period was approximately HK\$1,041,881,000, contributing 50.67% to the Group's total sales. Sales of connectors and terminals during the Period was approximately HK\$147,708,000, accounting for 7.18% of the Group's total sales, while sales of chemical products and the acquired life-like plants businesses were HK\$18,503,000 and HK\$40,710,000 respectively.

In terms of geographical breakdown, sales from the Mainland China and Hong Kong markets was approximately HK\$1,595,678,000, contributing 77.6% to the Group's turnover. Sales from the North America market was approximately HK\$222,807,000, accounting for 10.83% of the Group's turnover. Sales from other markets in Asia was approximately HK\$196,780,000, representing 9.57% of the Group's sales, while sales from the European market recorded approximately HK\$41,023,000, representing 2% of the Group's turnover.

Chairman's Statement

BUSINESS REVIEW (continued)

Cable and Wire Products

During the Period, given the surging prices of plastic and metal materials and the increasing labour costs in the Pearl River Delta region, a significant increase in production costs, and a stringent operating environment for the cable and wire business was experienced. Despite the Group's attempt to transfer the increased costs to customers in order to narrow down losses, selling prices were not be increased accordingly, which resulted in a decrease in the profit margin of the cable and wire business, and a loss in the business during the Period. On monthly average basis, sales of cable and wire products during the Period was approximately HK\$53,832,000, up approximately 5.3% from HK\$51,136,000 of the Previous Year. Compared with the Previous Year, average monthly turnover still recorded growth, but vendors from various regions lacked confidence to increase the prices and inventories, resulting in urgent orders at a lower revenue to the downstream cable and wire manufacturers, which adversely affected gross profit. On the other hand, the satisfactory revenue and sales growth recorded by the Group's plant in Shanghai was very encouraging. During the Period, the Shanghai plant recorded total sales of approximately HK\$132,551,000 with an average monthly sales of approximately HK\$8,837,000, representing an increase of 61.8% compared with HK\$5,461,000 of the Previous Year. However, due to its smaller scale compared to the production base in Dongguan, in terms of sales, the Shanghai plant only accounted for 16% of the total sales of cable and wire business, not sufficient to make up the Group's results.

Meanwhile, under the increasing prices of production resources such as energy and copper materials, as well as the serious power shortage and the under supply in transportation services in the Pearl River Delta region, the Group's production and operating costs faced a certain degree of pressure. Even with its strong foundation, the Group still suffered loss.

With "increasing income, reducing cost and enhancing efficiency" as its core aims, the Group is actively implementing marketing, new product developments and cost and quality controls, emphasising on the enhancement of overall capability in terms of sales and large-scale production, as well as product competitiveness. It will also continue to optimize the organizational structure in order to improve the overall profitability of its cable and wire business, moving forward to becoming a leader in the cable and wire industry in the PRC.

Copper Rod Business

On 25 March 2004, the Group and FT Holdings International Limited ("FT Holdings") entered into an acquisition agreement, whereby the Group agreed to procure to sell, and FT Holdings agreed to procure to purchase, the Group's copper rod business at an agreed total consideration of HK\$320 million. Approval from independent shareholders was obtained at the special general meeting held on 30 June 2004 and the acquisition of the interests in FT Holdings, which changed its name to Hua Yi Copper Holdings Limited ("Hua Yi Copper") in October the same year, was duly completed on 11 August 2004. As at 30 June 2005, the Company held 71.5% shareholding interests in Hua Yi Copper.

The Group is confident that the injection of the copper rod business to another listed company will enable such business to raise fund independently, and accordingly by the Company and Hua Yi Copper conducted top-up placing of shares on 26 April and 4 July 2005 respectively and recorded proceeds of over HK\$100,000,000. The Company has also purchased machineries and production facilities for its newly-established factory located at Kunshan, Jiangsu Province, the PRC, to fully equip itself for further market expansion, as well as to provide stronger backup to further enhance production capacity of the Group's copper rod business.

BUSINESS REVIEW (continued)

Copper Rod Business (continued)

The Group's copper rod business is operated by Hua Yi Copper, a subsidiary separately listed on the Main Board of the Stock Exchange of Hong Kong Company Limited (the "Stock Exchange"), of which the Company currently owns 59.59% shareholding interests. The Dongguan factory of Hua Yi Copper is one of the three sizable factories in the Pearl River Delta region, Guangdong Province, the PRC. During the Period, the average utilisation rate of the factory was around 60% and would be close to 100% if including the processing of products with materials provided by customers and products for their own sales. The existing facility will be adequate to support a further business growth of 50% or over. As a strategy to capture the relevant market potentials, the Group is actively expanding the production capacity of its own copper rod business based on the existing scale of the Dongguan factory.

During the Period, the strong demand for copper products worldwide has driven the growth in copper consumption, especially in the PRC. The rapid growth in power, electronics and real estate industries also fuelled the demand for copper in the PRC, and the PRC continued to be the largest consumer of copper worldwide. Meanwhile, there was an undersupply of copper raw materials and a shortfall between the growth in copper refining output and consumption. Under this severely imbalanced supply and demand, copper prices continued to surge. Copper cash prices quoted on the London Metal Exchange ("LME") reached its record high of US\$4,005 per tonne on 28 September 2005 while the LME average cash settlement price was US\$3,078 per tonne during the Period, representing an increase of US\$1,032 or 50.4% per tonne compared with US\$2,046 per tonne of the Previous Year.

Driven by the strong demand for copper products and continuous economic growth, the Group's copper rod business achieved a turnover of approximately HK\$69,459,000 per month on the average, recording a significant increase of 76.6% from approximately HK\$39,338,000 of the Previous Year. On the one hand, the growth was attributable to the rise of copper prices on LME while turnover of copper wires is calculated based on selling prices determined by international copper price plus agreed processing fees. On the other hand, the growth in turnover was also the result of actual increase in sales volume, which increased by approximately 9.3% from 2,890 tonnes per month in the Previous Year to 3,160 tonnes per month during the Period. Currently, the Group's high value-added downstream products contributed 40% to its total turnover. The Group will gradually increase the sales percentage of these products, including stranded copper wires, tinsel copper wires, enameled copper wires and tin coated copper wires.

The Group's copper rod business is mainly involved in processing, so the costs resulted from higher copper prices will be borne by customers. Furthermore, the Group will be in a better bargaining position in light of the undersupply. However, since the Group had to order copper cathodes from overseas suppliers by letter of credit and trust receipt loans, the constantly high copper prices undoubtedly increased its finance costs. Coupled with the interest hike, finance costs increased considerably during the Period.

Chairman's Statement

BUSINESS REVIEW (continued)

Connectors and Terminals

The Group's production base for connectors and terminals in Penang, Malaysia recorded sound growth in sales as well as profit since its establishment. Its turnover increased from HK\$9,000,000 in 1999 to over HK\$147,708,000 for the Period. On a monthly average basis, the turnover of connectors and terminals grew by 15.5% from HK\$8,529,000 of the Previous Year to HK\$9,847,000 for the Period. Despite the difficult operating environment, the business still managed to achieve growth with encouraging performance, which was attributable to the Group's strong sales and marketing efforts, appropriate allocation of resources and improvement in production efficiency. Such strategies enabled the Group to successfully fulfill the high quality standards of its clients, so as to help them to increase their respective market share.

In order to take a proactive approach to enhance the profitability of its connectors and terminals, the Group's additional production lines for connectors and terminals in Qingdao, Shandong Province, the PRC commenced production in mid 2005 and is expected to provide this business with ample room for expansion.

Life-like Plant

The turnover of the Group's acquired life-like plant business amounted to HK\$40,710,000 for the Period. Prices for raw materials of its products remained high. However, as the Group and its clients had already fixed the order prices, the Group was not able to transfer the cost increment to its clients, putting its profit margin under pressure. Fortunately, the business still managed to turnaround. In view of the increasing competition, the management will closely monitor market trends and formulate appropriate strategies so as to mitigate the negative impact on the Group's overall performance.

PROSPECTS

The Group invested in the establishment of new factory at Kunshan, Jiangsu Province, the PRC so as to tap into the cable, wire and copper wire processing market in the Yantze River Delta region. The new cable and wire factory is expected to commence production in early 2006. With an area of approximately 43,000 sq.m. and an annual production value up to HK\$250,000,000, the factory will mainly produce cable and wires for electrical appliances and electronic products. The new factory of Hua Yi Copper is expected to commence production by the end of 2005. With an area of approximately 38,000 sq.m., and an annual output of copper rods of various specification up to 10,000 tonnes, the factory will mainly produce high value-added downstream copper wire products, such as soft copper wires, tin coated copper wires, stranded copper wires and enamelled copper wires.

With the increasingly fierce market competition for household appliances in the coming years, elimination will be expected to further intensify in the PRC markets. The household appliance enterprises in the PRC is moving towards larger scale, higher quality and lower costs. The Company will continue to focus on its core business development of cable and wires, connectors and terminals and copper products, and divest its non-core business as soon as possible as well as optimize its corporate structure and production process so as to further enhance operating efficiency. Moreover, the Group will put further efforts on research and development of production technology and enhancement of its product competitiveness to support its ongoing business growth.

Looking forward, leveraging on the Group's capability and experience, as well as the focus on its core businesses, the Group is confident that its products will continue to increase market share, and will build a strong foundation to achieve a fruitful forthcoming financial year for its investors and shareholders.

EMPLOYEES

As at 30 June 2005, the Group had approximately 5,000 employees in Hong Kong, the PRC and overseas. Remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Staff benefits include medical schemes, Mandatory Provident Fund scheme for Hong Kong employees, and state-sponsored retirement plans for employees in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

During the period from 1 April 2004 to 30 June 2005 (the "15 months period ended 30 June 2005"), the Group had implemented a prudent financial management policy. As at 30 June 2005, the Group had cash and bank balances (including pledged bank deposits) amounted to of approximately HK\$189 million (31 March 2004: HK\$166 million) and net current assets value being over HK\$343 million (31 March 2004: HK\$306 million). The Group's gearing ratio as at 30 June 2005 was 0.47 (31 March 2004: 0.37), being the ratio of total bank borrowings of approximately HK\$372 million (31 March 2004: HK\$295 million) to shareholders' funds of approximately HK\$783 million (31 March 2004: HK\$803 million).

As at 30 June 2005, the Group pledged certain property, plant and machinery, fixed deposits and trade debtors with an aggregate net book value of approximately HK\$212 million (31 March 2004: HK\$181 million) to secure general banking facilities granted to the Group.

As at 30 June 2005, the Company has issued guarantees to the extent of approximately HK\$330 million (31 March 2004: HK\$389 million) to banks to secure banking facilities granted to its subsidiaries, of which, approximately HK\$207 million (31 March 2004: HK\$229 million) was utilised. In addition, the Company has issued guarantees to a financial institution amounting to approximately HK\$39 million (31 March 2004: Nil) in respect of commodity trading of copper by its subsidiaries.

The transactions of the Group are mostly denominated in HK\$, US\$ and RMB. In managing the foreign currency exchange risk, the Group has adopted a prudent hedging policy through booking forward foreign exchange contracts with the principal banks.

CHANGE OF FINANCIAL YEAR END DATE

On 20 August 2004, the Directors resolved to change the Company's financial year end date from 31 March to 30 June. Accordingly, the financial year end date of the Company for 2005 was 30 June 2005.

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Pursuant to the placing and subscription agreements dated 17 June 2004, Chau's Family 1996 Limited ("Chau's Family") placed 54,000,000 ordinary shares of HK\$0.01 each in the capital of the Company to independent investors at a price of HK\$0.27 per share and subscribed for 54,000,000 new ordinary shares of HK\$0.01 each in the capital of the Company at a price of HK\$0.27 per share. The net proceeds of approximately HK\$14.2 million from the subscription were used for purchasing raw materials for production of cables and wires.

Pursuant to the placing and subscription agreements dated 24 May 2005, Chau's Family placed 65,390,000 ordinary shares of HK\$0.01 each in the capital of the Company to independent investors at a price of HK\$0.28 per share and subscribed for 65,390,000 new ordinary shares of HK\$0.01 each in the capital of the Company at a price of HK\$0.28 per share. The net proceeds of approximately HK\$17.8 million from the subscription were used for purchasing raw materials for production of cables and wires.

Chairman's Statement

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES (continued)

Top-Up Placing of Existing Shares and Subscription of New Shares of Hua Yi Copper

On 26 April 2005, Skywalk Assets Management Limited ("Skywalk"), a wholly owned subsidiary of the Company, entered into the agreements to place and subscribe for new shares in Hua Yi Copper Holdings Limited ("Hua Yi Copper"). Pursuant to the agreements, Skywalk agreed to place 25,912,000 ordinary shares of HK\$0.20 each in the capital of Hua Yi Copper to independent investors at a price of HK\$0.93 per share and to subscribe for 25,912,000 new ordinary shares of HK\$0.20 each in the capital of Hua Yi Copper at a price of HK\$0.93 per share.

POST BALANCE SHEET EVENTS

Top-Up Placing of Existing Shares and Subscription of New Shares of Hua Yi Copper

On 4 July 2005, Skywalk entered into the agreements to place and subscribe for new shares in Hua Yi Copper. Pursuant to the agreements, Skywalk placed 111,000,000 ordinary shares of HK\$0.20 each in the capital of Hua Yi Copper to independent investors at a price of HK\$0.88 per share ("Top-Up Placing") and, upon the completion of the Top-Up Placing, subscribed for 111,000,000 new ordinary shares of HK\$0.20 each in the capital of Hua Yi Copper at a price of HK\$0.88 per share (the "Subscription"). The Top-Up Placing and the Subscription were completed on 7 July 2005 and 18 July 2005 respectively.

Prior to the Top-Up Placing and the Subscription, Skywalk had held 397,121,875 shares in Hua Yi Copper, representing approximately 71.49% of the issued share capital of Hua Yi Copper. Upon completion of the Top-Up Placing and the Subscription, Skywalk held 397,121,875 shares in Hua Yi Copper, representing 59.59% of the enlarged issued share capital of Hua Yi Copper.

Proposed Formation of a Joint Venture Company for the Production of Copper Pipe Products

On 8 September 2005, Hua Yi Copper entered into an agreement with Fujian Zijin Investment Co., Ltd and Minxi Xinghang State-owned Assets Investment Co., Ltd under which the parties have agreed to jointly establish a limited liability joint venture company ("JV") in Fujian Province, the PRC to mainly engage in copper pipes production and sales in Shanghang, Fujian. Pursuant to the agreement, the proposed registered capital of the JV is RMB40.5 million, of which RMB18.2 million, representing a 45% equity interest in the JV, will be contributed by Hua Yi Copper in cash.

ANNUAL GENERAL MEETING

The 2005 Annual General Meeting of the Company ("2005 Annual General Meeting") will be held on Thursday, 10 November 2005.

CLOSURE OF REGISTERS OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the 2005 Annual General Meeting, the registers of members will be closed from Tuesday, 8 November 2005 to Wednesday, 9 November 2005, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Secretaries Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong for registration not later than 4:00 p.m. on Monday, 7 November 2005.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the 15 months period ended 30 June 2005.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

The Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), subject to certain transitional arrangements, came into effect on 1 January 2005. The Directors resolved to propose certain amendments to the Bye-laws of the Company in compliance with the requirements of the CG Code and certain amendments to the Listing Rules which took effect on 31 March 2004. Details of the proposed amendments will be set out in the Notice of the 2005 Annual General Meeting of the Company.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, staff and management for their continuous dedication, commitment and support in the past year.

By order of the Board

Chau Lai Him

Chairman and Managing Director

Hong Kong SAR, 29 September 2005

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. CHAU Lai Him, aged 53, is the chairman and managing director of the Group and the founder of the Group. He is responsible for the overall management, strategic planning and business development of the Group. He has more than 25 years' experience in the manufacturing of cable and wire products.

Mr. ZHOU Jin Hua, aged 47, joined the Group in 1986 and is the deputy chairman of the Group and the general manager of the Group's Dongguan manufacturing facilities. He is responsible for the day-to-day operations of the Group's Dongguan manufacturing facilities including production, sales and marketing and business development. He has more than 15 years' experience in the manufacturing of cable and wire products.

Mr. LAU Man Tak, Ronald, aged 36, joined the Group in November 2001 and is the finance director and company secretary of the Group. He is responsible for the overall management of the Group's financial matters. He holds a bachelor degree in Accountancy from the Hong Kong Polytechnic University and has more than 10 years' corporate finance, accounting and auditing experience. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the Hong Kong Securities Institute.

Mr. LIU Jin Rong, aged 31, joined the Group in 1998 and is the administration manager of Qiaozi Chau's Electrical Company Limited. He has more than 5 years' experience in human resources management in PRC. He is the son-in-law of the sister of Mr. Chau Lai Him.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHUNG Kam Kwong, aged 47, is a practicing Certified Public Accountant in Hong Kong and is a fellow member of the Hong Kong Institute of Certified Public Accountants and a certified practicing accountant of CPA Australia, and a council member of the Macau Society of Certified Practicing Accountants. Mr. Chung has extensive experience in accounting and financial management and is independent non-executive director of listed companies in Hong Kong.

Mr. LO Kao Cheng, aged 55, is the general manager of Sunf Pu Electric Wire & Cable Co., Ltd., a company incorporated in Taiwan, Republic of China. He has more than 30 years' experience in the cable and wire industry.

Mr. LO Wai Ming, Paulus, aged 54, is the president of Greater China Asset Management Limited. He is also the director and general manager of SW China Strategic Holdings Limited. He has over 30 years' extensive experience in investment, consumer marketing, infrastructure management, business development and corporate finance. He holds a bachelor degree in Social Sciences (Hons) and a master degree in Business Administration of the Chinese University of Hong Kong. He is a member of the Chartered Institute of Marketing and the Chartered Management Institute of the United Kingdom.

SENIOR MANAGEMENT

Ms. CHAN Kam Yee, Shirley, aged 45, rejoined the Group in February 2001 and is the group financial controller of the Group. She is responsible for accounting, financial management and company secretarial affairs of the group. She has more than 15 years' experience in finance and accounting and more than 10 years' experience in company secretarial affairs. She is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants.

Ms. LAM Sui Lan, Miranda, aged 36, rejoined the Group in March 2004 and is the assistant to managing director of Chau's Electrical Co., Ltd. She holds a bachelor's degree of arts, major in business administration from the University of Northumbria at Newcastle, the United Kingdom and a higher diploma in business studies from the City University of Hong Kong. She has more than 10 years' experience in sales and marketing and of which more than 5 years is in the field of wire and cable products.

Mr. KAN Wai Kee, Ernest, aged 39, joined the Group in October 2001 and is the accounting manager of the Group. He is responsible for internal audit function for the Group. He holds a bachelor's degree in Accountancy from the City University of Hong Kong and has more than 13 years' auditing, finance and accounting experience.

Mr. WONG Kam Wah, George, aged 43, joined the Group in July 1997 and is the information technology manager of the Group. He holds a bachelor's degree of computing science from the University of Ulster, the United Kingdom and a higher diploma in computer studies from the City Polytechnic of Hong Kong. He has more than 13 years' experience in information technology and computerized manufacturing management.

Ms. LEE Chak Yan, June, aged 28, joined the Group in April 2000 and is the head of human resources and administration of the Group. She is responsible for the human resources management and general administration of the Group. She holds a bachelor's degree of business administration, major in human resources management from the RMIT University, Australia and has more than 5 years' experience in human resources and administration.

Mr. Robert J. MORTON, aged 40, joined the Group in March 1997 and is the general manager of Chau's Electrical International, Inc. He holds a bachelor's degree in science, major in technical business management from Johnson & Wales University, USA and a technical degree from New England Institute of Technology, USA. He has 20 years of design engineering, manufacturing, purchasing, sales and marketing, and business development experience in the electrical products industry.

Mr. HO Pang Cheng, Vincent, aged 48, joined the Group in February 1999 and is the general manager of the Group's Singapore and Malaysia trading and manufacturing operations in Malaysia and Qing Dao, the PRC. He holds a master degree in business administration from the University of Strathclyde, the United Kingdom; a professional diploma in marketing from the Chartered Institute of Marketing, the United Kingdom; a technical diploma in electrical & electronic engineering and a post graduate diploma in marketing management from Singapore. He has over 20 years of sales and marketing, business development and management experience in the electrical & electronics industries.

Directors and Senior Management

Mr. LIEW Pin Hean, aged 51, joined the Group in January 1999 and is the general manager of TEM Electronics (M) Sdn. Bhd. He holds a master degree in business administration from the University of Aston in the United Kingdom and a bachelor's degree of Arts, majoring in economics, from Birmingham Polytechnic in the United Kingdom. He has more than 20 years' experience in overall manufacturing management and more than 10 years' in the field of cable assemblies and wire harnesses industries.

Mr. ZHOU Qi Qin, aged 41, joined the Group in November 1988 and is the operations manager of Dongguan Qiaozi Chau's Electrical Co., Ltd. He is responsible for the production operations of the Dongguan Qiaozi manufacturing facilities. He has more than 15 years' experience in manufacturing management.

Mr. KANG Jian, aged 36, joined the Group in December 2003 and is the general manager of Shanghai Chau's Electrical Co., Ltd. He is responsible for the day-to-day operations of the Shanghai manufacturing facilities including production, sales and marketing and business development. He holds a profession diploma in Accountancy and Management. He has more than 8 years' experience in management.

Mr. LIU Dong Yang, aged 31, joined the Group in September 1995 and is the deputy general manager of Shanghai Chau's Electrical Company Limited. He is responsible for the financial matters for the trading and manufacturing operations in Shanghai. He holds a professional diploma in international finance from Hunan Finance and Economics College, a bachelor degree in business administration from the Renmin University of China. He is a member of the Chinese Institute of Certified Public Accountants.

The Directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the period from 1 April 2004 to 30 June 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries, associates and jointly controlled entities are set out in notes 13, 14 and 15 to the financial statements, respectively.

CHANGE OF FINANCIAL YEAR END DATE

Pursuant to a resolution passed on 14 August 2004, the Directors resolved to change the Company's financial year end date from 31 March to 30 June. The financial statements presented therefore cover the 15 month period from 1 April 2004 to 30 June 2005.

RESULTS

The results of the Group for the period from 1 April 2004 to 30 June 2005 are set out in the consolidated income statement on page 21.

The directors do not recommend the payment of a dividend.

FINANCIAL SUMMARY

Directors' Report

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the period and up to the date of this report were:

Executive directors:

Mr. Chau Lai Him (*Chairman and Managing Director*)

Mr. Zhou Jin Hua

Mr. Lau Man Tak

Mr. Liu Jiu Rong

Independent non-executive directors:

Mr. Chung Kam Kwong

Mr. Lo Kao Cheng

Mr. Lo Wai Ming

Except for the Chairman, all Directors are subject to retirement by rotation.

In accordance with Clause 87(1) and Clause 86(2) of the Company's Bye-Laws, Messrs. Lau Man Tak and Lo Wai Ming shall retire and, being eligible, offer themselves for re-election. The remaining directors continue in office.

Independent non-executive directors are not appointed for a specific term and are subject to retirement by rotation in accordance with the above Bye-Laws.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2005, the interests of the Directors and their associates in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in the shares of the Company

Name of director	Number of issued ordinary shares beneficially held	Percentage of the issued share capital of the Company
Mr. Chau Lai Him	81,992,000	20.90% (Note)

Note: These shares are held by Chau's Family 1996 Limited which is wholly owned by the Chau's Family 1996 Trust, a discretionary trust of which Mr. Chau Lai Him is a discretionary object.

DIRECTORS' INTERESTS IN SECURITIES (continued)

Other than as disclosed above, as at 30 June 2005, none of the directors, nor their associates had any interests or short position in the securities of the Company or any of its associated corporations as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company

On 16 September 2002, the Company adopted a new share option scheme (the "New Share Option Scheme") which replaced the Company's old share option scheme adopted in 1996 (the "Old Share Option Scheme"). Particulars of these share option schemes are set out in note 36 to the financial statements.

The following table discloses movements in the Company's New Share Option Scheme during the period:

Capacity	Date of grant	Exercisable period	Exercise price HK\$	Number of share options		
				Outstanding at 1.4.2004	Granted during the period	Outstanding at 30.6.2005
Others	26 May 2005	26 May 2005 to 25 May 2008	0.32	–	18,950,000	18,950,000

No shares options under the Old Share Option Scheme were outstanding since 1 April 2004.

At the balance sheet date, the Company had 18,950,000 share options outstanding under the New Share Option Scheme, which represented approximately 4.8% of the Company's shares in issue as at that date. The exercise in full in the remaining share options would, under the present capital structure of the Company, result in the issue of 18,950,000 additional ordinary shares of the Company and additional share capital of HK\$189,500 and share premium of HK\$5,874,500 (before issue expenses).

The Directors do not consider it appropriate to disclose the value of the options granted under the New Share Option Scheme during the period as any such valuation would be subject to a number of uncertain assumptions. The Directors believe that the evaluation of share options based on speculative assumption would not be meaningful to shareholders.

The closing price of the Company's shares immediately before the date of grant was HK\$0.32.

Directors' Report

SHARE OPTIONS (continued)

Subsidiary

On 4 December 2003, Hua Yi Copper Holdings Limited ("Hua Yi Copper"), a subsidiary of the Company, adopted a new share option scheme (the "Hua Yi New Share Option Scheme") which replaced its old share option scheme adopted in 1996 (the "Hua Yi Old Share Option Scheme").

The following table discloses movements in the Hua Yi New Share Option Scheme during the period:

Capacity	Date of grant	Exercisable period	Exercise price HK\$	Number of share options		Number of share options exercisable for the period			
				Outstanding at 1.4.2004	Granted during the period	Outstanding at 30.6.2005	1.4.2005 to 31.3.2006	1.4.2006 to 31.3.2007	1.4.2007 to 31.3.2008
Employees	1 April 2005	1 April 2005 to 31 March 2008	0.87	-	1,600,000	1,600,000	1,200,000	1,400,000	1,600,000
Employees	1 April 2005	1 April 2005 to 31 March 2007	0.87	-	1,500,000	1,500,000	750,000	1,500,000	1,500,000
Others	1 April 2005	1 April 2005 to 31 March 2008	0.87	-	9,856,000	9,856,000	9,856,000	9,856,000	9,856,000
Total				-	12,956,000	12,956,000	11,806,000	12,756,000	12,956,000

On 29 September 2005, the Directors of Hua Yi Copper resolved to cancel all the outstanding share options under the Hua Yi New Share Option Scheme.

The following table discloses movements in the Hua Yi Old Share Option Scheme during the period:

Capacity	Date of grant	Exercisable period	Exercise price HK\$	Number of share options			Balance at 30.6.2005
				Balance at 1.4.2004	Lapsed during the period	Adjustment during the period (Note)	
Employees	7 March 1997	7 March 1997 to 6 March 2007	0.7056 14.1120	9,500,000 -	(5,500,000) -	(4,000,000) 200,000	- 200,000
Total				9,500,000	(5,500,000)	(3,800,000)	200,000

SHARE OPTIONS (continued)

Subsidiary (continued)

Note:

Following the share consolidation of Hua Yi Copper which took effect on 30 December 2004, the number of and the exercise price of the outstanding share options were adjusted and the adjusted number of the outstanding share options and the exercise price payable upon the exercise of the subscription rights attaching to the outstanding share options under the Hua Yi Old Share Option Scheme are as follows:

Number of outstanding share options		Exercise price	
Before adjustment	After adjustment	Before adjustment	After adjustment
		HK\$	HK\$
4,000,000	200,000	0.7056	14.112

The Directors of Hua Yi Copper do not consider it appropriate to disclose the value of the options granted under the Hua Yi New Share Option Scheme during the period as any such valuation would be subject to a number of uncertain assumptions. The Directors of Hua Yi Copper believe that the evaluation of share options based on speculative assumptions would not be meaningful to the shareholders.

The closing price of Hua Yi Copper's shares immediately before the date of grant was HK\$0.87.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the heading "Directors' Interests in Securities" above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no other person as having an interest of 5% or more in the issued share capital of the Company as at 30 June 2005.

MAJOR CUSTOMERS AND SUPPLIERS

For the period from 1 April 2004 to 30 June 2005, the five largest customers of the Group together accounted for less than 30% of the Group's total turnover and the five largest suppliers of the Group together accounted for approximately 55% of the Group's total purchases during the period, with the largest supplier accounted for approximately 22%.

At no time during the period did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers.

Directors' Report

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

EMOLUMENT POLICY

Emolument policy on the remuneration of the directors and the employees of the Group is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 36 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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CORPORATE GOVERNANCE

The Company has complied throughout the period with the Code of Best Practice as set out in Appendix 14 to the Listing Rules, except that the independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry with all of the Directors, the Directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

AUDIT COMMITTEE

The principal duties of the audit committee are reviewing the internal controls and the financial reporting requirements of the Group. The audit committee is satisfied with the Group's internal controls procedures and the financial reporting disclosures.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the period from 1 April 2004 to 30 June 2005.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 39 of the financial statements.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Chau Lai Him

Chairman

29 September 2005

As at the date of this report, the executive directors of the Company are Mr. Chau Lai Him, Mr. Zhou Jin Hua, Mr. Lau Man Tak and Mr. Liu Jin Rong, and the independent non-executive directors of the Company are Mr. Lo Kao Cheng, Mr. Lo Wai Ming and Mr. Chung Kam Kwong.

Deloitte.

德勤

TO THE SHAREHOLDERS OF SOLARTECH INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 21 to 75 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 June 2005 and of the loss and cash flows of the Group for the period from 1 April 2004 to 30 June 2005 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 29 September 2005

Consolidated Income Statement

For the period from 1 April 2004 to 30 June 2005

	NOTES	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Turnover	4	2,056,288	1,197,100
Cost of sales		(1,898,350)	(1,058,812)
Gross profit		157,938	138,288
Other operating income		29,115	11,304
Interest income		8,421	4,024
General and administrative expenses		(130,853)	(96,984)
Selling and distribution expenses		(24,436)	(18,552)
Allowance for doubtful debts		(23,491)	(32,543)
Impairment loss recognised in respect of property, plant and equipment	11	(14,000)	–
Profit from operations	6	2,694	5,537
Finance costs	8	(32,134)	(14,798)
Impairment loss recognised in respect of goodwill	12	(16,212)	(63,653)
Share of results of associates		289	(5,726)
Loss on disposal of subsidiaries	29	(7,502)	–
Gain on deemed disposal of a subsidiary	30	1,845	–
Loss before taxation		(51,020)	(78,640)
Taxation	9	(10,504)	(8,990)
Loss before minority interests		(61,524)	(87,630)
Minority interests		389	2,445
Loss for the period/year		(61,135)	(85,185)
Loss per share - basic	10	(19.1) cents	(37.9) cents

Consolidated Balance Sheet

At 30 June 2005

	NOTES	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Non-current assets			
Property, plant and equipment	11	498,460	458,715
Interests in associates	14	9,885	9,596
Interests in jointly controlled entities	15	–	–
Notes receivable	16	55,000	55,000
Deferred tax assets	25	20	1,366
		563,365	524,677
Current assets			
Inventories	17	304,642	229,274
Television programmes and sub-licensing rights	18	963	–
Debtors, deposits and prepayments	19	392,108	344,585
Bills receivable	20	5,605	3,933
Pledged deposits	35	48,331	23,107
Bank balances and cash		140,806	143,630
		892,455	744,529
Current liabilities			
Creditors and accrued charges	21	164,187	114,760
Bills payable	22	9,749	20,596
Taxation		5,991	9,196
Obligations under finance leases	23	2,144	1,786
Borrowings	24	367,345	291,568
		549,416	437,906
Net current assets		343,039	306,623
Total assets less current liabilities		906,404	831,300

Consolidated Balance Sheet

At 30 June 2005

	NOTES	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Non-current liabilities			
Obligations under finance leases	23	2,060	2,087
Deferred tax liabilities	25	14,867	11,809
		16,927	13,896
Minority interests			
		105,644	14,026
		783,833	803,378
Capital and reserves			
Share capital	26	3,924	2,730
Reserves		779,909	800,648
		783,833	803,378

The financial statements on pages 21 to 75 were approved and authorised for issue by the Board of Directors on 29 September 2005 and are signed on its behalf by:

Chau Lai Him
Director

Lau Man Tak
Director

Balance Sheet

At 30 June 2005

	NOTES	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Non-current asset			
Interests in subsidiaries	13	803,383	778,466
Current assets			
Prepayments		676	274
Bank balances		630	911
		1,306	1,185
Current liability			
Accrued charges		1,342	1,495
Net current liability			
		(36)	(310)
		803,347	778,156
Capital and reserves			
Share capital	26	3,924	2,730
Reserves	27	799,423	775,426
		803,347	778,156

Chau Lai Him
Director

Lau Man Tak
Director

Consolidated Statement of Changes in Equity

For the period from 1 April 2004 to 30 June 2005

	Share capital	Share premium	Asset revaluation reserve	Goodwill reserve	Statutory reserve	Exchange reserve	Contributed surplus	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
THE GROUP									
At 1 April 2004	1,896	-	14,190	(63,298)	4,474	(16,141)	587,012	244,705	772,838
Surplus on revaluation of leasehold land and buildings	-	-	7,708	-	-	-	-	-	7,708
Increase in opening deferred tax liability resulting from change in tax rate	-	-	(13)	-	-	-	-	-	(13)
Deferred tax liability arising on revaluation of properties	-	-	(1,557)	-	-	-	-	-	(1,557)
Minority share of post-acquisition reserve	-	-	2,486	-	-	-	-	-	2,486
Exchange difference on translation of financial statements of overseas operations	-	-	-	-	-	443	-	-	443
Net gains not recognised in the income statement	-	-	8,624	-	-	443	-	-	9,067
Placement of new shares	834	43,136	-	-	-	-	-	-	43,970
Expenses incurred in relation to the placement of new shares	-	(965)	-	-	-	-	-	-	(965)
Realised on impairment of goodwill	-	-	-	63,653	-	-	-	-	63,653
Loss for the year	-	-	-	-	-	-	-	(85,185)	(85,185)
At 31 March 2004	2,730	42,171	22,814	355	4,474	(15,698)	587,012	159,520	803,378
Surplus on revaluation of leasehold land and buildings	-	-	15,068	-	-	-	-	-	15,068
Deferred tax liability arising on revaluation of properties	-	-	(1,702)	-	-	-	-	-	(1,702)
Minority share of post-acquisition reserve	-	-	(1,814)	-	-	-	-	-	(1,814)
Exchange difference on translation of financial statements of overseas operations	-	-	-	-	-	(238)	-	-	(238)
Net gains not recognised in the income statement	-	-	11,552	-	-	(238)	-	-	11,314
Placement of new shares	1,194	31,695	-	-	-	-	-	-	32,889
Expenses incurred in relation to the placement of new shares	-	(2,613)	-	-	-	-	-	-	(2,613)
Released upon partial disposal of a subsidiary	-	-	(1,164)	-	-	-	-	1,164	-
Loss for the period	-	-	-	-	-	-	-	(61,135)	(61,135)
At 30 June 2005	3,924	71,253	33,202	355	4,474	(15,936)	587,012	99,549	783,833

Consolidated Statement of Changes in Equity

For the period from 1 April 2004 to 30 June 2005

The retained profits of the Group include losses of HK\$13,431,000 (31.3.2004: HK\$13,720,000) attributable to the associates of the Group and nil (31.3.2004: nil) attributable to its jointly controlled entities.

The statutory reserve of the Group represents reserve required by the relevant People's Republic of China ("PRC") laws applicable to the Company's PRC subsidiaries.

The contributed surplus represented the net balance after setting off accumulated losses of the Company as at 1 April 2002 from reduced share capital and cancelled share premium of the Company in accordance with the Company's capital reorganisation in September 2002.

Consolidated Cash Flow Statement

For the period from 1 April 2004 to 30 June 2005

	NOTES	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Operating activities			
Profit from operations		2,694	5,537
Adjustments for:			
Gain on partial disposal of subsidiaries	28	(797)	–
Loss (gain) on disposal of property, plant and equipment		108	(10)
Depreciation and amortisation		45,593	37,870
Allowance for inventories		2,993	9,601
Allowance for doubtful debts		23,491	32,543
Impairment loss on property, plant and equipment		14,000	–
Impairment on club membership		–	600
Impairment on deposit paid for acquisition of investment		–	3,831
Interest income		(8,421)	(4,024)
Operating cash flows before movements in working capital		79,661	85,948
Increase in inventories		(60,198)	(55,009)
Decrease in television programmes and sub-licensing rights		2,546	–
Increase in debtors, deposits and prepayments		(62,756)	(87,516)
(Increase) decrease in bills receivable		(1,672)	227
Increase in creditors and accrued charges		11,442	19,848
(Decrease) increase in bills payable		(18,616)	7,583
Cash used in operations		(49,593)	(28,919)
Hong Kong Profits Tax paid		(448)	(3,628)
Taxation in other jurisdictions paid		(10,952)	(4,742)
Net cash used in operating activities		(60,993)	(37,289)
Investing activities			
Interest received		8,421	715
Purchase of property, plant and equipment		(25,442)	(22,557)
Proceeds from disposal of property, plant and equipment		100	16
Acquisition of subsidiaries	28	4,642	630
Proceeds from disposal of subsidiaries	28 & 29	13,292	–
Refund of deposit paid for acquisition of investment		–	969
Increase in pledged deposits		(20,224)	(12,866)
Net cash used in investing activities		(19,211)	(33,093)

Consolidated Cash Flow Statement

For the period from 1 April 2004 to 30 June 2005

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Financing activities		
Interest paid on bank borrowings	(26,930)	(14,362)
Interest paid on finance leases	(385)	(701)
Proceeds from issue of shares	32,889	43,970
Expenses incurred in connection with the issue of shares	(8,033)	(965)
Proceeds from placement of shares of a listed subsidiary	24,098	–
Repayment of obligations under finance leases	(2,854)	(3,729)
New bank loans raised	348,917	143,287
Repayment of bank loans	(370,223)	(128,801)
New trust receipt loans raised	1,072,542	544,936
Repayment of trust receipt loans	(973,116)	(485,054)
New invoice financing loans raised	224,875	162,587
Repayment of invoice financing loans	(243,993)	(154,965)
Net additions of other borrowings	1,163	–
Dividends paid to a minority shareholder	(2,616)	–
Net cash from financing activities	76,334	106,203
Net (decrease) increase in cash and cash equivalents	(3,870)	35,821
Cash and cash equivalents at beginning of the period/year	143,455	107,378
Effect of foreign exchange rate changes	(94)	256
Cash and cash equivalents at end of the period/year	139,491	143,455
Analysis of the balances of cash and cash equivalents		
Being:		
Bank balances and cash	140,806	143,630
Bank overdrafts	(1,315)	(175)
	139,491	143,455

1. GENERAL

The Company is an exempted company with limited liability incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and trading of cables and wires, copper rods, connectors and terminals, life-like plants and production, distribution and licensing of television programmes. Its associates are principally engaged in the manufacture of optical fibre cable.

During the period, the Directors resolved to change the financial year end date of the Company and its subsidiaries (the "Group") from 31 March to 30 June, except for Hua Yi Copper Holdings Limited (formerly known as FT Holdings International Limited) and its subsidiaries which were acquired by the Company and changed its financial year end date from 31 December to 30 June, in order to allow the Group to prepare and update its financial results on semi-annual basis as most members of the Group are in the People's Republic of China (the "PRC") having year end date of 31 December. As a result, the consolidated financial statements of the Group for the current period covered the 15 months period ended 30 June 2005 and the comparative period covered the 12 months period ended 31 March 2004, and therefore may be not comparable. No further changes to reporting dates are anticipated.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES

Hong Kong Institute of Certified Public Accountants issued a number of new or revised Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005 except for HKFRS 3 "Business Combinations" which is effective for business combinations whose agreement date is on or after 1 January 2005. The Directors resolved to early adopt the following new HKFRSs from 1 April 2004 onwards.

HKFRS 3	Business Combinations
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets

In previous years, under Statement of Standard Accounting Practice ("SSAP") 30 "Business Combinations", goodwill was capitalised and amortised on a straight-line basis over its useful economic life and was assessed for impairment whenever there is an indicator for impairment. Negative goodwill was recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets.

HKFRS 3 prohibits the amortisation of goodwill and requires goodwill to be tested for impairment at least annually and the excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition, after reassessment, to be recognised immediately in the income statement. HKFRS 3 prohibits the recognition of negative goodwill.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (continued)

HKFRS 3 has been applied to account for the acquisition of FT Holdings International Limited ("FT Holdings", subsequently the name was changed to Hua Yi Copper Holdings Limited ("Hua Yi Copper") pursuant to a special resolution passed on 17 September 2004) as detailed in note 28. The Group had applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves continues to be held in reserves and will be transferred to the retained earnings of the Group at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired. The adoption of HKAS 36 and HKAS 38 had no material effect on the results for the current accounting periods.

The Group has commenced considering the potential impact of the new HKFRSs and has so far concluded that the adoption of HKAS 16 "Property, Plant and Equipment", HKAS 17 "Leases", HKAS 31 "Interests in Joint Ventures", HKAS 32 "Financial Instruments: Disclosure and Presentation", HKAS 39 "Financial Instruments: Recognition and Measurement" and HKFRS 2 "Share-based Payment" will have the following effects:

Property, plant and equipment

Property, plant and equipment will be stated at cost less accumulated depreciation and impairment, if any. The underlying leasehold land will be stated at cost and amortised over the lease term.

Interests in jointly controlled entities

HKAS 31 "Interests in Joint Ventures" permits entities to use either the equity method of accounting or proportionate consolidation to account for its interests in jointly controlled entities.

Financial instruments

The Group will classify and measure its financial assets and financial liabilities (which were previously outside the scope of SSAP 24 "Accounting for Investments in Securities") in accordance with the requirements of HKAS 32 and HKAS 39. All derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments.

The Group has entered into certain financial derivatives during the period and will apply the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39. For derivatives that are not for hedging purposes, the Group will recognise the corresponding adjustments on changes in fair values in profit or loss for the period in which they arise.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (continued)

Share-based payments

Equity-settled share-based payments in relation to share options granted to employees are measured at fair value at the date of grant.

In accordance with the transitional provisions of HKFRS 2, this standard does not apply to share options granted on or before 7 November 2002. However, for share options granted after 7 November 2002 and vested on or after 1 January 2005, such share options would be accounted for retrospectively in accordance with HKFRS 2.

The Group is in the process of making an assessment of the potential impact of the other new HKFRSs but is not yet in a position to determine the impact of these new HKFRSs on the results of operations and financial position of the Group. These new HKFRSs may result in changes in the future as to how the results and financial position of the Group are prepared and presented.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of leasehold properties.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the balance sheet date.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Business combinations

In previous periods, goodwill arising on acquisitions was held in reserves, and will be charged to the income statement at the time of disposal of the relevant subsidiary, associate or jointly controlled entity, or at such time as the goodwill is determined to be impaired.

After 1 January 2005, the acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in, accordance with HKFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

In previous periods, goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

After 1 January 2005, goodwill arising on the acquisition of a subsidiary, associate or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary, associate or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Income from the licensing and sub-licensing of television programme is recognised, upon the delivery of master tapes to customers.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the Group's right to receive payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, plant and equipment**

Property, plant and equipment, other than leasehold land and buildings, are stated at cost less depreciation, amortisation and accumulated impairment losses.

Leasehold land and buildings are stated in the balance sheet at their revalued amount, being the fair value on the basis of their existing use at the date of revaluation less any subsequent accumulated depreciation and amortisation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of leasehold land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the revaluation increase is credited to the income statement to the extent of the revaluation decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Leasehold land is depreciated on a straight line basis over the term of the relevant lease and buildings are depreciated over the shorter of the term of the lease or fifty years using the straight line method.

Depreciation is provided to write off the cost of other property, plant and equipment over their estimated useful lives, using the reducing balance method, at the following rates per annum:

Leasehold improvements	10%
Equipment, furniture and fixtures	20%
Plant and machinery	6.67% – 20%
Motor vehicles	20% – 30%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the period. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates, less any identified impairment loss.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Interests in jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an unilateral interest are referred to as jointly controlled entities.

The Group's interests in jointly controlled entities are included in the consolidated balance sheet at the Group's share of the net assets of the jointly controlled entities less any identified impairment loss. The Group's share of the post-acquisition results of its jointly controlled entities is included in the consolidated income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Television programmes and sub-licensing rights

Television programmes ("TV programmes")

TV programmes produced by the Group are stated at the lower cost and net realisable value. Costs represent the carrying amount transferred from TV programmes in progress upon completion.

Sub-licensing rights

Licence fees paid to acquire the rights for the sub-licensing of TV programmes produced by third parties in specified geographical areas and time periods are accounted for as sub-licensing rights. Upon the lease of these purchased TV programmes, the relevant portion of the licence fees are charged to the income statement on a systematic basis, with reference to the projected revenue and the underlying licence periods.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant leases so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight line basis over the relevant lease term.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

On consolidation, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such exchange differences are recognised as income or as expenses in the period in which the operation is disposed of.

Retirement benefits schemes

Payments to defined contribution retirement benefit plans and the Mandatory Provident Fund Scheme are charged as an expense as they fall due.

4. TURNOVER

Turnover represents the amounts received and receivable for goods sold to outside customers, net of returns and discounts, during the period.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

5. SEGMENTAL INFORMATION

Business segments

For management purposes, the Group is currently organised into four principal operating divisions - manufacture and trading of cables and wires, copper rods, connectors and terminals and life-like plants. The life-like plant is a new principal division following the acquisition of FT Holdings in the current period. These divisions are the bases on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

For the period 1 April 2004 to 30 June 2005

	Cables and wires HK\$'000	Copper rods HK\$'000	Connectors and terminals HK\$'000	Life-like plants HK\$'000	Others HK\$'000	Elimination HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
TURNOVER								
External sales	807,486	1,041,881	147,708	40,710	18,503	-	-	2,056,288
Inter-segment sales	11,765	191,329	679	-	-	(203,773)	-	-
Total sales	819,251	1,233,210	148,387	40,710	18,503	(203,773)	-	2,056,288
Inter-segment sales are charged at cost								
RESULT								
Segment result	(30,197)	40,348	13,608	2,303	(20,931)			5,131
Unallocated corporate income							5,901	5,901
Unallocated corporate expenses							(8,338)	(8,338)
Profit from operations								2,694
Finance costs		(20,167)		(146)	(3,312)		(8,509)	(32,134)
Impairment loss recognised in								

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

5. SEGMENTAL INFORMATION (continued)

Business segments (continued)

At 30 June 2005

	Connectors					Consolidated	
	Cables and wires	Copper rods	and terminals	Life like plants	Others		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
BALANCE SHEET							
Assets							
Segment assets	645,466	484,081	107,805	68,738	52,149	1,358,239	
Interests in associates						9,885	
Unallocated corporate assets						87,696	
Consolidated total assets						<u>1,455,820</u>	
Liabilities							
Segment liabilities	81,937	304,720	16,112	20,405	24,711	447,885	
Unallocated corporate liabilities						118,458	
Consolidated total liabilities						<u>566,343</u>	
OTHER INFORMATION							
Capital additions	15,329	7,151	2,791	1,222	1,731	100	28,324
Depreciation and amortisation	23,160	11,257	2,849	3,183	5,136	8	45,593
Allowance for (reversal of) doubtful debts	23,716	(3,825)	-	14	3,586	-	23,491
Allowance for inventories	2,993	-	-	-	-	-	2,993
Impairment loss recognised in respect of property, plant and equipment	-	-	-	-	14,000	-	14,000

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

5. SEGMENTAL INFORMATION (continued)

Business segments (continued)

Year ended 31 March 2004

	Cables and wires <i>HK\$'000</i>	Copper rods <i>HK\$'000</i>	Connectors and terminals <i>HK\$'000</i>	Others <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER						
External sales	613,637	472,054	102,323	9,086	–	1,197,100
Inter-segment sales	8,152	151,691	438	–	(160,281)	–
Total sales	621,789	623,745	102,761	9,086	(160,281)	1,197,100
Inter-segment sales are charged at cost.						
RESULT						
Segment result	1,657	28,197	9,816	(4,866)		34,804
Unallocated corporate income						3,772
Unallocated corporate expenses						(33,039)
Profit from operations						5,537
Finance costs						(14,798)
Share of results of associates						(5,726)
Impairment loss recognised in respect of goodwill						(63,653)
Loss before taxation						(78,640)
Taxation						(8,990)
Loss before minority interests						(87,630)
Minority interests						2,445
Loss for the year						(85,185)

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

5. SEGMENTAL INFORMATION (continued)

Business segments (continued)

At 31 March 2004

	Cables and wires <i>HK\$'000</i>	Copper rods <i>HK\$'000</i>	Connectors and terminals <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
BALANCE SHEET					
Assets					
Segment assets	644,403	391,100	61,537	65,545	1,162,585
Interests in associates					9,596
Unallocated corporate assets					97,025
Consolidated total assets					<u>1,269,206</u>
Liabilities					
Segment liabilities	85,580	26,937	18,660	1,222	132,399
Unallocated corporate liabilities					319,403
Consolidated total liabilities					<u>451,802</u>

	Cables and wires <i>HK\$'000</i>	Copper rods <i>HK\$'000</i>	Connectors and terminals <i>HK\$'000</i>	Others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
OTHER INFORMATION						
Capital additions	10,881	7,292	2,551	47,733	–	68,457
Depreciation and amortisation	23,083	8,984	1,781	4,022	–	37,870
Allowance for inventories	9,601	–	–	–	–	9,601
Allowance for doubtful debts	1,305	4,050	–	–	27,188	32,543

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

5. SEGMENTAL INFORMATION (continued)

Geographical segments

The Group's operations are located in Hong Kong, the PRC, North America, Europe and other Asian regions.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

	Turnover by geographical market	
	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
PRC	1,501,303	773,106
North America	222,807	201,051
Europe	41,023	39,172
Hong Kong	94,375	40,633
Other Asian regions	196,780	143,138
	2,056,288	1,197,100

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property plant and equipment	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
PRC	806,900	686,032	23,623	59,097
Hong Kong	547,161	479,311	1,849	6,783
North America	35,268	42,327	61	2,551
Other Asian regions	66,491	61,536	2,791	26
	1,455,820	1,269,206	28,324	68,457

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

6. PROFIT FROM OPERATIONS

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Profit from operations has been arrived at after charging:		
Auditors' remuneration		
Current year	2,158	1,496
Underprovision in prior years	–	44
	2,158	1,540
Depreciation and amortisation		
Owned assets	44,887	36,707
Assets held under finance leases	706	1,163
	45,593	37,870
Operating lease rentals in respect of rented premises	5,725	4,392
Staff costs including directors' emoluments	114,605	82,207
Research and development expenditure	3,579	2,435
Exchange loss, net	250	821
Loss on disposal of property, plant and equipment	108	–
Allowance for inventories	2,993	9,601
Impairment on club membership included in general and administrative expenses	–	600
Impairment on deposit paid for acquisition of investment included in general and administrative expenses	–	3,831
Impairment on property, plant and equipment	14,000	–
and after crediting:		
Gain on disposal of property, plant and equipment	–	10
Interest on bank deposits	4,221	715
Interest on notes receivables	4,200	3,309

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

7. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Particulars of the emoluments of the directors and the five highest paid individuals for the period/year were as follows:

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Directors' fees:		
Executive directors	–	–
Independent non-executive directors	298	178
Other emoluments to executive directors:		
Salaries and other benefits	8,256	4,958
Performance related incentive payments	–	631
Contributions to retirement benefits schemes	30	24
	8,584	5,791

Emoluments of the directors were within the following bands:

	Number of directors	
	1.4.2004 to 30.6.2005	1.4.2003 to 31.3.2004
Nil - HK\$1,000,000	4	6
HK\$1,000,001 - HK\$1,500,000	–	1
HK\$1,500,001 - HK\$2,000,000	1	–
HK\$2,000,001 - HK\$2,500,000	1	–
HK\$3,500,001 - HK\$4,000,000	1	1

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

7. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

The five highest paid individuals of the Group include three (Year ended 31 March 2004: two) executive directors of the Company, details of whose emoluments are included above. The emoluments of the remaining two (Year ended 31 March 2004: three) individuals for the period from 1 April 2004 to 30 June 2005 were as follows:

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Salaries and other benefits	1,795	2,314
Performance related incentive payments	76	–
Contributions to retirement benefits schemes	125	153
	1,996	2,467

Emoluments of these individuals were within the following bands:

	Number of employees	
	1.4.2004 to 30.6.2005	1.4.2003 to 31.3.2004
Nil - HK\$1,000,000	1	2
HK\$1,000,001 - HK\$1,500,000	1	1

8. FINANCE COSTS

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Interest on bank and other borrowings wholly repayable within five years	31,749	14,097
Interest on finance leases	385	701
	32,134	14,798

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

9. TAXATION

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Hong Kong Profits Tax		
Current year	–	400
(Over)underprovision in respect of prior years	(307)	98
Taxation in other jurisdictions		
Current year	9,152	7,773
Overprovision in respect of prior years	(1,044)	(32)
	7,801	8,239
Deferred taxation (<i>Note 25</i>)		
Current year	2,703	51
Attributable to a change in tax rate	–	700
	10,504	8,990

Hong Kong Profits Tax is calculated at 17.5% (Year ended 31 March 2004: 17.5%) of the estimated assessable profit for the period/year.

Pursuant to the approvals obtained from the relevant PRC tax authorities, certain of the Company's PRC subsidiaries are entitled to exemptions from PRC enterprise income tax. Shanghai Chau's Electrical Co., Ltd. ("Shanghai Chau's") and Dongguan Hua Yi Brass Products Co., Ltd. ("Dongguan Hua Yi") are entitled to exemption from enterprise income tax for two years from their first profitable year of operations, followed by a 50% reduction for the next three years. The 50% tax relief expired on 31 December 2003 for both Shanghai Chau's and Dongguan Hua Yi and both companies are subject to PRC enterprise income tax rate of 27% commencing from 1 January 2004.

Taxation in other jurisdictions is calculated at the rates applicable in the respective jurisdictions.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

9. TAXATION (continued)

The tax charge for the period/year can be reconciled to the loss before taxation per the income statement as follows:

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Loss before taxation	(51,020)	(78,640)
Tax at the domestic income tax rate of 27% (31.3.2004: 27%)	(13,775)	(21,233)
Tax effect of expenses not deductible for tax purpose	24,389	29,383
Tax effect of income not taxable for tax purpose	(2,651)	(2,109)
Tax effect of tax losses not recognised	1,815	1,051
Utilisation of tax losses previously not recognised	(3,702)	–
Income tax on concessionary rate	4,375	(1,271)
(Over)underprovision in respect of prior years	(1,351)	66
Others	(587)	1,146
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,069	1,257
Effect on change in tax rate on opening deferred tax liabilities	–	700
Share of tax effect of associate	(78)	–
Tax charge for the period/year	10,504	8,990

The domestic tax rate of principal subsidiaries in the PRC is used as it is where the operation of the Group is substantially based.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

10. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	1.4.2004 to 30.6.2005 HK\$'000	1.4.2003 to 31.3.2004 HK\$'000
Results for the period/year and results for the purpose of basic loss per share	<u>(61,135)</u>	<u>(85,185)</u>
	Number of shares	
	30.6.2005	31.3.2004
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>320,138,287</u>	<u>224,816,029</u>

As the exercise of potential ordinary shares in respect of share options would result in a reduction in the loss per share, diluted loss per share for both periods are not presented.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

11. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress <i>HK\$'000</i>	Leasehold land and buildings <i>HK\$'000</i>	Leasehold improve- ments <i>HK\$'000</i>	Equipment, furniture and fixtures <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE GROUP							
COST OR VALUATION							
At 1 April 2004	–	230,662	17,266	62,456	331,459	16,030	657,873
Currency realignment	–	–	(2)	(15)	(25)	–	(42)
Additions	14,944	2,284	1,066	2,838	5,363	1,829	28,324
Acquired on acquisition of subsidiaries	–	64,340	–	2,023	8,088	172	74,623
Disposals	–	–	(4)	(47)	–	(934)	(985)
Disposed on disposal of subsidiaries	–	(18,618)	–	(300)	–	–	(18,918)
Adjustment on valuation	–	3,545	–	–	–	–	3,545
At 30 June 2005	14,944	282,213	18,326	66,955	344,885	17,097	744,420
Comprising:							
At cost	14,944	–	18,326	66,955	344,885	17,097	462,207
At valuation – 2005	–	282,213	–	–	–	–	282,213
	14,944	282,213	18,326	66,955	344,885	17,097	744,420
DEPRECIATION, AMORTISATION AND IMPAIRMENT							
At 1 April 2004	–	–	6,267	39,768	143,984	9,139	199,158
Currency realignment	–	–	(2)	(10)	(11)	–	(23)
Provided for the period	–	11,845	1,728	6,798	23,204	2,018	45,593
Impairment loss recognised	–	–	–	–	14,000	–	14,000
Eliminated on disposals	–	–	(3)	(44)	–	(730)	(777)
Eliminated on disposal of subsidiaries	–	(322)	–	(146)	–	–	(468)
Adjustment on valuation	–	(11,523)	–	–	–	–	(11,523)
At 30 June 2005	–	–	7,990	46,366	181,177	10,427	245,960
NET BOOK VALUES							
At 30 June 2005	14,944	282,213	10,336	20,589	163,708	6,670	498,460
At 31 March 2004	–	230,662	10,999	22,688	187,475	6,891	458,715

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

11. PROPERTY, PLANT AND EQUIPMENT (continued)

The land and buildings of the Group were revalued on 30 June 2005 at their open market value on an existing use basis by LCH (Asia-Pacific) Surveyors Limited and Chung, Chan & Associates, both being independent firms of professional property valuers, as follows:

	30.6.2005	31.3.2004
	HK\$'000	HK\$'000
Properties situated in the PRC		
– held under medium term leases	257,953	210,322
– held under long term leases	13,060	12,200
Properties situated in Hong Kong held under medium term leases	11,200	8,140
	282,213	230,662

The net surplus arising on revaluation of HK\$15,068,000 (31.3.2004: HK\$7,708,000) has been credited to the asset revaluation reserve.

If leasehold land and buildings had not been revalued, they would have been included on a historical cost basis at the following amounts:

	30.6.2005	31.3.2004
	HK\$'000	HK\$'000
Cost	247,175	244,891
Accumulated depreciation	(36,556)	(31,082)
Net book value	210,619	213,809

At 30 June 2005, the net book value of property, plant and equipment of the Group includes plant and machinery of HK\$4,590,000 (31.3.2004: HK\$4,609,000) and motor vehicles of HK\$226,000 (31.3.2004: HK\$1,433,000) in respect of assets held under finance leases.

During the period, continuing operating losses were recorded at a subsidiary which is engaged in the manufacture and trading of chemical products in the PRC. The Directors have estimated the recoverable amount of the relevant plant and machinery employed in the manufacture of chemical products by reference to value-in-use. Based on the discounted future cash flows, the recoverable amount is less than their carrying amount. Accordingly, an impairment loss of HK\$14,000,000 has been recognised in the income statement.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

12. GOODWILL

	THE GROUP 30.6.2005 HK\$'000
COST	
Arising on acquisition of subsidiaries and at 30 June 2005	16,212
IMPAIRMENT	
Impairment loss recognised and at 30 June 2005	16,212
CARRYING AMOUNT	
At 30 June 2005	—
At 31 March 2004	—

Goodwill acquired in the business combination as detailed in note 2 is allocated, at acquisition, to the operation of manufacture and trading of life-like plants by the Directors that are expected to benefit from that business combination.

The recoverable amount of the operation are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the operation. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets for the next financial year approved by management and further extrapolated for the next four years based on an estimated steady growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows is 5%.

However, the estimated cash flow forecasts of the operation prepared by the management indicated that the attributable goodwill amounted to HK\$16,212,000 has been fully impaired in the income statement.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

13. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Unlisted shares, at cost	151,667	151,667
Amounts due from subsidiaries	1,234,725	1,209,808
Less: Impairment losses recognised	(583,009)	(583,009)
	803,383	778,466

The amounts due from subsidiaries are unsecured and interest free. In the opinion of the Directors, no repayment will be demanded within the next twelve months. Accordingly, the amounts are classified as non-current assets.

The following list contains only the particulars of the subsidiaries at 30 June 2005 which principally affect the results, assets or liabilities of the Group as the Directors are of the opinion that a full list of all the subsidiaries would be of excessive length.

Name of company	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital or registered capital held by the Group	Principal activities
Brightpower Assets Management Limited	British Virgin Islands	US\$1	100%	Investment holding
Chau's Electrical (BVI) Company Limited	British Virgin Islands/PRC	US\$1	100%	Property holding
Chau's Electrical Company Limited	Hong Kong	HK\$1,000 ordinary HK\$500,000 non-voting deferred (Note 1)	100% –	Manufacture and trading of cable and wire products

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

13. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital or registered capital held by the Group	Principal activities
Chau's Electrical International, Inc.	United States of America	US\$20,000	100%	Trading
Chau's Industrial Investments Limited	British Virgin Islands	US\$1,000	100%	Investment holding
Citigain Industrial Limited	Hong Kong	HK\$1,000	100%	Investment holding
Crown Earth Investments Limited	Hong Kong/ PRC	HK\$100	100%	Property holding
東莞華藝銅業有限公司 Dongguan Hua Yi Brass Products Co., Ltd. #	PRC	US\$9,850,000 (Note 2)	100%	Manufacture and trading of copper products
東莞橋梓周氏電業有限公司 Dongguan Qiaozhi Chau's Electrical Co., Ltd. *	PRC	HK\$5,000,000 (Note 3)	100%	Manufacture and trading of cable and wire products
東莞聯藝塑膠製品有限公司 Dongguan United Art Plastic Products Limited *	PRC	HK\$49,000,000 (Note 4)	100%	Manufacture of life-like Christmas trees
東莞新寶精化有限公司 Dongguan Xin Bao Precision Chemical Co., Ltd. *	PRC	HK\$45,000,000	85%	Manufacture and trading of chemical products
FT China Limited	Hong Kong	HK\$2	100%	Manufacture of life-like decorative plants
FT Far East Limited	Hong Kong	HK\$2	100%	Trading of life-like decorative plants

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

13. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital or registered capital held by the Group	Principal activities
FT Multi-Media Limited	British Virgin Islands/PRC	US\$10,000	60%	Production, acquisition and distribution of television programmes and provision of related multi-media services
Gosberton Assets Limited	British Virgin Islands	US\$1	100%	Holding of trademarks
Hua Yi Copper Holdings Limited	Bermuda	HK\$111,094,900	71.5%	Investment holding
Hua Yi Copper Products Company Limited	Hong Kong	HK\$5,000,000	100%	Manufacture and trading of copper products
昆山周氏電業有限公司 Kunshan Chau's Electrical Company Limited #	PRC	US\$1,170,500	100%	Manufacture and trading of cable and wire products
昆山華藝銅業有限公司 Kunshan Hua Yi Copper Products Company Limited #	PRC	US\$1,650,000	100%	Manufacture and trading of copper products
上海周氏電業有限公司 Shanghai Chau's Electrical Co., Ltd. *	PRC	US\$2,500,000	65%	Manufacture and trading of cable and wire products
Solartech Investments Limited	British Virgin Islands	US\$1	100%	Investment holding
Stocko Electronics Asia Pacific Pte Ltd	Singapore	S\$100,000	90.5%	Trading in wire harness and connectors

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

13. INTERESTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation or registration/ operation	Issued and fully paid share capital or registered capital	Proportion of nominal value of issued capital or registered capital held by the Group	Principal activities
TEM Electronics (M) Sdn. Bhd.	Malaysia	RM500,000	100%	Manufacture of wire harness and connectors
Wah Yeung Capital Resources Limited	British Virgin Islands	US\$1	100%	Investment holding
Yellowstone Assets Limited	British Virgin Islands	US\$1	100%	Investment holding

* *Equity joint venture*

Wholly foreign owned enterprise

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

13. INTERESTS IN SUBSIDIARIES (continued)

Notes:

1. The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the company or to participate in any distribution on winding up.
2. Prior to January 2004, Dongguan Hua Yi was an equity joint venture with a registered capital of US\$9,850,000. The Group has solely contributed all the registered capital of Dongguan Hua Yi. No contribution was made by the PRC joint venture partner and accordingly the Group was entitled to the entire profit or loss of Dongguan Hua Yi. Pursuant to a supplemental agreement dated 5 August 2003, the PRC joint venture partner agreed to surrender its ownership in Dongguan Hua Yi to the Group at no consideration. The transfer has been approved by the PRC relevant authority and Dongguan Hua Yi became a wholly foreign owned enterprise since January 2004.
3. Dongguan Qiaozi Chau's Electrical Co., Ltd. ("Qiaozi Chau's") was established by the Group with an independent Chinese party in the PRC. Under the management agreement with the Chinese party, the Group is responsible for all of the assets and liabilities of the joint venture and is entitled to the net profit derived from its operations after the payment of a fixed amount as management fee to the Chinese party each year.
4. Pursuant to a joint venture agreement dated 8 September 1993 (the "Joint Venture Agreement") entered into between FT China Limited and a party in PRC, FT China Limited held a 75% equity interest in Dongguan United Art Plastic Products Limited ("DUAP").

On 28 March 1996, the relevant PRC authorities approved the increase of the equity interest held by FT China Limited in DUAP from 75% to 90%, pursuant to an agreement signed between FT China Limited and the PRC joint venture partner on 22 March 1996. Following the approval of this agreement, the PRC joint venture partner is entitled to a 10% share of the assets and liabilities of DUAP.

Pursuant to the Joint Venture Agreement, the PRC joint venture partner agreed to waive its entitlement to share in the profits and losses of DUAP in return for an annual management fee of HK\$55,556. Pursuant to a supplemental agreement to the Joint Venture Agreement, all of the assets of DUAP will be assigned to FT China Limited upon the expiry of the Joint Venture Agreement. Accordingly, all assets, liabilities and the operating results of DUAP are consolidated into these financial statements as if it is a wholly-owned subsidiary of the Group.

5. Except for Chau's Industrial Investments Limited, all the subsidiaries are indirectly held by the Company.

None of the subsidiaries had issued any debt securities at the end of the period.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

14. INTERESTS IN ASSOCIATES

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Share of net assets	9,885	9,596
Amount due from an associate	5,000	5,000
Less: Impairment losses recognised	(5,000)	(5,000)
	9,885	9,596

The amount due from an associate is unsecured and interest free. In the opinion of the Directors, no repayment will be demanded within the next twelve months. Accordingly, the amount is classified as non-current asset.

The following list contains only the particulars of the associate at 30 June 2005 which principally affects the results of the period or form a substantial portion of the net assets or liabilities of the Group, as the Directors are of the opinion that a full list of all the associates would be of excessive length.

Name of company	Place of incorporation	Proportion of nominal value of issued capital indirectly held by the Company	Principal activities
侯馬普天榮盛光纜有限公司	PRC	20%	Manufacture and trading of optical fibre cable and related products

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

15. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Share of net assets	368	368
Less: Impairment losses recognised	(368)	(368)
	—	—

Particulars of the Group's jointly controlled entity as at 30 June 2005 is as follows:

Name of company	Place of incorporation	Proportion of registered capital indirectly held by the Company	Principal activities
常州柏濤樓宇智能有限公司 Changzhou Bo Tao Lou Yu Zhi Neng Co., Ltd.	PRC	40%	Manufacture and distribution of computer network parts and components

16. NOTES RECEIVABLE

Pursuant to a sale and purchase agreement entered into between a Company's subsidiary and an independent third party in 2003, the Group had disposed of certain subsidiaries at a total consideration of HK\$60,000,000 of which HK\$5,000,000 was settled in cash and HK\$55,000,000 will be settled by promissory notes. The notes are secured by assets owned by the notes issuer, carry interest at commercial rates and are wholly repayable in 2007.

17. INVENTORIES

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Raw materials	111,131	113,700
Work in progress	23,250	15,020
Finished goods	170,261	100,554
	304,642	229,274

All inventories are stated at cost.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

18. TELEVISION PROGRAMMES AND SUB-LICENSING RIGHTS

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Television programmes	386	–
Sub-licensing rights	577	–
	963	–

19. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in the Group's debtors, deposits and prepayments were trade debtors of HK\$282,918,000 (31.3.2004: HK\$269,426,000). The Group allows an average credit period of 45 days to its trade customers.

The aging analysis of trade debtors is as follows:

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Within 30 days	164,035	134,510
31 – 60 days	63,875	69,655
61 – 90 days	32,444	27,706
Over 90 days	22,564	37,555
	282,918	269,426

20. BILLS RECEIVABLE

The aging analysis of bills receivable as at 30 June 2005 and 31 March 2004 is within 90 days.

21. CREDITORS AND ACCRUED CHARGES

Included in the Group's creditors and accrued charges were trade creditors of HK\$95,752,000 (31.3.2004: HK\$81,445,000).

The aging analysis of trade creditors is as follows:

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Within 30 days	51,338	45,146
31 - 60 days	27,522	26,713
61 - 90 days	14,665	7,801
Over 90 days	2,227	1,785
	95,752	81,445

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

22. BILLS PAYABLE

The aging analysis of bills payable at 30 June 2005 and 31 March 2004 is within 90 days.

23. OBLIGATIONS UNDER FINANCE LEASES

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Amounts payable under finance leases				
Within one year	2,386	3,249	2,144	1,786
In the second to fifth year inclusive	2,274	1,036	2,060	2,087
Less: Future finance charges	4,660 (456)	4,285 (412)		
Present value of lease obligations	<u>4,204</u>	<u>3,873</u>	<u>4,204</u>	3,873
Less: Amount due within one year			<u>(2,144)</u>	<u>(1,786)</u>
Amount due after one year			<u>2,060</u>	<u>2,087</u>

It is the Group's policy to lease certain of its plant and machinery and motor vehicles under finance leases. The average lease term is 4 years. For the period from 1 April 2004 to 30 June 2005, the average effective borrowing rate was 6.1% (Year ended 31 March 2004: 5.4%) per annum. Interest rates were fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

24. BORROWINGS

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Borrowings are analysed as follows:		
Bank overdrafts	1,315	175
Bank loans	81,168	101,118
Trust receipt loans	234,500	135,074
Invoice financing loans	36,083	55,201
Other loans (<i>Note</i>)	14,279	–
	367,345	291,568
Secured	227,920	175,542
Unsecured	139,425	116,026
	367,345	291,568

Note: Other loans bear interest at commercial rates.

All the above borrowings are repayable on demand or within one year.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

25. DEFERRED TAXATION

The followings are the major deferred tax (assets) liabilities recognised by the Group and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation <i>HK\$'000</i>	Tax losses <i>HK\$'000</i>	Allowance for doubtful debts <i>HK\$'000</i>	Allowance for inventories <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE GROUP						
At 1 April 2003	9,542	(1)	(1,418)	–	–	8,123
Exchange difference	(1)	–	–	–	–	(1)
Charge (credit) to income statement for the year	2,382	(522)	827	(2,636)	–	51
Charge to equity for the year	1,557	–	–	–	–	1,557
Effect of change in tax rate						
– charge (credit) to income statement	709	–	(9)	–	–	700
– charge to equity	13	–	–	–	–	13
At 31 March 2004	14,202	(523)	(600)	(2,636)	–	10,443
Exchange difference	(1)	–	–	–	–	(1)
Charge (credit) to income statement for the period	6,163	(4,380)	426	780	(286)	2,703
Charge to equity for the period	1,702	–	–	–	–	1,702
At 30 June 2005	22,066	(4,903)	(174)	(1,856)	(286)	14,847

For the purpose of balance sheet presentation, the above deferred tax assets and liabilities have been offset in accordance with the conditions set out in SSAP 12 (Revised).

	THE GROUP	
	30.6.2005 <i>HK\$'000</i>	31.3.2004 <i>HK\$'000</i>
Deferred tax liabilities	14,867	11,809
Deferred tax assets	(20)	(1,366)
	14,847	10,443

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

25. DEFERRED TAXATION (continued)

At 30 June 2005, the Group has unused tax losses of HK\$72,742,000 (31.3.2004: HK\$9,500,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$28,844,000 (31.3.2004: HK\$2,988,000) of such tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. The tax losses of HK\$62,878,000 may be carried forward indefinitely and the remaining of HK\$9,864,000 can be carried forward for a maximum of five years.

The Company has unused tax losses of HK\$1,000,000 (31.3.2004: HK\$1,000,000) at 30 June 2005. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

26. SHARE CAPITAL

	Number of shares		Share capital	
	30.6.2005 '000	31.3.2004 '000	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised	30,000,000	30,000,000	300,000	300,000
Issued and fully paid				
At beginning of the period/year	272,974	189,584	2,730	1,896
Placements of new shares	119,390	83,390	1,194	834
At end of the period/year	392,364	272,974	3,924	2,730

During the period, pursuant to two subscription agreements entered into between the Company and Chau's Family 1996 Limited, 54,000,000 ordinary shares of HK\$0.01 each and 65,390,000 ordinary shares of HK\$0.01 each in the Company were issued at a price of HK\$0.27 per share and HK\$0.28 per share respectively. All the new shares issued rank pari passu in all respects with the then existing shares. Details of these transactions were set out in the Company's announcements dated 17 June 2004 and 24 May 2005 respectively.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

27. RESERVES

	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE COMPANY				
At 1 April 2003	–	738,558	(4,425)	734,133
Placement of new shares	43,136	–	–	43,136
Expenses incurred in relation to the placement of new shares	(965)	–	–	(965)
Loss for the year	–	–	(878)	(878)
At 31 March 2004	42,171	738,558	(5,303)	775,426
Placement of new shares (<i>Note 26</i>)	31,695	–	–	31,695
Expenses incurred in relation to the placement of new shares	(2,613)	–	–	(2,613)
Loss for the period	–	–	(5,085)	(5,085)
At 30 June 2005	71,253	738,558	(10,388)	799,423

The contributed surplus of the Company represents:

- (i) the difference between the consolidated shareholders' funds of subsidiaries at the date on which the group reorganisation became effective and the nominal amount of the share capital of the Company issued under the group reorganisation in 1996; and
- (ii) the net balance after setting off accumulated losses of the Company as at 1 April 2002 from reduced share capital and cancelled share premium of the Company in accordance with the Company's capital reorganisation in September 2002.

In addition to the retained profits, under the Companies Act 1981 of Bermuda, contributed surplus is also available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the Directors, the Company's reserves available for distribution to shareholders as at 30 June 2005 amounted to HK\$728,170,000 (31.3.2004: HK\$733,255,000).

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

28. ACQUISITION OF SUBSIDIARIES

In August 2004, the Company subscribed for 8,000,000,000 ordinary shares of HK\$0.01 each of FT Holdings. The consideration was satisfied by injection for the Group's interest in certain companies (the "Copper Group") and plant and machinery and land and buildings engaging in manufacture and trading of copper rods and related products. Immediately after the completion of the transaction, the Group's interest in FT Holdings was 75.5%. In order to maintain the sufficiency of public float of FT Holdings, the Company disposed of 57,562,500 shares of FT Holdings to third parties at a consideration of HK\$2,307,000, resulting in a gain on disposal of HK\$797,000 which has been included in other operating income.

The effect of acquisition of FT Holdings and its subsidiaries is summarised as follows:

	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NET ASSETS ACQUIRED			
Property, plant and equipment	74,623	–	74,623
Television programmes and sub-licensing rights	3,509	–	3,509
Inventories	18,363	(200)	18,163
Debtors, deposits and prepayments	8,328	–	8,328
Pledged deposits	5,000	–	5,000
Bank balances and cash	41,546	–	41,546
Creditors and accrued charges	(19,780)	–	(19,780)
Bills payable	(7,769)	–	(7,769)
Taxation	(460)	–	(460)
Obligations under finance leases	(309)	–	(309)
Borrowings	(14,472)	–	(14,472)
	<u>108,579</u>	<u>(200)</u>	<u>108,379</u>
Goodwill			16,212
Minority interests			<u>(26,553)</u>
Total consideration			<u>98,038</u>
Satisfied by:			
Disposal of 24.5% interests in the Copper Group			47,900
Cash paid for expenses related to acquisition			36,904
Expenses payable related to acquisition			<u>13,234</u>
Total consideration			<u>98,038</u>
Net cash inflow arising on acquisition:			
Cash paid for expenses related to acquisition			(36,904)
Bank balances and cash acquired			<u>41,546</u>
Net inflow of cash and cash equivalents in respect of the acquisition			<u>4,642</u>

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

28. ACQUISITION OF SUBSIDIARIES (continued)

The goodwill arising on acquisition is attributable to the anticipated profitability of the distribution of the Group's life-like plants in the new markets.

The subsidiaries acquired during the period contributed HK\$42,964,000 to the Group's turnover and HK\$26,000 to the Group's profit from operation after the acquisition.

If the acquisition had been completed on 1 April 2004, the Group's turnover for the period and loss for the period would have been HK\$2,079,000,000 and HK\$79,763,000 respectively. The financial information is for illustrative purposes only and is not necessarily an indicative revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2004, nor is it intended to be a projection of future results.

29. DISPOSAL OF SUBSIDIARIES

In April 2005, the Group disposed of its entire equity interests in FT Holdings Limited and FT Properties Limited. The net assets of these subsidiaries at the date of disposal were as follows:

	<i>HK\$'000</i>
NET ASSETS DISPOSED OF	
Property, plant and equipment	18,450
Debtors, deposits and prepayments	70
Bank balances and cash	15
Accrued charges	(10)
Taxation	(23)
	<hr/>
	18,502
Loss on disposal	(7,502)
	<hr/>

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Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

30. DEEMED DISPOSAL OF A SUBSIDIARY

During the period, a subsidiary of the Company, Skywalk entered into agreements to place and subscribe for new shares in Hua Yi Copper. Pursuant to the agreements, Skywalk has agreed to place 25,912,000 ordinary shares of HK\$0.2 each in Hua Yi Copper at a price of HK\$0.93 per share and to subscribe for 25,912,000 new ordinary shares of Hua Yi Copper at a price of HK\$0.93 per share. Accordingly, the Group's interest in Hua Yi Copper has been diluted from 74.99% to 71.49%, resulting in a gain on deemed disposal of HK\$1,845,000.

31. MAJOR NON-CASH TRANSACTIONS

During the period, the Group entered into finance leases in respect of assets with a total capital value at the inception of the leases amounted to HK\$2,882,000 (Year ended 31 March 2004: HK\$2,439,000).

32. CAPITAL COMMITMENTS

	THE GROUP	
	30.6.2005	31.3.2004
	HK\$'000	HK\$'000
Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of:		
Land use right	–	10,287
Leasehold improvements	18,561	224
Equipment, furniture and fixtures	–	–
Plant and machinery	9,266	619
	27,827	11,130

At 30 June 2005, a subsidiary of the Company was committed to invest HK\$60,676,000 (31.3.2004: HK\$70,110,000) for the injection of registered capital of two subsidiaries within two years.

The Company did not have any capital commitment as at 30 June 2005 and 31 March 2004.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

33. LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of factory and premises which fall due as follows:

	THE GROUP	
	30.6.2005	31.3.2004
	HK\$'000	HK\$'000
Within one year	5,098	3,841
In the second to fifth year inclusive	3,467	5,756
	8,565	9,597

Leases are negotiated for an average term of three years and rentals are fixed for an average of three years.

The Company did not have any operating lease commitment as at 30 June 2005 and 31 March 2004.

34. CONTINGENT LIABILITIES

At 30 June 2005, the Company has given guarantees to the extent of HK\$329,945,000 (31.3.2004: HK\$389,718,000) to bankers to secure general banking facilities granted to certain subsidiaries, of which, HK\$207,030,000 (31.3.2004: HK\$229,890,000) was utilised. In addition, the Company has given guarantees to a financial institution amounting to HK\$38,950,000 (31.3.2004: Nil) in respect of commodity trading of copper by certain subsidiaries. A subsidiary of the Company has also given guarantees to banks in respect of bills of exchange discounted with recourse amounted to HK\$9,066,000 (31.3.2004: HK\$2,295,000).

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

35. PLEDGE OF ASSETS

At 30 June 2005, the Group has pledged certain of its assets with a net book value of HK\$212,263,000 (31.3.2004: HK\$181,991,000) to secure general banking facilities granted to the Group. The net book value of these assets are analysed as follows:

	THE GROUP	
	30.6.2005 HK\$'000	31.3.2004 HK\$'000
Property, plant and equipment	150,754	142,410
Fixed bank deposits	48,331	23,107
Trade debtors	13,178	16,474
	212,263	181,991

36. SHARE OPTION SCHEMES

The Company

The Company's old share option scheme adopted in 1996 (the "Old Share Option Scheme") was terminated in September 2002 and no further options will be granted thereunder but in all other respects, the provisions of the scheme should remain in force and all outstanding share options granted prior to such termination continue to be valid and exercisable in accordance therewith.

The Company's new share option scheme was adopted pursuant to a resolution passed on 16 September 2002 (the "New Share Option Scheme") for the primary purpose of providing incentives to directors and eligible employees, and will expire on 15 September 2012. Under the New Share Option Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors, of the Company and any of its subsidiaries, associates and jointly controlled entities to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties with a view to maintain business relationship with such persons.

The total number of shares in respect of which options may be granted under the New Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The total number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

36. SHARE OPTION SCHEMES (continued)

Options granted must be taken up within 28 days of the date of grant together with a payment of HK\$1 as consideration of grant. Options may be exercised at any time from the date of grant to the tenth anniversary of the date of the grant. The exercise price is determined by the directors of the Company, will not be less than the higher of the closing price of the Company's shares on the date of grant, the average closing price of the shares for the five trading days immediately preceding the date of grant, and the nominal value of a share.

The following table discloses movements in the Company's New Share Option Scheme during the period:

Capacity	Date of grant	Exercisable period	Exercise price HK\$	Number of share options		
				Outstanding at 1.4.2004	Granted during the period	Outstanding at 30.6.2005
Others	6 May 2005	26 May 2005 to 25 May 2008	0.32	–	18,950,000	18,950,000

No options were granted under the New Share Option Scheme in the prior year. Total consideration received during the period for taking up the options granted amounted to HK\$2 (Year ended 31 March 2004: Nil).

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

36. SHARE OPTION SCHEMES (continued)

The following table discloses movements in the Company's Old Share Option Scheme during the prior year:

Capacity	Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Number of share options		
					Outstanding at 1.4.2003	Lapsed during the year	Outstanding at 31.3.2004
Directors	5 October 2000	6 months	5 April 2001 to 4 April 2003	1.50	2,850,000	(2,850,000)	–
Employees	5 October 2000	6 months	5 April 2001 to 4 April 2003	1.50	1,680,000	(1,680,000)	–
Employees	13 August 2001	6 months	13 February 2002 to 12 February 2004	1.00	2,850,000	(2,850,000)	–
					4,530,000	(4,530,000)	–
Total					7,380,000	(7,380,000)	–

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

36. SHARE OPTION SCHEMES (continued)

Hua Yi Copper

On 4 December 2003, Hua Yi Copper adopted a new share option scheme (the "Hua Yi New Share Option Scheme") which replaced its old share option scheme adopted in 1996 (the "Hua Yi Old Share Option Scheme"). The Hua Yi Old Share Option Scheme will remain in force until it expires on 2 January 2007.

Under the Hua Yi New Share Option Scheme, the directors may, at their discretion, grant to full-time employees and executive directors of Hua Yi Copper and its subsidiaries, the right to take up options to subscribe for shares of Hua Yi Copper. Additionally, Hua Yi Copper may, from time to time, grant share options to outside third parties for services provided to Hua Yi Copper. The Hua Yi New Share Option Scheme, unless otherwise cancelled or amended, will expire on 3 December 2013. The subscription price of options is subject to a minimum which is the higher of the nominal value of a share, the closing price of the shares on the Stock Exchange on the date of grant and the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the grant date of the options.

The maximum number of unexercised share options permitted to be granted under the Hua Yi New Share Option Scheme must not exceed 10% of the shares of Hua Yi Copper in issue at any time. No option may be granted to any person which, if exercised in full, would result in the total number of shares already issued and issuable to him under the Hua Yi New Share Option Scheme exceeding 30% of the aggregate number of shares subject to the Hua Yi New Share Option Scheme, at the time it is proposed to grant the relevant option to such person.

The acceptance of an option, if accepted, must be made within 21 days from the date of the offer of the grant with a non-refundable payment of HK\$1 from the grantee to Hua Yi Copper.

The total number of shares issued and to be issued upon exercise of options granted to each participant (including exercised, cancelled and outstanding options) in 12-month period must not exceed 1% of the shares in issue from time to time unless the same is approved by the shareholders.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

36. SHARE OPTION SCHEMES (continued)

The following table discloses movements in Hua Yi New Share Option Scheme during the period:

Capacity	Date of grant	Exercisable period	Exercise price HK\$	Number of share options			Number of share options exercisable for the period		
				Outstanding at 1.4.2004	Granted during the period	Outstanding at 30.6.2005	1.4.2005 to 31.3.2006	1.4.2006 to 31.3.2007	1.4.2007 to 31.3.2008
				Employees	1 April 2005	1 April 2005 to 31 March 2008	0.87	–	1,600,000
Employees	1 April 2005	1 April 2005 to 31 March 2007	0.87	–	1,500,000	1,500,000	750,000	1,500,000	1,500,000
Others	1 April 2005	1 April 2005 to 31 March 2008	0.87	–	9,856,000	9,856,000	9,856,000	9,856,000	9,856,000
Total				–	12,956,000	12,956,000	11,806,000	12,756,000	12,956,000

No options were granted under the Hua Yi New Share Option Scheme in the prior year. Total consideration received during the period for taking up the options granted amounted to HK\$10 (Year ended 31 March 2004: Nil).

Notes to the Financial Statements

For the period from 1 April 2004 to 30 June 2005

36. SHARE OPTION SCHEMES (continued)

The following table discloses movements in the Hua Yi Old Share Option Scheme during the current period and prior year:

For the period 1 April 2004 to 30 June 2005

Capacity	Date of grant	Exercisable period	Exercise price HK\$	Number of share options			
				Outstanding at 1.4.2004	Lapsed during the period	Adjustment during the period (Note)	Outstanding at 30.6.2005
Employees	7 March 1997	7 March 1997 to 6 March 2007	0.7056	9,500,000	(5,500,000)	(4,000,000)	–
			14.1120	–	–	200,000	200,000
Total				9,500,000	(5,500,000)	(3,800,000)	200,000

For the year ended 31 December 2003

Capacity	Date of grant	Exercisable period	Exercise price HK\$	Number of share options			
				Outstanding at 1.4.2003	Lapsed during the year	Reclassified during the year	Outstanding at 31.12.2003
Directors	7 March 1997	7 March 1997 to 6 March 2007	0.7056	8,000,000	(4,000,000)	(4,000,000)	–
Employees	7 March 1997	7 March 1997 to 6 March 2007	0.7056	6,000,000	(500,000)	4,000,000	9,500,000
Total				14,000,000	(4,500,000)	–	9,500,000

Note: Hua Yi Copper undertook a share consolidation on 30 December 2004. The then outstanding number of share options and their subscription prices had been adjusted accordingly.

37. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees.

Pursuant to the PRC Government regulations, the Group is required to contribute to a central pension scheme in respect of certain of the Group's employees in the PRC based on 10% to 24.5% of the salaries of those employees and there is no forfeited contributions under the central pension scheme.

The retirement benefits cost charged to income statement represents contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

During the period, the Group made retirement benefits schemes contributions of HK\$4,380,000 (Year ended 31 March 2004: HK\$2,942,000).

38. RELATED PARTY TRANSACTION

A director of the Group has provided personal guarantee to the extent of HK\$16,000,000 (31.3.2004: HK\$16,000,000) to banks for credit facilities granted to certain subsidiaries of the Company.

39. POST BALANCE SHEET EVENTS

- (i) On 4 July 2005, Skywalk entered into agreements to place and subscribe for new shares in Hua Yi Copper. Pursuant to the agreements, Skywalk has agreed to place 111,000,000 ordinary shares of HK\$0.2 each in Hua Yi Copper to independent investors at a price of HK\$0.88 per share and to subscribe for 111,000,000 new ordinary shares of HK\$0.2 each in Hua Yi Copper at a price of HK\$0.88 per share. The net proceeds from the placement of shares amounted to approximately HK\$92.7 million and the Group's interest in Hua Yi Copper has been diluted from 71.5% to 59.6%.
- (ii) On 8 September 2005, the Group entered into an agreement with Fujian Zijin Investment Co., Ltd. and Minxi Xinghang State-owned Assets Investment Co., Ltd. under which the parties have agreed to jointly establish a limited liability joint venture company ("JV") in Fujian Province, the PRC to mainly engage in copper pipes production and sales in Shanghang, Fujian. Pursuant to the agreement, the proposed registered capital of the JV is RMB40.5 million, of which RMB18.2 million, representing a 45% equity interest in the JV, will be contributed by the Group in cash.

Financial Summary

RESULTS

	For the period from 1 April 2004 to 30 June 2005 HK\$'000	Year ended 31 March			
		2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
Turnover	2,056,288	1,197,100	946,222	875,531	1,061,788
(Loss) profit before taxation	(51,020)	(78,640)	16,997	(74,229)	(492,351)
Taxation	(10,504)	(8,990)	(8,613)	(31)	(527)
(Loss) profit before minority interests	(61,524)	(87,630)	8,384	(74,260)	(492,878)
Minority interests	389	2,445	(119)	(5,940)	284
(Loss) profit for the period/year	(61,135)	(85,185)	8,265	(80,200)	(492,594)

ASSETS AND LIABILITIES

	At 30 June 2005 HK\$'000	At 31 March			
		2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
Total assets	1,455,820	1,269,206	1,131,161	1,176,754	1,178,735
Total liabilities	(566,343)	(451,802)	(342,127)	(403,530)	(425,669)
Minority interests	(105,644)	(14,026)	(16,196)	(16,212)	(6,509)
Shareholders' funds	783,833	803,378	772,838	757,012	746,557