The Board of Directors (the "Directors") of Hua Yi Copper Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2004, as follows:–

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2004

	Notes	For the year ended 31 December 2004 HK$'000 (Unaudited)	2003 HK$'000 (Unaudited)
Turnover	*5*	**931,564**	535,666
Cost of sales		**(888,054)**	(520,475)
Gross profit		**43,510**	15,191
Other operating income		**13,759**	10,124
Interest income		**319**	256
General and administrative expenses		**(13,263)**	(6,687)
Selling and distribution expenses		**(3,001)**	(1,213)
Profit from operations	*6*	**41,324**	17,671
Finance costs		**(14,922)**	(6,506)
Discount arising on acquisition		**10,341**	–
Profit before taxation		**36,743**	11,165
Taxation	*7*	**(10,699)**	(3,921)
Profit for the year		**26,044**	7,244
Earnings per share			
– basic	*9*	**5.78 cents**	1.81 cents

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 December 2004

	Notes	At 31 December 2004 HK$'000 (Unaudited)	2003 HK$'000 (Unaudited)
Non-current asset			
Property, plant and equipment	10	**224,048**	37,280
Current assets			
Inventories		**109,636**	67,301
Television programmes and sub-licensing rights		**1,578**	–
Debtors, deposits and prepayments	11	**105,550**	70,100
Bills receivable		**–**	678
Amounts due from fellow subsidiaries		**50,809**	83,459
Pledged deposits		**17,227**	22,620
Bank balances and cash		**115,855**	66,968
		400,655	311,126
Current liabilities			
Creditors and accrued charges	12	**29,989**	25,480
Bills payable		**9,853**	12,902
Taxation		**7,751**	2,156
Obligations under finance leases		**370**	–
Borrowings	13	**267,649**	193,263
		315,612	233,801
Net current assets		**85,043**	77,325
Total assets less current liabilities		**309,091**	114,605
Non-current liabilities			
Obligations under finance leases		**579**	–
Deferred tax liabilities		**7,048**	1,774
		7,627	1,774
		301,464	112,831
Capital and reserves			
Share capital	14	**105,913**	72,680
Reserves		**195,551**	40,151
		301,464	112,831

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2004

	Share capital HK$'000 (Note 14)	Share premium HK$'000	Exchange reserve HK$'000	Special reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2003	72,680	–	–	–	32,907	105,587
Profit for the year	–	–	–	–	7,244	7,244
At 31 December 2003	72,680	–	–	–	40,151	112,831
Exchange differences on translation of financial statements of overseas operations not recognised in the income statement	–	–	(55)	–	–	(55)
Paid-in capital eliminated on reverse acquisition	(72,680)	–	–	–	–	(72,680)
Adjustments arising from reverse acquisition	105,913	182,564	–	(43,246)	–	245,231
Expenses incurred in relation to the issue of new shares	–	(9,907)	–	–	–	(9,907)
Profit for the year	–	–	–	–	26,044	26,044
At 31 December 2004	**105,913**	**172,657**	**(55)**	**(43,246)**	**66,195**	**301,464**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	For the year ended 31 December	
	2004	2003
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Net cash used in operating activities	**(34,657)**	(51,210)
Net cash used in investing activities	**(2,139)**	(13,975)
Net cash from financing activities	**85,683**	87,219
Net increase in cash and cash equivalents	**48,887**	22,034
Cash and cash equivalents at beginning of the year	**66,968**	44,934
Cash and cash equivalents at end of the year	**115,855**	66,968
Represented by:		
Bank balances and cash	**115,855**	66,968

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 December 2004

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Directors consider Solartech International Holdings Limited ("Solartech"), also incorporated in Bermuda as an exempted company with limited liability and its shares being listed on the Stock Exchange, to be its ultimate holding company.

Following the completion of the reverse acquisition as detailed in note 2, to reflect the change in control and management of the Company and to provide for co-terminous accounting years throughout the group companies of Solartech, the name of the Company has been changed from FT Holdings International Limited to Hua Yi Copper Holdings Limited and the financial year end date of the Company changed from 31 December to 30 June.

As a result, the condensed financial statements of the Company and its subsidiaries (the "Group") for the current period covered the 12 month period ended 31 December 2004 and have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. BASIS OF PREPARATION

On 25 March 2004, the Company and Solartech entered into an acquisition agreement (the "Agreement"). Pursuant to the Agreement, the Company agreed to issue and allot 8,000,000,000 new ordinary shares of par value HK$0.01 each of the Company (the "New Shares") to Solartech to acquire Solartech's interests in certain companies and other plant and machinery and land and buildings engaging in the business of manufacture and trading of copper rods and related products (the "Copper Group").

The business combination was accounted for as a reverse acquisition in accordance with Hong Kong Financial Reporting Standard 3 "Business Combinations" issued by HKICPA since the issuance of the New Shares resulted in Solartech becoming the controlling shareholder of the Company. For accounting purposes, the Copper Group was treated as the acquirer while the Company and its subsidiaries immediately before the issue of the New Shares (the "Former FT Group") were deemed to be acquired by the Copper Group. Accordingly, these condensed consolidated financial statements have been prepared as a continuation of the Copper Group and the comparative information presented was also that of the Copper Group prepared on a combined basis.

In preparing these condensed consolidated financial statements, the Copper Group has applied the purchase method to account for acquisition of the Former FT Group. A discount arising on acquisition of approximately HK$10,341,000 was recorded, being the excess of the Copper Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the Former FT Group over the cost of acquisition at the date of acquisition.

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

In 2004, HKICPA 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. The Group resolved to early adopt the following new HKFRSs from 1 January 2004 onwards.

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

In previous years, under SSAP 30 "Business Combination", goodwill was capitalised and amortised on a straight-line basis over its useful economic life and was assessed for an indication for impairment at each balance sheet date. 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 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.

The first transaction to which HKFRS 3 has been applied is the reverse acquisition of the Copper Group as detailed in note 2. The major impact has been the recognition of the discount of approximately HK$10,341,000 arising from the reverse acquisition being credited directly to the income statement in the current year which would have been recognised as negative goodwill under SSAP 30. The adoption of HKAS 36 and HKAS 38 had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

4. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies adopted are consistent with those followed in the preparation of the accountants' report of the Copper Group for the three years ended 31 March 2004 as set out in Appendix II of the Company's circular to the shareholders dated 14 June 2004 except that the accounting policy in respect of television programmes and sub-licensing rights has been included and set out below.

4. PRINCIPAL ACCOUNTING POLICIES (Continued)

TELEVISION PROGRAMMES AND SUB-LICENSING RIGHTS

(i) Television programmes ("TV programmes")

TV programmes produced by the Group are stated at cost less amortisation and any identified impairment losses. Costs represent the carrying amount transferred from TV programmes in progress upon completion and are amortised at rates calculated to write off these costs in proportion to the expected revenues from the distribution and the licensing of video and other broadcasting of these TV programmes following their release.

(ii) 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.

5. SEGMENT INFORMATION

The Group reports its primary segment information based on product categories. Turnover and profit from operations for the year ended 31 December 2004 and 2003, analysed by product category, are as follows:

	2004		2003	
	Turnover *HK$'000*	**Profit (loss) from operations** *HK$'000*	Turnover *HK$'000*	Profit from operations *HK$'000*
Copper rods	**907,808**	**44,602**	535,666	17,675
Life like plants	**21,674**	**(871)**	–	–
Television programmes production, distribution and licensing	**2,082**	**(2,302)**	–	–
	931,564	**41,429**	535,666	17,675
Unallocated corporate expenses		**(105)**		(4)
Profit from operations		**41,324**		17,671

5. SEGMENT INFORMATION (Continued)

The Group's turnover for the year ended 31 December 2004 and 2003, analysed by geographical market, is as follows:

	2004 Turnover ***HK$'000*** ***(Unaudited)***	2003 Turnover *HK$'000* *(Unaudited)*
Mainland China	**909,890**	535,666
North America	**20,111**	–
Europe	**727**	–
Hong Kong	**813**	–
Other Asian regions	**23**	–
	931,564	535,666

6. PROFIT FROM OPERATIONS

	For the year ended 31 December	
	2004 ***HK$'000*** ***(Unaudited)***	2003 *HK$'000* *(Unaudited)*
Profit from operations has been arrived at after charging:		
Depreciation of property, plant and equipment	**8,321**	4,149

7. TAXATION

	For the year ended 31 December	
	2004 ***HK$'000*** ***(Unaudited)***	2003 *HK$'000* *(Unaudited)*
Hong Kong Profits Tax	**35**	–
Taxation in Mainland China	**5,390**	2,267
Deferred tax	**5,274**	1,654
	10,699	3,921

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for both years.

Enterprise income tax in Mainland China is calculated at 27%.

8. DIVIDEND

No dividend was paid during the year ended 31 December 2004 (2003: Nil). The directors do not recommend the payment of any interim dividend.

9. EARNINGS PER SHARE

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

	For the year ended 31 December	
	2004	2003
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Results for the year and results for the purpose of basic earnings per share	**26,044**	7,244
	Number of shares	
Weighted average number of ordinary shares for the purpose of basic earnings per share	**450,621,414**	400,000,000

The 8,000,000,000 ordinary shares issued by the Company to acquire the Copper Group as set out in note 2 are deemed to be in issue on 1 January 2003 for the purpose of computing earnings per share.

The weighted average number of ordinary shares for the purpose of computing earnings per share has been adjusted for the consolidation of shares as described in note 14(c).

Diluted earnings per share is not presented because the exercise price of the share options outstanding during the periods was higher than the average market price.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2004, the Group spent HK$13,680,000 on acquisition of property, plant and equipment.

The net book value of property, plant and equipment of the Group as at 31 December 2004 includes an amount of HK$890,000 in respect of assets held under finance leases.

At 31 December 2004, the Directors considered the carrying amount of the Group's leasehold land and buildings carried at revalued amounts and estimated that the carrying amounts did not differ significantly from that which would be determined using fair values at the balance sheet date. Consequently, no revaluation surplus or deficit was recognised in the current period.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

At 31 December 2004, included in the balance are trade debtors of HK$79,345,000 (2003: HK$60,080,000). The Group allows a credit period of 30 days to 90 days to its trade customers.

The aged analysis of trade debtors is as follows:

	2004 *HK$'000* *(Unaudited)*	2003 *HK$'000* *(Unaudited)*
Within 30 days	**49,372**	34,780
31 – 60 days	**18,637**	13,579
61 – 90 days	**6,969**	5,905
Over 90 days	**4,367**	5,816
	79,345	60,080

12. CREDITORS AND ACCRUED CHARGES

At 31 December 2004, included in the balance are trade creditors of HK$7,251,000 (2003: HK$6,847,000).

The aged analysis of trade creditors is as follows:

	2004	2003
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Within 30 days	**2,275**	3,730
31 – 60 days	**1,800**	2,097
61 – 90 days	**1,588**	815
Over 90 days	**1,588**	205
	7,251	6,847

13. BORROWINGS

During the year, the Group raised new bank borrowings of HK$65,894,000 to provide for additional working capital.

14. SHARE CAPITAL

	THE COMPANY	
	Number of shares	**Amount**
		HK$'000
	(Unaudited)	*(Unaudited)*
As at 1 January 2004	2,591,250,000	25,913
Issued on reverse acquisition *(note b)*	8,000,000,000	80,000
Share consolidation *(note c)*	(10,061,687,500)	–
	529,562,500	105,913

Notes:

(a) The comparative share capital presented on the condensed consolidated balance sheet represents the paid-in capital of the companies comprising the Copper Group as at 31 December 2003.

(b) Through a reverse acquisition as detailed in the Company's circular to the shareholders dated 14 June 2004, the Company issued 8,000,000,000 new ordinary shares of HK$0.01 each as consideration for the acquisition of the Copper Group.

(c) Pursuant to the share consolidation scheme of the Company effective on 30 December 2004, every 20 existing issued ordinary shares of HK$0.01 each of the Company were consolidated into one new ordinary share of HK$0.20 each. Accordingly, 529,562,500 shares of HK$0.20 each were in issue after the consolidation.

15. BUSINESS COMBINATION

As referred to in note 2, the Former FT Group were deemed to be acquired by the Copper Group. The fair value of the net assets of the Former FT Group acquired at the date of acquisition were as follows:

	HK$'000
Property, plant and equipment	74,623
Television programmes and sub-licensing rights	3,509
Inventories	18,163
Debtors, deposits and prepayments	8,328
Pledged deposits	5,000
Bank balances and cash	41,546
Creditors and accrued charges	(19,780)
Bills payable	(7,769)
Taxation	(460)
Obligations under finance leases	(309)
Borrowings	(14,472)
	108,379
Discount arising on acquisition	(10,341)
Total consideration	98,038
Satisfied by:	
Disposal of partial interests in the Copper Group	47,900
Expenses directly attributable to the acquisition	50,138
	98,038

16. CONTINGENT LIABILITIES

At 31 December 2004, the Company has issued guarantees to the extent of HK$100,000,000 (2003: Nil) to bankers to secure general banking facilities granted to certain subsidiaries, of which, HK$70,048,000 (2003: Nil) was utilised.

17. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with fellow subsidiaries:

	2004 HK$'000	2003 HK$'000
Sales of goods	**158,383**	162,134

In addition, Solartech and the Company had entered into an indemnity agreement pursuant to which Solartech will indemnify the Company and hold the Company harmless in relation to the continued provision of the joint and several corporate guarantees by the remaining Solartech Group and the Copper Group to their bankers for banking facilities granted to both of them.

18. ADDITIONAL INFORMATION

The following financial information of the Former FT Group is not comparable to the basis of presentation as set out in note 2. The consolidated balance sheet of the Company as at 31 December 2003 and the consolidated income statement, consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and selected notes set out below are extracted from the Company's annual report for the year ended 31 December 2003.

(a) Consolidated income statement for the year ended 31 December 2003

	Notes	*HK$'000* *(Audited)*
Turnover	*i*	81,771
Cost of sales		(77,830)
Gross profit		3,941
Other operating income		2,779
Selling and distribution expenses		(6,523)
Administrative expenses		(25,928)
Other operating expenses		(30,352)
Loss from operations	*ii*	(56,083)
Finance costs		(7,820)
Loss before taxation		(63,903)
Taxation	*iii*	–
Loss for the year		(63,903)
Loss per share		
Basic	*iv*	(HK$3.29)

18. ADDITIONAL INFORMATION (Continued)

Notes:

(i) Analysis of the Group's turnover and contribution to loss from operations, analysed by business and geographical area are as follows:

	Design, manufacture and sale of life-like plants *HK$'000*	Production, acquisition and distribution of television programmes and the provision of related multi-media services *HK$'000*	Sale of festival gift products through an internet portal *HK$'000*	Provision of anti-theft car alarm and tracking services *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue						
Sales to external customers	60,641	14,604	6,314	212	–	81,771
Inter-segment sales	4,538	–	–	–	(4,538)	–
Other operating income	1,266	1,411	14	1	–	2,692
Total revenue	66,445	16,015	6,328	213	(4,538)	84,463
Segment results	(27,222)	(4,875)	(2,359)	(20,190)	–	(54,646)
Unallocated corporate income						87
Unallocated corporate expenses						(1,524)
Loss from operations						(56,083)

18. ADDITIONAL INFORMATION (Continued)

	United States of Amercia HK$'000	Hong Kong HK$'000	Mainland China HK$'000	Europe HK$'000	Others HK$'000	Eliminations HK$'000	Consolidated HK$'000
Segment revenue:							
Sales to external customers	52,754	4,106	14,816	9,523	572	–	81,771
Other segment information:							
Segment assets	11,644	166,098	42,165	311	–	(40,625)	179,593
Capital expenditure	347	25	1,118	–	–	–	1,490

(ii) Loss from operations is arrived at after charging:

	HK$'000
Depreciation of property, plant and equipment	5,710
Amortisation of deferred development expenditure	774
Loss on disposal and write-off of property, plant and equipment	26,556
Impairment of property, plant and equipment	1,898

(iii) No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and its subsidiaries did not have any assessable profits for the year.

(iv) The calculation of basic loss per share is based on the Group's loss for the year of HK$63,903,000 and the revised weighted average number of 19,447,390 ordinary shares in issue, as retrospectively adjusted for the effect of share consolidation of the Company which became effective on 30 December 2004.

18. ADDITIONAL INFORMATION (Continued)

(b) Consolidated statement of changes in equity for the year ended 31 December 2003

	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Revaluation reserve *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 January 2003	34,550	59,306	24,041	37,023	166	(47,290)	107,796
Issue of ordinary shares	30,232	64,781	–	–	–	–	95,013
Expenses on issue of ordinary shares	–	(6,961)	–	–	–	–	(6,961)
Reduction of capital	(38,869)	–	38,869	–	–	–	–
Reduction of contributed surplus transferred to accumulated losses	–	–	(38,869)	–	–	38,869	–
Realisation of exchange reserve on discontinued operation	–	–	–	–	(135)	–	(135)
Surplus on revaluation	–	–	–	412	–	–	412
Realisation of exchange reserve shared by minority interest	–	–	–	–	(31)	–	(31)
Loss for the year	–	–	–	–	–	(63,903)	(63,903)
At 31 December 2003	25,913	117,126	24,041	37,435	–	(72,324)	132,191

(c) Consolidated cash flow statement for the year ended 31 December 2003

	HK$'000 *(Audited)*
Net cash used in operating activities	(29,218)
Net cash used in investing activities	(5,939)
Net cash from financing activities	82,514
Increase in cash and cash equivalents	47,357
Cash and cash equivalents at beginning of the year	4,198
Cash and cash equivalents at end of the year	51,555
Being:	
Cash and bank balances	52,510
Bank overdrafts	(955)
	51,555

18. ADDITIONAL INFORMATION (Continued)

(d) Consolidated balance sheet at 31 December 2003

	Notes	*HK$'000 (Audited)*
NON-CURRENT ASSETS		
Property, plant and equipment		78,774
Deferred development expenditure		991
		79,765
CURRENT ASSETS		
Inventories		6,840
Television programmes and sub-licensing rights		14,799
Trade receivables	*v*	11,737
Prepayments, deposits and other receivables		3,942
Fixed deposit		54,000
Cash and bank balances		8,510
		99,828
CURRENT LIABILITIES		
Accounts payable	*vi*	4,959
Accruals		16,561
Other loans, unsecured		19,634
Bank loans and overdrafts, secured		3,229
Finance lease payables		615
Taxation		463
		45,461
NET CURRENT ASSETS		54,367
TOTAL ASSETS LESS CURRENT LIABILITIES		134,132
NON-CURRENT LIABILITIES		
Non-interest-bearing other loans		411
Bank loans and overdrafts, secured		392
Finance lease payables		238
Deferred taxation		900
		1,941
		132,191
CAPITAL AND RESERVES		
Share capital		25,913
Reserves		106,278
		132,191

18. ADDITIONAL INFORMATION (Continued)

Notes:

(v) The aged analysis of trade receivables is as follows:

	HK$'000
0 to 90 days	7,757
91 to 180 days	4
Over 180 days	3,976
	11,737

(vi) The aged analysis of accounts payable is as follows:

	HK$'000
0 to 90 days	899
91 to 180 days	3,002
Over 180 days	1,058
	4,959

MANAGEMENT DISCUSSION AND ANALYSIS

On 11 August 2004, Hua Yi Copper Holdings Limited (the "Company") (Formerly known as FT Holdings International Limited ("FT Holdings")) completed the acquisition of the copper rod business from Solartech International Holdings Limited ("Solartech"). Under the reverse acquisition method, these interim results have consolidated the results of the copper rod business from 1 January to 31 December 2004, and the results of the original business of former FT Group from the completion date of acquisition to 31 December 2004. The comparative figures for 2003 reflected only the condition of the copper rod business from 1 January to 31 December 2003.

Results

The Directors are pleased to announce that for the year ended 31 December 2004 (the "period under review"), the total turnover of the Group amounted to HK$931,564,000, representing an increase of approximately 73.9% over HK$535,666,000 for the corresponding period last year. Profit from operations was approximately HK$41,324,000, representing an increase of approximately 133.9% over HK$17,671,000 for the corresponding period last year. Profit attributable to shareholders was approximately HK$26,044,000, representing an increase of approximately 259.5% over HK$7,244,000 for the corresponding period last year. Earnings per share was approximately HK5.78 cents, compared to an earnings per share of HK1.81 cents for the corresponding period last year.

Interim dividend

As the copper rod business developed rapidly, the Directors resolved not to pay an interim dividend for the year ended 31 December 2004 (2003: Nil).

Business review

During the period under review, copper consumption was boosted by the global economic recovery and strong demand for copper products, particularly in the PRC. The fast-growing electricity and electronics industries as well as the real estate sector friggered further the domestic demand for copper, while the PRC continued to be the largest consumer of copper in the world. In addition, the supply of copper raw materials was insufficient, and the increase in the output of copper smelting could not match the growth in consumption. Copper stock at London Metal Exchange (LME) reduced from approximately 433,000 tons at the beginning of 2004 to approximately 49,000 tons at the end of the year. A research report recently released by the International Copper Study Group also indicated that the global supply shortage of copper from January to December 2004 amounted to approximately 706,000 tons. The gap between overall supply and demand of copper is rather apparent, resulting in a shortage of copper products.

During the period under review, the Group's total turnover was HK$931,564,000, of which HK$907,808,000 was from the sales of copper rods, accounting for approximately 97.4% of the total turnover. Turnover of life-like plants and multi-media businesses amounted to approximately HK$23,756,000. The major customers of the Group are mainly Taiwan based and Hong Kong based corporations. By geographical breakdown, during the period under review, turnover of the PRC market totalled approximately HK$909,890,000, accounting for approximately 97.7% of the total turnover. The rest was mainly contributed by the North America market.

Copper rod business

Copper rod business refers to the manufacture and trading of copper rods and related products in the PRC and Hong Kong, including copper rods in various diameters and copper wires with tinsel, enamel or tin coating. The products are mainly sold to manufacturers in the PRC and Hong Kong as raw materials for cable and wires used in electrical appliances.

During the period under review, copper rod business became the core business of the Group. Benefitted from the strong demand for copper products and sustained economic growth in Mainland China, the turnover of copper rods and related products increased by 69.5% to HK$907,808,000 (2003: HK$535,666,000), and the profits from operations increased by 152.3% to HK$44,602,000 (2003: HK$17,675,000). In view of the strong demand for downstream copper products and sustained economic growth in the PRC, the Group's new plant in Kunshan will be able to meet the demand of the customers in the Eastern and Northern China. High value-added downstream products currently account for 40% of the Group's total turnover. The Group will gradually increase the sales proportion of the high value-added downstream products including stranded copper wires, tinsel copper wires, enamelled copper wires and tin-coated copper wires.

Due to weakened US dollar coupled with strong institutional buying continued to push the copper price higher, the LME copper price hit a new high of US$3,275 per ton in 16 years. The average price of three-month copper futures at LME reached US$2,790 per ton for the period from January to December 2004, surging by US$1,003 or 56.1% over the corresponding period last year. The average three-month copper futures closing price (tax inclusive) for the same period quoted in Shanghai Metal Exchange recorded RMB26,525 per ton, an increase of RMB9,797 or 46.1% compared to last year.

Despite the high copper prices, due to the fact that the Group is mainly engaged in the copper rod processing business, not only could the costs resulted from the high copper prices be transferred to our customers, the Group will also have better bargaining power in light of the undersupply, so as to achieve higher gross profit margin.

Life-like plants and multimedia businesses

During the period under review, as the Group only consolidated the results of these businesses from 11 August 2004 to 31 December 2004, these businesses recorded a total turnover of HK$23,756,000, of which HK$21,674,000 was from the life-like plants business (which recorded a segment loss of HK$871,000), and HK$2,082,000 was from the multimedia business (which recorded a segment loss of HK$2,302,000). The Group has implemented vigorously cost control measures and efficient production modes, therefore the loss from these businesses was significantly narrowed.

Prospects

The research report of Barclays Capital expected a 10% annual growth in the demand of copper in the PRC for the next decade. Currently, the local supply of copper in the PRC is far below the demand, thus import of copper from abroad is needed.

The copper rod business of the Group has been performing well with remarkable growth in recent years. With the advanced production equipment imported from the United States and Europe, high standards of production management and excellent product quality, the Board considers the copper rod business will continue to enjoy competitive advantage over other domestic producers in the PRC. In view of the sustained growth in the demand for copper raw materials and related products in the PRC, and the increasing importance of the Yangtze River Delta region, the Group has finalized the investment of HK$78,000,000 to construct a new plant in Kunshan, Jiangsu Province, the PRC in mid-last year to expand into the copper wire processing market in the Yangtze River Delta region. The new plant with a production area of 38,000m^2 is expected to commence operation in mid-2005, and the annual production capacity may reach 10,000 tons of copper wires of different specifications, including mainly high value-added downstream copper wire products such as annealed copper wires, tin-coated copper wires, stranded copper wires and enamelled copper wires. The project not only meets the demand of the customers in the Eastern and Northern China, but also matches the Group's strategy to improve the economies of scale in production.

Looking forward, the Group will not only strengthen the development of its copper rod business, but also further strengthen the vertical production line of copper processing, develop high value-added downstream products and increase the revenue. At the same time, the Group will seek suitable investors and copper cathode manufacturers to develop copper cathode business, so as to secure a stable supply of copper materials. On the other hand, as the copper prices remain high and are expected to record new highs, some small and medium-sized copper wire processing plants are phased out from competition. Therefore, the downstream copper wire products of the Group will be more competitive.

With further improvement in sourcing, production and management of the copper rod business, together with the full rebound of copper prices, the management of the Group is of the view that the copper rod and wire business will have promising development prospects with its potentials fully unveiled in the market. The Group will strive to fully utilize its advantages in the economy of scale, multi-sourcing of copper and relatively stable costs to enable our shareholders to enjoy the most benefits brought by the rapid growth of the copper rod and wire business.

EMPLOYEES

As at 31 December 2004, the Group had approximately 650 employees in Hong Kong and the PRC. 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, the Group had implemented a prudent financial management policy. As at 31 December 2004, the Group had cash and bank balances (including pledged bank deposits) amounted to approximately HK$133 million and net current assets value being over HK$85 million. The Group's gearing ratios as at 31 December 2004 was 0.89, being a ratio of total bank borrowings of approximately HK$268 million to shareholders' funds of approximately HK$301 million.

As at 31 December 2004, the Group pledged certain property, plant and machinery and fixed deposits with an aggregate net book value of HK$36 million to secure general banking facilities granted to the Group.

As at 31 December 2004, the Company has guaranteed the banking facilities granted to its subsidiaries amounting to approximately HK$70 million.

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 of forward foreign exchange contracts with the principal banks.

INCREASE IN AUTHORISED SHARE CAPITAL

Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 30 June 2004, the authorised ordinary share capital of the Company was increased from HK$100,000,000 of HK$0.01 each ("Shares") to HK$200,000,000 by creation of an additional 10,000,000,000 Shares.

MAJOR AND CONNECTED TRANSACTION

On 25 March 2004, the Company and Solartech entered into the Acquisition Agreement for the major and connected transaction involving acquisition of business of manufacture and trading of copper rods and related products (the "Copper Group") from Solartech. Details of the transaction were set out in the Company's circular to the shareholders dated 14 June 2004.

Pursuant to a special resolution passed at the special general meeting held on 30 June 2004 and the granting of a Whitewash Waiver by the Executive Director of the Corporate Finance Division of the Securities and Future Commission, the acquisition was completed on 11 August 2004 and the Company issued and allotted 8,000,000,000 new ordinary shares of the Company of HK$0.01 each at a notional price of HK$0.04 each to Solartech (the "consideration shares").

Upon completion, the Company obtained ownership of the Copper Group and has resulted in the control of the combined enterprise being transferred to Solartech. Under generally accepted accounting principles in Hong Kong, the transaction was accounted for as a reverse acquisition. The Copper Group was treated as the acquirer and the Company and its subsidiaries immediately before the issue of the consideration shares were deemed to have been acquired by the Copper Group.

CHANGE OF PRINCIPAL PLACE OF BUSINESS

On 11 August 2004, the Directors resolved to change the principal place of business of the Company to No.7, 2/F Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong with effect from 12 August 2004.

CHANGE OF FINANCIAL YEAR END DATE

On 20 August 2004, the Directors resolved to change the Group's financial year end date from 31 December to 30 June. Accordingly, the next financial year end date of the Group will be 30 June 2005.

CHANGE OF NAME

Pursuant to a special resolution passed at the special general meeting held on 17 September 2004, the English name of the Company was changed from "FT Holdings International Limited" to "Hua Yi Copper Holdings Limited". In line with such change in English name, the Company has adopted the new Chinese name "華藝銅業控股有限公司" in place of the previous Chinese name "星采控股有限公司" for identification purpose.

CHANGE OF AUDITORS

On 28 October 2004, the Directors announced that CCIF CPA Limited ("CCIF") had resigned as auditors of the Company with effect from 21 October 2004. Following the resignation of CCIF, the Directors resolved to propose to the shareholders of the Company to appoint Deloitte Touche Tohmatsu ("Deloitte") as the new auditors of the Company. Pursuant to an ordinary resolution passed at the special general meeting held on 24 November 2004, Deloitte has been appointed as the auditors of the Company to fill the vacancy following the resignation of CCIF and to hold the office until the conclusion of the next annual general meeting of the Company.

SHARE CONSOLIDATION

Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 29 December 2004, every 20 ordinary shares of HK$0.01 each in the issued and unissued share capital of the Company were consolidated into one ordinary share of HK$0.20 each with effect from 30 December 2004.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2004, the directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

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	50,000	0.01%

Other than as disclosed above, none of the directors or their associates had any right to subscribe for securities of the Company, or had exercised any such right during the period, and 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.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2004, the substantial shareholders (within the meaning of the Listing Rules) of the Company and certain persons other than a director or a chief executive of the Company who are required to disclose their interests pursuant to Part XV of the SFO had the following interests or short position in the shares and underlying shares of the Company as recorded in the register kept by the Company under section 336 of the SFO:–

SUBSTANTIAL SHAREHOLDERS (Continued)

Name	Number of ordinary shares held Corporate interest	Percentage of holding
Solartech International Holdings Limited ("Solartech")	397,121,875 *(Note)*	74.99%
Skywalk Assets Management Limited ("Skywalk")	397,121,875 *(Note)*	74.99%

Note: Given Skywalk is a wholly owned subsidiary of Solartech, Solartech was deemed to be interested in the shares of the Company by virtue of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance in which the Company or any of its subsidiaries was a party to and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 December 2004.

DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES

The Company's aggregate trade receivables balance due from Chau's Electrical Company Limited, a wholly owned subsidiary of Solartech, and Dongguan Qiaozi Chau's Electrical Company Limited, a 75% owned subsidiary of Solartech, as at 31 July 2004 exceeded 8% of the total market capitalization of the Company as at 11 August 2004, and in compliance with the disclosure obligations under rule 13.13 of the Listing Rules, the Company had disclosed in the announcement dated 11 August 2004 the details of the advance provided by the Company to the two entities.

As at 31 December 2004, the circumstances giving rise to the disclosure obligations under rule 13.13 of the Listing Rules continued to exist and in accordance with rule 13.20 of the Listing Rules, details of the relevant advance to the two entities are as follows:

DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES (Continued)

The aggregate trade receivables balance due from Chau's Electrical Company Limited and Dongguan Qiaozi Chau's Electrical Company Limited was approximately HK$50,809,000, representing 11.6% of the market capitalization of the Company and approximately 8.1% of the unaudited total assets of the Company as at 31 December 2004.

SHARE OPTIONS

On 4 December 2003, 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").

As at 31 December 2004, no share options have been granted under the New Share Option Scheme since its adoption.

Following the Share Consolidation 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 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 following table sets out the changes in the Company's outstanding share options under the Old Share Option Scheme during the year ended 31 December 2004:

Capacity	Date of grant	Exercisable period	Adjusted exercise price *HK$*	Number of share options: Balance at 1.1.2004	Lapsed during the year	Adjustments during the year	Balance at 31.12.2004
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

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 year ended 31 December 2004.

CORPORATE GOVERNANCE

Audit Committee

The Audit Committee has reviewed with the Group's management and the external auditors the accounting principles and practices adopted by the Group and discussed financial reporting matters including the review of the unaudited interim financial statements.

Compliance with the Code of Best Practice

In the opinion of the Directors, the Company has complied throughout the year ended 31 December 2004 with the Code of Best Practice as set out in Appendix 14 of The Rules Governing the Listing of Securities of the Stock Exchange except that the independent non-executive directors are not appointed for a specific term.

On behalf of the Board
Chau Lai Him
Chairman and Managing Director

Hong Kong SAR, 17 March 2005

As at the date of this report, the executive Directors are Mr. Chau Lai Him, Mr. Lau Man Tak, Mr. Hui Chun Lam, Mr. Chu Yuk Kuen, Mr. Lam Kwan Sing and Mr. Lei Hong Wai, and the independent non-executive Directors are Mr. Chun Jay, Mr. Chung Kam Kwong and Ms. Lo Miu Sheung, Betty.