



ASIA ALUMINUM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2001

The directors of Asia Aluminum Holdings Limited (the "Company") are pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2001, together with the comparative figures for the corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2001

	Notes	Six months ended	
		31/12/01 (Unaudited) HK\$'000	31/12/00 (Unaudited) HK\$'000
TURNOVER	3	942,318	1,116,285
Cost of sales and services provided		(685,063)	(855,742)
Gross Profit		257,255	260,543
Other revenue		19,338	16,340
Selling and distribution costs		(18,052)	(23,701)
Administrative expenses		(56,359)	(66,006)
Other operating expenses		(14,724)	(11,284)
PROFIT FROM OPERATING ACTIVITIES	4	187,458	175,892
Finance costs	5	(24,840)	(20,893)
Profit on disposal of discontinued operation	6	8,740	-
PROFIT BEFORE TAX		171,358	154,999
Tax	7	(40,866)	(28,248)
PROFIT AFTER TAX		130,492	126,751
Minority interests		(33,742)	(15,970)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		96,750	110,781
DIVIDENDS	8	22,804	11,113
		HK cents	HK cents
EARNINGS PER SHARE	9		
Basic		4.32	5.19
Diluted		4.03	5.02

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements ("financial statements") are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25, "Interim Financial Reporting", issued by the Hong Kong Society of Accountants (the "HKSA"), and Appendix 16 of the Rules ("Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used in the preparation of the financial statements are consistent with those used in the Group's annual financial statements for the year ended 30 June 2001 except that the Group has changed certain of its accounting policies following its adoption of the following SSAPs issued by the HKSA, which are effective for accounting periods commencing on or after 1 January 2001:

SSAP 2.109 (Revised)	Events after the balance sheet date
SSAP 2.126	Segment reporting
SSAP 2.127	Accounting for group reconstructions
SSAP 2.128	Provisions, contingent liabilities and contingent assets
SSAP 2.129	Intangible assets
SSAP 2.130	Business combinations
SSAP 2.131	Impairment of assets
SSAP 2.132	Consolidated financial statements and accounting for investments in subsidiaries

Comparative amounts for the prior year have been restated in order to achieve a consistent presentation. The major impact on the financial statement after the adoption of the above SSAPs is dividends proposed or declared after the balance sheet date. In accordance with SSAP 2.109 (Revised), dividends proposed or declared after the balance sheet date are not recognized as a liability at the balance sheet date, but are disclosed in the notes to financial statements. This change in accounting policy has been applied retrospectively, resulting in a prior year adjustment which increases shareholders' funds at 30 June 2001 by HK\$100,509,000.

With the exception of SSAP 2.109 (Revised), the adoption of the above accounting standards has no material effect on amounts reported in prior years.

3. TURNOVER AND REVENUE

Turnover represents the aggregate of net invoiced amounts, after allowances for returns and trade discounts, from the sale of goods, the provision of design and testing services for aluminum products and the operation of web sites and related e-commerce business. An analysis of the Group's turnover by principal activity and geographical area of operations for the six months ended 31 December 2001 pursuant to the requirements of the Listing Rules is as follows:

By principal activity

	Six months ended	
	31/12/01 HK'000	31/12/00 HK'000
Manufacture and sale of aluminium extrusion products	780,431	868,821
Manufacture and sale of stainless steel products	82,113	128,252
Manufacture, processing and sale of aluminium panels	64,285	96,301
Provision of design and testing services for aluminium products	12,627	17,712
E-commerce business operation	2,862	5,199
	942,318	1,116,285

By geographical area

	Six months ended	
	31/12/01 HK'000	31/12/00 HK'000
The People's Republic of China (the "PRC"), excluding Hong Kong	700,041	804,622
Asia, excluding the PRC and Hong Kong	87,638	210,963
Hong Kong	116,601	66,028
North America	29,526	30,007
Others	8,512	4,665
	942,318	1,116,285

4. PROFIT FROM OPERATING ACTIVITIES

	Six months ended	
	31/12/01 HK'000	31/12/00 HK'000
Profit from operating activities is arrived at after charging the following:		
Depreciation of		
Owned fixed assets	26,928	26,347
Leased fixed assets	2,303	434
	29,231	26,781

An analysis of the Group's profit from operating activities by principal activity and geographical area of operations for the six months ended 31 December 2001 pursuant to the requirements of the Listing Rules is as follows:

By principal activity

	Six months ended	
	31/12/01 HK'000	31/12/00 HK'000
Continuing operations		
Manufacture and sale of aluminium extrusion products	148,225	119,574
Manufacture and sale of stainless steel products	1,207	3,974
Manufacture, processing and sale of aluminium panels	29,544	39,712
Provision of design and testing services for aluminium products	10,452	15,741
E-commerce business operation	(1,720)	576
	187,708	179,577
Discontinued operation		
Development of designs and technologies for applications in environmental protection products	(250)	(3,685)
	187,458	175,892

By geographical area

	Six months ended	
	31/12/01 HK'000	31/12/00 HK'000
The PRC	157,779	140,373
Asia, excluding the PRC and Hong Kong	17,775	18,938
Hong Kong	8,976	4,941
North America	2,273	10,872
Others	655	768
	187,458	175,892

5. FINANCE COSTS

	Six months ended	
	31/12/01 HK'000	31/12/00 HK'000
Interest on		
Bank loans, overdrafts and other loans wholly repayable within five years	23,269	20,592
Finance leases	1,571	301
	24,840	20,893

6. PROFIT ON DISPOSAL OF DISCONTINUED OPERATION

On 23 August 2001, the Group entered into an agreement for the disposal of Hamington International Limited ("Disposal"), a company which, through its subsidiaries, was engaged in the business of the development of designs and technologies for applications in environmental protection products. Further details of the disposal were set out in the Company's circular dated 14 September 2001.

7. TAX

	Six months ended	
	31/12/01 HK'000	31/12/00 HK'000
Current period provision outside Hong Kong	40,866	28,898
Deferred tax	-	(650)
	40,866	28,248

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits from its operations in Hong Kong during the six months period ended 31 December 2001 (2000: Nil). Taxes on profits assessable elsewhere have been calculated at the appropriate rates of taxation in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

During the six months ended 31 December 2001, provisions for PRC income tax have been made at the applicable rate for the PRC subsidiaries.

8. DIVIDENDS

The directors have declared that an interim dividend of HK1.0 cent per share (2000: HK1.0 cent) be paid to the shareholders of the Company whose names appear on the Register of Members on 8 April 2002.