

The directors of Global Applied Technologies Holdings Limited ("GAT" or the "Company") are pleased to present the interim report and unaudited condensed accounts of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2000. The consolidated income statement, consolidated cash flow statement and consolidated statement of recognized gains and losses of the Group for the six months ended 31 December 2000 and the unaudited consolidated balance sheet at 31 December 2000 of the Group, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 13 to 32 of this report.

This unaudited interim report has been reviewed by the Company's audit committee.

MANAGEMENT DISCUSSION AND ANALYSIS

The Operating Review

(a) Operating Results for the Period

During the period under review, the Group's aggressive marketing efforts to expand its customer base and to develop overseas markets were well rewarded. For the period under review, the Group's unaudited turnover reached approximately HK\$1,098.6 million, an increase of 18% as compared to the same period in 1999. Unaudited profits attributable to shareholders achieved approximately HK\$110.8 million, representing an increase of 4%.

(b) Interim Dividend

The directors have resolved to declare an interim dividend of HK1.0 cents per share (1999:Nil), absorbing a total of approximately HK\$11.1 million, payable to the shareholders on the register of members of the Company on 17 April 2001.

環球應用科技集團有限公司（「環球應用科技」或「本公司」）董事欣然提呈本公司及其附屬公司（「本集團」）截至二零零零年十二月三十一日止六個月之中期報告及未經審核簡明帳目。本集團截至二零零零年十二月三十一日止六個月之綜合收益表、綜合現金流量表及綜合確認損益報表及本集團於二零零零年十二月三十一日之未經審核綜合資產負債表（彼等均為未經審核簡明帳目），連同主要說明附註載於本報告第13至第32頁。

此未經審核中期報告已經由本公司之審核委員會審閱。

管理層討論及分析

業務回顧

(a) 本期間之經營業績

在回顧期內，本集團為了擴大其客戶基礎及開發海外市場而進行之積極市場推廣工作得到理想的回報。在回顧期內，本集團之未經審核營業額約為1,098,600,000港元，較一九九九年同期上升18%。未經審核股東應佔溢利約為110,800,000港元，增幅達4%。

(b) 中期股息

董事已議決向二零零一年四月十七日名列本公司股東名冊之股東派付中期股息每股1.0港仙（一九九九年：無），總額約為11,100,000港元。

(c) Employees

As at 31 December 2000, the Group employed over 2,000 full time management, administrative and production staff in Hong Kong and in the People's Republic of China (the "PRC"). The Group remunerates its employees based on their performance, experience and the general market situation in the respective region and businesses in which the Group operates. The remuneration policies of the Group are reviewed on an annual basis and the remuneration package includes the pension funds, bonuses and share options. Structured training programmes are also offered to focus on reinforcing and improving the skills of key staff members.

(d) Dynamics of the Business

China Aluminum

Aluminum extrusion business continued to be the major profit contributor. During the six months under review, the Company continued to consolidate leading position in aluminum extrusion business and efforts were made to further expand our production capacity, sales network and market share.

In order to strengthen the Group's earnings base, the Company acquired the remaining minority interests of 9% and 45% in Pavillion Services Limited and Majestic Holdings Limited respectively in November 2000 and since then both companies are wholly owned by the Company. In October 2000, the Company formed a strategic alliance with Novar plc's Indalex Aluminum Solutions Group ('Indalex'), one of the top three aluminum extrusion manufacturers in the world. The relationship with Indalex significantly strengthened our sales in the North American and European markets. After the alliance materialized, we experienced an inflow of contracts from the North American market.

(c) 僱員

截至二零零零年十二月三十一日，本集團在香港及中華人民共和國（「中國」）僱用了超過2,000名全職管理、行政及生產僱員。本集團根據僱員之表現、經驗及本集團經營業務所在之地區及所經營之業務之一般市況釐定其僱員之薪酬。本集團之薪酬政策會每年檢討，而整套薪酬福利待遇包括退休金、花紅及購股權。此外，本集團亦會提供完善的培訓計劃，旨在增進及改良主要員工之技術。

(d) 業務動向

中國鋁業集團

鋁型材業務仍為主要溢利來源。在六個月回顧期內，本公司繼續鞏固其於鋁型材行業之翹楚地位及致力進一步擴充其生產能力、銷售網絡及市場佔有率。

為了增強本集團之營利基礎，本公司於二零零零年十一月分別收購了Pavillion Services Limited及美亞鋁板噴塗有限公司餘下之9%及45%少數股東權益。此後，兩間公司均由本公司全資擁有。於二零零零年十月，本公司與全球三大鋁型材生產商之一Novar旗下之鷹都鋁業集團（「鷹都鋁業」）建立策略聯盟。與鷹都鋁業建立夥伴關係大大提高本公司產品在北美和歐洲市場之銷售。在成立聯盟後，吾等看到北美市場湧入大量訂單。

Domestic sales also performed remarkably. As the PRC Government has set the GDP growth rate at 7% in 2001, infrastructure construction and property development will certainly benefit from this policy and is expected to grow at a robust pace. According to the national projections, 40 new airports will be built in the coming two years. GAT has already secured aluminum extrusion and panel supply contracts for four new airports in 2001. Other contracts are currently under negotiation.

In Hong Kong, as property market regains growth momentum and construction picks up, the Group has secured quite a number of major contracts including Nina Tower in Tsuen Wan, Cyberport, IFC Tower Phase II in Central, West Rail etc.

The Group is heading towards the three 50/50 targets and good progress has been made in the period under review. Regarding the sales and distribution to international versus domestic markets, as the PRC market presents enormous opportunities, we have adjusted our near-term target. During the period under review, sales to international market and domestic market amounted to HK\$311.7 million and HK\$786.9 million respectively. Sales to North American market will reach 25,000 tons in 2001 and 40,000 tons by 2003, accounting for 25-35% of the Company's total sale of aluminum extrusion products.

For our other two 50/50 goals regarding construction vs non-construction and paint coated vs anodized, both will be achieved within this fiscal year. A considerable share of North American contracts are for non-construction products, enhancing the Company's gross profit margin. For the period under review, paint coated product sales amounted to HK\$306.1 million, representing a 13% growth over last year.

此外，內銷表現同樣出色。中國政府已訂定二零零一年之國民生產總值增長率為7%。基建工程及物業發展市場定當受惠於此項政策及預期將會有強勁增長。根據國家預測，在未來兩年將會興建40個新機場。環球應用科技於二零零一年已取得四個新機場之鋁材及板件供應合同，而其他合同則仍在磋商中。

在香港，由於物業市場重現發展契機及建築工程增加，本集團已取得多項主要合同，包括位於荃灣的如心廣場、數碼港、中環的國際金融中心第二期及西鐵等項目。

本集團現正朝著三個「各佔一半」目標進發，而於回顧期內，進展非常理想。就國內外市場銷售及分銷而言，由於國內市場呈現大量商機，吾等已對近期目標作出調整。於回顧期內，外銷國際市場及內銷市場之銷售額分別為311,700,000港元及786,900,000港元。北美市場之銷售額於二零零一年將可達25,000噸，而於二零零三年更可達40,000噸，佔本公司鋁型材產品銷售總額25-35%。

關於其餘兩個有關建築用產品與非建築用產品及塗漆產品與陽極氧化產品之「各佔一半」目標，兩者可望於本財政年度內達到。北美合同大多訂購非建築用產品，令本公司之邊際利潤增加。在回顧期內，塗漆產品之銷售額達306,100,000港元，較去年上升13%。

i-metal

Although the burst of dot.com bubble has posed negative effect on the valuation on internet business, we are happy to report that i-metal.com, which was launched in March 2000, has reached the breakeven point during the period under review, which is a strong evidence of its successful business model.

Spot B2B metal trading was under trial stage by designated members and will be launched to the market in the second quarter of 2001. During the six months ended 31 December, 2000, turnover amounted to approximately HK\$5.2 million and the revenue came from four main sources – services charges for metal futures trading, service charges for spot transactions, membership subscription and advertising.

Other investments

During the six months under review, Prime Hill Technology Limited (“Prime Hill”) incurred net losses of approximately HK\$4.7 million. The main reason accounting for the lower results was a delay in the delivery of some manufacturing equipment used for mass production. The above-said equipment eventually arrived in February 2001 and contracts on hand have been extended for another 12 months for delivery. The Company is reviewing the operations of Prime Hill and appropriate actions will be taken accordingly to the best interest of shareholders in case the HK\$100.0 million profit guarantee cannot be reached by 30 June 2001.

i-metal

儘管科網股泡沫爆破對互聯網業務之估值構成負面影響，惟吾等很高興看到，於二零零零年三月推出之i-metal.com於回顧期內已達致收支平衡，此充分證明此入門網站相當成功。

現貨B2B金屬貿易由若干指定會員試用，並將於二零零一年第二季推出市場。於截至二零零零年十二月三十一日止六個月，營業額約達5,200,000港元。營業額來自四個主要來源—金屬期貨貿易之服務收費、現貨貿易之服務收費、會員費及廣告費。

其他投資

於六個月回顧期內，香港盛峰科技集團有限公司（「盛峰」）錄得約4,700,000港元之淨虧損。業績偏低之主要原因為，若干供大量生產用途之製造設備延遲交收。上述設備最終於二零零一年二月送達，而現有合約已再延期12個月交貨。本公司現正檢討盛峰科技之業務運作及倘100,000,000港元之保證溢利指標未能於二零零一年六月三十日前達到，則本公司將會採用適當行動，以保障各股東之最佳利益。

(e) Prospects and Plans for the Future

The management understands that consolidation is the global trend for the aluminum extrusion industry. Size does matter and GAT has been able to expand its production capacity through mergers and acquisitions. We are happy to report that the acquisition of 60% interest in the two aluminum extrusion manufacturing facilities in Nanhai, the PRC, is near completion. After completion and new manufacturing facilities to be delivered in June 2001, the Company's annual total production capacity will reach approximately 130,000 tons, becoming the largest in Asia.

Looking ahead, consolidation will continue to be the dominant trend for aluminum extrusion industry in both the PRC as well as international markets. The Company will focus on production capacity and quality in order to strengthen its leadership position in the region. Emphasis will be put on paint coated, non-construction and specialised industrial products which are more versatile and have a higher profit margin. New markets will be developed with Europe and South America as one of our primary targets. We will also continue to employ consultants as the Company's technical advisers to improve our technologic advantage over our PRC competitors.

The Company's B2B portal, i-metal.com, will launch the spot trading services of primary materials, including logistics support, for general membership use, in the second quarter of 2001. i-metal.com is now studying the feasibility of linkage with the London Metals Exchange. The directors believes that this portal is a revenue generating center as it can directly leverage on the Company's expert industry experience and knowledge and provide comprehensive services to the non-ferrous metals business community, from information exchange, to e-trading platform, to logistics, warehouse, customs and tax support, and to trade arbitration.

(e) 前景及未來計劃

管理層明白，鋁型材行業之全球發展趨勢乃以整固為主。生產規模固然重要及環球應用科技已成功透過合併及收購擴大其生產能力。吾等欣然報告，收購位於中國南海之兩間鋁型材生產廠房60%權益之交易已接近完成。在完成後及於新生產設施在二零零一年六月交收後，本公司之全年總生產量將可達約130,000噸，成為亞洲之冠。

展望未來，中國以至國際鋁型材行業發展趨勢乃將以整固為主。本公司將專注於生產能力及品質，以增強其於區內之領導地位。塗漆、非建築用及特殊工業產品將為重點所在，其用途較廣泛，而且邊際利潤相對較高。本公司將會開發新市場，而歐洲及南美為主要目標之一。此外，吾等將繼續聘請專家作為本公司之技術顧問，以提高本公司之技術優勢，超越國內競爭對手。

本公司之商戶與商戶之間的電子商務入門網站i-metal.com將於二零零一年第二季推出供普通會員使用之有關原材料之現貨貿易服務，包括物流支援服務。i-metal.com現正研究與倫敦金屬交易所系統接合之可行性。董事相信，此入門網站為一個可提供收益之中心，因為其可直接發揮本公司在行業所得之經驗及專長及為有色金屬業務社群提供全面服務，從交換資料，到提供電子商貿平台、物流服務、貨庫、清關及稅項支援服務，以至貿易仲裁，服務一應俱全。