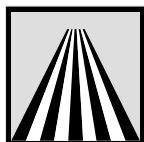


**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares and/or warrants of Asia Aluminum Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



## **ASIA ALUMINUM HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

### **PROPOSALS FOR GENERAL MANDATE TO REPURCHASE SECURITIES AND TO ISSUE SECURITIES**

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The Annual General Meeting is to be held at 12th, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 9 December 2003 at 11:00 a.m. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at 12th, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjournment thereof should you so wish.

31 October 2003

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## DEFINITIONS

*In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held on Tuesday, 9 December 2003 at 11:00 a.m., notice of which is set out in this circular
“Board”	the board of Directors
“Company”	Asia Aluminum Holdings Limited, an exempted company incorporated in Bermuda with limited liability, and the Securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	29 October 2003, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Securities”	the Shares and the Warrants
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the ordinary share capital of the Company and a “Share” shall be construed accordingly
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	Hong Kong Code on Takeovers and Mergers
“Warrantholders”	holders of the Warrants
“Warrants”	warrants entitling the holder(s) thereof to subscribe for new Shares at an initial subscription price of HK\$0.77 per Share (subject to adjustment) from 10 April 2002 to 9 April 2004, both days inclusive (or such earlier date as provided in the instrument constituting the warrants)

# LETTER FROM THE CHAIRMAN



## ASIA ALUMINUM HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

*Executive Directors:*

Mr. KWONG Wui Chun (*Chairman*)  
Dr. CHAN Yiu Tsuan, Benby  
(*Deputy Chairman & Chief Executive Officer*)  
Mr. ZHONG Jianqiu

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-executive Directors:*

Mr. MA Tsz Chun  
Mr. YAU Wing Keung

*Head office and principal place  
of business in Hong Kong:*

12th Floor  
Railway Plaza  
39 Chatham Road South  
Tsimshatsui  
Kowloon  
Hong Kong

31 October 2003

*To the Shareholders and for information only, the holders  
of warrants and options issued by the Company*

Dear Sir or Madam,

### **PROPOSALS FOR GENERAL MANDATE TO REPURCHASE SECURITIES AND TO ISSUE SECURITIES**

#### **1. INTRODUCTION**

At the Annual General Meeting, an ordinary resolution, among others, will be proposed that the Directors be given a general mandate to exercise all the powers of the Company to repurchase fully-paid Securities and to issue Securities. The purpose of this circular is to provide you with further details in respect of the proposed grant of mandates to repurchase Securities and to issue Securities.

#### **2. GENERAL MANDATE TO REPURCHASE SECURITIES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all the powers of the Company to repurchase fully paid Securities (the "Repurchase Mandate"). Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the issued and fully-paid share capital of the Company and 10% of all outstanding Warrants of the Company respectively at the date of the

## **LETTER FROM THE CHAIRMAN**

resolution. The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules. The Repurchase Mandate allows the Company to make purchases only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by the Company's Bye-laws or any applicable law of Bermuda or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Explanatory statement containing information necessary to enable the Shareholders to make an informed decision on the proposed resolution for the grant of the Repurchase Mandate as required by the Listing Rules is set out in Appendix to this circular.

### **3. GENERAL MANDATE TO ISSUE SECURITIES**

At the Annual General Meeting, a resolution will also be proposed that the Directors be given a general mandate to issue Shares representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the resolution in order to ensure flexibility and discretion to the Directors to issue securities. In addition, a resolution will be proposed to extend the general mandate by adding to it the number of such securities repurchased under the Repurchase Mandate.

### **4. ANNUAL GENERAL MEETING**

Set out in this circular is a notice convening the Annual General Meeting which will be held at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 9 December 2003 at 11:00 a.m. at which ordinary resolutions will be proposed to approve the granting of general mandate to repurchase Securities and to issue Securities.

The form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Delivery of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

### **5. RECOMMENDATION**

The Directors are of the opinion that the proposed resolution for the granting of general mandate to repurchase Securities and to issue Securities are in the interests of the Company, and in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting. The Directors who are also Shareholders intend to cast all their votes in favour of the resolutions to be proposed at the Annual General Meeting.

## LETTER FROM THE CHAIRMAN

### 6. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### 7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the memorandum of association and the Bye-laws of the Company will be available for inspection at the head office and principal place of business of the Company in Hong Kong at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong during normal business hours on any business day up to and including Tuesday, 9 December 2003 and at the Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Asia Aluminum Holdings Limited**  
**Kwong Wui Chun**  
*Chairman*

*This appendix serves an explanatory statement, as required by the Listing Rules, to provide information to you in relation to the proposed mandate to repurchase Securities.*

## **GENERAL**

The Directors have no present intention to repurchase any Shares or Warrants but consider that the mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 30 June 2003 (being the date of its latest audited accounts), the Directors consider that there will highly likely be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

## **POWER TO REPURCHASE**

The Company is empowered by its Memorandum of Association to purchase the Shares. Under Bermuda law, the amount of capital repaid in connection with a Share repurchase may only be paid out of from either the capital paid up on the relevant Shares, or out of the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of Shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. Under Bermuda law, the Shares so repurchased will be treated as cancelled and the Company's issued, but not its authorised, capital will be diminished accordingly.

Subject to and in accordance with the terms and conditions of the instrument constituting the Warrants, the Company is empowered to purchase the Warrants. Any Warrants so purchased by the Company shall be cancelled forthwith.

## **DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention, in the event that the proposal is approved by Shareholders, to sell Shares or Warrants to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares or Warrants to the Company nor has undertaken not to sell any of the Shares or Warrants held by him/her to the Company in the event the Company makes repurchases of Securities.

**UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the Memorandum of Association and Bye-laws of the Company.

**EFFECT OF TAKEOVER CODE**

If on the exercise of the powers to repurchase Shares pursuant to the proposed resolution, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeover Code. As a result, a Shareholder or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

At the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following persons were the only substantial Shareholders (as defined in the Listing Rules) beneficially holding 10 per cent. or more of the issued share capital of the Company:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage</b>
Viewlink Assets Limited	876,030,000*	32.93%
Kwong Wui Chun	1,069,623,488	40.21%

\* *Mr. Kwong Wui Chun is deemed to be interested in these 876,030,000 Shares as he is the beneficial owner of Viewlink Assets Limited. Accordingly the number of Shares held by Mr. Kwong include those 876,030,000 Shares.*

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of the substantial shareholders (as defined in the Listing Rules) of the Company would be as follows:

<b>Name</b>	<b>Shareholding Percentage before Repurchase</b>	<b>Shareholding Percentage after Repurchase</b>
Viewlink Assets Limited	32.93%	36.59%
Kwong Wui Chun	40.21%	44.68%

As a result, Mr. Kwong Wui Chun, together with Viewlink Assets Limited, may become obliged to make a general offer in accordance with Rule 26 of the Takeover Code. However, the Directors do not have intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the substantial shareholders referred to above to make a general offer under the Takeover Code. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchase made under the proposed Repurchase Mandate.



**SHARE CAPITAL**

Based on the 2,659,871,606 Shares in issue and the Warrants to subscribe up to HK\$109,064,427.01 for Shares outstanding as at the Latest Practicable Date and assuming that no further Shares are issued or Warrants are exercised from the Latest Practicable Date to the date of the Annual General Meeting, exercise in full of the general mandate to repurchase Securities will result in 265,987,160 Shares and Warrants to subscribe up to HK\$10,906,442.70 for Shares being repurchased.

No purchases of Shares or Warrants have been made by the Company during the last six months (whether on the Stock Exchange or otherwise) before the Latest Practicable Date. In each of the previous twelve months before the Latest Practicable Date, the highest and the lowest traded prices for Shares and Warrants on the Stock Exchange were as follows:

	Shares		Warrants	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
October 2002	0.680	0.530	0.073	0.060
November 2002	0.670	0.610	0.085	0.068
December 2002	0.710	0.600	0.100	0.100
January 2003	0.770	0.610	0.115	0.095
February 2003	0.830	0.710	0.131	0.092
March 2003	0.880	0.710	0.143	0.092
April 2003	0.830	0.730	0.112	0.082
May 2003	0.910	0.760	0.148	0.067
June 2003	1.040	0.840	0.228	0.111
July 2003	1.340	1.020	0.480	0.218
August 2003	1.370	1.130	0.530	0.325
September 2003	1.500	1.200	0.660	0.480

# NOTICE OF ANNUAL GENERAL MEETING



## ASIA ALUMINUM HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the shareholders of Asia Aluminum Holdings Limited (the “Company”) will be held at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 9 December 2003 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 30 June 2003.
2. To declare the payment of a final dividend for the year ended 30 June 2003.
3. To re-elect the retiring directors and authorise the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, passing the following resolutions as ordinary resolutions:–

### ORDINARY RESOLUTIONS

5. (1) **“THAT**
  - (a) the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined in paragraph (c) of this Resolution) of all powers of the Company to purchase its shares and warrants, subject to paragraph (b) below and in accordance with all applicable laws and regulations, be and it is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of shares and warrants in the Company to be purchased by the Company during the Relevant Period pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company and 10 per cent. of all outstanding warrants of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and
  - (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this Resolution; and
    - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws of Bermuda to be held.”

## NOTICE OF ANNUAL GENERAL MEETING

(2) “THAT

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company or securities convertible into shares or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements, options and warrants which would or might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and warrants which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this Resolution); (ii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or other approved participants rights to acquire shares of the Company; (iii) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company; and (iv) an issue of shares of the Company upon the exercise of the subscription rights attaching to the existing warrants issued by the Company and from time to time outstanding, shall not in total exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this Resolution; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, or any applicable laws of Bermuda to be held.

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares, open for a period fixed by the Directors to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or

## NOTICE OF ANNUAL GENERAL MEETING

having regard to any restrictions or obligations under the laws of, or requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong.”

- (3) “**THAT**, conditional upon the passing of the Resolutions nos. 5(1) and 5(2) as set out in the notice convening this Meeting, the general mandate granted to the directors of the Company (“Directors”) pursuant to the approval granted under Resolution no. 5(2) above and for the time being in force to exercise the power of the Company to allot shares be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company which has been repurchased by the Company pursuant to Resolution no. 5(1), provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution.”

By Order of the Board  
**Anita Yee**  
*Company Secretary*

Hong Kong, 29 October 2003

*Head Office and principal place  
of business in Hong Kong:*

12th Floor  
Railway Plaza  
39 Chatham Road South  
Tsimshatsui  
Kowloon  
Hong Kong

*Notes:*

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote for him. A member who is the holder of two or more shares may appoint more than one proxy. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be lodged with the head office and principal place of business of the Company in Hong Kong at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
- (3) The register of members of the Company will be closed from Thursday, 4 December 2003 to Tuesday, 9 December 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrars, Hong Kong Registrars Limited of Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 3 December 2003.
- (4) In relation to the proposed resolution no. 5(1) set out above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in the circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), will be sent to the members together with the 2003 annual report.
- (5) In relation to the proposed resolution no. 5(2) set out above, approval is being sought from the members as a general mandate under the Listing Rules. The Directors wish to state that they have no immediate plans to issue any new shares of the Company.