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## **ASIA ALUMINUM HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 930)**

### **DISCLOSEABLE TRANSACTION**

On 11 June 2004, AAM entered into the Contracts with TCS for the acquisition of certain aluminum extrusion facilities including equipment for the purposes of strengthening and expanding the aluminum extrusion facilities of the Group.

The total consideration payable by AAM under the Contracts is Euro22,332,000 (equivalent to approximately HK\$212,801,600).

The Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular in connection with the Contracts will be despatched to the shareholders of the Company as soon as practicable and in any event not later than 21 days from the publication of this announcement.

#### **The Contracts**

Date: 11 June 2004.

Seller: TCS. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, TCS is an Independent Third Party. TCS is a limited liability company incorporated in Italy, which shares are listed on the Borsa Italiana whose principal businesses include the production of systems used to treat aluminum surfaces and the engineering and production of extrusion plants and foundry for aluminum.

Purchaser: AAM, a limited liability company incorporated in Hong Kong and is 100% owned by AAG which is in turn as to 69.05% owned by the Company, 25.01% owned by Indalex HK Limited and the remaining 5.94% owned by two Independent Third Parties, and its principal activities include investment holding and trading of aluminum and stainless steel products. AAG and its subsidiaries including the PRC operating subsidiaries are engaged in, amongst other activities, the manufacture and sale of aluminum and stainless steel products.

Summary: On 11 June 2004, AAM entered into the Contracts with TCS whereby AAM agreed to purchase and TCS agreed to supply certain aluminum extrusion facilities including equipment.

The equipment to be provided by TCS to AAM under the Contracts are mainly auxiliary parts of the press and production lines for the processing work of the aluminum extrusion products. The total consideration payable by AAM to TCS under the Contracts also includes ancillary services to be provided by TCS to AAM under the Contracts which include the engineering and technology that are used for implementation and operation of these equipment and the supervision of specialists to assist in the erection and the start-up of the equipment.

The total consideration payable by AAM under the Contracts is Euro22,332,000 (equivalent to approximately HK\$212,801,600). The consideration is based on the total aggregate value of the equipment that are to be supplied/provided by TCS to AAM under the Contracts. The consideration will be paid in accordance with the payment schedule contained in the Contracts. The payment schedule is based on the schedule of delivery of equipment and/or title documents for the equipment by TCS to AAM in accordance with the terms of the Contracts. According to the terms of the Contracts, the equipment are to be delivered by TCS to AAM in stages starting from December 2004 to August 2005.

As referred to in the Company's announcement dated 15 January 2004 and the Company's circular dated 28 May 2004, the net proceeds of HK\$506.6 million from the placing and subscription of new shares in the Company conducted in January 2004 would be applied to finance the Company's expansion of aluminum extrusion facilities which includes the construction of the new aluminum extrusion plant in Asia Aluminum Industrial City in Zhaoqing City, Guangdong Province, and the purchase of equipment and ancillary services for aluminum extrusion. Details of the expansion plan were disclosed in the Company's announcements dated 11 July 2003 and 15 January 2004 and the Company's circular dated 28 May 2004. As at the date of this announcement, approximately HK\$110.4 million of the proceeds from the share placement has been utilised for expansion of aluminum extrusion facilities.

It is the current intention of the Directors that out of the total consideration of Euro22,332,000 (equivalent to approximately HK\$212,801,600) under the Contracts, 20% (i.e. Euro4,466,400, equivalent to approximately HK\$42,560,300) of it will be funded from the proceeds of the share placement with the remaining balance of Euro17,865,600 (equivalent to approximately HK\$170,241,300) will be funded by borrowings from banks or financial institutions. After using approximately HK\$42,560,300 to pay part of the total consideration of the Contracts, the remaining approximately HK\$353.6 million of the proceeds from the share placement will then remain unutilised.

The Directors consider that the entering into the Contracts provided a good cooperation opportunity for the Group and TCS. The Directors are of the view that entering into the Contracts is in the interest of the Company and the terms of the Contracts are normal commercial terms, which are fair and reasonable so far as the shareholders of the Company are concerned.

### **Background to and reasons for the Contracts**

The Group is principally engaged in the manufacture and sale of aluminum and stainless steel products and the provision of design and testing services for aluminum products.

The Contracts are entered into by AAM with TCS for the acquisition of certain aluminum extrusion facilities including equipment for the purposes of strengthening and expanding the aluminum extrusion facilities of the Group.

The Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular in connection with the Contracts will be despatched to the shareholders of the Company as soon as practicable and in any event not later than 21 days from the publication of this announcement.

As at the date of this announcement, the Executive Directors are Mr. Kwong Wui Chun, Dr. Chan Yiu Tsuan, Benby and Mr. Zhong Jianqiu and the Independent Non-Executive Directors are Mr. Ma Tsz Chun and Mr. Yau Wing Keung, Frankie.

## **Definitions**

In this announcement, the following terms have the following meanings:–

“AAM”	Asia Aluminum Manufacturing Company Limited, a limited liability company incorporated in Hong Kong and is 100% owned by AAG and its principal activities include investment holding and trading of aluminum and stainless steel products;
“AAG”	A company incorporated in the British Virgin Islands with limited liability and is owned as to 69.05% by the Company, 25.01% by Indalex UK Limited and the remaining 5.94% by two Independent Third Parties, which together with its subsidiaries including PRC operating subsidiaries are engaged in, amongst other activities, the manufacture and sale of aluminum and stainless steel products;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Company”	Asia Aluminum Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange;
“Contracts”	the three contracts all dated 11 June 2004 entered into between AAM and TCS for the purchase and supply of certain aluminum extrusion facilities including equipment;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Independent Third Party”	an independent third party not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“PRC”	the People’s Republic of China;
“Purchase”	the purchase of aluminum extrusion facilities including equipment by AAM from TCS under the Contracts;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“TCS”	Trevisan Cometal SPA, a limited liability company incorporated in Italy, which shares are listed on the Borsa Italiana whose principal businesses include engineering and production of systems used to treat aluminum surfaces and the engineering and production of extrusion plants and foundry for aluminum.

*For the purpose of this announcement, the exchange rate between Hong Kong dollars and Euro are as follows:–*

*1 Euro = 9.529 Hong Kong dollars*

By order of the Board of Directors of  
**Asia Aluminum Holdings Limited**  
**Dr. Chan Yiu Tsuan, Benby**  
*Deputy Chairman & Chief Executive Officer*

Dated: 15 June 2004

“Please also refer to the published version of this announcement in South China Morning Post”.