

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, 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 announcement.



ASIA ALUMINUM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTION

The Directors wish to announce that on 28th September, 2001, AAM, a wholly-owned subsidiary of the Company, as tenant entered into the Tenancy Agreement with HTL, as landlord in respect of the leasing of the principal place of business of the Company in Hong Kong at a monthly rental of HK\$195,840 for a term of three years commencing 1st October, 2001.

The entering into by AAM of the Tenancy Agreement constitutes a connected transaction for the Company under Chapter 14.25(1) of the Listing Rules.

THE TENANCY AGREEMENT

Date

28th September, 2001

Parties

The landlord: Harbour Talent Limited ("HTL")

The tenant: Asia Aluminum Management Limited ("AAM"), a wholly-owned subsidiary of Asia Aluminum Holdings Limited (the "Company")

Principal Terms

Premises leased: The entire floor on the 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong with a total gross floor area of 10,880 sq.ft. (the "Property").

Monthly Rental: HK\$195,840 exclusive of government rates and rent, management fees and utility outgoings. The monthly rental is agreed by the parties after arm's length negotiation. Vigers Hong Kong Limited, independent property consultants, has confirmed to the Company on 28th September, 2001 that the monthly rental payable under the tenancy agreement ("Tenancy Agreement") is in line with the prevailing open market rental value of the Property.

Term: For a period of three years from 1st October, 2001 to 30th September, 2004 with an option to AAM to renew the tenancy for a further term of two years at a monthly rental to be negotiated between the parties.

RELATIONSHIP BETWEEN THE PARTIES

HTL is a company incorporated in Hong Kong beneficially owned by Mr Kwong Wui Chun ("Mr Kwong"), a director and the controlling shareholder of the Company, and his wife, Madam Li Chuk Kuan in equal shares. Accordingly, HTL is considered a connected person of the Company and the entering into by AAM of the Tenancy Agreement constitutes a connected transaction for the Company which is discloseable under Rule 14.25(1) of the Rules (the Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Details of the transaction will also be disclosed in the Company's annual report for the year in which the transaction is subsisting.

OPINION OF THE DIRECTORS OF THE COMPANY

The Property is being used as the principal place of business of the Company in Hong Kong and was originally leased to AAM by HTL on a monthly basis at the same rental of HK\$195,840 since May 2001 prior to the entering of the Tenancy Agreement as the Company attempted to identify other premises with conditions comparable to those of the Property on more favourable terms.

Based on the confirmation dated 28th September, 2001 from Vigers Hong Kong Limited, independent property consultants, that the rental payable under the Tenancy Agreement is in line with the prevailing open market rental value of the Property, the directors including all independent non-executive directors of the Company are of the opinion that the terms of the Tenancy Agreement have been negotiated on an arm's length basis and are on normal commercial terms which are fair and reasonable so far as the shareholders of the Company are concerned.

GENERAL

The Company and its subsidiaries are principally engaged in the manufacturing and sale of aluminum extrusion and stainless steel products.

By Order of the Board
Kwong Wui Chun
Chairman