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ASIA ALUMINUM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

TERMINATION OF PUT OPTIONS

On 21 August 2002, the Company entered into a deed of termination with each of Jia Hong and Xing Yu pursuant to which Jia Hong and Xing Yu agreed to terminate the Jia Hong Put Option and the Xing Yu Put Option (together the "Put Options") respectively at no consideration.

BACKGROUND

Reference is made to the announcement dated 15 March 2002 issued by the Company in relation to a possible share transaction (the "Previous Announcement").

On 14 March 2002, Asia Aluminum Holdings Limited (the "Company") entered into an option agreement (together the "Option Agreements") with each of Jia Hong Aluminum Company Limited ("Jia Hong") and Xing Yu Aluminum Company Limited ("Xing Yu") pursuant to which the Company agreed to grant a put option to Jia Hong (the "Jia Hong Put Option") and a put option to Xing Yu (the "Xing Yu Put Option") respectively. The Put Options relate to the respective rights of Jia Hong and Xing Yu to require the Company to acquire from it any or all of its shareholding in Asia Aluminum Group Limited ("AAG"), a non wholly-owned subsidiary of the Company, in consideration for the issue by the Company to it of new shares in the capital of the Company. Details of the Option Agreements are set out in the Previous Announcement.

At as the date of this announcement, the shareholding structure of AAG is as follows:-

| Name of Shareholders | No. of AAG Shares held |
|----------------------|------------------------|
| The Company | 1,630,070 (69.05%) |
| Indalex UK Limited | 590,453 (25.01%) |
| Jia Hong | 66,450 (2.81%) |
| Xing Yu | 73,899 (3.13%) |

TERMINATION

On 21 August 2002, the Company entered into a deed of termination (together "Deeds of Termination") with each of Jia Hong and Xing Yu pursuant to which Jia Hong and Xing Yu agreed to terminate the Jia Hong Put Option and the Xing Yu Put Option respectively with immediate effect at no consideration. Upon the execution of the Deeds of Termination, the obligations of the Company under the Option Agreements including the obligation to acquire from Jia Hong and Xing Yu their respective shares in AAG shall cease and that the Company has no further obligations and liabilities under the Option Agreements. As the Put Options cannot be exercised within three years of the date of the Option Agreements, none of the Put Options has been exercised.

REASON FOR THE TERMINATION OF THE PUT OPTIONS

The Company and its subsidiaries are principally engaged in the production and sale of aluminum extrusion products, the provision of design and testing services for aluminum products, web-sites operations and related e-business for trading of aluminum products on the Internet.

After the grant of the Put Options, the directors of the Company have received concerns from different parties including financial investors on the possible overhang impact of the Put Options on the share price of the Company and on the possible dilution on the earnings per share of the Company which would result from the issue of new shares of the Company pursuant to the exercise of the Put Options. The Company has therefore requested Jia Hong and Xing Yu to consider the cancellation of the Jia Hong Put Option and the Xing Yu Put Option respectively. Jia Hong and Xing Yu have agreed to cancel the Put Options at no consideration as they are confident in the future prospects and business of AAG. The termination has no adverse impact on the Company's operations.

By Order of the Board
Asia Aluminum Holdings Limited
Kwong Wui Chun
Chairman