



ASIA ALUMINUM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

BONUS ISSUE OF WARRANTS

The Company will make a Bonus Issue of Warrants to Qualifying Shareholders pursuant to the general mandate to issue securities granted at the annual general meeting of the Company held on 7th December, 2001. Each Qualifying Shareholder will be given one Warrant for every ten shares of HK\$0.10 each held on the Record Date. The Warrants will entitle the holders thereof to subscribe for new Shares at the initial subscription price of HK\$0.77 per new Share, subject to adjustment from the Issue Date to the Expiry Date, both dates inclusive.

A circular containing details of the Bonus Issue of Warrants will be despatched to the shareholders of the Company as soon as practicable.

Warrants

Subject to the conditions as mentioned herein, the proposed Bonus Issue of Warrants will be made on the basis of one unit of subscription right of Warrant for every 10 existing Shares held on the Record Date. Based on the 2,281,002,755 Shares in issue as at the date of this announcement and assuming no further Shares are issued or repurchased from the date hereof until the Record Date, warrants carrying subscription rights of HK\$175,637,211.75 will be issuable by the Company under the Bonus Issue of Warrants. The Warrants will be constituted by a deed poll which sets out the terms and conditions governing the issue of the Warrants.

Subscription Price

The Warrants will entitle the holders to subscribe for new Shares of the Company at an initial subscription price of HK\$0.77 per Share in cash, subject to adjustments. The initial subscription price of the Warrants represents a premium of 10% to the closing price of HK\$0.70 per Share of the Company on the Stock Exchange on 15th March, 2002 and a premium of approximately 8.57% based on the average closing price per Share of HK\$0.71 as quoted on the Stock Exchange for the past 5 trading days up to, and including 15th March, 2002.

Subscription Period

The Warrants will expire on the Expiry Date, or such earlier date as provided in the instrument constituting the Warrants. The Warrants may be exercised at any time between the Issue Date and the Expiry Date, both dates inclusive.

Fractional entitlements

All Qualifying Shareholders will be given one unit of subscription rights of the Warrants for every ten Shares held on the Record Date. Fractional entitlements will not be granted but will be aggregated and sold for the benefit of the Company.

Overseas Shareholders

The Bonus Issue of Warrants will not be registered under any securities legislation outside Hong Kong or Bermuda. As the Directors are of the view that the granting of the Warrants to Overseas Shareholders would or might, in the absence of compliance with registration or other special formalities be unlawful or impracticable, the Warrants will not be allotted and issued to Overseas Shareholders. Warrants which would otherwise have been issued to such persons will be sold in the market as soon as practicable. Any proceeds of sale, net of expenses, will be distributed in Hong Kong dollars pro rata to such persons and posted to them, at their own risk, but any entitlement of less than HK\$100 will be retained for the benefit of the Company.

Shares to be issued upon exercise of the Warrants

The Shares issued upon the exercise of the subscription rights attaching to the Warrants will rank for dividends and other distributions the record date for which is on or after the relevant subscription date and, subject as aforesaid, *pari passu* in all respects with the then issued shares of the Company.

The closing price of the Shares on 15th March, 2002 is HK\$0.70. Based on the 2,281,002,755 Shares in issue as at the date of this announcement, exercise in full of all the Warrants to be issued at the initial subscription price of HK\$0.77 will result in the issue of 228,100,275 Shares and will raise about HK\$175.64 million, before expenses.

General Mandate

The Company will make the Bonus Issue of Warrants pursuant to the general mandate to issue securities granted at the annual general meeting of the Company held on 7th December, 2001.

Conditions of the Bonus Issue

The Bonus Issue of Warrants is conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Warrants and any Shares to be issued upon exercise of the subscription rights attaching to the Warrants.

Subject to the condition being satisfied, dealings in the Warrants are expected to commence on 12th April, 2002.

CERTIFICATES FOR WARRANTS

It is expected that certificates for the Warrants will be posted on or around 10th April, 2002 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Reasons for the Bonus Issue

The Directors believe that the Bonus Issue will provide the Company's shareholders with the opportunity to participate in the growth of the Company and strengthen the Company's working capital position if the warrants are exercised.

Closure of register of members

The register of members of the Company will be closed from Thursday, 4th April, 2002 to Monday, 8th April, 2002 (both dates inclusive) in order to determine entitlements to the Bonus Issue.

To be qualify for the Bonus Issue, investors must ensure that all forms of transfers of Shares accompanied by the relevant Share certificates are lodged with Company's branch share registrars in Hong Kong, Hong Kong Registrars Limited at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong not later than 4:00 p.m. on Wednesday, 3rd April, 2002.

General

As at the date of this announcement, the Company has outstanding warrants of HK\$114,376,801.20 carrying rights to subscribe for 165,763,480 Shares at the subscription price of HK\$0.69 per Share, which subscription rights are to expire at 4:00 p.m. on Tuesday, 19th March, 2002.

A circular containing details of the Bonus Issue of Warrants will be despatched to the shareholders as soon as practicable.

DEFINITIONS

"Board"	board of directors of the Company
"Bonus Issue"	the conditional bonus issue of Warrants to shareholders of the Company as described herein
"Company"	Asia Aluminum Holdings Limited
"Expiry Date"	the date falling two years from the Issue Date
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Issue Date"	the date of issue of the Warrants, currently expected to be on 10th April, 2002
"Overseas Shareholders"	shareholders of the Company whose addresses on the Company's register of members are in places outside Hong Kong on the Record Date
"Qualifying Shareholders"	all holders of Shares whose names appears on the Company's register of members on the Record Date other than Overseas Shareholders
"Record Date"	8th April, 2002 being the date for determination of entitlements to the Bonus Issue
"Share(s)"	share(s) of HK\$0.10 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Warrants"	warrants to be issued by the Company in respect of the Bonus Issue as described in the section headed "Warrants"

By the order of the Board
Kwong Wui Chun
Chairman

15th March, 2002