

For immediate release



Asia Aluminum Holdings Limited

Proposed Management Buy-out of Asia Aluminum Led by Controlling Shareholder

HONG KONG – March 16, 2006 – AA Investments Company Limited (“the Offeror”), a company wholly owned by Mr. Kwong Wui Chun (“Mr. Kwong”), the controlling shareholder of Asia Aluminum Holdings Limited (“Asia Aluminum” or “the Company”), announced jointly with Asia Aluminum today that it had requested the board of Asia Aluminum to put forward a proposal for the privatisation of the Company to be effected by way of a scheme of arrangement.

Offer Price

The proposed offer price of HK\$1.30 per Asia Aluminum share values the entire share capital of Asia Aluminum at approximately HK\$4,219.5 million (US\$543.8 million).

The HK\$1.30 offer price represents a significant 78.7% premium to the 30-day average price of HK\$0.73 per share (the “30-day Average Pre-announcement Price”) prior to the announcement of a possible privatisation transaction on 7 February 2006 (the “Pre-announcement Date”).

The 78.7% premium represents the highest premium paid in a comparable Hong Kong privatisation transaction in the past five years (see Appendix I).

The proposed HK\$1.30 offer price also represents:

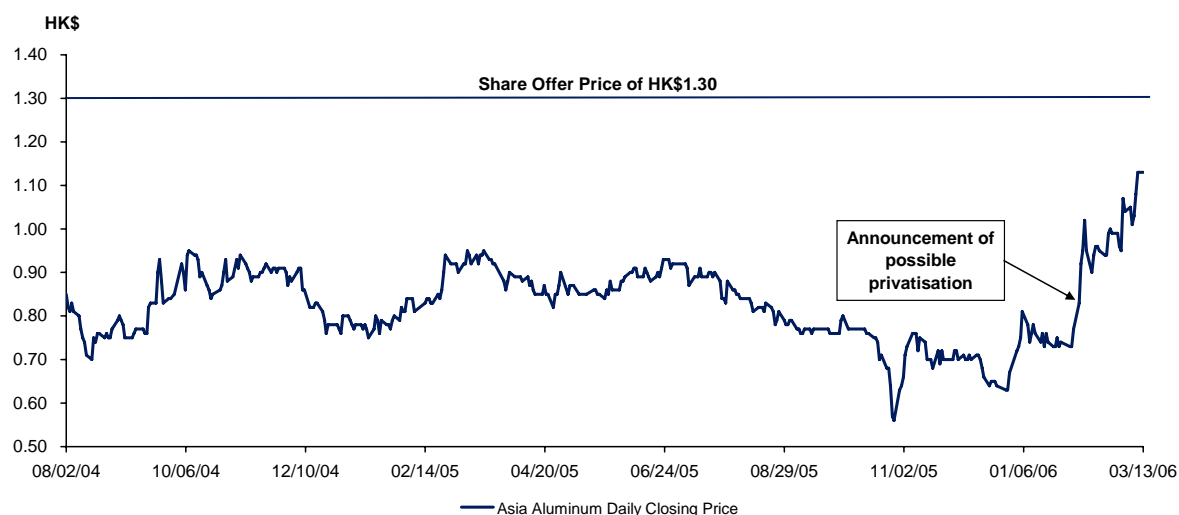
- an implied 2005 price to earnings multiple of 25.0x;
- a premium of approximately 41.7% to the 30 June 2005 net asset value of the Company; and
- a 122.2% increase over Asia Aluminum’s split-adjusted IPO price of HK\$0.59⁽¹⁾ in April 1998.

(1) Adjusted for a bonus issue on 4 May 2001 of 1,112,047,280 new Asia Aluminum shares, on the basis of one bonus share for every then outstanding Asia Aluminum share.

Reasons for the Proposed Privatisation

In the 2 year period prior to the Pre-announcement Date, the price of Asia Aluminum's shares decreased by approximately 45.0% compared to an increase of approximately 16.8% in the Hang Seng Index over the same period.

Chart I – Asia Aluminum Historical Share Price Performance



Source: Bloomberg.

Mr. Kwong believes that Asia Aluminum will take several years to perform on its current business plan and, in the absence of the privatisation offer, the poor price performance of the Company's shares will continue given that Asia Aluminum:

- will continue to face substantial operational risk due to the planned expansion of its extrusion operations and the development of a flat-rolled product facility;
- has a high level of financial leverage with a total debt to EBITDA ratio of approximately 7.9x as at 30 June 2005; and
- made a decision in FY2005 not to pay a dividend in order to maintain flexibility to support further investment in the future in light of the tight restrictions on distributions imposed by the covenants on its US\$450 million due 2011 bond issue.

In addition, Mr. Kwong believes that Asia Aluminum will continue to suffer from the general negative sentiment of the stock market towards companies with smaller equity market capitalisation arising from a relative lack of liquidity and low level of coverage from equity market research analysts.

Mr. Kwong believes that the ability of Asia Aluminum to take advantage of being a listed company to raise funds from the equity market is therefore limited and any such fund raising exercise would result in an unattractive level of dilution for all shareholders. Mr. Kwong believes that the costs associated with maintenance of Asia Aluminum's listing are therefore no longer justified.

Mr. Kwong has the full support of Asia Aluminum's executive management to privatise the Company.

Funding

In addition to the existing total debt of Asia Aluminum of approximately HK\$4,864.1 million (US\$626.9 million) as at 30 June 2005, the Offeror has raised additional debt funding of approximately HK\$3,523.7 million (US\$454.1 million) to effect the proposed privatisation and related transactions.

As at 30 June 2005, the Offeror would have had a pro forma total debt to EBITDA ratio of approximately 12.7x assuming that the proposed privatisation and related transactions had been effected in full, before taking into account the fees, expenses and other costs of effecting the proposed privatisation.

Suspension

Trading in Asia Aluminum shares was suspended on 15 March 2006 and will remain suspended pending the release of the Company's interim results for the six months ended 31 December 2005. The interim results are currently scheduled to be released on 27 March 2006.

General

The proposed privatisation would be implemented through a scheme of arrangement with the aim of delisting Asia Aluminum from the Stock Exchange of Hong Kong.

The proposed privatisation is subject to a number of customary conditions as set out in the detailed joint announcement released today by the Offeror and Asia Aluminum. A scheme document will be sent to Asia Aluminum shareholders in due course.

The Offeror is being advised by Merrill Lynch. An independent financial adviser will be appointed to advise the independent board committee in relation to the privatisation. An announcement will be made by the Company once the appointment is made.

Mr. Kwong Wui Chun, Chairman and controlling shareholder of Asia Aluminum said:

"Asia Aluminum's stock market performance has been disappointing. I believe that the considerable operational and financial risks that the Company faces would be better addressed as a private company. I am pleased that Asia Aluminum's executive management shares my view."

Dr. Chan Yiu Tsuan, Benby, Deputy Chairman and CEO of Asia Aluminum added:

"I believe the proposed HK\$1.30 cash offer represents an excellent opportunity for Asia Aluminum shareholders to realise a very significant premium on their current investment, and I am convinced that our shareholders will see the benefits of the proposed privatisation."

Information about Asia Aluminum:

Asia Aluminum designs, manufactures and sells customised aluminium extrusion products and processes and sells aluminium panels. To complement its principal extrusion business, the Asia Aluminum group also produces a small volume of stainless steel products and provides design and testing services for aluminium products. Asia Aluminum is headquartered in Hong Kong with manufacturing operations located in the PRC.

Appendix I

**Table I - Successful Hong Kong Main Board Privatisation Transactions
Last Five Years**

Date of Announcement	Target	Acquirer	Offer Price (HK\$)	Premium to Pre-Announcement Closing Share Price ⁽¹⁾
11-Apr-01	Dao Heng Bank Group Limited	DBS Diamond Holdings Ltd.	60.01	57.5%
8-Aug-01	Evergo China Holdings Limited	Chinese Estates Holdings Limited	0.18	65.4%
5-Feb-02	IMC Holdings Limited	IMC Pan Asia Alliance Corporation	1.60	24.2%
10-Sep-02	Ryoden Development Limited	Designcase Limited	0.80	74.0%
13-Dec-02	Realty Development Corporation Limited	New Asia Realty & Trust Company, Limited	3.20	45.1%
3-May-03	Top Glory International Holdings Limited	COFCO (Hong Kong) Limited	0.74	73.7%
26-May-03	Pacific Concord Holding Limited	Investor consortium	0.65	60.8%
1-Jun-04	Harbin Brewery Group Limited	Anheuser-Busch Hong Kong Investment	5.58	56.3%
12-Oct-04	Elec & Eltek International Holdings Limited	Kingboard Chemical Holdings Limited	1.90	27.6%
4-Nov-04	The Kwong Sang Hong International Limited	Power Jade Limited	1.25	40.0%
30-Dec-04	Sinopec Beijing Yanhua Petrochemical Company Limited	China Petroleum & Chemical Corporation	3.80	23.9%
29-Apr-05	Hutchison Global Communication Holdings Limited	Hutchison Telecommunications International Limited	0.65	43.8%
19-May-05	Henderson China	Henderson Land Development Company Limited	8.00	64.3%
28-Oct-05	Jilin Chemical Industrial Company Limited	Petrochina Company Limited	2.80	17.3%
2-Nov-05	New World TMT Limited	New World Development Company Limited	0.75	70.1%
Minimum				17.3%
Average				49.6%
Maximum				74.0%
16-Mar-06	Asia Aluminum Holdings Limited⁽²⁾	AA Investments Company Limited	1.30	78.7%

Sources: Offering circulars, SDC, Dealogic and Bloomberg; for reasons of comparability, transactions with a deal value below HK\$200 million have been excluded.

(1) Based on the highest cash offer alternative, if applicable, and average closing price of the target shares as quoted on the Hong Kong Stock Exchange over the 30 trading days prior to the date of announcement of the transaction (or pre-announcement, if applicable).

(2) Based on the 30-day Average Pre-announcement Price of HK\$0.73 per Asia Aluminum share.

Issued by: Asia Aluminum Holdings Limited

Through: t6.communications limited
Jenny Lee or Angus Ho
tel: (852)2511 8388 / fax: (852)2511 8238
mail: enquiry@t6pr.com / url: www.t6pr.com