

## LIANG HUAT ALUMINIUM LIMITED (THE "COMPANY")

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### INFORMATION PURSUANT TO RULE 1013 OF THE SGX LISTING MANUAL IN RELATION TO THE PROPOSED SALE OF 51, BENOI ROAD, LIANG HUAT INDUSTRIAL COMPLEX (THE "PROPERTY")

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*Capitalised terms not defined herein shall have the same meanings ascribed to them in the Company's previous announcement dated 28 October 2005.*

The Board of Directors of the Company (the "Board") refers to the announcement made on 28 October 2005 pertaining to the proposed sale of 51, Benoi Road, Liang Huat Industrial Complex (the "Property") to M/s Khai Wah Development Pte Ltd (the "Purchaser").

In consideration that the proposed sale constitutes a major transaction pursuant to Rule 1013 of the SGX Listing Manual (the "Listing Manual"), the Board wishes to provide the following information pursuant to Rule 1010 of the Listing Manual in connection to the same :-

**(1) Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;**

The Property, currently housing the Corporate Headquarters and Singapore operations of the Company, as well as tenanted to third parties, is situated on Lot 2461 Mukim 7 at Jalan Ahmad Ibrahim / Benoi Road, and comprises a land area of 32,958m<sup>2</sup>. Upon completion of the proposed sale of the Property, the Company will enter into a Subletting Agreement to partially lease back from the Purchaser parts of the Property for long term use to meet the operational requirements of the Company.

**(2) A description of the trade carried on, if any;**

Not applicable.

**(3) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;**

The aggregate value of consideration (the "Sale Price") of S\$14,500,000, is arrived at arm's length on a willing-buyer, willing-seller basis. A 10 percent deposit has been paid to the Company's solicitors as stakeholders upon signing of the Option Agreement and the balance Sale Price will be paid upon completion of the proposed sale.

**(4) Whether there are any material conditions attaching to the transaction including a put, call or other option and details hereof;**

Not applicable.

**(5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation;**

As at 30 June 2005, the book value of the Property of S\$14,000,000 was based on the estimated realisable value derived from indicative market offer(s) received by the Company.

- (6) ***In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition;***

Based on the Sale Price of S\$14,500,000 and the current book value of S\$14,000,000 of the Property, the proposed sale is expected to result in an excess over the book value of S\$500,000 (before costs).

The sales proceeds are expected to go towards repayment of the Company's outstanding bank borrowings from the Debenture Holders (mainly two of the Company's principal bankers), who hold a legal mortgage over the Property.

- (7) ***The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal;***

The net profits (if any) attributable to the proposed disposal of the Property are not expected to be material.

- (8) ***The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year;***

The book value of the Property as at 31 December 2004 was S\$27,100,000. Had the transaction been effected at the end of that financial year, an additional loss of S\$12,600,000 for the year would have been incurred.

Accordingly, the net tangible assets per share of the Company for the year ended 31 December 2004 ("FY2004") would have been negative S\$0.0995 instead of negative S\$0.0881.

- (9) ***The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming the transaction had been effected at the beginning of that financial year;***

The Company incurred a net loss of S\$99,737,000 for FY2004, representing a diluted loss per share of S\$0.09. Had the transaction been effected at the beginning of that financial year, an additional loss of S\$12,600,000 for the year would have been incurred, bringing the net losses to S\$112,337,000.

Accordingly, the loss per share of the Company for FY2004 would have been \$0.10 instead of S\$0.09.

- (10) ***The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;***

The proposed sale is in line with the ongoing financial restructuring exercise involving the implementation of a scheme of arrangement pursuant to Section 210(10) of the Companies Act that was first announced on 24 September 2004.

The transaction, upon completion, is expected to aid in the reduction of outstanding bank borrowings of the Company.

- (11) Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests; and**

None of the Directors and Controlling Shareholders of the Company has any direct or indirect interest in the transaction.

- (12) Details of any service contracts of the directors proposed to be appointed to the issuer in connection to the transaction.**

Not applicable.

- (13) The relative figures that were computed on the bases set out in Rule 1006.**

Pursuant to, inter alia, Rules 1006(b) and 1006(c) of the Listing Manual respectively, the relative figures that were computed are as follow:-

Rule 1006(b):-

<b>The net profit attributable to the assets acquired or disposed of</b>	Approximately S\$500,000 (before costs)
<b>Compared with</b>	
<b>The group's net profit / (loss) (FY2004)</b>	(S\$99,737,000)

Rule 1006(c):-

<b>The aggregate value of the consideration given or received</b>	S\$14,500,000
<b>Compared with</b>	
<b>The issuer's market capitalisation (based on last traded price of S\$0.015 as at 28 October 2005)</b>	S\$16,659,450

Pursuant to the SGX-ST Listing manual, the disposal of the Property is considered a major transaction and requires approval by the shareholders of the Company. Circular containing information relating to the disposal of the Property will be sent to all the shareholders of the Company in due course.

The Option Agreement may be inspected by the shareholders during normal business hours at the Company's registered address for two (2) months from the date of this announcement.