



CIRCULAR TO SHAREHOLDERS

A RENOUNCEABLE RIGHTS ISSUE

of

600,000,000 ordinary shares of no par value at GH¢0.05 (5 pesewas) per share in a ratio of 6.5181 new shares for every 1 share held by a Qualifying Shareholder

FINANCIAL ADVISORS AND SPONSORING BROKERS

SAS

STRATEGICAFRICAN SECURITIES LIMITED

December, 2012

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Offering Circular (the "Circular") has been sent to all Aluworks (ALW) Limited shareholders on the register of members as at **February 14, 2013**.

If you have sold or otherwise transferred all your shares in ALW Limited, please send this Circular as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

No person is authorised to give any information or to make any representation not contained in this Circular and any information not contained in this Circular must not be relied upon as having been authorised by ALW Limited, Strategic African Securities Ltd, or any of ALW Limited's advisors. Neither the delivery of this Circular, nor any sale made hereunder, will under any circumstances, create any impression that there has been no change in the affairs of the Company since the date hereof or that the information contained in this document is correct as at any time subsequent to its date. Any material change, relevant to the Offer, in the affairs of the Company during the Offer period will be communicated to the Securities & Exchange Commission (SEC) and the investing public.

An application has been made to the Ghana Stock Exchange (the "GSE"), for the listing of all the additional shares to be issued under this Offer on the First Official List of the GSE. The GSE has given approval for the listing of the said shares. The GSE assumes no responsibility for the correctness of any of the statements made, opinions expressed and reports presented in this Circular.

This Circular has been reviewed and approved by the SEC in accordance with Section 9(b) of the Securities Industry Act, 1993 (P.N.D.C. Law 333) as amended, and Regulation 51(1) and Schedule 5 of the Securities and Exchange Commission Regulations 2003 (L.I.1728). In its review, the SEC examined the contents of the Circular to ensure that adequate disclosures have been made.

The distribution of this Circular and the offering of the shares in certain jurisdictions may be restricted by law. The Company requires persons into whose possession this Circular comes to inform themselves about, and observe, any such restrictions. This Circular does not constitute an Offer and may not be used for the purpose of an Offer or solicitation by anyone in any jurisdiction or in any circumstances in which such an Offer or solicitation is not authorised or is unlawful.

BEFORE DECIDING WHETHER TO APPLY FOR SHARES, YOU SHOULD CONSIDER WHETHER SHARES ARE A SUITABLE INVESTMENT FOR YOU. THEIR VALUES CAN EITHER GO DOWN OR UP. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF ITS FUTURE PERFORMANCE. IF YOU NEED ADVICE, YOU SHOULD CONSULT A SUITABLE PROFESSIONAL ADVISOR.

To ascertain the financial soundness or value of this Offer, ALW Limited shareholders are advised to consult a dealer, investment advisor or other professionals for appropriate advice.

This Circular document has been seen and approved by the Directors of Aluworks Limited. We, the Directors, collectively and individually accept full responsibility for the accuracy of the information given and affirm that after making all reasonable inquiries and to the best of our knowledge and belief there are no facts the omission of which would make any statement in the Circular misleading.

ALUWORKS LIMITED

(Incorporated in Ghana as a limited liability company under the Companies Code, 1963 (Act 179) with Registered No. C-12455)

CIRCULAR TO SHAREHOLDERS

REGARDING

**A RENOUNCEABLE RIGHTS ISSUE OF 600,000,000 ORDINARY SHARES OF
NO PAR VALUE AT GH¢0.05 (5 PESEWAS) PER SHARE**

Sponsored by

STRATEGIC AFRICAN SECURITIES LIMITED

Strategic African Securities Limited (SAS) are acting as financial advisors, manager and sponsoring brokers to Aluworks for this renounceable rights issue. SAS has relied on information provided by the Company and its advisors and accordingly, SAS does not provide any assurance of the accuracy of the information contained in this circular. SAS does however confirm that to the best of its knowledge, this Circular constitutes a full and fair disclosure of all material facts about the Company and the Offer.

Alloh & Partners have acted as legal advisors to Aluworks on this renounceable rights issue. Alloh & Partners have relied on information provided by the Company. Accordingly, Alloh & Partners do not provide any assurance of the accuracy of the information contained in this Circular. Alloh & Partners confirms that to the best of its knowledge and belief, this Circular constitutes a full and fair disclosure of all material facts about the Company and the Offer.

Dated: December, 2012

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KEY MILESTONES AND TIME TABLE

Activity	Date	Time
Ex-Rights Date	Tue, Feb 12, 2013	1.00pm
Qualifying Date	Thu, Feb 14, 2013	5.00pm
Books Closure Date	Fri, Feb 15, 2013	8.00am
Commencement of Offer	Mon, Feb 25, 2013	10.00am
Commencement of Trading in the Rights	Mon, Feb 25, 2013	10.00am
Closure of Trading in the Rights	Thu, Mar 14, 2013	1.00 pm
End of Offer	Fri, Mar 22, 2013	5.00pm
Allotment Begins	Thu, Mar 28, 2013	8.00am
Allotment Ends	Tue, Apr 02, 2013	5.00pm
Results of the Offer Submitted to SEC & GSE	Fri, Apr 05, 2013	5.00pm
Crediting of Depository Accounts / Issue of letters of Allotment	Tue, Apr 09, 2013	5.00pm
Listing and Commencement of Trading in the New Shares	Mon, Apr 15, 2013	9.30am

All dates provided are subject to change by the Managers of the Offer in consultation with the Directors of ALW Limited (subject to obtaining the necessary regulatory approvals). Any amendment will be published in a national daily newspaper not later than 72 hours after receipt of regulatory approvals.

CORPORATE INFORMATION ON ALW LTD

Directors	Kwadwo Kwarteng – Chairman Ernest Kwasi Okoh – Managing Director Togbe Afede XIV Anthony Fofie Victor Djangmah Miriam Okwabi (Mrs)
Registered Office	Plot No. 63/1, Heavy Industrial Area P.O. Box 914 Tema – Ghana
Auditors	KPMG Chartered Accountants 13 Yiyiwa Drive P.O. Box 242 Accra – Ghana
Company Secretary	Accra Nominees Limited 13 Samora Machel Road Asylum Down P. O. Box GP 242 Accra – Ghana
Registrars	Merchant Bank (Ghana) Ltd 57 Examination Loop, North Ridge PO Box 401 Accra, Ghana Tel: +233 (0)21 235817
Bankers	Barclays Bank Ghana Limited Ecobank Ghana Limited SG – SSB Limited

ADVISORS TO THE ISSUE

Financial Advisors & Sponsoring Brokers

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Victor Bedu; victor@nexiadebrah.com

Receiving Agents

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14th Floor WTCA, Independence Avenue
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Fax: +233 302 663999
Email: info@sasghana.com
Website: www.sasghana.com

DEFINITIONS

The following definitions apply in this document, unless the context requires otherwise:

“Advisors”	Strategic African Securities Ltd., Alloh & Partners
“ALW” or “the Company”	Aluworks Limited
“ALW Board”, “ALW Directors” or “Directors”	The Directors of ALW
“ALW shares”	Ordinary Shares of ALW
“Board”	The Board of Directors of ALW Ltd.
“BOG”	Bank of Ghana
“Companies Code”	The Ghana Companies Code 1963 (Act 179) as amended
“Circular” or “Document”	This Offering Circular dated December, 2012
“Ghana”	The Republic of Ghana
“GSE” or “ the Exchange”	Ghana Stock Exchange
“The Manager”	Refers to Strategic African Securities Ltd., who are sponsoring and managing the Offer.
“New shares”	The 600,000,000 new ordinary shares of ALW to be issued pursuant to the Rights Issue, in accordance with the terms of the Offer.
“the Offer” or “the Rights Issue”	The Offer of 600,000,000 new ordinary shares of ALW at a price of GH¢0.05 (5 pesewas) in this renounceable Offer to the existing shareholders in a ratio of 6.5181 new shares for every one 1 share held as at the qualifying date.

“Qualifying Date”	The date, February 14, 2013, on which persons whose names appear on the register of ALW members, qualify for this Offer.
“Qualifying ALW Shareholder”/ “Qualifying Applicant”	Any natural person who is 18 years or over, or a corporation, partnership or other unincorporated associations who is resident/incorporated in Ghana or in some other state or country, provided that he/she/it is an ALW shareholder on the register of shareholders as at the qualifying date, and who has no legal restrictions to partaking in this Offer.
“Receiving Agent”	Strategic African Securities (SAS) will be receiving applications and payments from qualifying applicants under this Offer. Full contact details of the receiving agent can be found on page 46 of this Document.
“Renouncee”	A person in favour of whom a qualifying shareholder has renounced his/her rights
“Renouncer”	A qualifying ALW shareholder who renounces some or all of his/her rights in favour of another person(s)
“Rights”	The legal and financial right of qualifying ALW shareholders to partake in this Offer, which right could be traded to other persons for value, in which case the right is traded on the GSE or which right could be renounced in favour of another person(s)
“SAS”	Strategic African Securities Ltd, who is acting as financial advisors and sponsor for the ALW rights issue
“SEC”	Securities & Exchange Commission

LEGAL ADVISORS COMPLIANCE CERTIFICATE

ALLOH & PARTNERS

(BARRISTERS & SOLICITORS)

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P.O.BOX NT478
Newtown Accra

email: info@allohpartners.com
Tel: (0302)-928953

September 28th 2012

The Director-General
Securities and Exchange Commission
No. 30 3rd Circular Road
Near the new USA Embassy
Cantonment, Accra.

Dear Sirs,

ALUWORKS LIMITED

RE: RENOUNCEABLE RIGHTS ISSUE

1. Introduction

1.1 Basis of Instruction

We have acted as legal advisors to Aluworks Limited (“ALW” or “the Company”) in connection with ALW’s Renounceable Rights Issue (“Rights Issue/Transaction”).

1.2 Documents Reviewed

This opinion is provided on the authority and basis of the documents made available to us and responses to enquiries provided by ALW.

The opinion expressed herein is specifically based on our review and examination of the following documentation:

- Articles of Association of ALW
- Certificate of Incorporation of ALW
- Certificate to Commence Business
- Regulations of ALW
- Board Resolution authorising recapitalisation

- Financial Statements for the period 2008 and 2011
- List of Directors
- List of Shareholders
- Documents covering immovable properties
- Agreements involving ALW.

We have also examined other documents aside from those mentioned above which we have deemed relevant for the purpose and conducted such searches as are necessary under the laws of Ghana to enable us give this opinion.

1.3 Scope and Purpose of the Opinion

This opinion is limited to matters of the laws of the Republic of Ghana as in force and applied at the date of this opinion. We have not investigated the laws of any country other than those of Ghana and we express no opinion on the laws of any other jurisdiction. This opinion is given on the basis of the assumptions set out in clause 4 below.

2. Opinion

We are of the opinion that:

2.1 Incorporation

ALW is a Public Limited Liability company duly incorporated by registration under the Companies Act 1963, Act 179.

2.2 Authorisation to operate as a Manufacturing company

ALW is registered with the Aluminium Industries Commission and has a licence to operate issued under the repealed Manufacturing Industries Act of 1971.

2.3 Corporate Authorisations

ALW has obtained a resolution of its Board of Directors authorising the Transaction.

2.4 Prospectus to Shareholders

The Prospectus in connection with the Transaction substantially complies with the requirements of the Fifth Schedule of the Securities and Exchange Regulations, 2003 (LI 1728), the Listing Rules of the Ghana Stock Exchange and the seventh schedule of the Code.

2.5 Regulations

- i. The Regulations of ALW comply with all legal requirements relating to the content of the Regulations of a Public Limited Liability Company.
- ii. The Regulations comply with the requirements of Part V of the Stock Exchange Listing Rules for applicants seeking to list on the GSE.
- iii. The proposed Transaction does not contravene any provision of ALW's Regulations.

2.6 *Material Contracts*

All contracts and agreements necessary for ALW's business operations are in proper legal form necessary for the particular matters to which they are related and are enforceable under the laws of Ghana.

2.7 *Investigation by Regulatory Authorities*

ALW is not the subject matter of any investigation by any Regulatory body.

3. THE RIGHTS ISSUE

- i. To the best of our knowledge and based upon responses to our enquiries, ALW is not under any contractual obligations or undertakings that prevent ALW from carrying on the transaction.
- ii. The Transaction complies with the Securities and Exchange Commission Regulations (L.I.728).
- iii. ALW has obtained all regulatory and statutory approvals and consents necessary for the Transaction.

4. ASSUMPTIONS

Our opinion as expressly stated herein is given on the basis of our reliance on the information and documentation obtained and received from ALW. This opinion is limited to matters of the laws of the Republic of Ghana as in force and applied at the date of this opinion. We have not investigated the laws of any country other than those of Ghana and we express no opinion on the laws of any other jurisdiction.

This opinion is tendered on the assumption that:

- i. Responses to questions and queries by us were accurate;
- ii. All documents supplied to us by ALW are complete, authentic, accurate and current;
- iii. All copy documents supplied or shown to us are complete and conform to the original;
- iv. All executed documents seen by us are duly executed by duly authorised persons and
- v. The Resolution authorising the Transaction was duly and properly passed at a meeting of ALW's Board of Directors.

Yours truly,



Robert Alloh
Managing Partner
ALLOH & PARTNERS

PART 1 – THE RIGHTS ISSUE

1.1 Legal Basis for the Rights Issue

The Shareholders of ALW Limited, at its 25th Annual General Meeting held on Thursday, July 5, 2012 passed the following Special Resolutions:-

That the Company as part of its process to support its operations by acquiring a second cold mill and increasing working capital through Debt and Rights Issue respectively, i.e.

- i) That the Company accept a borrowing of US\$10 million from Social Security & National Insurance Trust (SSNIT) to enable the company acquire a rolling mill under the Terms of a 6 year 14.25% Convertible Bond.
- ii) The Company increase the issued stated share capital through a rights issue by the offer of such number of ordinary shares as may be required to raise up to US\$15 million, to the Company's members on its register of members as at the close of day on a date to be determined by the Directors of the company. The Directors were authorised, subject to the prior approval of the Ghana Stock Exchange, to issue renounceable letters of allotment and to deal with the issue generally.
- iii) The company increase its authorised number of shares of the company from 300,000,000 ordinary shares of no par value to 1,000,000,000 ordinary shares of no par value and amend regulation 7 of the company's regulations in accordance therewith.

1.2 Reasons for the Rights Issue

The Board of ALW believes that the economy of Ghana is fast transforming and growth and development are eminent. Therefore to ensure that the company takes advantage of the associated opportunities that come with it, the company has decided to increase its scale of production.

ALW's current business is principally the production of cold rolled sheets for conversion into finished products by downstream players, many of whom have been set up with technical support from ALW. To bolster the current configuration, it has become necessary to firstly complete the installation of a new cold mill to complement the current level of productivity.

As a result of these developments, the company is seeking to raise \$15 million externally through rights issue. The company has succeeded in raising \$10 million through debt in May, 2012.

1.3 Use of Funds

ALW is seeking to raise a total of GH¢30 million through the sale of 600,000,000 ordinary shares at a price of GH¢0.05 per share. When the company raises all or part of the targeted amount the funds will be used as follows:

Description	Amount (GH¢)	Estimated Timing
Retirement of existing debt	15,000,000.00	May-13
Contruction of a new warehouse	4,000,000.00	Jun-Dec 2013
Working Capital	5,000,000.00	Jun-13
Refurbishment of existing Cold Mill	6,000,000.00	Jun-Dec 2014
Total	30,000,000.00	

1.4 Key Terms and Conditions / Details of Offer

a) Number of Shares

The Offer comprises a Renounceable Rights Issue of 600,000,000 new ordinary shares at GH¢0.05 (5 pesewas) per share to qualifying shareholders in a ratio of 6.5181 new shares for every one (1) ordinary share held. The shares to be issued under this Offer will rank paripassu with the ordinary shares of ALW already in issue and listed on the GSE.

b) Pricing of the Shares

The Offer is priced at **GH¢0.05 (5 pesewas)** per share, representing the market price as at November 30, 2012, the last practicable date before the printing of this document. If all the shares on offer are fully subscribed for, ALW would raise a total of GH¢30,000,000. The table below shows the last twelve weeks' trading volumes and pricing of ALW shares, the average of which represents the last practical price before the printing of this circular.

Last Twelve Weeks' Trading Volumes and Pricing

DATE	PRICE (GH¢)	Volume Traded (No. of Shares)
17-Sep-12	0.05	200
18-Sep-12	0.05	-
19-Sep-12	0.05	1,700
20-Sep-12	0.05	247
24-Sep-12	0.05	-
25-Sep-12	0.05	97
26-Sep-12	0.05	-
27-Sep-12	0.05	500
28-Sep-12	0.05	300
1-Oct-12	0.05	-
2-Oct-12	0.05	-
3-Oct-12	0.05	-
4-Oct-12	0.05	397,363
5-Oct-12	0.05	-
8-Oct-12	0.05	-
9-Oct-12	0.04	442,098
10-Oct-12	0.05	542,800
11-Oct-12	0.05	3,419
12-Oct-12	0.05	-
15-Oct-12	0.05	-
16-Oct-12	0.05	-
17-Oct-12	0.05	200
18-Oct-12	0.05	-
19-Oct-12	0.05	-
22-Oct-12	0.05	-
23-Oct-12	0.05	-
24-Oct-12	0.05	700
25-Oct-12	0.05	8,000
29-Oct-12	0.05	-
30-Oct-12	0.05	2,000
31-Oct-12	0.05	-
1-Nov-12	0.05	2,900
2-Nov-12	0.05	100
5-Nov-12	0.05	300
6-Nov-12	0.05	-
7-Nov-12	0.05	-
8-Nov-12	0.05	-
9-Nov-12	0.05	-
12-Nov-12	0.05	-
13-Nov-12	0.05	-
14-Nov-12	0.05	-
15-Nov-12	0.05	-
16-Nov-12	0.05	-
19-Nov-12	0.05	400
20-Nov-12	0.05	15,900
21-Nov-12	0.05	-
22-Nov-12	0.05	-
23-Nov-12	0.05	-
26-Nov-12	0.05	-
27-Nov-12	0.05	-
28-Nov-12	0.05	-
29-Nov-12	0.05	-
30-Nov-12	0.05	-

c) Fractional Shares

The ratio in which the right to ordinary shares is allocated to qualifying shareholders may result in fractional entitlements. Fractional entitlements of 0.5 share and above will be rounded up to one new shares, whilst those below 0.5 share will not be allotted to qualifying shareholders but will be consolidated and allotted by the directors in accordance with allotment strategy stated in this document.

d) Minimum proceeds from the Offer

The minimum amount to be realized from the Offer in order to consider it successful has been set at GH¢6,000,000 or 20% of the amount on Offer. In a situation where the company is able to raise the minimum amount but unable to raise the entire GH¢30,000,000 the offer proceeds will be used to partly finance the projects in order of priority to be determined by the directors.

e) Oversubscription

In case ALW receive applications for shares whose value is in excess of GH¢30,000,000 ALW may issue up to a maximum amount of 60,000,000 additional ordinary shares valued at GH¢3,000,000 bringing the maximum amount to be raised under the offer to GH¢33,000,000 and the total number of shares issued under the offer to 660,000,000 ordinary shares. The additional amount raised in the event of oversubscription will be applied towards increasing working capital of ALW.

f) Dealings

The GSE has granted permission to list up to 600,000,000 new ordinary ALW shares to be issued under the Rights Issue on the First Official List of the GSE, alongside the existing 92,051,863 ordinary shares listed. It is expected that trading in the additional shares will commence alongside the existing shares on the GSE on April 15, 2013.

g) Qualifying Date & Distribution of the Offer Circular

The shares on offer under this Rights Issue will be offered to the shareholders of ALW whose names appear in the Register of Members at the close of business on, February 14, 2013.

The Registrar of ALW has sent a copy of this Circular containing the allotment details and the Application Form through the post to shareholders on record on the qualifying date. Shareholders who do not receive copies of the Circular by the Offer launch date may contact the offices of the Registrar, Sponsoring Broker or Receiving Agents for a copy of the Circular (subject to availability of extra copies of the Circular).

h) Trading in the Rights

The rights to this Offer (*rights*) may only be traded on the GSE from February 25, 2013 to March 14, 2013. Shareholders who desire to sell all or some (partial renunciation) of their *rights* on the GSE should contact their Brokers or the Sponsoring Broker at the address below:

Strategic African Securities Ltd
14th Floor World Trade Centre Accra
Independence Avenue
PO Box KA 16446
Accra, Ghana
Tel: +233 302 661772, 661900
Fax: +233 302 663999
E-mail: info@sasghana.com
Website: www.sasghana.com

1.5 Application

All applications for shares under this Offer must be in whole numbers and no purported application for fractions of a share will be accepted. In completing the application form, the applicant should note the following:

a) Shareholders and Renouncees

Shareholders wishing to take-up some or all of their rights must complete the appropriate sections of the accompanying Application Form in order to exercise their rights. Shareholders are allowed to apply for shares in excess of their rights (extra shares). This can be done under Section A of the Application Form.

Shareholders are allowed to renounce in part or in full their rights in favour of a third party at their own option by completing Sections A and B of the Application Form. Renouncees should complete Section C of the Application Form and submit it, together with Sections A and B completed by the Renouncer, to the receiving agents.

Should a shareholder desire to renounce his rights in favour of more than one person, he or she should list the names of the persons, stating the number of shares renounced in favour of each renouncee in Section B of the Application Form. Each renouncee must then complete a copy of Section C of the Application Form and submit same, together with payment for the shares applied for, to a receiving agent.

b) Non-shareholders

Non-shareholders cannot apply for ALW shares under this Offer unless they have been named as renouncees. The Directors of ALW will allot any shares not taken up by existing shareholders under this Offer as they deem fit, and the Directors may allot such shares to qualified applicants / named renouncees.

1.6 Escrow Account

All application monies collected will be deposited into the Escrow Account with the following particulars:

Bank Name - **Barclays Bank (Ghana) Limited**

Account Name - **"ALW Rights Issue"**

Escrow Account Number - **0482623654**

A copy of the Escrow Account Agreement has been lodged with the Securities & Exchange Commission.

1.7 Allotment

The allotment of shares to applicants will be:

- a. first to satisfy all duly completed applications from qualifying shareholders and their renouncees as pertains to qualifying shareholders' rights in the Offer, then to
- b. satisfy all duly completed applications from qualifying shareholders and renouncees for extra shares, pro-rating where necessary.

To the extent that applications for extra shares received are more than the available number of shares under the offer, the Directors of the company in consultation with its Advisors, and subject to clearance from the relevant regulatory authorities, shall determine an appropriate allotment strategy. ALW and its advisors will communicate the final results and make the necessary refunds.

1.8 Refund

If any application is not accepted or is accepted for a smaller number of shares than applied for, the balance of the amount paid on application will be returned to receiving agents not later than April 05, 2013 for onward distribution to applicants. ALW will announce such refunds through a national daily newspaper with wide circulation within 72 hours of the making of such refunds.

If ALW does not make refunds of extra application monies to the Receiving Agents by the Refund Commencement Date, then ALW will pay to investors, interest on the unpaid amounts after the Refund Commencement Date at the prevailing Bank of Ghana prime rate for each day of default until the refund is made to Receiving Agent.

1.9 Payment

For applicants resident in Ghana, payment may be made by cash, cheque, postal order or money order, which should be presented at the office of SAS, the receiving agent's office where the Application Form is to be lodged. All such cheques, postal orders or money orders should be crossed ALW Rights Issue and endorsed Commission to Drawer's Account. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications in respect of which cheques are returned unpaid for any reason whatsoever or for which funds do not clear for the full amount payable on the application by 5 pm on March 22, 2013 may be treated as invalid.

Qualifying applicants not resident in Ghana may purchase shares under this Offer in local currency and for this purpose, ALW allows payment for shares in Ghana cedis (GH¢) only. Funds should be remitted for the benefit of ALW Rights Issue by bank transfer to SAS. Foreign currency will be converted to Ghana cedis by the receiving bank at the day's prevailing market rate.

Any application from a person not resident in Ghana, which is not received in a form which will realise cleared funds for the full amount payable on the application by 5pm on March 25, 2013, may be treated as invalid. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.

1.10 Lodgement of Duly Completed Application Forms

All qualifying applicants must deliver or lodge their duly completed Application Forms at the offices of SAS or receiving agents by 5 pm on March 22, 2013. Applicants who choose to mail their Application Forms to SAS are advised to use registered mail services. However, all documents mailed to a receiving agent by applicants will be at the applicants' own risk, and ALW may treat applications not received by 5 pm on March 22, 2013 as invalid.

Applicants are to note that Application Forms must be lodged at the same receiving agent office where payment is made for the shares applied for except in the case of applications by non-residents who transfer funds to the designated Barclays Bank account. Such applicants should send their application forms and evidence of transfer of funds to SAS. SAS will acknowledge receipt of application forms and funds from applicants.

1.11 Cost of the Offering

The total cost of the offering is not anticipated to exceed 4.27% of the amount to be raised. ALW will pay all fees out of the proceeds of the issue. Below are summarised details of the cost of the offering:

Item	Amount	%
SEC	15,000.00	0.05%
GSE	165,000.00	0.55%
Registrars	5,800.00	0.02%
Registrar General (Stamp duty)	15,000.00	0.05%
Receiving Agents' Commission	45,000.00	0.15%
Direct Publicity, Printing & Administration	90,000.00	0.30%
Consultant's Fee	45,000.00	0.15%
Success Fee	900,000.00	3.00%
Total Estimated Cost	1,280,800.00	4.27%

1.12 Offer Statistics and Timetable

a. Details of the Offer

Key details of the Offer are:

Authorised Shares	1,000,000,000
Issued Shares	92,051,863
Authorised and Un-issued Shares	907,948,137
Ordinary Shares on Offer under Rights Issue	600,000,000
Offer Price per Share (GH¢)	0.05
Expected Shares Outstanding after Offer	692,051,863
Expected Proceeds from the Offer (GH¢)	30,000,000

b. Offer Timetable

Activity	Date	Time
Ex-Rights Date	Tue, Feb 12, 2013	1.00pm
Qualifying Date	Thu, Feb 14, 2013	5.00pm
Books Closure Date	Fri, Feb 15, 2013	8.00am
Commencement of Offer	Mon, Feb 25, 2013	10.00am
Commencement of Trading in the Rights	Mon, Feb 25, 2013	10.00am
Closure of Trading in the Rights	Thu, Mar 14, 2013	1.00 pm
End of Offer	Fri, Mar 22, 2013	5.00pm
Allotment Begins	Thu, Mar 28, 2013	8.00am
Allotment Ends	Tue, Apr 02, 2013	5.00pm
Results of the Offer Submitted to SEC & GSE	Fri, Apr 05, 2013	5.00pm
Crediting of Depository Accounts / Issue of letters of Allotment	Tue, Apr 09, 2013	5.00pm
Listing and Commencement of Trading in the New Shares	Mon, Apr 15, 2013	9.30am

All dates provided are subject to change by the Managers of the Offer in consultation with the Directors of ALW (subject to obtaining the necessary regulatory approvals). Any amendment will be published in a national daily newspaper not later than 72 hours after receipt of regulatory approvals.

PART 2 - THE ALUMINIUM INDUSTRY IN GHANA

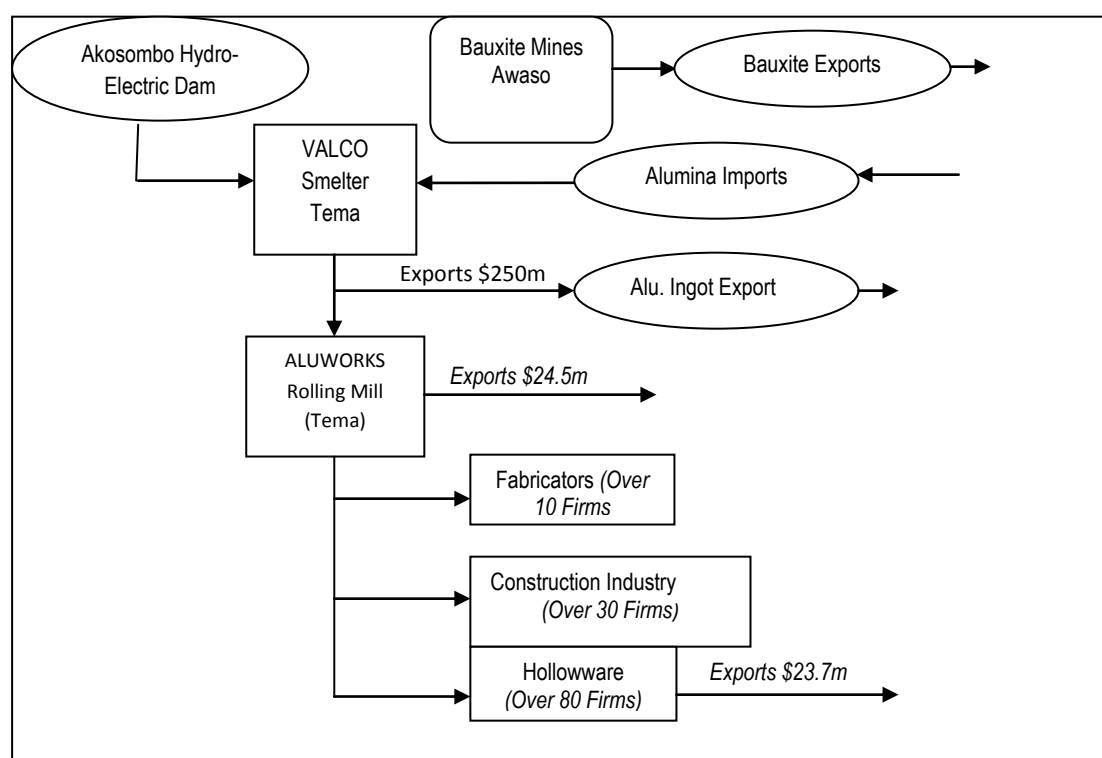
2.1 Industry Background

Aluminium has one of the most complex processing chains of all metals, with four major production steps leading from the raw material bauxite to raw aluminium sheets and profiles. The major steps in aluminium processing are:

- Bauxite mining
- Refining of bauxite into alumina
- Smelting of alumina into raw aluminium ingots
- Processing or casting of aluminium ingots into sheets, coils, and profiles.

Almost all the major steps in the processing of aluminium are carried out in Ghana, but not in an integrated form. While bauxite is exported to smelters in Scotland and Canada, alumina is imported from Jamaica and the US for the local smelter, Volta Aluminium Company Limited (VALCO). The processed aluminium is the input for aluminium goods ranging from packaging material, automotive parts and construction elements to household goods.

2.2 Industry Structure



Source: ALW Ltd, Ministry of Trade & Industry (Export values for 2006)

2.3 Industry Participants

i. The Minerals Commission

The Minerals Commission is a government agency established under Article 269 of the 1992 Constitution and the Minerals Commission Act. It is the main promotional and regulatory body for the minerals sector in Ghana and is responsible for the “regulation and management of the utilization of the mineral resources of the country and the coordination of the policies in relation to them”. The Commission is specifically required by law to carry out the following functions:

- ❖ Formulate recommendations of national policy for exploration and exploitation of mineral resources with special reference to establishing national priorities having due regard to the national economy and advise the Minister on matters relating to minerals:

- ❖ Monitor the implementation of laid down Government Policies on minerals and report on this to the Minister.
- ❖ Monitor the operations of all bodies or establishments with responsibility for minerals and report to the Minister
- ❖ Receive and access public agreements relating to minerals and report to Parliament
- ❖ Secure a firm basis of comprehensive data collection on national mineral resources and the technologies of exploration and exploitation for national decision making.

ii. Volta Aluminium Company Limited

Volta Aluminium Company (VALCO) is the only smelter in Ghana. The company was established by Kaiser Aluminium and Reynolds Metal Company both from the United States of America.

Construction of VALCO was started in 1964 and it started smelting aluminium in 1967 with three pot lines in operation. This was later increased to five pot lines which could work throughout the year with a production capacity of 200,000 tonnes primary aluminium per annum. VALCO is currently operating one potline with rated capacity of 40,000 metric tonnes of primary aluminum annually. However, when power supply improves the company can increase its production to about 80,000 metric tonnes. VALCO sells 10% of its output locally through the Minerals Commission. ALW is its major Ghanaian customer.

In May 2003, VALCO closed completely due to problems in negotiating electricity supply. VALCO's operations were restarted in 2006 as a result of a joint venture between Alcoa and the Government of Ghana, but was again shut down intermittently for various reasons mainly power related. In June 2008, Alcoa sold its 10% stake in VALCO back to the Government of Ghana.

In February 2011, VALCO was again re-opened by Government of Ghana to run two of its five potlines only and has been running since. Until its intermittent shut downs, VALCO employed over 1,500 people and imported processed alumina from the international market to produce aluminium ingots, 90% of which was exported. ALW remains its major customer in Ghana, but it also supplies ingots to Western Rod and Wire Limited, a subsidiary of Tropical Cable & Conductor Limited, for drawing into aluminium wire for the core of power transmission cables.

iii. ALW Limited

ALW is an aluminium continuous casting and cold rolling mill located in Tema, the major seaport and industrial city in Ghana. ALW provides one of the vital links in the chain towards complete integration of the industry in Ghana. The company produces flat rolled aluminium products for roofing sheets for the building and fabrication sector and is the main input supplier to hollowware manufacturers.

iv. Construction & Fabrication Sector

Building and general fabrication is one of the fastest growing areas for the aluminium industry. The largest volume of aluminium is used in the manufacture of extruded profiles for doors, door handles, window frames, curtain rails, corrugated roofing sheets, etc. The building industry is expected to grow at a faster rate and therefore there is an increasing need for aluminium products to be supplied into the market.

Within the building industry, there currently exists a strong mismatch between demand and supply of housing and it is estimated that approximately 60% of housing needs in Ghana remains unmet. As part of the measures to tackle this problem, the Government of Ghana and the Guma Group in South Africa have signed a Memorandum of Understanding in May, 2012 to roll out housing units for the security agencies.

v. Hollowware Manufacturers

The aluminium hollowware sector is highly competitive and includes a large number of competitors with Pioneer Kitchenware Limited, Domod Company Limited and Lion Aluminium Products Limited amongst the main competitors in this industry. The growth of this market has been very consistent and strong. Most of the companies in this market purchase the bulk of their raw material, aluminium circles, from ALW: although some are supplied through foreign sources.

2.4 Competition

The main competitors for Ghana's aluminium products are East Asian manufacturers. In general, the types of household goods manufactured in Ghana are not produced in developed countries. In the domestic market, closeness to the input material and low transportation costs result in a very cost-competitive position for the local industry. Exports to neighbouring countries however are in strong competition with goods from East Asia and other African countries.

2.5 Recent Industry Developments

VALCO

VALCO was re-opened at the beginning of 2011 and is currently operating one potline with rated capacity of 40,000 metric tonnes of primary aluminum annually. However, when power supply improves the company can increase its production to about 80,000 metric tonnes. ALW has already put in place cost saving measures to mitigate the increased cost of production resulting from imported raw materials when VALCO was shut down. The re-opening of VALCO therefore, represents a windfall gain due to the costs avoided. This is expected to ultimately improve ALW's profit and supplement its working capital due to the expenses foregone.

Utility Prices

Government through its power regulator, the Public Utilities Regulatory Commission (PURC), in June 2010 increased power tariffs by as much as a 140%. This resulted in 20% higher energy costs for ALW which was factored into the price of the company's products. ALW as direct bulk consumer is in negotiations with the VRA to finalize direct tariffs. It is anticipated that this will result in higher tariffs for ALW, however the company remains optimistic as the increased cost may be offset by the gains from the re-opening of VALCO.

2.6 Problems/Constraints

Lack of Alumina Plant

There is no integrated aluminium industry in the country due to the lack of an alumina plant to process the bauxite ore. Nonetheless, alumina input of VALCO has to-date satisfied the majority of industry's requirements. However as these requirements increase, VALCO's volume supplied to the local market must be increased in order to satisfy the majority of the industry's requirements.

Energy/Power

The aluminium industry thrives on cheap and abundant power supply. All the energy requirements of the industry are supplied by the Akosombo and Kpong hydro-electric dams through the Volta River Authority (VRA). However, in 1994/1995 and recently in 2006/2007 there were curtailment of power to VALCO and other processors because of the low water level of the lakes that feed the dams. Production can be compromised due to the underutilization of plants and equipment. The survival of the industry hinges on the guarantee of a continuous supply of energy.

Physical infrastructure

For the bauxite mining, the poor condition of the country's railway system is the main factor for its inability to grow its capacity and to return a profit. The bauxite is transported over a 240 km on a single track railway, which is also used for manganese, timber, and cocoa loads. As transport costs make up the significant portion of the total Freight On Board (FOB) price, Ghana's bauxite is currently not competitive on World markets. The poor state of Ghana's infrastructure and its intermittent energy production, are a major problem for the country's primary aluminium processor.

Information infrastructure

Although the aluminium industry as a whole is a very important industry for Ghana, there is no government or industry-sponsored research or training institutions providing specific support for the industry.

Administrative infrastructure

Generally, the administrative infrastructure of Ghana does not support the development of competitive advantage for Ghana's aluminium industry. The processed aluminium industry complains about administrative hurdles for exports to neighbouring ECOWAS countries, on which Ghana's government has only limited direct impact.

2.7 Industry Outlook

Ghana has experienced stable and significant economic growth during the last decade. The economic growth in 2011 for example of 14.4% placed Ghana among the highest growth economies in Africa. Consequently, an integrated aluminium industry will serve as the catalyst for the economic transformation by meeting the demands of the aluminium products users. A vertically integrated aluminium industry consists of mining, refining, smelting and fabrication with bauxite and relatively cheap electricity as the key element. If the intention of building an integrated aluminium industry materialises, then Ghana can become the hub for activity in the aluminium industry in the West African sub-region. ALW intends to place itself in a strategic position to benefit from this increase in demand and the company's board and management view implementation of its expansion objectives as key to achieving this.

PART 3 - ALUWORKS LIMITED

3.1 History and Background

ALW Limited is an aluminium continuous casting and cold rolling mill company located at the port city of Tema, Ghana. The company was incorporated on February 24, 1978, as a private company limited by shares, and was granted a certificate to commence business on March 22, 1978. It was later converted to a public limited liability company on May 28, 1996.

ALW's principal activities are the production and sale of semi-finished aluminium flat-rolled sheet products to the building, construction and household industries in Ghana and other West African countries.

3.2 Mission

ALW's mission is to manufacture and profitably sell high quality aluminium and other related products in an efficient and competitive manner in order to obtain the best return on capital employed.

3.3 Vision

ALW's vision is to:

- Maintain its position as the leading supplier of aluminium products in the West African sub-region
- Become an efficient and competitive source of raw materials for the tertiary aluminium factories
- Become a leader in the manufacture of colour coated sheets and aluminium foil for the West African and world markets

3.4 Share Issue History

The table below summarizes ALW's share history as at December 31, 2010:

Year	Description	Shares Issued	Cumulative Issued Shares	Stated Capital
1978	Inception	2,684,708	2,684,708	132,326.70
1996	Right Issue	877,557	3,562,265	263,337.10
1996	Bonus Issue	6,844,496	10,406,761	947,449.90
1996	IPO (Restricted Offer)	2,452,020	12,858,761	1,278,472.60
1997	Rights Issue	467,824	13,326,605	1,355,698.70
1998	Own Share Sale	566,032	13,892,637	1,449,094.00
2002	Bonus Issue	27,785,274	41,677,911	5,002,407.00
2010	Right Issue	50,372,131	92,050,042	24,732,000.00

3.5 Shareholding Structure

ALW has 1,000,000,000 authorised shares of which 92,051,863 have been issued. The top twenty shareholders hold 81,586,292 shares representing 88.63% shareholding. SAS Finance Group Ltd has 100% ownership of Strategic African Securities Ltd, the Financial Advisors and Sponsoring Brokers of the transaction. SAS Finance Group Ltd also has 100% ownership in Strategic Initiatives Ltd, the third largest shareholder of ALW. The table below shows the top twenty (20) shareholders of ALW:

Top 20 Shareholders as at 31 December, 2012		
Name	No. of Shares	% Holding
Ghana Cocoa Board	44,696,683	48.56
Social Security & National Insurance Trust	19,714,966	21.42
Strategic Initiatives Limited	4,170,540	4.53
SCBN/SSB Eaton Vance Tax-Managed	1,810,900	1.97
DAMSEL/Oteng-Gyasi Anthony	1,684,698	1.83
SCBN/IAM Africa Fund	1,027,200	1.12
SCBN/Investec Africa-RNKP	1,003,800	1.09
Lade Wosornu	980,500	1.07
Galtire International Master Fund	842,788	0.92
Elizebeth Arthur	820,000	0.89
Qualitec Industries Limited	750,688	0.82
Colin M. Waugh	633,271	0.69
Moses Kwasi Afedo	501,053	0.54
SCBN/SSB Eaton Vance Structured	457,409	0.50
Ghana Commercial Bank	450,000	0.49
Tema Oil Refinery	450,000	0.49
National Investment Bank	442,080	0.48
NTHC Limited	431,857	0.47
Clifford Adward Aryee	427,830	0.46
SAS/Gideon Amenuvor	290,029	0.32
Reported Totals	81,586,292	88.63
Not Reported (Others)	10,465,571	11.37
Grand Total	92,051,863	100.00

3.6 Products

ALW produces a broad range of products including aluminium sheets-in-coil, slit coils (coloured, plain, mill-finished, stucco embossed, roller or tension-leveled), aluminium discs, flat sheets (coloured, plain, mill-finished, stucco embossed), and roll-formed or corrugated sheets, ridges and louver blades. The company is ISO 9001:2008 certified.



3.7 Customers

ALW sells 55% of its products in the domestic market and the remaining 45% is exported. The customer base is made up of 156 local and 45 external customers.

3.8 Board of Directors

ALW is currently run by a six (6) member Board of Directors comprising of one (1) executive director and six (5) non-executive directors. The Board is responsible for setting the company's strategic direction, for leading and controlling the company and for monitoring the activities of the executive management. The Board is also responsible for presenting a balanced and understandable assessment of the company's progress and prospects. The Board of Directors is made up of the following persons:

Mr. Kwadwo Kwarteng [70 years, Ghanaian] – Chairman

Mr. Kwarteng joined the Board in November 1991. He is a Chartered Accountant and a member of the American Institute of Certified Public Accountants as well as the Institute of Chartered Accountants (Ghana). Mr. Kwarteng also holds an MBA in Management (Business Strategy and Policy) from New York University's Stern's Graduate School of Business in 1974, and a B.Sc. Administration (Accounting) degree from the University of Ghana, Legon, in 1966. Currently, Mr. Kwarteng is the Managing Partner of Kufuor and Associates, a firm of Chartered Accountants, in Ghana, as well as a Director of GRATIS Foundation, Tema.

Mr Ernest Kwasi Okoh [62 years, Ghanaian] – Managing Director

Mr. Okoh was appointed Managing Director of ALW in November, 2008. He is a Chartered Accountant and holds an MBA from Strathclyde University, Glasgow, Scotland, and is a product of the School of Administration, University of Ghana, Legon. Mr. Okoh has extensive managerial experience having served with Unilever for 32 years in various capacities and in different countries.

Mr. Anthony Fofie [62 years, Ghanaian] – Non-Executive Member

Mr. Fofie joined the Board of ALW in March, 2009. He holds an Executive MBA from the Ghana Institute of Management and Public Administration (GIMPA), an M.Sc from the University of Reading, United Kingdom (1992), and a BSc. (Hons) from the University of Science and Technology, Kumasi (1974). Mr. Fofie is currently the Chief Executive Officer of Ghana Cocoa Board, where he has worked since 1974 in various capacities. Mr. Fofie represents the Ghana Cocoa Board on the ALW Board. He is a member of a number of local and international boards and committees including Tema Chemicals Ltd, Cadbury Cocoa Verification Board and Impact Ghana Group.

Togbe Afede XIV [55 years, Ghanaian] – Non-Executive Member

He joined the Board in February 2002. He is an Investment Banker with experience spanning over twenty (22) years. He holds a BSc in Administration from University of Ghana, Legon, and an MBA in Finance from Yale School of Management, USA. Togbe is currently the Chief Executive Officer of Strategic Initiatives Ltd, SAS Investment Management Ltd. (SASIM), and World Trade Centre, Accra. He also serves on the boards of Bank of Ghana, Africa World Airlines, Aluworks Limited, Pioneer Kitchenware Ltd, Sunon Asogli Power (Ghana) Ltd and Accra Hearts of Oak FC Ltd. He is currently a member of the President's Economic Advisory Council. Togbe Afede XIV represents Strategic Initiatives Limited on the ALW Board.

Victor Djangmah [56 years, Ghanaian] – Non-Executive Member

Mr Djangmah is an engineer by profession and currently is the Managing Director of Fanel Limited, a firm of Electrical Engineers and Contractors. He joined the Board in February 2011. He holds a B.Sc. in Electrical Engineering from the Kwame Nkrumah University of Science and Technology (KNUST). He worked with the Electricity Company of Ghana (ECG) after KNUST from 1973 to 1980 before entering into Construction Industry. Mr. V. Djangmah is the representative of Social Security and National Insurance Trust on the Board of Aluworks Limited.

Miriam Okwabi (Mrs) [55 years, Ghanaian] – Non-Executive Member

Mrs Okwabi is a chartered Accountant and currently the Director of Finance at Ghana Cocoa Board. She joined the board in March 2011. She holds an executive MBA from the Ghana Institute of Management and Public Administration. She is a member of the Association of Women Accountants in Ghana. She serves on a number of boards including West Africa Mills Company Ltd, a cocoa processing company in Takoradi.

3.9 Senior Management

In addition to the Managing Director, other key members of the management team are:

Mr. Bernard Kofi Ameah (53 years, Ghanaian) is the Chief Financial Officer

Mr. Ameah was appointed Chief Financial Officer of Aluworks Limited on 21st May 2012. He qualified as a Chartered Accountant in 1991. He has a Master of Business Administration degree from the Management College of Southern Africa, Durban, South Africa. He commenced his career at Pannell Kerr Forster in 1996. He previously worked at Aluworks Limited as Internal Auditor. From 1993 to 2011 he worked at Cash Bazaar Holdings (Pty) Ltd., one of Botswana's major groups. Bernard has extensive, varied and progressive experience in Auditing, Accounting, Finance, Treasury, Human Resource Management, Operations Management and General Management.

Mr. David-Ruthven Adzogble [53 years, Ghanaian] is the Chief Operating Officer

Mr. Adzogble has worked for ALW for 26 years in various capacities and has served as Chief Operating Officer since May 2006. Mr. Adzogble holds a BSc. in Metallurgical Engineering from KNUST, Kumasi, an Executive MBA in Human Resource and Management from the University of Ghana, Legon and a Post Graduate Diploma in Production Management and Industrial Engineering from Darmstadt in Germany.

Mr. Samuel Asiedu Asare [48 years, Ghanaian] is the General Manager (Sales & Marketing)

Mr. Asare holds a B.A. (Hons) Degree (Political Science) and a Master of Business Administration (Marketing Option) from the University of Ghana, Legon. Additionally, he obtained a Master of Marketing Science (International Marketing) from the Norwegian Graduate School of Marketing in Oslo, and attended the Institute of Export, UK (Westminster College, London) where he obtained an Advance Certificate in Overseas Trade. Prior to joining ALW, Mr. Asare was the Head of Business Operations and a Director at Mondex Ghana Ltd. He is a member of the Chartered Institute of Marketing, Ghana (CIMG).

Mr. Emmanuel Martin Sarkodie [56 years, Ghanaian] is the General Manager (Projects)

He holds a BSc (Electrical and Electronic Engineering) and a Diploma in Electrical Engineering obtained from Kwame Nkrumah University of Science and Technology. He obtained his City & Guilds Institute of London Ordinary Diploma from Kumasi Polytechnic. Prior to joining ALW in February 1984, he worked at VALCO in a similar capacity. He is a member of the Ghana Institution of Engineers and the American Management Association.

Mr. Kingsley Gyapong-Manu [59 years, Ghanaian] is the Senior Production Manager

He holds an MSc in Metallurgical Engineering from St. Petersburg State Technical University. Prior to his appointment at ALW in 1984 as a Production Supervisor, he worked at various institutions including the Ghana Education Service (GES) as a Technical Instructor, and Plywood Ltd and Gliksten West Africa as a Technician. Mr. Gyapong-Manu also holds a Russian Language Certificate from the Moscow Automobile & Road Institute (MADI).

3.10 Corporate Governance and Board Practices

ALW is autonomous in all aspects of its operations. Management members are at liberty to take decisions that will benefit the company and do not entertain any external influence in the course of doing their work.

The Board of Directors is principally appointed by the various Institutional shareholders and this is done once every year by rotation. Members with over 10% shares are eligible to appoint representative persons onto the Board, with the rest appointed by shareholders at general meeting.

The Board of Directors meet at least six times in a year and emergency meetings are also held as and when the need arises to consider urgent matters requiring specific decisions and approvals. Various committees have also been set up to deal with varied matters that arise during intervening periods when Board meetings are not scheduled. These committees comprise of the following:

Audit Sub-Committee

The Audit Sub Committee is appointed by and reports to the Board. It comprises three (3) Non-Executive Directors. The following are the members of the audit sub-committee:

Name	Role
Mr. Kwadwo Kwarteng	Chairman
Togbe Afede XIV	Member
Mr. Anthony Fofie	Member

The Managing Director and the Audit Manager are ordinarily in attendance at the audit committee meetings. The committee meets regularly to discharge its responsibilities which are as follows:

- To safeguard the company's assets
- To maintain adequate accounting records
- To develop and maintain effective systems of internal control and
- To monitor compliance with risk management policies and procedures.

The committee, among other things, reviews Management Accounts and audited financial statements.

Remuneration Sub-Committee

The Remuneration Sub Committee is appointed by the Board. It comprises four (4) Non-Executive Directors. The following are the members of the remuneration sub- committee:

Name	Role
Mr. Kwadwo Kwarteng	Chairman
Togbe Afede XIV	Member
Mrs. Miriam Okwabi	Member
Mr. Victor Djangmah	Member

The duty of the Remuneration Sub Committee is to advise the Board and Management on wage opener negotiations (salary review) and conditions of service for all levels of employees.

3.11 Employees

The table below shows a breakdown of ALW's staff strength since December 2006:

Category	2006	2007	2008	2009	2010	2011	2012
Management	27	29	22	20	18	20	21
Senior Staff	73	74	52	50	48	49	56
Junior Staff	268	257	188	168	163	157	144
Total	368	360	262	238	229	229	221

Directors Shareholdings

As at 30th September, 2012, the interests of Directors of Aluworks and their immediate families in Aluworks shares were as follows:

Name	No. of Shares	Family
Mr. Kwadwo Kwarteng	108,607	-
Mr. Ernest Okoh	11,100	-
Mr. Victor Kodjo Djangmah	193,000	-

3.12 Performance Review

The years from 2007 to 2011, were difficult years for ALW as the company made net losses despite making appreciable profit at the operational level. A significant portion of the net losses were due to high finance costs in interest expense and exchange losses on borrowing from commercial banks to shore up working capital. Several factors have severely hindered the planned growth over the period, these include:

The energy crisis in Ghana during 2006 and 2007

This crisis resulted in the quadrupling of energy costs and curtailing of cost advantageous raw material supply from VALCO, the government owned 200,000 tonne aluminium smelter. VALCO is situated adjacent to ALW Limited and was the main supplier of raw aluminium in molten form to ALW until 2006, when the smelter was shut down due to power shortages. This led to 36% increased costs for ALW, as the company had to import its raw materials and precipitated the weakened working capital situation it subsequently found itself in.

The severe credit crunch in world markets

The recent world's financial crisis locked in high input costs for ALW, as a result of VALCO not being able to match its supply cost to the world market. Also, several aluminium supply businesses were closed due to a drop in aluminium price, and a freeze on free supply by suppliers awaiting a return to workable prices.

The severe recession faced by the world

The severe recession reduced demand for aluminium products and that resulted in the reduction of ALW's export order book. It also resulted in the dumping of product from India and China into West Africa on the back of record low London Metals Exchange (LME) pricing, and thus a further reduction in the ALW's order book. This has been especially evident in 2009 and 2010, and a submission has been made to the Government of Ghana for appropriate countervailing measures to be taken and indeed action is being taken.

PART 4 – USE OF FUNDS AND BUSINESS OUTLOOK

4.1 Introduction

ALW is seeking to raise, GH¢30 million through equity financing, to help the company grow to attain the potential that it is known to have. Management is confident that with the right mix of investment in capital expenditure and working capital, as well as a restructuring of the company's debt portfolio, the fundamental growth trend underlying ALW's business will once again be resuscitated.

4.2 Capital Expenditure

Part of the proceeds allocated for capital expenditure will be used to refurbish the existing Cold Mill acquired. ALW's current business is principally the production of cold rolled sheets for conversion into finished products by downstream players, many of whom have been set up with technical support from ALW. To bolster the current configuration, it has become necessary to firstly complete the installation of a new cold mill to compliment the current one which needs refurbishment to improve its productivity (reduced through continuous heavy usage). The first phase of the expansion is underway and it is being financed by US\$10 million raised in May, 2012.

4.3 Retirement of Debt

GH¢15 million of the proceeds from this offer will be used to pay off dollar denominated debt. Although ALW is profitable at the operating levels, the interest loss and exchange loss drives down the net profit by the company. The amount out of the total funds to be raised allocated to the retirement of debts is GH¢15 million.

4.4 Working Capital

Each investment opportunity is commensurate with a level of working capital required to support the expanded business size. With the continuing recession and the need to service outstanding loan arrangements with the commercial banks, the level of working capital has been continually depleted and new funding is required for working capital with capital expenditure in new capital assets. The amount out of the total funds to be raised allocated to working capital is GH¢5 million.

4.5 Construction of a New Warehouse

The company will construct a new finished goods warehouse at a cost of GH¢4 million to facilitate safe storage of its finished goods. The current finished goods warehouse has to be relocated to provide adequate room for the installation of new Cold Mill that will be commissioned in 2013.

4.6 Refurbishment of existing Cold Mill

Once the 2nd Coldmill has been installed and commissioned, the current mill will be de-commissioned for a complete refurbishment. It is anticipated that the refurbishment will take about six months. At the end of the two exercises the capacity of the factory would have been raised to about 50,000 tonnes per annum.

Description	Amount (GH¢)
Retirement of existing debt	15,000,000.00
Contruction of a new warehouse	4,000,000.00
Working Capital	5,000,000.00
Refurbishment of existing Cold Mill	6,000,000.00
Total	30,000,000.00

4.7 Other Capital Expenditures

There are a number of other capital expenditure projects that board and management will execute but with internally generated funds.

- **Acquisition of 2nd Cold Mill**

This other capital expenditure plan is principally built around capital expenditure for a 2nd Cold Mill required in 2014. The Cold Mill will be built into the current configuration of the factory, to be fed from the current casting area, and will in turn feed the current finishing area of the factory. It will have a capacity of 30,000 tonnes.

- **Rehabilitation of the 1st Caster**

There are currently three casters of 10,000 tonnes each in place; however the earliest is old and produces at low productivity level. This activity will be financed by internally generated funds. This is to ensure sufficient casting capacity when the two cold mills are fully available. Eventually the furnaces of this line will be considered for replacement due to age; however that project is not urgent and is not included in this plan.

- **Conversion of Casters to Enable Use of Natural Gas**

Currently the Melting and Holding Furnaces which are part of the Casting Operation are diesel fired. With the discovery of gas in the country and with the completion of the West Africa Gas Pipeline, there is an opportunity to utilise gas for the process and therefore we intend to provide conversion facilities for the casting area to be able to use either sources of energy. The fourth caster when ordered will have the necessary specifications for dual use. There are further opportunities for conversion of the annealing furnaces to dual use also, however as that is not critical at this time, the estimated cost of US\$0.5million for this purpose has not been included in this plan.

- **Purchase of 4th Casting Line**

After the current cold mill has been refurbished there will be new bottlenecks created because of the capacity. A new 10,000 tonne complete casting line inclusive of building extension and auxiliaries will therefore be purchased with internally generated funds.

4.8 Business Outlook

The capital injection will set ALW on its way to achieving the objectives of its medium term plan which include:

- Increasing export market share in West Africa
- Restoring local market share that has dropped to 55% back to 60-70%
- Restoring profitability by increased cost reduction, cost effectiveness and the removal of expensive complexity.
- Maintaining the company's technical ability to meet expected rising demand cost effectively
- Diversifying input supply so as to render VALCO as an advantageous supplier rather than a necessity.

PART 5 – REPORT ON PAST FINANCIAL STATEMENTS

5.1 Reporting Accountant's Report on Past Financial Statements



28th August 2012

The Board of Directors
Aluworks Limited
Heavy Industrial Area
P. O. Box CO 914
Tema Ghana

Dear Sir,

REPORTING ACCOUNTANTS' REPORT ON PAST FINANCIAL STATEMENTS

We have reviewed the audited financial statements of Aluworks Limited for the years ended on 31st December 2007 through to 2011 and the Management Accounts for the six-month period ended on 30th June 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our work.

KPMG, Chartered Accountants of Accra have acted as auditors to Aluworks Limited throughout the period covered by our review (ie. 2007 to 2011). The auditors did not issue a qualified opinion for any of the financial statements of Aluworks for the years under review.

We conducted our review in accordance with the International Standard on Review Engagement 2400 as well as the Auditing Guidelines – "Prospectuses and the Reporting Accountant". This standard and guideline require that we plan and perform our work to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed a full scope audit, and accordingly, **we do not express an audit opinion.**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements for 2007 to 2011 do not give a true and fair view (or are not presented fairly, in all material respects) in accordance with International Reporting Standards and in a manner required by the Companies Act, 1963 (Act 179)

Yours faithfully,

Nexia Debrah & Co
Chartered Accountants
Accra

5.2 Past Financial Performance

ALW used to be a very profitable company with strong standing on the Ghana Stock Exchange and a much sought after share stock. Between 2003 and 2006, for example, the company made average profits in excess of US\$2 million per annum. However the period between 2006 and 2011 has been a period of negative returns despite making profits at operational level in 2008 and 2009. It is believed that the proposed capital expenditure strategy will turn the fortune of the company around. The table below shows the company's performance during the period 2006 to 2011.

Past Income Statements for the 6-year period ending December 31(2006 to 2011)

	2006	2007	2008	2009	2010	2011
SALES (mt)	15,985	14,185	14,264	7,711	4,784	8,754
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
NET SALES	49,246	52,018	57,127	34,271	25,167	49,716
Cost of Sales	(43,872)	(48,946)	(52,734)	(28,906)	(26,564)	(45,926)
GROSS PROFIT	5,374	3,072	4,393	5,365	(1,397)	3,790
Gen Admin & Selling Expenses	(3,243)	(3,678)	(2,987)	(3,517)	(2,830)	(2,323)
TRADING PROFIT/(LOSS)	2,131	(606)	1,406	1,848	(4,227)	1,467
Sundry Income	61	61	82	69	46	85
PROFIT/(LOSS) BEF INT & TAX	2,192	(545)	1,488	1,917	(4,181)	1,552
Net Interest Expense	(473)	(1,380)	(2,333)	(2,609)	(2,268)	(2,348)
Exchange Gain/(Loss)	150	(527)	(2,797)	(5,210)	(1,350)	(2,554)
Exceptional Item	-	(1,811)	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	1,869	(4,263)	(3,642)	(5,902)	(7,799)	(3,350)
Taxation	(229)	(187)	684	(2,103)	449	(127)
NET PROFIT/(LOSS) FOR PERIOD	1,640	(4,450)	(2,958)	(8,005)	(7,350)	(3,477)
Income Surplus Account						
	2006	2007	2008	2009	2010	2011
Balance as at 1 January	6,556	5,904	1,454	(1,504)	(9,509)	(16,859)
Profit/(loss) for the period	1,640	(4,450)	(2,958)	(8,005)	(7,350)	(3,477)
Ordinary Dividend Paid @40%	(2,292)	-	-	-	-	-
Balance as at 31, December	5,904	1,454	(1,504)	(9,509)	(16,859)	(20,336)

The losses were driven by:

- 1) Energy crisis which shut down VALCO, the company's local raw material supplier
- 2) High cost of imported raw materials
- 3) Credit crunch
- 4) Competition from Chinese and Indian manufacturers
- 5) Inadequate working capital
- 6) High cost of borrowing

The company has made considerable effort to overcome or minimize these challenges and has re-positioned itself to once again grow profitably. This is evidenced by the strong gross profit margin in 2009, although insufficient to cover the high finance costs during the period.

The main drawback in 2009 and 2010 was the reduction in sales volumes due to competition from the Chinese. Imports of Chinese aluminium products rose during 2009 from 10,000 tonnes to 15,000 tonnes whilst ALW sales dropped from approximately 14,000 tonnes down to 8,000 tonnes, a direct correlation.

In 2011, on the turnover of GH¢49.72 million (GH¢25.17 million in 2010) a profit of GH¢1.55 million (before interest and tax) was realised versus a loss of GH¢4.18 million in 2010. Unfortunately due to the deep depreciation of the cedi over the year, the dollar denominated loans generated an exchange loss of GH¢2.55 million and effectively wiping out the profit realised. In addition interest expense of GH¢2.35 was also charged in the year resulting in a final loss of GH¢3.48 million after tax (a loss of GH¢7.35 million in 2010)

Over the coming years, strategies towards restoring healthy volumes will be put in place, and suitably activated utilising all enablers relevant to achieving the projected sales levels in the plan.

Past Balance Sheets for the 6-year period ending December 31(2006 to 2011)

	2006	2007	2008	2009	2010	2011
	Gh¢'000	Gh¢'000	Gh¢'000	Gh¢'000	Gh¢'000	Gh¢'000
ASSETS						
Property, Plant & Equipment	8,006	19,102	45,016	44,571	41,859	39,854
Long term Investment	28	28	168	168	168	144
Total Non-Current Assets	8,034	19,130	45,184	44,739	42,027	39,998
Current Assets						
Inventories	10,092	16,425	14,785	6,893	6,599	7,085
Trade and Other Receivables	8,051	8,491	808	2,968	5,270	5,630
Cash and Cash Equivalents	2,234	786	9,278	4,125	688	500
Income Tax Assets	408	678	893	835	848	856
Total Current Assets	20,785	26,380	25,764	14,821	13,405	14,071
Total Assets	28,819	45,510	70,948	59,560	55,432	54,069
EQUITIES & LIABILITIES						
Stated Capital	5,002	5,002	5,002	5,002	24,731	24,731
Share Deals Accounts	90	90	90	90	90	90
Revaluation Surplus	-	-	(1,552)	(9,557)	(16,843)	(20,319)
Retained Earnings/(Deficit)	5,904	1,406	19,447	19,447	19,383	19,358
Total equity	10,996	6,498	22,987	14,982	27,361	23,860
Non-Current Liabilities						
Medium Term Loan	1,828	20,280	11,921	7,609	4,875	10,254
Six-Year Bond	-	-	-	-	-	-
Deferred Tax Liabilities	548	735	502	2,605	2,156	2,283
Total Non-Current Liabilities	2,376	21,015	12,423	10,214	7,031	12,537
Current Liabilities:						
Bank Overdraft	4,357	13,496	10,708	6,786	6,895	5,762
Trade and Other Payables	8,901	3,802	15,756	5,403	2,982	5,082
Short-Term Loan	-	-	8,375	21,476	10,464	6,129
Income Tax Payable	-	-	-	-	-	-
Loan Interest Payable	-	-	-	-	-	-
Dividends payable	2,189	699	699	699	699	699
Total Current Liabilities	15,447	17,997	35,538	34,364	21,040	17,672
Total Liabilities	17,823	39,012	47,961	44,578	28,071	30,209
Total Equity and Liabilities	28,819	45,510	70,948	59,560	55,432	54,069

Past Cash Flow Statements for the 6-Year period ending December31 (2006 to 2011)

	2006 Gh¢'000	2007 Gh¢'000	2008 Gh¢'000	2009 Gh¢'000	2010 Gh¢'000	2011 Gh¢'000
Cash flow from operating activities:						
Profit Before Tax	1,869	(4,263)	(3,642)	(5,902)	(7,799)	(3,350)
<i>Adjustments for:</i>						
Depreciation	6,062	595	614	2,770	2,956	3,011
Interest Expense	4,731	1,381	2,333	2,609	2,425	2,348
Loss on disposal	(78)	(1)	(19)	93	52	1
Exchange Loss	-	3,905	4,929	3,430	1,296	1,266
	12,584	1,617	4,215	3,000	(1,070)	3,276
Changes in Inventories	29,409	(6,575)	1,640	7,892	294	(486)
Changes in Trade and Other Receivables	39,656	(440)	(787)	6,310	(2,302)	(360)
Changes in Trade and Other Payables	(4,793)	(5,099)	11,954	(10,353)	(2,421)	2,100
Cash Flow Generated From Operations						
Interest Expense Paid	(4,793)	(7,300)	(2,333)	(2,609)	(2,425)	(2,348)
Bond Interest Paid	-	-	-	-	-	-
Income Taxes Paid	(476)	(270)	(137)	(27)	(13)	(8)
Net Cash Flow From Operating Activities	71,587	(18,067)	14,552	4,213	(7,937)	2,174
Cash Flows From Investing Activities:						
Acquisition of Plan, Property & Equipment	(22,722)	(1,015)	(6,786)	(2,458)	(304)	(1,008)
Proceeds from Sale of Prrerty, Plant & Equipment	78	350	42	40	8	-
Net Cash Used in Investing Activities	(22,644)	(665)	(6,744)	(2,418)	(296)	(1,008)
Cash Flows From Financing activities:						
Rights Issue	21	-	-	-	19,729	-
Bond Issue	-	31,438	26,419	25,876	3,178	15,436
Loans Paid	-	(12,445)	(35,778)	(20,517)	(18,220)	(15,657)
Ordinary Dividend Paid	(18,607)	(1,490)	-	-	-	-
Redemption of Bond	-	-	-	-	-	-
Net cash from financing activities	(18,586)	17,503	(9,359)	5,359	4,687	(221)
Net Change in Cash and Cash Equivalents	30,357	(1,229)	(1,551)	7,154	(3,546)	945
Analysis of Changes in Cash and Cash:						
Balance AS at 1 January	-	-	(8,264)	-	(2,661)	(6,207)
Net Cash Flow	30,357	(1,229)	(1,551)	7,154	(3,546)	945
Balance at 31 December	30,357	(1,229)	(9,815)	(2,661)	(6,207)	(5,262)

PART 6 – REPORT ON FINANCIAL FORECASTS

6.1 Reporting Accountant's Report on Projected Financial Statements



28 August 2012

The Board of Directors
Aluworks Limited
Heavy Industrial Area
P. O. Box CO 914
Tema Ghana

Dear Sir,

REPORTING ACCOUNTANTS' REPORT ON FINANCIAL PROJECTIONS

We have examined the accounting policies and calculations for the financial projections for the years ending on 31st December 2012 through to 2017 as set out on page 31 to 33 of this document in accordance with the Listing Rules of the Ghana Stock Exchange (GSE) 2006, the Companies Act, 1963 (Act 179) as amended and the Securities and Exchange Commission Regulations (L.I. 1728) of the Securities and Exchange Commission, applicable to the examination of prospective financial information. The Directors are responsible for the projected information and the assumptions set out on pages... on which it is based.

The projections have been prepared for inclusion in this Circular to prospective investor(s) for the purpose of raising additional working capital for Aluworks Limited. These projections have been prepared using a set of assumptions that include hypotheses about future events and management's actions that may not necessarily occur in fact. Consequently, readers are cautioned that these assumptions may not be appropriate for purposes other than those described above.

Based on our examination of the evidence supporting the assumptions including a review of the long term marketing plan of the company designed to achieve the targets set by the projections, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projections. In our opinion, the forecast financial statements, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the management of Aluworks Limited and are presented on a basis consistent with the accounting policies normally adopted by the company.

We do not warrant that the actual results for the projected period will approximate the projection itself because events and circumstances do not frequently occur as expected, and those differences may be material in the appropriate context.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Nexia Debrah & Co.', is written over a light blue rectangular background.

Nexia Debrah & Co
Chartered Accountants
Accra

6.2 Assumptions

The financial forecasts of ALW Limited are predicated by a number of key underlying assumptions which drive Aluworks's forecasts. The financial forecast was based on the long term strategic plan of Aluworks Ltd. as well as some key underlying assumptions about certain macro economic variables. The accounting policies and procedures that were applied in the preparation of the projection of the financial statements were consistent with that used in the drafting the historical statements. The following are the basic assumptions of the board of directors underlying the preparation of the projections:

Economic Assumptions

The following are the basic assumptions of the board of directors underlying the preparation of the projections.

ASSUMPTIONS AND SCHEDULES OF FORECAST NUMBERS

1. Economic Indicators over the Plan Period:

YEARS	2012	2013	2014	2015	2016	2017
Expected Sales Volumes (in MT)	8,500	10,000	15,000	20,000	25,000	30,000
Aluminum average LME price / MT (\$)	2,067	2,200	2,250	2,301	2,365	2,402
Expected Average Selling Price / MT (\$)	3,361	3,577	3,598	3,623	3,284	3,576
Exchange Rate (Gh¢:US\$)	1.92	2.10	2.20	2.40	2.66	2.94
Inflation Rate	10%	10%	12%	12%	12%	12%
Interest on borrowing (%) – Local	23.00	23.00	23.00	23.00	23.00	23.00
Interest on borrowing (%) – Foreign (\$)	8.00	8.00	8.00	8.00	8.00	8.00

2. Basis of Medium Term Plan Projections:

1. To raise \$10 million in equity as working capital
2. To raise a further \$15million in equity

Description	Amount (GH¢)
Retirement of existing debt	15,000,000.00
Contruction of a new warehouse	4,000,000.00
Working Capital	5,000,000.00
Refurbishment of existing Cold Mill	6,000,000.00
Total	30,000,000.00

The following are other long term projects that the company plans to embark on going forward:

Project	Execution Period
<i>a. Rehabilitation of Casting Line</i>	<i>Jun – Dec 2014</i>
<i>b. Rehabilitation of Old Cold Mill</i>	<i>Jun – Dec 2014</i>
<i>c. Conversion of existing furnaces into dual fuel firing capability</i>	<i>Jun – Dec 2013</i>
<i>d. Installation of 4th Casting Line</i>	<i>Jun – Dec 2017</i>

3. Cash inflow from sales shall be as follows:

- a. Local sales: average of 75% will be received in the month sales
- b. Foreign sales: 50% of cash inflows from export sales will be received in the month of the sale

4. Market Assumptions

Infrastructure, Regulatory and Political Assumptions

It is assumed that utility supplies such as electricity will not be severely restricted by Volta River Authority (VRA) and Electricity Company of Ghana to a point where the company is unable to produce and supply its products as demand requires.

The regulatory environment is assumed to remain stable with no adverse changes in the taxation environment with respect to excise duties and the corporate taxation rate will not change. It is also assumed that there will not be any significant devaluation of the Ghana Cedi.

Finally, it is assumed that, no matter the political regime, there will be no adverse regulatory laws, regulations or policies passed that may have significant effect on the operations of the company or the demand paradigm of its customers.

The projections prepared for the period spanning 2012 to 2017 are intended to reveal the operating and financial pathways the company intends to tread in order to overcome its many challenges and harness the potential in the market place or industry. Among other purposes, the projections form the basis for yet another right issue intended by the management of Aluworks Limited.

i. Sales receipts

- 75% of cash inflows from local sales will be received in the month of the sale and the remaining 25% the next month
- 50% of cash inflows from export sales will be received in the month of the sale and the remaining balance in the next month

ii. Taxation

- Income tax on profit is estimated at 25%

iii. Dividend

- This will only be paid after preference dividends have been paid, provided income surplus is in credit and cash flow can support payments. In this plan, no provision has been made for dividend payment.

6.3 Financial Projections

Projected Income Statement for the period ended December 31 (2012-2017)

	2012	2013	2014	2015	2016	2017
VOLUMES SOLD (M-Tns)	8,500	10,000	15,000	20,000	25,000	30,000
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
	('000)	('000)	('000)	('000)	('000)	('000)
Revenue	54,857	78,863	118,730	173,925	218,396	315,411
Cost of Sales	(50,405)	(69,507)	(101,440)	(147,717)	(184,708)	(264,942)
Gross Profit / (Loss)	4,451	9,356	17,291	26,208	33,688	50,469
Other income	253	251	354	351	497	493
General & Administrative Expenses	(3,617)	(3,944)	(4,375)	(4,858)	(5,399)	(6,005)
Operating profit	1,087	5,663	13,270	21,701	28,785	44,957
Net Interest expense	(2,024)	1,250	(2,385)	(3,363)	(2,427)	(1,234)
Exchange loss	(4,132)	-	-	-	-	-
Profit / (Loss) before tax	(5,072)	6,911	10,883	18,336	26,357	43,722
Taxation	-	(1,727)	(2,721)	(4,584)	(6,589)	(10,930)
Profit / (Loss) afetr tax	(5,078)	5,179	8,161	13,751	19,768	32,790
Retained Earnings						
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1st January	(20,320)	(25,397)	(20,219)	(12,058)	1,694	21,461
Profit / (Loss) for the period	(5,078)	5,179	8,161	13,751	19,768	32,790
Balance as at 31st December	(25,397)	(20,219)	(12,058)	1,694	21,461	54,252

Projected Balance Sheet for the period ended December 31 (2012-2017)

	2012 GH¢ ('000)	2013 GH¢ ('000)	2014 GH¢ ('000)	2015 GH¢ ('000)	2016 GH¢ ('000)	2017 GH¢ ('000)
FIXED ASSETS						
Property, Plant and Equipment	41,460	53,946	61,993	57,929	53,865	73,357
Long Term Investment	144	144	144	144	144	144
	<u>41,604</u>	<u>54,090</u>	<u>62,137</u>	<u>58,073</u>	<u>54,009</u>	<u>73,501</u>
CURRENT ASSETS						
Inventories	8,096	9,593	11,360	13,454	15,876	18,734
Trade and other Receivables	6,111	5,586	7,523	10,232	12,406	17,207
Cash and Cash Equivalents	11,084	9,567	12,334	33,128	63,331	89,078
	<u>25,291</u>	<u>24,746</u>	<u>31,217</u>	<u>56,815</u>	<u>91,613</u>	<u>125,018</u>
Total Current Assets	<u>25,291</u>	<u>24,746</u>	<u>31,217</u>	<u>56,815</u>	<u>91,613</u>	<u>125,018</u>
Total Assets	<u>66,895</u>	<u>78,836</u>	<u>93,354</u>	<u>114,888</u>	<u>145,622</u>	<u>198,519</u>
EQUITY						
Stated Capital	24,731	45,731	45,731	45,731	45,731	45,731
Share Deal Account	90	90	90	90	90	90
Non Distributable Surplus	19,383	19,383	19,383	19,383	19,383	19,383
Retained Earnings/(Deficit)	(25,397)	(20,219)	(12,058)	1,694	21,461	54,252
	<u>18,807</u>	<u>44,985</u>	<u>53,146</u>	<u>66,898</u>	<u>86,665</u>	<u>119,456</u>
Total Equity	<u>18,807</u>	<u>44,985</u>	<u>53,146</u>	<u>66,898</u>	<u>86,665</u>	<u>119,456</u>
NON - CURRENT LIABILITIES						
Short Term Loan-SSNIT	18,276	16,262	12,569	7,940	2,119	-
Deferred Tax Liabilities	2,283	2,283	2,283	2,283	2,283	2,283
	<u>20,559</u>	<u>18,545</u>	<u>14,852</u>	<u>10,223</u>	<u>4,402</u>	<u>2,283</u>
Total non - current Liabilities	<u>20,559</u>	<u>18,545</u>	<u>14,852</u>	<u>10,223</u>	<u>4,402</u>	<u>2,283</u>
CURRENT LIABILITIES						
Bank Overdraft	7,651					
Trade and other Payables	8,555	12,593	20,964	32,439	48,034	73,962
Short Term Loans (SSNIT)		2,014	3,693	4,629	5,822	2,119
Short Term Loans (Others)	10,624	-	-	-	-	-
	<u>699</u>	<u>699</u>	<u>699</u>	<u>699</u>	<u>699</u>	<u>699</u>
Total current Liabilities	<u>27,529</u>	<u>15,306</u>	<u>25,356</u>	<u>37,767</u>	<u>54,555</u>	<u>76,779</u>
Total Liabilities	<u>48,088</u>	<u>33,851</u>	<u>40,207</u>	<u>47,990</u>	<u>58,956</u>	<u>79,062</u>
Total Liabilities and Equity	<u>66,894</u>	<u>78,836</u>	<u>93,354</u>	<u>114,887</u>	<u>145,621</u>	<u>198,519</u>

Projected Cash Flow Statements for the period ended December 31 (2012- 2017)

	2012 GH¢	2013 GH¢	2014 GH¢	2015 GH¢	2016 GH¢	2017 GH¢
Cash Flow Operating Activities						
Profit / (Loss) before taxation	(5,072)	6,911	10,883	18,336	26,358	43,723
Adjustments for:						
Depreciation charges	3,011	3,012	4,064	4,064	4,064	4,028
Profits / (Loss) on sale of property, plant and equipment						
Net Interest expense	2,024	(1,250)	2,385	3,363	2,427	1,234
Exchange loss	4,132	-	-	-	-	-
Change in Inventories	(1,011)	(1,503)	(1,769)	(2,094)	(2,423)	(2,859)
Change in Trade and other Receivables	375	525	(1,936)	(2,710)	(2,174)	(4,801)
Change in Trade and other Payables	3,473	4,038	8,371	11,475	15,595	25,928
Cash Generated From Operations	6,931	11,732	21,998	32,434	43,848	67,253
Net Interest Paid	(2,024)	-	(2,385)	(3,363)	(2,427)	(1,234)
Income Tax Paid	-	(1,727)	(2,721)	(4,584)	(6,589)	(10,930)
Net Cash Flow from operating activities	4,908	10,005	16,892	24,487	34,831	55,089
Cash flow from investing activities						
Purchase of property, plant and equipment	(4,618)	(15,497)	(12,110)	-	-	(23,520)
Proceeds from sale of property, plant and equipment	44	-	-	-	-	-
Interest received	-	1,250	-	-	-	-
Dividend received	-	-	-	-	-	-
Net Cash used in investing activities	(4,574)	(14,247)	(12,110)	-	-	(23,520)
Cash flow from financing activities						
Proceeds from rights issue		21,000				
SSNIT Loan	28,900		(2,014)	(3,693)	(4,629)	(5,822)
Other loans	(20,539)	(10,624)				
Dividend paid	-	-	-	-	-	-
Net Cash used in financing activities	8,361	10,376	(2,014)	(3,693)	(4,629)	(5,822)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	8,695	6,134	2,768	20,794	30,203	25,747
Analysis of changes in cash and cash equivalents during the period						
Balance at 1st January	(5,262)	3,433	9,567	12,334	33,128	63,331
Net cash inflow	8,695	6,134	2,768	20,794	30,203	25,747
Balance at 31st December	3,433	9,567	12,334	33,128	63,331	89,078

Source: Aluworks Finance Department

Relevant Ratios

	2012	2013	2014	2015	2016	2017
Gross Margin (%)	8.11	11.86	14.56	15.07	15.43	16.00
Net Margin (%)	(9.26)	6.57	6.87	7.91	9.05	10.40
Return on Equity (%)	(27.00)	11.51	15.36	20.56	22.81	27.45
Return on Assets (%)	(7.59)	6.57	8.74	11.97	13.57	16.52
Current Ratio	0.92	1.62	1.23	1.50	1.68	1.63
Quick Ratio	0.62	0.99	0.78	1.15	1.39	1.38
Total Liabilities/Equity (%)	255.69	75.25	75.65	71.74	68.03	66.19
Total Liabilities/Assets (%)	71.89	42.94	43.07	41.77	40.49	39.83

PART 7 – THE GHANA STOCK EXCHANGE

7.1 Overview

The Ghana Stock Exchange (GSE) was incorporated in July 1989 as a company limited by guarantee. It is a non-governmental organization, governed by a thirteen (13) member council. Members of the GSE include twenty (20) Licensed Dealing Members (brokerage firms), thirteen (13) Registered Primary Dealers, and thirty-four (34) Associate Members. The Exchange is regulated by the Securities and Exchange Commission (SEC) under the Securities Industry Act, (PNDCL 333) of 1993, as amended by the Securities Industry (Amendment) Act, 2000, Act 590.

7.2 Development& Trends

The GSE has grown significantly since inception. From the eleven (11) listed companies on its first trading day on November 12, 1990, the bourse can now boast of thirty-five (35) listed companies with a total market capitalization of approximately GH¢56.27 billion as at September 28, 2012). Also listed are two corporate bonds and a number of Government of Ghana 2-year, 3-year and 5-year bonds. To broaden the market and also act as a catalyst for growth of corporate enterprises, the GSE is encouraging more companies, especially SME's to list on the Exchange through the provisional listing approach.

The GSE has moved its trading system from the manual centralized clearing and settlement system to a fully automated trading and settlement platform. The new automated trading system, comprises the GSE automated trading system (GATS) for trading, the GSE Securities Depository (GSD) responsible for dematerialization of certificates, and the GSE Clearing and Settlement House responsible for clearing and settling trades within the stipulated period of three (3) business days after the related trading session (T+3).

The new system is governed by rules and regulations necessary to manage pre-trade and post-trade risk. In line with this new system, most listed companies have passed special resolutions to discontinue the issuance of certificates and to permit the issuance of shares in an electronic book entry form. The GSE's automated trading system is expected to improve liquidity in the market place as well as enhance its competitiveness to attract investors and issuers.

7.3 Performance of the Ghana Stock Exchange

The performance of the market has been remarkable and remained relatively strong in recent years. The GSE Composite Index which is the market benchmark recorded positive returns in 2008 and 2010 by recording 58.06% and 32.25% respectively. However, in 2009 and 2011 the market closed the year with -42.58% and -3.10% respectively. The total volume and value traded on the exchange for the year 2011 was 419.79 million shares and GH¢446.56 million respectively as against 330.62 million shares valued at GH¢151.29 million. Between December, 1990 and January 2012 the total volume traded on the exchange hit 2,677.49 million shares GH¢1,446.75 million

The decline, has been attributed to many factors, amongst them the reduction in foreign participation due to the global financial crisis, rising interest rates and investor uncertainty due to the elections in December 2008. Notwithstanding the losses made in the last quarter, the bourse still closed the year strong, with an impressive year to date gain of 58.06%, making it the best performing stock market for the year, in the world.

The downturn continued into the year 2009, with 21 equities out of the 36 listed on the exchange recording year-to-date losses by the close of the year, bringing the GSE All Share Index lower by 46.58%. Only one equity had recorded a year-to-date gain at the time. In 2010, the year began significantly well and by the end of the first quarter the GSE-CI Index had made a sharp rise to record

a year-to-date gain of 16.99%. The market closed the year with a gain of 32.25%. In 2011, the Ghana Stock Exchange implemented some major changes in its trading activities. To complement the automated trading regime, the Exchange extended its trading hours to afford dealers increased contact hours with their clients during the trading day and also to afford non-resident investors in time zones different from Ghana, greater opportunity to reach out to their local brokers. The new trading hours become 09.30 hours GMT to 15.00 hours GMT from the existing 09.30 hours GMT to 13.00 hours GMT. This was expected to also help improve liquidity in the market place.

Market activity in terms of volumes and values traded on the Ghanaian bourse, have significantly improved over the years. Between January and December last year, i.e. 2011 trading volume and values of 419.79 million shares and GH¢446.56 million respectively were recorded. These were significantly higher than the volume of 330.13 million and values of GH¢151.13 million recorded over the same period in 2010. The volume of share traded went up by 27% while value of shares traded in 2011 represented 295% over the volume and values achieved in 2010 respectively.

7.4 Other Information

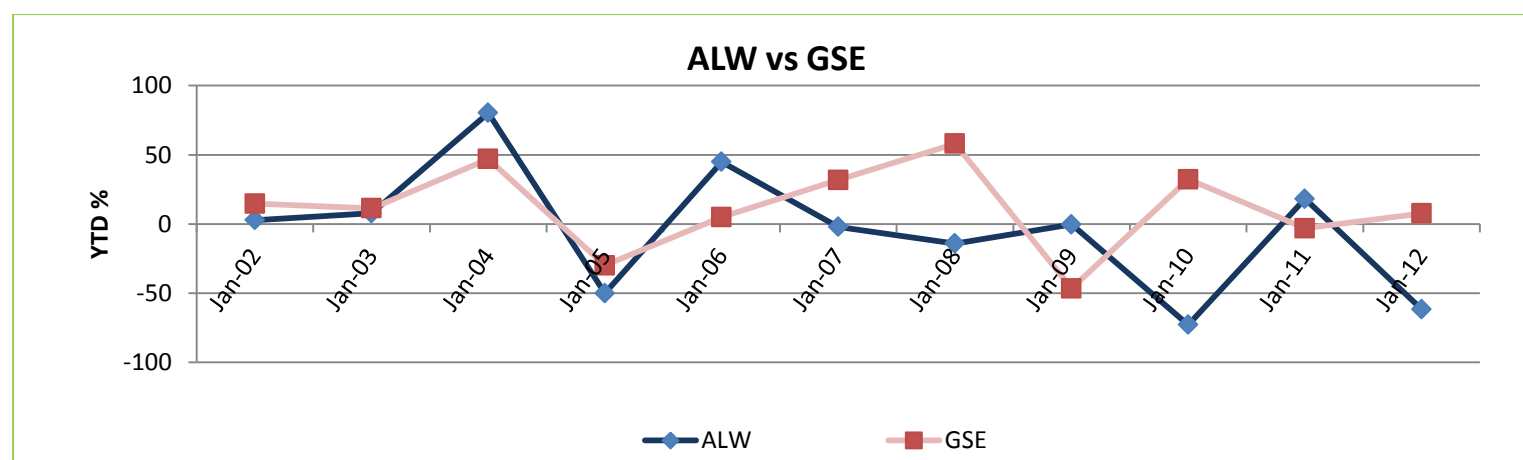
Trading Days:	Monday-Friday; starting at 9.30 to 15.00 GMT
Trading Method:	Carried out electronically using the Continuous Auction Trading system. Trading is done in lots of 100 shares on regular market and below 100 shares on odd lot market.
Settlement Period:	Trading day plus 3 business days (T +3)
Access to Trade and General Information on the GSE	Through Reuters, internet, official trading results, local newspapers, GSE website, GSE handbook, SAS Newsletters, SAS website - www.sasghana.com , etc

7.5 ALW's Performance on the GSE

ALW was listed on the Ghana Stock Exchange on November 29, 1996 through a Placement Offer.

The company's shares were listed at GH¢0.14 in November, 1996. The share price saw a consistent rise through the years and by the end of June 2004 its share price had risen to GH¢1.2. In 2006, ALW's share price steadily declined mainly as a result of the energy crises in Ghana in 2006 and 2007, closing at GH¢0.71 by the end of 2007. From the beginning of 2009, ALW's price steadily declined alongside the general decline of prices on the Ghanaian bourse. Currently, it is trading at GH¢0.05 per share as at September 28, 2012.

ALW's share price has often moved in tandem with the general market until from 2010 to 2012 as seen in the graph below.



PART 8 – ADDITIONAL TERMS AND INFORMATION ON THE OFFER

8.1 Application

A qualifying applicant to this Offer is either a qualifying ALW shareholder or a renouncee that has been named by an existing shareholder and is interested in acquiring ALW shares under the terms of this Offer.

Qualifying Shareholders

Qualifying applicants are entitled to subscribe for one 1 new share for every 6.5181 ordinary shares registered in their name as at the close of business on the qualifying date under this Offer. The “Guide to Completing the Application Form”, and the “Application Form”, which will be completed by qualifying shareholders, is enclosed in this document. Qualifying shareholders may take any one of the following actions under this Offer:

- a. **Fully subscribe for their rights under this Offer:** This is where qualifying shareholders duly complete the Application Form and pay for shares covering their entire allocation under this Offer, returning same to the receiving agent not later than 5.00 pm on March 22, 2013.

Qualifying shareholders under this section must complete Section A of the Application Form, in accordance with the instructions set out under the Guide to Completing the Application Form.

- b. **Fully subscribe for their rights AND apply for additional shares:** In addition to completing 1a above, qualifying shareholders may apply for additional shares (extra shares above what they are entitled to under this Offer) and pay for such additional shares, returning the duly completed Application Form and payment covering both their rights and additional shares applied for to the receiving agents not later than 5.00 pm on March 22, 2013.

Qualifying shareholders choosing this option must complete Sections A of the Application Form, in accordance with the instructions set out under the Guide to Completing the Application Form.

- c. **Partially subscribe for their rights only:** Qualifying shareholders may apply for only part of the shares they are entitled to under this Offer and return the duly completed Application Form together with payment to the receiving agents not later than 5.00 pm on March 22, 2013. Qualifying shareholders may take no further action on their remaining rights under the Offer and empower the Directors of the Company to allot such unsubscribed portion of their rights as the Directors deem fit.

Qualifying shareholders must complete Sections A and B of the Application Form, in accordance with the instructions set out under the Guide to Completing the Application Form.

- d. **Partially subscribe for their rights under the Offer and renounce their unsubscribed rights in favour of qualifying third parties, who may or may not be shareholders of ALW (renouncee):** Qualifying shareholders may apply for only part of the shares they are entitled to under this Offer, renouncing the remainder of their rights in favour of qualifying third parties who now have to apply for and pay for those shares. The Application Form completed by both the qualifying shareholder and the renouncee, together with payment for the shares must be returned to the receiving agents not later than 5.00 pm on March 22, 2013.

Qualifying shareholders choosing this option must complete Sections A and B, whilst each named renouncee must complete Section C of the Application Form in accordance with the instructions set out under the Guide to Completing the Application Form.

Should qualifying shareholders desire to renounce the remainder of their rights in favour of more than one person, they should state the number of shares to be allotted to each renouncee in a separate row in Section B of the Application Form. The completed Sections A, B and C of the Application Form together with payment for all shares applied for should be lodged with the receiving agents not later than 5.00 pm on March 22, 2013.

- e. **Renounce all their rights in favour of third parties, who may or may not be shareholders of ALW:** Qualifying shareholders may decide not to partake in the Offer and may renounce all their rights under this Offer in favour of qualifying renounees who may or may not be shareholders of ALW. The renounees must duly complete section C of the application form and return the application form together with payment for the shares being applied for to the receiving agents not later than 5.00 pm on March 22, 2013.

Qualifying shareholders choosing this option must complete Sections A and B, whilst each named renounee under Section B must complete a copy of Section C of the Application Form in accordance with the instructions set out under the Guide to Completing the Application Form.

Should qualifying shareholders want to renounce their rights in favour of more than one person, they should state the number of shares to be allotted to each renounee on a separate row in Section B of the Application Form.

- f. **Take no action:** Qualifying Shareholders who choose not to apply for shares under this Offer, or who fail to make payment for the shares they have applied for under this Offer, or who fail to meet the deadline of 5.00 pm on March 22, 2013 for returning the Application Form and making payment to the receiving agents, may be deemed to have not taken any action under this Offer. Qualifying shareholders who take no action under these terms empower the Directors of ALW to allot such unsubscribed rights as the Directors deem fit.

Other Applicants

If you are neither a qualifying shareholder nor a renounee, you **cannot** apply for shares under this Offer.

8.2 Offer to Purchase Shares

- a) As an applicant, you offer to subscribe for the number of shares as indicated on your Application Form on the terms and conditions of this Offer and on the basis of the information set out in this Document and subject to the Regulations of ALW.
- b) You agree that your application to acquire shares cannot be revoked after March 22, 2013 or such later date as the Directors and Advisors may agree, and promise that any cheque, banker's draft or money or postal order will be honoured on first presentation and that this paragraph constitutes an agreement between you and ALW. It becomes binding when your application is posted or in the case of delivery by hand as received by the receiving agents. However, the Company will not be held liable if you use a wrong address in posting.
- c) You must pay all bank commissions, transfers and other bank charges related to your application.
- d) A thumb print on an application form will be accepted instead of a signature thereon only if it is duly certified in accordance with the Laws of Ghana.
- e) If your Application Form is not completed correctly or is amended, or if any cheque, bankers draft, money or postal order is found to be less than the amount stated on your Application Form, it may still be treated as valid. In such cases, the Company's decision as to whether to treat the application as valid, and how to construe, amend or complete it shall be final. You will not, however, be treated as having applied to purchase a number of shares which, when multiplied by the offer price, is more than the amount of remittance upon allotment of shares.

- f) An application may be rejected in whole or in part at the discretion of the Advisors and Management of ALW if the application is incomplete or illegible, or if it is determined that the applicant is not eligible to participate in this offer.

8.3 Acceptance of the Offer to purchase shares

- a) Acceptance of your offer will be made (if your application is received, valid, processed and not rejected) by notifying the SEC and GSE of the basis of allocation and by notifying acceptance to receiving agents.
- b) Acceptance of your offer may be of the whole or any part thereof.
- c) If your application to purchase shares is accepted (in whole or in part), there will be a binding contract under which you will be required to purchase the shares in respect of which your application has been accepted.

8.4 Payment for Shares

- a) You undertake to pay the purchase price of the shares in respect of which your application is accepted. The cheque or banker's draft or other remittances may be presented for payment before acceptance of your application, but this will not constitute acceptance of your application, either in whole or in part.
- b) In the case of excess applications, if your application is invalid, rejected or not accepted in full, or if the amount of the application divided by the offer price does not result in a whole number of shares, the proceeds of the cheque or other remittances or the unused balance of those proceeds (as the case may be) will be refunded to you without interest.
- c) If the remittances are not honoured on first presentation, then at any time until the Company has received cleared funds in respect of the share offer, the Advisors, on behalf of ALW may terminate the agreement to purchase that share. The termination will be done by notifying the receiving agent whom you submitted your application to.

8.5 Renunciation

- a) The right to subscribe for the Rights Issue may be renounced in whole or in part only by completing the Application Form in accordance with the instructions therein or by taking no action.
- b) Qualifying shareholders who wish to purchase some of their Rights and to renounce the remainder in favour of a different person or persons, may complete Sections A and B of the Application Form in accordance with the instructions provided in the Guide to Completing the Application Form.

The Application Form must then be lodged with any of the receiving agents, together with payment for the shares to be received not later than 5.00 pm on March 22, 2013.

8.6 Procedure in Respect of Rights not Taken or Renounced

If a properly completed Application Form and payment in full is not received by 5.00 pm on March 22, 2013, the Rights will be deemed to have been declined by the shareholders. These shares will then be available to shareholders applying for extra shares under the Offer, and allotted by the Directors as they deem fit.

8.7 Warranties

You warrant that:

- a) You are qualified to apply;
- b) The applicant on whose behalf you are applying is qualified to apply;
- c) You will submit a complete application including all supporting documents required under the terms of this offer;
- d) In making your application you are not relying on any information or representation concerning the Company not contained in this document. You agree that no person responsible for this document or any part of it will have liability for any such other information or representation;
- e) If any person signing, or making a thumb print on the application form is not the applicant, that person warrants that he/she has authority to do so on behalf of the applicant and that this authority is vested in him or her;
- f) If the applicant is other than a natural person, the person signing the Application Form warrants that he/she has authority to do so on behalf of the applicant.

8.8 Supply and Disclosure of Information

The Company, Directors, Advisors and their agents shall have full access to all information relating to, or deriving from, the cheque or banker's draft or other remittance accompanying your application and its processing. If the Directors or their agents request any information about your application you must promptly disclose it to them.

8.9 Listing of New Ordinary Shares

The GSE has granted permission to admit the additional 600,000,000 ALW shares to be issued under the Rights Issue on the First Official List of the GSE, alongside the existing 92,051,863 ordinary shares listed. It is expected that dealings in the additional shares will commence alongside the existing shares on the Listing Date.

8.10 Share Certificates / GSE Securities Depository

Share certificates **will not** be issued in respect of the new ordinary shares. All shares under this offer will be allotted electronically on the GSE Securities Depository to each successful applicant. All qualifying applicants who already have depository accounts should quote their GSD number on the appropriate section of the application form.

However, all qualifying applicants who have not opened depository accounts as yet should immediately contact Strategic African Securities Ltd (SAS), or any Licensed Dealing Member (Stockbrokers) of the Ghana Stock Exchange to open a Securities' Account with the GSE Securities Depository (GSD). In opening a securities account, you will be required to have one passport picture and a form of identification (Voters ID card, Passport, Drivers Licence or National Health Insurance card).

Additionally, all applicants opening depository accounts can deposit their ALW certificate(s) together with their bonus share certificate (where applicable) and all other paper certificates they hold, or in its absence transfer receipt or balance receipts, to SAS or their broker so that, the number of applicable shares can be credited to the Depository account that they open.

8.11 Exchange Controls

Exchange control is currently governed by the Foreign Exchange Act 2006, Act 723. This repeals the Exchange Control Act of 1961, Act 71. The Foreign Exchange Act provides for the exchange of foreign currency, for international payment transactions and foreign exchange transfers; to regulate foreign exchange business between residents and non-residents through the banks. Furthermore, under BoG Notice BG/GOV/SEC/2007/3 there are no restrictions on the purchase of capital market instruments by non-residents except for the banking sector where the acquisition or disposal of a stake of 10% or more is governed by the Banking Act 2004 and which requires a prior approval by the Bank of Ghana.

8.12 Taxation

a) Withholding Tax on Dividend

Under current Ghanaian tax law, all dividend payments are subject to a dividend withholding tax of 8%. No further tax is payable on dividends received.

b) Capital Gains

The ordinary shares of a company listed on the GSE have been exempted from capital gains tax liability in Ghana since November 1990 and the latest exemption expired in November 2010. The process for extension was initiated, and government has extended the capital gain tax for a further five years to promote investment and deepen activities on the stock exchange. No capital gains tax would therefore be payable on any realisation of capital gain from the sale of shares in ALW until 2010.

c) Gift Tax

Liability to gift tax may arise by gift of shares in the Company if the open market value of the shares at the time of the gift exceeds GH¢50 (subject to certain exemptions). The tax is payable by the recipient of the gift. The applicable statutory rate varies as follows:

- a. Not exceeding GH¢50 – Nil
- b. Exceeding GH¢50 – 5% of a value in excess of GH¢50

d) Stamp Duty

Under the Stamp Duty Act, 2005 (Act 689), transfer of shares is exempt from stamp duty.

e) Corporate Tax

The Internal Revenue Act 2000, Act 592, prescribes a corporate tax of 25% for all listed companies

PART 9 – RECEIVING AGENT’S CONTACT DETAILS

Company: Strategic African Securities Limited

Physical Address: 14th Floor, World Trade Centre, Independence Avenue, Accra

Postal Address: P. O. Box KA 16446, Accra, Ghana

Telephone No: 233-302 661 880

Facsimile No: 233-302 663 999

Email: info@sasghana.com; aafenu@sasghana.com;
cagbomson@sasghana.com; amensah@sasghana.com; brokerage@sasghana.com

Website: www.sasghana.com

PART 10 – APPLICATION GUIDELINES AND APPLICATION FORMS

It is important that this Application Form be correctly completed. Applicants in doubt should consult the Receiving Agents for assistance.

The Offer is open from 10 am on February 25, 2013 and closes at 5 pm on March 22, 2013. Applications received after the Offer has closed may not be considered.

1 General Instructions for Completing the Application Form

Please read the instructions carefully before completing the relevant Sections of the Application Form.

- i) There are various Sections to this Application Form. Please ensure you complete all the relevant and appropriate sections in accordance with your choices, and return the completed Form together with payment for your subscription to the receiving agents by 5 pm on March 22, 2013.
- ii) Use BLOCK letters in completing the Application Form
- iii) Qualifying applicants / shareholders (people over 18 years of age) can buy shares in their own name. Shares may be bought for a child by a parent, grandparent or guardian who has been named as a renouncee. The said adult may complete another application to buy shares in his/her own name if he/she is an existing shareholder / renouncee.
- iv) Power(s) of attorney must be enclosed if anyone is signing on behalf of an applicant other than a minor.
- v) Photocopies of Application Forms will be accepted only when they are clear and legible. The submission of a photocopied Application Form presumes that the applicant understands and accepts the terms and conditions of this offer.

2 Sections of the Application Form

The Application Form has the following sections:

Section A

To be completed by all qualifying shareholders partaking in the Offer. The enclosed Letter of Allotment gives each qualifying shareholder's entitlement in this Offer. Each shareholder must indicate their preferred option and update their contact information under this section.

Section B

To be completed by all qualifying shareholders renouncing some or all their rights, giving details of the renouncee(s). Qualifying shareholders should note that they can sell their rights to this Offer for value, by contacting Strategic African Securities Ltd, or Aluworks Ltd. or their own stockbrokers.

Section C

A copy of this section to be completed by each renouncee named in Section B.

1 Guide to Completing the Application Form for Qualifying Shareholders

a) Provisional Allotment

The Directors of ALW have provisionally allotted to you the number of new ordinary shares set out under the enclosed Letter of Allotment. Your allotment is in the proportion of four (4) new ordinary shares for every one (1) ordinary share registered in your name at the close of business on March 22, 2013.

You may accept all or any number of the new ordinary shares offered you, or renounce your rights in favour of another person(s), or take no action.

If you do not wish to partake in this offer, you do not have to do anything. Kindly note that all qualifying shareholders who do not submit by 5 pm on March 22, 2013, a duly completed Application Form will be deemed to have elected not to participate in this Offer. The Directors of ALW will allot the shares declined by such qualifying shareholders as they deem fit.

b) Available Options If You Wish to Partake

You may do **only one** of the following:

1. Accept only, all the new shares offered you. If you elect this option, kindly complete **Section A** of the Application Form.
2. Accept all the new shares offered you and apply for more shares. If you elect this option, kindly complete **Section A** of the Application Form.
3. Accept part of the new shares offered you and renounce the remainder in favour of another party. If you elect this option, kindly complete **Sections A and B** of the Application Form. Have each renouncee named under **Section B** complete a copy of **Section C** of the Application Form.
4. Renounce all the new shares offered you in favour of another party. If you elect this option, kindly complete **Sections A and B** of the Application Form. Every renouncee named under **Section B** must complete a copy of **Section C** of the Application Form.

3 Guide to Completing the Application Form for Renouncees

Renouncees

If a qualifying shareholder has renounced a portion or all of his rights in your favour under this Offer by naming you in **Section B** of the Application Form, you must complete a copy of **Section C** of the Application Form.

You must provide responses for all items of **Section C** of the Application Form, with the exception of item 4 (Dividend Mandate), which must only be completed if you wish to receive any dividends due you directly into the bank account details you provide.

General instructions for completing **Section C** of the Application Form are as follows:

APPLICATION

Indicate the number of shares renounced in your favour and write the amount payable in figures for the total number of shares you have applied for in section (a). Renouncees must then fill in the name and address of the Renouncer.

1. Personal Details

Complete 1 with your surname (i.e. family name)/company name, all your forenames (i.e. first/other names) and the title by which you are addressed. Also fill in your date of birth or incorporation, your nationality and country of residence. Additionally provide your GSE depository account number, if applicable

2. ID Number/ Company Registration Number

Applicants to the Offer must provide a valid ID. For the purposes of this Offer, a valid ID includes a national passport, driver's license or voter's ID card for individuals, and registration documents, Registrar General's Form A or Form 3 or a duly executed resolution from the organisation for institutions, clubs and other bodies.

3. Address

Complete 3 with your full residential (*if applicable*) and postal address. The address must be current and reliable and in case of any change in address you should immediately inform Merchant Bank Ghana Registrars of your new address.

4. Dividend Mandate

Complete 4 if you wish the registrars (Merban) to pay dividends due you directly into your bank account. Fill in the name of the bank, branch, the account name and the account number.

5. Declaration

Please read the declaration carefully before signing (or thumb printing) on the line and dating the form in the space provided.

The Application Form may be signed by someone else on your behalf if he/she is duly authorised to do so. An agent must enclose the original power of attorney appointing him/her (or copy certified by a notary public) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.

4 Payment for Shares and Delivery of Application Form

For applicants resident in Ghana, payment may be made by cash, cheque, postal or money order, which should be presented at the offices of any of the named Receiving Agents where the Application Form is lodged. All cheques, postal or money orders should be crossed Aluworks Rights Issue and endorsed Commission to Drawer's Account. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant.

Qualifying applicants not resident in Ghana may purchase shares under this Offer in local currency and for this purpose, Aluworks allows payment for shares in Ghana cedis (GH¢) only. Funds should be remitted for the benefit of Aluworks Rights Issue by bank transfer to Strategic African Securities Ltd. Foreign currency will be converted to Ghana cedis by the receiving bank at the day's prevailing market rate.

Any application from a person not resident in Ghana, which is not received in a form which will realise cleared funds for the full amount payable on the application by 5 pm on March 22, 2013, may be treated as invalid. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.

All qualifying applicants resident in Ghana must deliver or lodge their duly completed Application Form at the offices of the Receiving Agents named below in this Offer Circular by 5 pm on March 22, 2013.

Qualifying applicants not resident in Ghana must deliver or lodge their duly completed Application Form with SAS or Aluworks, whose contact details are provided below.

Applicants who choose to mail their Application Form to the receiving agents are advised to use registered mail services. However, all documents mailed to the receiving agents by applicants will be at the applicant's own risk, and Aluworks may treat applications not received by 5 pm on March 22, 2013 as invalid.

Applicants are to note that Application Forms must be lodged at the same receiving agent office where payment is made for the shares applied for. The receiving agent will acknowledge receipt of application form and funds from each applicant.

6 Receiving Agents

The receiving agents for this offer are Strategic African Securities Ltd (SAS). Below are the contact details of all the receiving agents.

Strategic African Securities Limited
14th Floor, World Trade Centre Accra
Independence Avenue
PO Box KA 16446
Accra, Ghana
Tel: +233 302 661772, 661900, 661 008
Fax: +233 302 663 999
Contacts: Apiigy Afenu; aafenu@sasghana.com
Cyril Edem Agbomson; cagbomson@sasghana.com
Alec Sam Mensah; amensah@sasghana.com
Millicent S. Ofori: brokerage@sasghana.com

ALUWORKS LIMITED RIGHTS ISSUE – APPLICATION FORM

SECTION A (To Be Completed By Qualifying Shareholders Only)

I. SUBSCRIPTION INSTRUCTIONS (Please choose only one of the options stated below):

Option 1

Please tick your option

☐

I, wish to subscribe fully for my Rights only

I/We make payment of GH¢..... covering my rights.

Kindly sign the declaration below and return this signed form together with the amount above to the receiving agent.

Option 2

☐

I, wish to subscribe fully for my Rights and apply for extra shares

If you ticked Yes, please put in the number of extra shares you wish to apply for and amount payable covering your total application below:

I/We wish to subscribe for extra shares in addition to my allotted Rights

I/We make payment of GH¢/\$/£/€)..... covering my rights and the extra shares

I/We understand and accept that receiving these additional shares depends upon the number of unsubscribed shares available after the closure of the Offer and will be at the discretion of the Directors of ALW.

Option 3

☐

I, wish to partially subscribe for my Rights and renounce the remainder in favour of others

Kindly sign this form and complete and attach Section B to this form. Each renounee must also complete a copy of Section C of this form.

Option 4

☐

I, wish to fully renounce my Rights in favour of others

Kindly sign this form and complete and attach Section B to this form. Each renounee must also complete a copy of Section C of this form.

DECLARATION

I/We hereby apply for shares of Aluworks under the terms and conditions set out in the Offer Circular. I/We certify that all statements made in this application to enable me take-up/reject/split my rights in the ALW Rights Issue are correct and the responses are my own.

.....
Shareholder's Signature Date Receiving Agent's Stamp/Signature

II SHAREHOLDER DETAILS UPDATE (All ALW shareholders should kindly provide an update of their contact details):

SURNAME/COMPANY NAME:

FIRST NAME:

MIDDLE NAME:

TITLE:

ADDRESS (PHYSICAL ADDRESS/POSTAL BOX):

TELEPHONE NUMBER:

EMAIL:

GSD ACCOUNT DETAILS (if applicable):

Broker Code:

Client Account Code:

DIVIDEND MANDATE:

Bank Name:

Branch Name:

Account Name

Please Tear Along This Line

.....

To be completed by the Receiving Agent and then signed and retained by applicant as evidence of application ALW RIGHTS ISSUE APPLICATION COUNTER FOIL		
Applicant's Name and Address	Applicant's Signature or Thumbprint	Receiving Agent's Stamp/Signature/Date
Name:		
Address:		
No. of Shares Applied For:	Amount Paid (GH¢/\$/£/€)	

SECTION B (To Be Completed **ONLY** By Qualifying Shareholders renouncing some or all of their rights)

i. I/We wish to take up shares under my Rights

ii. I/We wish to renounce the remaining shares in favour of the following persons:

[illegible]

Shareholder's Signature

.....
Date

.....
Receiving Agent's Stamp/Signature

Please Tear Along This Line

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Name:		
Address:		
No. of Shares Applied For:	Amount Paid (GH¢/\$/£/€)	

SECTION C (A Copy of This Section Must Be Completed By Each Renouncee Named Under Section Bii)**APPLICATION**a) No of Shares Renounced
in Favour of Renounceesb) Additional Shares
Applied Forc) Total No. of
Shares Applied

Amount Payable (No. of Shares under © above times GH¢/\$/£/€ per share)

Name & Address of Renouncer

1. Surname/ Company
Name

First Name

Middle Name

Title (tick)

Mr	Mrs	Ms	Dr	
----	-----	----	----	--

Sex

M	F
---	---

Date of Birth/Incorporation
(dd/mm/yyyy)Nationality/ Country
of Residence

2. Identification No./ Company Reg. No.

Passport

National ID

Driver's Licence

Other please Specify

3. Address

Email

Phone

4. Broker
Code

Client Account

5. **DIVIDEND MANDATE**

Bank Name:

Branch Name:

Account Name:

Account Number:

6.

Declaration

I/We hereby apply for shares on the terms and conditions set out in the Offer Circular. I/We certify that all statements made in this application to enable me/us take up these shares are correct and that the responses are my/our own.

Shareholder's Signature

Date

Receiving Agent's Stamp/Signature

Please Tear Along This Line

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ALW RIGHTS ISSUE APPLICATION COUNTER FOIL		
Applicant's Name and Address	Applicant's Signature or Thumbprint	Receiving Agent's Stamp/Signature/Date
Name:		
Address:		
No. of Shares Applied For:	Amount Paid (GH¢/\$/£/€)	

SECTION D (To Be Completed By Non-shareholders Who Are Not Renouncees But Wish To Apply For Shares in Aluworks Limited)

APPLICATION

No of Shares		Amount Payable (GH¢/\$/£/€)	
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1. Surname/ Company Name

First Name

Middle Name

Title (tick)
Mr
Mrs
Ms
Dr

Sex
M
F

Date of Birth/Incorporation (dd/mm/yyyy)
Nationality/Country of Residence

2. Identification No./ Company Reg. No.

Passport
National ID
Driver's Licence
Other *pls* Specify

3. Address

Email
Phone

4. Broker Code
Client Account Code

5. **DIVIDEND MANDATE** Bank Name:
Branch Name:
Account Name:
Account Number:

6.

Declaration

I/We hereby apply for shares on the terms and conditions set out in the Offer Circular. I understand and accept that getting these shares depends on the number of unsubscribed rights available after the close of the offer. I/We certify that all statements made in this application are correct and the responses are my/our own.

.....
Shareholder's Signature	Date	Receiving Agent's Stamp/Signature

Please Tear Along This Line

To be completed by the Receiving Agent and then signed and retained by applicant as evidence of application ALW RIGHTS ISSUE APPLICATION COUNTER FOIL		
Applicant's Name and Address	Applicant's Signature or Thumbprint	Receiving Agent's Stamp/Signature/Date
Name:		
Address:		
No. of Shares Applied For:	Amount Paid (GH¢/\$/£/€)	