

ALUWORKS LIMITED
DRAFT PLACEMENT DOCUMENT

September 1996

I. COVER PAGE

- Company Logo etc.

The information contained herein known as the "Prospectus" gives details of this Restricted Offer and a description of Aluworks Limited ("Aluworks" or the "Company"). Details of Aluworks' activities, its present shareholding structure, and on how to apply for the shares being offered are also given. Copies of the Prospectus are available at the offices of Databank Brokerage Limited, National Trust Holding Company Limited, and Aluworks Limited. The Directors of Aluworks, whose names appear on page 1 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Co-Managers, Databank Brokerage Limited and National Trust Holding Company Limited, the information contained in this document is factual. A copy of this document has been delivered to the Registrar General's Department in Ghana for registration. The Registrar has not checked and will not check for the accuracy or completeness of any statements made herein and accepts no responsibility therefor or for the financial soundness of the Company or the value of the Securities concerned.

RESTRICTED SHARE OFFER

Aluworks Limited

(Incorporated in Ghana as a Limited Liability

under the Companies Code, 1963 [Act 179])

Restricted Offer for Subscription of 5,000,000 New Ordinary

Shares of no par value at an Issue Price

of ₵1,350 per share

Co-Managers and Sponsoring Brokers

Databank Brokerage Limited

National Trust Holding Company Limited

Application has been made to the Ghana Stock Exchange (GSE), a stock exchange approved in accordance with Section 280 of the Companies Code, 1963 (Act 179) as amended by Section 145(2) of the Securities Industry Law 1993, (PNDCL 333), for listing the shares hereby offered and the other issued shares of the Company on the GSE. The GSE has given provisional approval for the listing of the said shares. No person has been authorised to give any information or to make any representation other than those contained in this Prospectus, and if given or made, such information or representation must not be relied upon as having been authorised. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Date of this Prospectus is September 19, 1996

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DIRECTORS AND PARTIES TO THE OFFER**Directors:**

Mr. William Ekroo Inkumsah
Mr. John Percival Awuku Nyako
Mr. Kwadwo Kwarteng
Mr. Kofi Ansah
Mr. Griffith Danso Apatu
Mr. Eddie Safo Kwakye
Flt. Lt. Joseph Bampo Atiemo
Mr. Kofi Koduah Sarpong
Mr. Benjamin Akuete Gogo
Mr. Vincent Ofosu-Amaah

Company Secretary and Solicitor:

Mr. Alex Poku Acheampong
Aluworks Limited
P.O. Box 914
Tema

Transfer Agent and Registered Office:

National Trust Holding Company Limited
Dyson House, 44 Kwame Nkrumah Ave.
P. O. Box 9563
Airport - Accra

Principal Place of Business:

P.O. Box 914
Plot No. 63/1
Heavy Industrial Area
Tema

Auditors:

KPMG
Chartered Accountants
2nd Floor, Mobil House
Liberia Road
Accra

Reporting Accountants:

Owusu and Fiadjoe
Aglonu House
27 Eseefoo Street
Asylum Down
P.O. Box 2239
Accra

Financial Advisors:

Databank Financial Services Limited
SSNIT Tower Block, 5th Floor
PMB, Ministries Post Office
Accra

National Trust Holding Company Limited
Dyson House, 44 Kwame Nkrumah Ave.
P. O. Box 9563
Airport - Accra

**Co-Managers to the Offer
and Sponsoring Brokers:**

Databank Brokerage Limited
SSNIT Tower Block, 5th Floor
PMB, Ministries Post Office
Accra

National Trust Holding Company Limited
Dyson House
44 Kwame Nkrumah Avenue
P.O. Box 9563
Airport-Accra

Registrars:

National Trust Holding Company Limited
Dyson House
44 Kwame Nkrumah Avenue
P.O. Box 9563
Airport-Accra

Legal Advisor to the Offer:

Tetteh & Company
Legal Practitioners
P.O. Box 14767
Accra

Bankers:

Social Security Bank Limited
Private Mail Bag
Tema

Ghana Commercial Bank
Industrial Area Branch
Tema

CAL Merchant Bank Limited
44 Independence Avenue
Accra

PART I - PROSPECTUS SUMMARY

The following summary contains the salient features of the offer which are qualified in its entirety by reference to the detailed information and financial statements contained elsewhere in this Prospectus.

1.1 The Company: Aluworks Limited ("Aluworks" or the "Company") is engaged in the production and trading of aluminium based products; it is located at Tema, the major seaport and industrial town in Ghana. The Company was incorporated on February 24, 1978 as a private limited liability company. By a shareholders' resolution on 28th May, 1996, the Company was converted to a public limited liability company and on June 28, 1996, a statement in lieu of prospectus was accordingly filed with the Registrar General's Department.

The Company's principal activities consist of the production and sale of aluminium sheet-in-coil, circles, flat sheets, corrugated roofing sheets, aluminium louvre blades and other aluminium based products.

The Company began operations on 1st October, 1985 at seventy (70) percent of its installed plant capacity of 10,000 metric tonnes (MT) per annum. The successful operation of Aluworks in addition to increasing demand for its products encouraged the Board and Management to embark on an expansion programme which doubled the capacity to 20,000 MT per annum in 1992. At present, the Company produces at almost ninety (90) percent of its capacity. The expansion was financed by debt and internally generated funds.

After the expansion programme was completed, capacity utilisation moved from 62.8% in 1992 to 74.2% in 1993 to 82.1% in 1994 and 82.9% in 1995. Corresponding production levels have increased from 12,569 MT in 1992 to 14,846 MT in 1993, 16,416 MT in 1994 and 16,574 MT in 1995.

Product - Mix
(Sales Tonnage)

(Sales Tonnage)	1992	1993	1994	1995	
<i>LOCAL</i>					
Sheet-in-Coil		1,078	1,654	1,624	3,759
Circles		2,660	3,361	2,974	3,885
Flat Sheet		349	391	504	316
Corrugated Sheets		<u>5,775</u>	<u>7,382</u>	<u>7,634</u>	<u>5,874</u>
Total Local		9,862	12,788	12,736	13,834
<i>EXPORT</i>					
Sheet-in Coil		1,457	840	2,062	1,952
Circles		<u>1,179</u>	<u>1,136</u>	<u>1,592</u>	<u>784</u>
Total Export		2,636	1,976	3,654	2,736
Total Sales Tonnage		<u>12,498</u>	<u>14,764</u>	<u>16,390</u>	<u>16,570</u>

* Note: Excludes exports of flat and corrugated sheets

In late 1994, the Company embarked on another expansion programme which comprised the rehabilitation of key machinery and the extension of the present factory building. This five year investment project is expected to cost \$20 million - \$30 million.

1.2 Company's Mission: Aluworks Limited is a continuous casting and clod rolling mill located in the port city of Tema, Ghana. Its mission is to manufacture and sell the highest quality aluminium sheets-in-coil, circles and other related products in an economically, efficient and competitive manner in order to obtain an acceptable return on capital employed.

PROSPECTUS SUMMARY (CONTD)**1.3 Authorised****Business:**

The nature of the business which the Company is authorised to carry on are to:

- process aluminium metal by continuous casting process into aluminium sheets, circles and all manner of aluminium sheet products;
- undertake castings and extrusions in aluminium;
- generally undertake all manner of processing and manufacturing in aluminium alloys;
- undertake manufacturing and processing of all manner of ferrous and non-ferrous metals;
- wholesale, retail and distribute all manner of aluminium alloy products and ancillary supplies both on the domestic and export markets;
- import, maintain and service industrial machinery and spares required for promoting the objective of the Company.
- acquire and transact inland and all manner of properties and real assets for the promotion and realization of the objectives of the Company;
- acquire, purchase, take on lease and/or hire any real property, asset and any rights and privileges;
- represent locally, overseas commercial concerns and investors for the promotion of the objectives of the Company.

1.4 Rights Issue:

In late 1994, the Company initiated a rights issue to help service the dollar denominated loans which was taken to finance the construction of the Company's plant. The loan has since been restructured into a cedi loan with an outstanding principal of ₵5,001, as at June 30, 1996 which is being serviced as agreed.

Shareholders were given the option to exercise their rights over a four (4) year period from December 31, 1994, at the price of ₵1,650 per share. However, on June 28, 1996, the period within which shareholders could accept their rights ended. A total of 2,628,460 shares were accepted under the rights offer with 688,073 shares being fully paid for, while the remaining 1,940,387 shares are payable through December 31, 1998.

1.5. Special Offer: A special offer of 500,000 shares for management and staff ("Employee Share Option Plan") and 200,000 shares for Directors was approved by the Board and shareholders at a per share price of ₵1,650 under similar terms to the rights issue. By the expiry date, Directors had accepted 180,000 shares and paid for 73,400 shares, while Management and staff had accepted all 500,000 shares and paid for 184,300 shares.

1.6 Bonus Issue:

The Board and shareholders also approved an issue two bonus shares for each share held on record as at June 28, 1996 including the fully paid for rights and special offer. This resulted in total shares outstanding of 10,266,744 as at June 30, 1996.

1.7 Other Approved Share Issue:

The Board and shareholders (on May 28, 1996) approved an option plan under which 6,000,000 shares are to be offered to a Development Financial Institution (i.e. Commonwealth Development Corporation (CDC) or other institutional investor. If the issue is not completed in 2 years (May 28, 1998), the approval will expire. If this transaction is executed the proceeds will be used to finance planned future projects.

1.8 The Share Offer:

The Share Offer is a restricted offer (ie. placement) comprising 5,000,000 shares of the unissued share capital of the Company being offered by the Company for subscription. The Offer is being made to selected institutions and individuals resident in Ghana and to institutions, qualified individuals and fund managers overseas.

1.9 Details of the Offering:

•Offer Price per share	-	₵ 1,350
•Ordinary Shares Offered	-	5,000,000
•Total Proceeds Expected	-	₵6.75 billion
•Total Shares Outstanding(pre-Offer)	-	10,266,744
•Total Shares Outstanding (post-Offer)	-	15,266,744
•Number of Authorised Shares	-	50,000,000

PROSPECTUS SUMMARY (CONTD)

•Expected Market Capitalisation (after Offer)	-	₵ 20.61 billion
•Earnings Per Share (1995)	-	252.86
•Price Earnings Ratio (1995)	-	5.34
•Expected Earnings Per Share (1996) ¹	-	380.84
•Expected Price Earnings Ratio (1996) ¹	-	3.54

¹ Figures based on the offer price of ₵1,350 per share, post-offer outstanding shares of 15,266,744 and adjusted and annualized 1996 half year results.

1.9 Listing:

Application has been made to the Ghana Stock Exchange (GSE), a stock exchange approved in accordance with section 280 of the Companies Code, 1963 (Act 179) as amended by Section 145(2) of the Securities Industry Law 1993, (PNDCL 333), for listing the shares hereby offered and the other issued shares of the Company on the GSE. The GSE has given provisional approval for the listing of the said shares.

1.10 Symbol:

ALW

1.11 Underwriting of Shares:	None of the shares being offered under this offer are expected to be underwritten.
1.12 Important Dates and Times:	<ul style="list-style-type: none"> •Offer Opens at 09:00 hours on September 24, 1996 •Offer Closes at 15:00 hours on November 1, 1996 •Anticipated Listing Date of Aluworks on the GSE - November 25, 1996
1.13 Units of Sale:	Minimum of 1,000 shares and in multiples of 100
1.14 Payment Terms:	Payment in full on application
1.15 Completing the Application Form:	<p>Applications must be made on the accompanying Application Form and must be for a minimum of one thousand (1,000) shares and thereafter in multiples of 100. The completed Application Form together with the amount payable on application (¢1,350 per share) must be lodged during normal business hours while the Offer is open, at any of the offices of the Stockbrokers indicated and Aluworks. No application will be accepted for consideration by the Directors or treated as binding until after the closing of the Offer on November 1, 1996.</p> <p>Cheques, Postal and Money Orders, which will be presented for payment, should be made payable to the Stockbrokers at whose office the Application Form is to be lodged and should be crossed ALUWORKS SHARE OFFER and endorsed COMMISSION TO DRAWERS ACCOUNT. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant.</p> <p>Applications in respect of which cheques are returned unpaid for any reasons whatsoever will be rejected.</p>
1.16 Allotment and Dispatch of Certificates:	<p>A Share Certificate in respect of the number of shares for which the Application is accepted will be sent by registered mail not later than November 15, 1996 or two (2) weeks after the Offer is closed (excluding holidays).</p> <p>The Managers reserve the right to accept or reject any Application in whole or in part for reasons given under 12.2(d) below. Applications which are received after the application lists have closed will not be considered.</p> <p>If the total number of shares applied for exceeds the number of shares offered, the basis of allotment will be decided by the Board of Directors of the Company in consultation with the Ghana Stock Exchange and on the advice of the Managers in such a way as to bring about an appropriate spread of shares to meet the private placement objectives of the issue.</p>
1.17 Return of Excess Application Money:	<p>If any application is not accepted or is accepted for smaller number of shares than applied for, the balance of the amount paid on application will be returned by crossed cheque, and dispatched by registered mail not later than November 22, 1996 in which event, no bank commission or transfer charges will be payable by the applicant on the amount returned.</p>

PROSPECTUS SUMMARY (CONTD)

<p>The Company and its authorised dealers and brokers reserve the right to withhold share certificates and remittances for surplus application monies pending clearance of cheques. Arrangements have been made for the registration by the Company of all the shares now being offered for subscription, in the name of persons entitled thereto, as well as those of the same class already in issue, in the names of persons entitled thereto.</p>	
1.18 Brokerage Fees:	Brokerage fees will be paid by the Company, at a rate of 1.5 per cent, on all accepted applications.
1.19 Statutory and General Information:	<p>The Company was incorporated in Ghana, as a private limited liability company on 24th February, 1978 under the Companies Code 1963 (Act 179). The Company began operations on 1st October, 1985. By a shareholders' resolution passed on 28th May 1996, the Company adopted new Regulations and was converted into a public limited liability company.</p>
1.20 Where to Obtain Copies of the Prospectus:	<p>The application lists for the Shares being offered will open at 9.00 a.m. on September 23, 1996 and close at 3.00 p.m. on November 1, 1996.</p> <p>Copies of the Prospectus together with Application Forms are being provided and may be obtained from the offices of Databank Brokerage Limited, National Trust Holding Company Limited, and Aluworks Limited.</p>
1.21 Terms of the Offer:	<p>The Shares hereby offered are subject to the terms of this Share Offer, the Application Form, and the Regulations of the Company. The said shares shall be ordinary shares and will rank equally in all respects with all other issued ordinary shares of the Company including voting rights and all other rights attached thereto.</p> <p>Purchase of shares offered herein and subsequent transfers thereof shall only be made subject to applicable laws.</p>
1.22 Financial Advisors:	<ul style="list-style-type: none"> •Databank Financial Services Limited •National Trust Holding Company Limited

1.23 Co-Managers**and Sponsoring**

- Databank Brokerage Limited

Brokers:

- National Trust Holding Company Limited

1.24 Risk Factors:

An investment in the securities of the Company entails certain risks. As a consequence, in considering a purchase of the securities being offered, prospective investors should consider the risk of Aluworks' inability to control world market aluminium prices as dictated by the London Metal Exchange (LME) and the risks of potential reduction in volumes (tonnage), (see Investment Consideration in the prospectus). The Company, however, has established controls and strategies to mitigate these risks.

PROSPECTUS SUMMARY (CONTD)**1.25 Shareholders' Funds****Statement:**

	<u>30/6/96</u>	<u>31/12/95</u>
Authorised Number of Shares	50,000,000	50,000,000
Number of Ordinary Shares Issued and Fully Paid	10,266,744	2,684,708
Shareholders' Funds as at		
	<u>30/6/96</u>	<u>31/12/95</u>
	(£'000)	(£'000)
STATED CAPITAL	£ 9,381,012	£ 1,323,267
INCOME SURPLUS	£ 5,900,857	£ 3,575,191
CAPITAL SURPLUS	—	£ 6,841,128
TOTAL SHAREHOLDERS' FUNDS	<u>£15,281,869</u>	<u>£11,739,586</u>

The Company has an authorised number of shares of fifty million (50,000,000) of which 10,266,744 have been issued and fully paid with additional 5,000,000 shares being offered for subscription through this placement. The ordinary shares of the Company are transferable in multiples of one share in accordance with the Regulations of the Company by transfer in the prescribed form.

1.26 General: At the date of this publication, 2,362,687 shares remain payable on the rights issue and the special share offer which will end on December 31, 1998. There will be additional listings for any paid shares at the end of each calendar year until the offer ends. As a public company these shares are renounceable, an existing shareholder with shares which remain payable can renounce his/her right and sell those shares to a third party. No shares are agreed or proposed to be issued for any consideration other than cash.

No commissions have been granted or paid by the Company within the two years immediately preceding the date of this Offer for Subscription or are payable for acquiring any shares or debentures of the Company.

All the expenses of this offer, not exceeding five (5) percent of the amount to be raised, will be paid by the Company.

1.27 Working Capital: The Directors of the Company are of the opinion that the Company's internally generated funds are sufficient to meet its working capital needs. The Company, however, requires additional financing to complete the on-going expansion programme and to fund planned future projects.

1.28 Minimum

Subscription: The Company has set a minimum subscription of £2.0 billion which should be realised from this offer.

PROSPECTUS SUMMARY (CONTD)

1.29 Summary Financial Information
(€'millions):**Years Ended December 31****Six Months****Ended June 30**

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
Statement of Operations						
Gross Sales	€34,062	€8,565	€12,778	€20,625	€33,824	€55,333
Excise Duty & Sales	(1,671)	(279)	(60)	(35)	(79)	(2,216)
Net Sales	32,391	8,286	12,718	20,590	33,745	53,117
Income (Loss) from	4,660	747	1,157	3,515	3,750	6,142
Operations						
Interest Expense		827	172	375	2,239	2,033
Income (loss) Before		854	1,132	2,565	2,318	5,148
Taxation						
Tax Credit (Charge)		25	(118)	117	(317)	(1,288)
Net Income (loss)		878	€1,014	€2,682	€2,001	€3,860
	€2,326					

Earnings per Share	€355	€410	€1,083	€808	€1,438	
Number of Shares	2,476,375	2,476,375	2,476,375	2,476,475	2,684,708	
(Used in Computing						
per Share amounts)						

Balance Sheet Data

Working Capital	€623	€651	€3,527	€6,549	€ 6,469	€
Total Assets	€16,092	€19,355	€22,767	€27,932	€29,492	
Total Debt	€ 9,548	€10,087	€11,046	€13,255	€11,461	€10,237
Stockholders' Equity	€3,093	€4,107	€6,790	€8,395	€11,740	

Note: Cedis are in millions except earnings per share data

1.30 Share History

Number of Shares	Value (€'000)	Date of Issue (As of)	Shares Issued for Cash/Bonus			
Pre-Rights Shares		2,476,475	€979,683	31/12/94	Cash	Cash
Total Rights Paid For	688,073		1,135,320	28/6/96	Cash	
Total Special Offer Paid For						
Directors	73,400		121,110	28/6/96	Cash	
Management and Staff		184,300	304,095	28/6/96	Cash	
Total Shares Outstanding		3,422,248	€2,540,208	28/6/96	Cash	
Bonus Shares (2 for 1 existing share)		6,844,496	-	30/6/96	Bonus Shares	
10,266,744	€2,540,208					

PART II - THE COMPANY

2.1 Aluworks, the only aluminium rolling mill in the country, produces aluminium based products. Its major products include: aluminium sheet-in-coil, circles, corrugated roofing sheets and flat sheets. The Company's line of products are utilised in the production of hollowware (cooking utensils) and other products including those in the general fabrication, building and construction sectors. With a maximum capacity of 20,000 metric tonnes, Aluworks' output was 16,574 metric tonnes (approximately, 83% of capacity) in 1995 of which 83.5% (13,834 metric tonnes) was sold locally and 16.5% or (2,740 metric tonnes) were exported to ECOWAS Countries, the United States and South America.

2.2 The Company's customers include producers of hollowware products for the household utensils market and processors of extruded profiles and roofing sheets for the building and construction industry. The Company's customers include blue chip manufacturers such as: Ghana Aluminium Products, Pioneer Aluminium Factory, Instyle Industries Limited and Domod Company Limited. These manufacturers process the aluminium based products into final products for the end-user (i.e., commercial and retail customer).

2.3 The aluminium industry has been growing since 1985 as the demand for household products and building materials for the construction industry picked up in response to improved economic conditions. Consequently, in 1992, the Company doubled its initial capacity to 20,000 tonnes and in 1994, the Company embarked on a five year expansion programme to rehabilitate key machinery and to increase the factory's capacity. In the medium term the proceeds from the rights issue and this restricted offer will be used to finance the Company's proposed upgrade in its technology, and investment in new machinery to produce additional products (i.e., color coated aluminium based products and aluminium foil).

2.4 The Company believes that its sizeable investment to-date in establishing and maintaining its leadership presence in the aluminium industry has enabled it to develop significant competitive advantages including:

- Strong brand name;
- Quality and reliability of products; and
- Ability to satisfy customer orders and specifications.

2.5 *Purposes of the Listing and Use of Proceeds:*

The purposes of the listing and use of proceeds will be to:

- provide institutions, pension funds, staff and business associates of Aluworks the opportunity to participate directly in the equity of Aluworks.
- provide an incentive to the employees of the company to benefit from their enhanced productivity.
- enhance investor and general awareness of Aluworks.
- complete the on-going expansion programme, upgrade technology and provide for normal production needs and various corporate purposes.
- facilitate future expansion and to finance capital expenditures of the Company.

2.6 *Dividend Policy*

Based on the Company's performance, the Board of Directors of Aluworks Limited should be in a position to declare a dividend payment of, approximately, thirty (30) percent of its net earnings in 1996. The Board, however, will ensure that the proposed dividend distribution does not jeopardize the Company's ability to operate effectively.

The payment of all future dividends remains at the discretion of the Board of Directors and will be determined on the basis of the Company's cash flow, earnings, capital requirements, operating and financial conditions, and other relevant factors.

2.7 The Company's dividend record for the past five years is as follows:

DIVIDENDS HISTORY AND ANALYSIS (¢'000)					
	1991	1992	1993	1994	1995
Net Earnings	¢878,360	¢1,014,382	¢2,682,139	¢2,001,398	¢3,860,412
Dividends	0	0	0	¢ 396,220	¢ 859,123
Payout Ratio	NA	NA	NA	19.80%	22.25%

Dividends declared are paid the following year.

2.8 *Capital Structure*

The capital structure of the Company as at 30th June, 1996:

Authorised Shares	Issued and Fully Paid	Unissued
50,000,000	10,266,744	39,733,256

All the shares of the Company are ordinary shares of no par value.

2.9 The Company has no preference shares. The Company has no shares in treasury. The Company has 2,362,687 options shares allocated to existing shareholders at a price of ¢1,650 per share to be paid for in half yearly installments (ending on December 31, 1998) as a result of a rights issue and a special share offer concluded on June 28, 1996. The number of shares available under the rights option and special offer include:

	Total # of Shares Accepted	Shares Paid For	Total # of Unpaid Shares	Option Expiration Date
Rights Offer	2,628,460	688,073	1,940,387	Dec. 31, 1998
Special Offer	<u>680,000</u>	<u>257,770</u>	<u>422,300</u>	Dec. 31, 1998
Total	<u>3,308,460</u>	<u>945,773</u>	<u>2,362,687</u>	

2.10 The 945,773 paid-up shares in addition to the existing 2,476,475 paid-up shares prior to the rights issue and special offer culminated in a total of 3,422,248 being eligible for two bonus shares; this for each paid-up share resulted in 10,266,744 total shares outstanding as at June 30, 1996.

The current shareholding is as follows:

Shareholder	Percentage Holding	Number of Shares Held	Number of Shareholders
Government of Ghana	45.32%	4,653,300	1
Social Security Bank Ltd.	17.54	1,800,909	1
Ghana Cocoa Board	8.77	900,000	1
Individual & Other Corporates	7.44	763,905	26
Aluworks Management and Staff	5.39	552,900	178
Aluworks Directors	3.93	733,950	9
Pioneer Aluminium Factory Ltd.	2.58	264,963	1
National Trust Holding Company Ltd.	1.65	169,812	1
Household Aluminium Factory Ltd.	1.52	155,625	1
KEL Investment Limited	1.50	154,020	1
Ghana Commercial Bank	1.46	150,000	1
Tema Oil Refinery	1.46	150,000	1
National Investment Bank Ltd.	1.44	147,360	1
Total	100.00%	10,226,744	223

2.11 Shareholders of the Company are:

- i. entitled to one vote for each Ordinary Share held on record on matters submitted to a vote of shareholders;
- ii. entitled to share proportionately in all dividends; and
- iii. entitled to share proportionately in all assets of the Company available to shareholders and for distribution to shareholders upon liquidation, dissolution, or winding-up of the Company's affairs.

2.12 *Indebtedness*

A breakdown of the company's loan facilities as at June 30, 1996 are summarized below:

<u>Lender</u>	<u>Rate</u>	<u>Total Amt. Maturity (¢'000)</u>	<u>Payable by 31/12/96</u>	<u>Payable After 31/12/96 Per Annum</u>	<u>Interest Date</u>
Bank of Ghana		¢ 15,855	¢ 15,855	-	2.0% Aug. 1996
Government of Ghana Dec. 1999		<u>8,168,804</u>	<u>1,417,037</u>	<u>6,751,767</u>	20.0%
		<u>¢8,184,659</u>	<u>¢1,432,892</u>	<u>¢6,751,767</u>	

<u>Lender</u>	<u>Rate</u>	<u>Total Amt. Maturity (US\$'000)</u>	<u>Payable by 30/9/96</u>	<u>Payable After 31/12/96 Per Annum</u>	<u>Interest Date</u>
West Merchant Bank*		\$ 2,905	\$ 768	2,137	8.3% Mar. 1998

NOTE: Amounts payable include both the principal and interest payment.

* Principal payments of \$656,634 will be payable on March 1997, September 1997, and March 1998, with total interest payments of \$166,680 through this term.

2.13 *Dilution*

The net tangible book value of the Company at June 30, 1996 was ¢15.3 billion or ¢1,488 per share. Net tangible book value per share represents the amount of total tangible assets of the Company less the amount of total liabilities, divided by the number of ordinary shares outstanding. Without giving effect to any changes in net tangible book value after November 1, 1996, other than the sale of the shares at the placement offering price at ¢1,350 per share and the deduction of the estimated cost of the offering, the pro-forma net tangible book value of the Company would have been ¢1,421 or a dilution to existing shareholders of ¢67 per share. This represents an immediate increase in net tangible book value of ¢71 per share to new investors purchasing shares in the placement offering.

2.14 The following table illustrates the dilution, assuming that there is no over allotment beyond the 5,000,000 shares.

Net tangible book value per share prior to offering	-	¢1,488
Pro forma net tangible book value after offering	-	¢1,421
Increase in net tangible book value attributable to purchasers of shares	-	¢ (67)
Dilution to existing Shareholders	-	¢ 67
Pro forma net tangible book value after offering	-	¢1,421
Initial Placement Offering price	-	¢1,350
Gain to new shareholders	-	¢ 71

2.15 The following table sets forth on a pro-forma basis as of November 1, 1996 (after the offering) the number of shares purchased from the Company, the total consideration paid and the average price per share paid by existing shareholders and by new public investors (assuming the sale of 5,000,000 shares at a price of ¢1,350 per share, before deduction of estimated cost of placement).

	Number of Shares Purchased	Percent	Consideration Amount	Percent	Avg. Price Per Share
Existing Shareholders	10,266,744	67.25%	¢2,540,208	27.34%	¢ 247
New Public Investors	<u>5,000,000</u>	<u>32.75</u>	<u>¢6,750,000</u>	<u>72.66</u>	¢1,350
Total	<u>15,266,744</u>	<u>100.00%</u>	<u>¢9,290,208</u>	<u>100.00%</u>	

2.16 In addition, the foregoing table excludes an aggregate of 2,362,687 shares reserved (to be issued) pursuant to shareholders rights for the existing shareholders and special offer rights to Directors, management and staff. To the extent that these shares are paid for and therefore issued, there may be further dilution to new investors (see Stock Plans).

2.17 Prospects of the Company

Objectives for the Short and Medium-Term

Over the next few years, Aluworks plans to strengthen its leadership position in the aluminium industry as a producer of aluminium based products. This will be pursued through its expansion strategy, future plans and consolidating its position as a high quality producer of aluminium products.

To achieve this overall objective, management will:

- complete its present expansion plan designed to rehabilitate key machinery, upgrade technology and extend the present factory building.
- continuously improve its production processes to achieve cost savings and efficiency improvements.
- introduce new products through the acquisition of additional equipment to diversify its product offerings and strengthen its competitive position.

Expansion Programme and Future Plans

As mentioned above, the Company has embarked on an expansion programme designed to enable the Company to enhance production, improve efficiencies and solidify its position in the aluminium industry.

The Company also has plans to invest in technology upgrades and to increase its production volume at a future date. The plan is designed to provide it with sufficient capacity to meet the increasing demand for its products.

These long-terms project are expected to increase production capacity to 40,000 metric tonnes per annum from the current level of 20,000 metric tonnes per annum. This will include acquisition of equipment, and the introduction of new product lines and new technologies which will enhance the Company's ability to meet demand for its products as well as increase its flexibility to shift products to areas of high demand and new growth opportunities.

The estimated cost of these project will be \$20 - \$30 million. The funds are expected to be sourced through: internally generated funds; this share offer; and if necessary, raising capital through additional offerings in the future (i.e., CDC's option to purchase 6 million shares). This plan will enable the Company to reduce its reliance on loan financing to complete the expansion programme, its medium to long-term future projects and also strengthen its working capital position.

PART III - INVESTMENT CONSIDERATIONS

An investment in the securities of the Company entails certain investment risks. In considering a purchase of Aluworks ordinary shares being offered, prospective investors should consider carefully the following potential risks of an investment in the Company, including any relevant information contained in this prospectus.

3.1. *Raw Material Costs*

The increases in the price of aluminium on the world market combined with the depreciation of the cedi result in price increases. This could negatively affect Aluworks' performance because of the consequent increase in product prices and the potential decrease in local demand. To-date these price fluctuations have not significantly affected local demand, despite overall price increases, demand has continued to increase over the years.

3.2. *Foreign Exchange Risk*

On the international market, Aluworks prices are dictated by the world market. Even though the Company is able to earn foreign exchange from its export sales, other sales to West African countries are denominated in cedis through the West Africa Clearing House. Pricing is therefore competitive leaving Aluworks with limited flexibility to increase its margins. Despite this, export sales are profitable.

The Company prices its local sales by taking into account the dollar price of aluminium, the change in the exchange rate plus its margin and then converting that price into cedis at the prevailing exchange rate. This price is then passed onto its customers, thus mitigating the risk of foreign exchange losses.

3.3 *Competition*

Aluworks is aware that continuous price increases may induce the Company's local customers to access alternative sources of supply if it is deemed cost effective.

There is, however, a limit to the number of aluminium rolling mills in Africa. At present, Nigeria and Cameroon have aluminium rolling mills which compete with Aluworks. However, Aluworks' production capacity is greater than these mills and Aluworks also produces a high quality product. In fact, Tower Aluminium, one of the rolling mills in Nigeria purchases some of its raw materials from Aluworks. In addition, Aluworks' close proximity to majority of its customers (Ghanaian customers) provides real cost savings such as in transportation and time of delivery.

Though Aluworks is by far the dominant supplier of its products in the market place, there are increasing number of small scale producers who have secured an average 10% market share of most of Aluworks product lines.

3.4 *Supplier Risk*

Aluworks is dependent on a single supplier Valco for its raw material needs. In addition, the legal agreement for the supply of 20,000 tonnes a year supply expires in 1997 and is expected to be renewed. Aluworks could, however, import raw material from Cameroon in the event of a stall in the re-negotiations and/or production.

3.5 *Control by Existing Shareholders*

Upon completion of the offering the existing shareholders will own approximately 67% of Aluworks ordinary shares outstanding. Consequently they may continue to elect majority of the Company's directors.

3.6 *Absence of Public Market*

There has been no active public market for the shares prior to this offering and there can be no assurance that a significant public market for the shares will develop or will continue after the restricted offer. The offering involves immediate book value dilution (see "Dilution").

PART IV - DESCRIPTION OF THE RESTRICTED OFFER

4.1 *The Placement*

The Offer for Subscription is a Restricted Offer (ie. placement) on the Ghana Stock Exchange. The Offer will be made to selected institutions and individuals, resident in Ghana and institutions and individuals in a limited number of other countries in order to increase the number of shareholders.

5,000,000 ordinary shares of no par value representing, approximately, thirty-three (33) percent of the issued shareholding of the Company, are being offered for subscription under the Offer. The Company expects to raise an amount of ₵6.75 billion from the proceeds of this Restricted Offer. The proceeds will be used to part finance the on-going expansion programme, upgrade technology, general corporate purposes and also invest in planned future projects.

Each application must be for a minimum of 1,000 shares, and in multiples of 100 shares. The latest time for receipt of application forms is 15:00 hours GMT on November 1, 1996.

If your application is successful, in whole or in part, a share certificate in respect of the shares for which your application has been accepted will be sent to you. If there is excess demand under the Restricted Offer, you may receive fewer shares than you might have expected to receive on the basis of the maximum amount you had expressed a willingness to invest in the Offer. If your application is not accepted or is accepted in part or if the amount of the application divided by the Offer Price does not equal a whole number of shares, a refund for the appropriate amount, without interest, will be returned to you by November 22, 1996 or three (3) weeks after the Offer closes (excluding holidays).

The right is reserved to present for payment all cheques, bankers drafts, and money postal orders on receipt. It is a condition of the Offer that all cheques or other remittances must be honoured on first presentation. No interest will be paid to applicants on any moneys held on behalf of applicants or on behalf of Aluworks.

4.2 *Minimum Subscription*

The Company has set a minimum figure of ₵2.0 billion which should be realised from this Offer. In the event that this amount is not obtained then all monies paid for shares under this Offer and deposited with the Company's bankers will be returned without interest.

4.3 *Over Allotment*

In the case of an oversubscribed share offer, the Company may grant approval to the Lead Managers to offer up to an additional 2,000,000 shares to meet the demand for the offering at the offer price of ¢1,350 per share.

4.4 *Registration*

The Register of the members of the Company will be maintained by National Trust Holding Company Limited, Dyson House, 44 Kwame Nkrumah Avenue, P. O. Box 9563, Airport, Accra. Shares allocated pursuant to the Offer will be registered in the Register along with the shares already issued.

4.5 *Dealings*

It is expected that dealings in the 5,000,000 Shares will commence on an unconditional basis on the Ghana Stock Exchange on November 25, 1996 or within six (6) weeks after the Offer closes. Dealings on the Ghana Stock Exchange can only take place through a licensed dealing member of the Exchange. The Shares will be traded on the Ghana Stock Exchange in cedis and dealings are expected to take place in lots of 100 Shares among the licensed dealers. Under the Securities Industry Law, short selling (i.e. where the seller does not own the relevant shares nor have the unconditional right to sell them at the time of sale) on or through the Ghana Stock Exchange is a criminal offence.

4.6 *Listing*

Application has been made to the Ghana Stock Exchange for all of the ordinary shares of Aluworks, issued and to be issued as described herein, amounting to 15,266,744 shares in aggregate including the proposed offer to be admitted to the First Official List.

4.7 *Dividend Withholding Tax*

Under current Ghanaian legislation, tax is withheld from dividend payments by the Company at the rate of 10 per cent. No further Ghanaian tax is payable on dividends received.

4.8 *Capital Gains*

Exemption on capital gains tax on disposal of securities was first granted on November 12, 1990, the date of commencement of operations of the GSE, for a period of five years.

By the Capital Gains (Amendment) Act 1996 (Act 513) the period of exemption from the payment of capital gains tax on listed securities was extended for another five (5) years commencing 11th November 1995 and ending 11th November 2000.

4.9 *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 ₵50,000.00 (subject to certain exemptions). The tax is payable by the donee of the gift. The applicable statutory rate varies from five (5) percent to fifteen (15) percent depending on the value of the gift.

4.10 *Stamp Duty*

The Stamp (Amendment) Act 1996 (Act 510) has granted foreigners as well as Ghanaians general exemption from all stamp duties in respect of transfers of shares in Companies listed on the Ghana Stock Exchange.

4.11 *Restrictions on Foreign Share Ownership of Listed Securities*

Non-Resident foreign portfolio shareholders are restricted to a maximum of 10% shareholdings in any one listed security, for a single investor.

Total non-resident foreign shareholding cannot exceed seventy-four (74) percent for any one listed security. Ghanaians resident abroad and foreigners resident in Ghana are not subject to these restrictions. There is no restriction on the repatriation of capital, dividends, and interest payments on any listed securities.

4.12 *Exchange Control Act*

Exchange Control is currently governed by the Exchange Control Act 1961 (ECA), which imposes restrictive measures on dealings in and transfers of foreign currency. The effect of the law are however, subject to amendment by the Central Bank. With regard to external residents, general dispensation has been granted by the Bank of Ghana Notice No. BG/EC/93/1 which removes all restrictions in Part IV and V of the ECA with respect to securities listed on the GSE. It grants permission for external residents to deal in securities listed on the Exchange, and assures full and free foreign exchange remitability of original capital or principal amounts, any gains, dividends or interest payments, and related earnings and refunds in respect of investments made by external residents in such securities.

4.13 Offer Time Table

	<u>DATE (1996)*</u>	<u>TIME**</u>
● Commencement of Offer	September 24	9:00 a.m.
● Offer Ends (6 Weeks)	November 1	3:00 p.m.
● Allotment Period Begins	November 2	NA
● Allotment Period Ends, Issue of share Certificates Continue	November 15	NA
● Listing and Trading on the Stock Exchange Begins	November 25	10:00 a.m.

* These dates are subject to change by the Managers of the Offer in consultation with Aluworks Limited and the Ghana Stock Exchange.

** Greenwich Mean Time (GMT)

4.14 *Co-Managers and Sponsoring Brokers*

The Co-Managers and Sponsoring Brokers for the Issue are:

- Databank Brokerage Limited
- National Trust Holding Company Limited

PART V - MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Since its establishment, Aluworks has been dedicated to providing high quality products to its customers. The Company has achieved considerable success in these activities and has consistently improved its performance. This has been accomplished through its pricing strategy, its dedicated workforce, production and operating procedures and well established accounting systems and management controls. Management expects the Company's performance to continue to improve due to a number of factors: its successful relationship with Valco, an aluminium smelter in Ghana owned by Kaiser Aluminium of the USA, and its main supplier; its established and growing local customer base; potential growth in the export market and its expansion strategy. These factors, including a strong management team have contributed to Aluworks' success and are reflected in the Company's improved financial and operating results.

5.1 *Financial Performance*

The Company's financial performance has improved steadily over the last few years; this is a reflection of the Company's successful and improving operating strategy. Net turnover increased to ₵53.1 billion in 1995 from ₵8.3 billion in 1991, a compound annual growth rate of over 62.9 percent. During the same period, profit after-tax grew to ₵3.9 billion in 1995 from ₵0.88 billion in 1991.

While operating profits have improved, the Company's margins have fluctuated due to raw material price increases. This is primarily the result of increases in the price of aluminium on the world market and the persistent depreciation of the cedi. The cost of aluminium has increased 200% from ₵1.3 million per metric tonne in January 1993 to over ₵3.9 million per metric tonne in May 1996. The Company's gross margin stood at 29% in 1991, 26% in 1992 and improved to 31% in 1993 but declined to 19% in 1994 and finally to 16% in 1995.

The Company's net margins also fluctuated during the period. Net margins moved from 11% in 1991 to 8% in 1992, 13% in 1993, 6% in 1994 and to 7% in 1995. These fluctuations in the net margins can be attributed to the large growth in interest expense related primarily to the interest on the foreign currency dollar loan which was restructured. Management therefore expects margins to remain stable in the next five (5) years.

Working capital for 1991 was a deficit of ₵0.623 billion. This improved to positive ₵6.5 billion in 1995. Aluworks does not keep any significant stock because of its proximity to Valco and the high cost involved in holding large inventory. It is estimated that the Company requires about \$3 million (its cedi equivalent) worth of raw materials monthly. The highest level of stock kept is for a half month of products in demand. Aluworks generally produces on order.

The Company's total fixed assets grew to ₵12.9 billion in 1995 from ₵7.6 billion in 1991. Total capital increased to ₵11.7 billion in 1995 from ₵3.1 billion in 1991. Return on equity was 28.4% in 1991 and reached 32.88% in 1995.

5.2 Debt and Leverage

Due to the Company's financial and operational strength including its initial loan agreement with the Government of Ghana, the Company was able to finance the construction of its plant. The Company as stated was able to renegotiate the terms of its loan and convert it into a cedi denominated loan. As of June 30, 1996, the Company had the following long term debt facilities:

<u>Lender</u>	<u>Rate/Annum</u>	<u>Date</u>	<u>Total Maturity</u> <u>Amt (¢'000)</u>	<u>Payable</u> <u>31/12/96</u>	<u>Payable After Interest</u> <u>31/12/96</u>	<u>Interest</u>
Bank of Ghana			¢ 15,855	¢ 15,855	-	2.0%
Aug. 1996						
Government of Ghana			8,168,804	1,417,037	¢6,751,767	
20.0% Dec. 1999						
			¢ 8,184,659	¢1,432,892	¢6,751,767	
<u>Lender</u>	<u>Rate/Annum</u>	<u>Date</u>	<u>Total Maturity</u> <u>Amt (US\$'000)</u>	<u>Payable</u> <u>30/9/96</u>	<u>Payable After Interest</u> <u>31/12/96</u>	<u>Interest</u>
West Merchant Bank*			\$2,905	\$768 \$2,137	8.3% Mar. 1998	

NOTE: Amounts payable include both the principal and interest payment.

* Principal payments of \$656,634 will be payable on March 1997, September 1997, and March 1998, with total interest payments of \$166,680 through this term.

The Government of Ghana's loan, which was originally provided by Wells Fargo on June 12, 1981, was denominated in US dollars (\$28.7 million). However, in the early 1990s, the Company experienced difficulty servicing the US denominated loan due to the liberalisation of the currency and the significant depreciation of the cedi over the previous decade. The value of the cedi depreciated from US\$1 = ¢450 in 1990 to US\$1 = ¢1,100 in 1994 and currently at US\$1 = ¢1,700. Interest charges on payments on the loan were therefore temporarily suspended.

By the end of 1994, Aluworks had successfully reached an agreement with the Government of Ghana to convert the Wells Fargo loan into a Ghana Government loan in cedis, as above, at a favourable interest rate. Hence, the loan balance was retro-actively fixed at the balance as at 31st December, 1990 plus interest accrued as at that date. The loan balance is being repaid over a five (5) year period with principal and interest payments made semi-annually. At present, all of Aluworks' debt is being serviced as agreed.

The Bank of Ghana loan will be paid out by August 31, 1996 and the West Merchant Bank loan, another foreign currency loan, by March 1998. Both loans have been serviced and continue to be serviced as agreed.

5.3 *Operating Performance*

Aluworks has been dedicated to providing high quality products to its customers and has achieved considerable success in its activities. The Company enjoys a thirty (30) day credit facility from Valco, the supplier of its major raw materials (molten and solid aluminium ingots).

Because of this credit arrangement with Valco, Aluworks is also able to provide thirty (30) days credit with bank guarantees to its creditworthy customers. Other customers are required to pay a fifty (50) percent down payment for their goods. This arrangement has strengthened Aluworks' position in the distribution of its principal product lines in the local market.

Aluworks' sales are mainly to businesses, government institutions, and individuals. The Company has been strategically pricing its products to maintain its dominance in the aluminium market. Locally, Aluworks enjoys a virtual monopoly in the market for its products, however, there are a few substitutes for roofing materials such as roofing tiles and other marginal producers of some of the other products.

Aluworks has focussed considerable attention on the building sector which is one of the fastest growing sectors of the economy. The Company's product concentration in the production of corrugated sheets for the manufacture of roofing sheets and sheet-in-coil illustrates their strategy.

Aluworks' leading product is the corrugated roofing sheet with monthly average sales of 481 MT in 1992, 636 MT in 1994 but dipping to 490 MT in 1995 due to increased competition. Circles, used in the manufacture of household utensils, and aluminium sheet-in-coil are Aluworks' next leading products. In 1995, average monthly sales for the aluminium sheet-in-coil and circles were 475 MT and 389 MT, respectively, as compared to 307 MT and 381 MT, respectively, in 1994. Sales of flat sheets declined at an average of 27 MT per month in 1995 indicating that the product is not popular in the local market. It is expected that as the end user increases demand for flat sheets, Aluworks' sales will increase. Sales in sheet-in-coil remain robust as sales have increased from 211 MT a month in 1992 to 476 MT a month in 1995.

The table below depicts total sales by product lines from 1991 to 1995 in millions of cedis.

Product	1991	1992	1993	1994	1995
Sheet-in-Coil 16,793	¢2,168	¢2,296	¢ 2,935		¢ 6,842
Circles 2,234	4,063	7,068	11,000		17,404
Flat Sheet	347	406	588	1,023	1,030
Corrugated Sheets	<u>3,537</u>	<u>5,953</u>	<u>10,000</u>	<u>14,880</u>	<u>17,890</u>
Total	<u>¢8,286</u>	<u>¢12,718</u>		<u>¢20,590</u>	<u>¢33,745</u>
	<u>53,117</u>				

The Company expects that, overall, this trend of an average compound growth rate of 20% since 1991 will continue. As the household utensil and the housing sectors continue to expand, the production and sale of circles and sheet-in coil will grow further to meet the demand.

Income Statement Extract (¢'millions)

	For the Year ended December				For Half Year	
	1991	1992	1993	1994	Ended June 1995	1996
Net Sales	¢8,285.5	¢12,717.5	¢20,590.4	¢33,744.7		¢53,116.9
Cost of Sales	6,895.5	10,753.9	15,775.2	27,355.4	44,682.7	
	<u>25,209.0</u>					
Gross Profit	1,390.0	1,963.6	4,815.2	6,389.3	8,434.2	
	7,182.2					
Selling, General & Admin. Expenses	643.1	806.9	1,300.3	2,639.8	2,292.2	2,794.7
Profit Before Interest and Taxes and other Items	<u>809.0</u>	<u>1,264.8</u>	<u>2,887.5</u>	<u>4,248.9</u>	<u>6,141.9</u>	
Interest Payments	-	172.3	375.3	2,239	2,033.4	864.1
Profit Before Tax	853.6	1,132.0	2,564.9	2,318.0	5,148.0	
Taxation (Credit)/Charge	<u>(24.7)</u>	<u>117.6</u>	<u>(117.2)</u>	<u>316.6</u>	<u>1,287.6</u>	
Net Profit after Tax	<u>¢878.4</u>	<u>¢ 1,014.4</u>	<u>¢2,682.1</u>	<u>¢2,001.4</u>	<u>¢ 3,860.4</u>	<u>¢ 2,325.7</u>
Earnings Per Share (EPS)	¢355	¢410	¢1,083	¢ 808		¢ 1,438
	¢ 453					
Number of Share used to Compute EPS	2,476,375	2,476,375	2,476,375	2,476,475	2,684,708	10,266,744

Income Surplus Extract (€'millions)

	For the Year ended December 31			For Half Year Ended June		
	1991	1992	1993	1994	1995	1996
Balance as at Jan. 01	€(5,606.1)	€(4,727.8)		€(3,713.4)		€(1,031.3)
Profit for Year	3,575.2	1,014.4	2,682.1	2,001.4	3,860.4	2,325.7
	878.4	(3,713.4)	(1,031.3)	970.1	4,434.3	5,900.9
Proposed Dividend	0.0	0.0	0.0	(396.2)	(859.1)	-
Balance as at Dec. 31.	<u>(4,727.8)</u>	<u>(3,713.4)</u>	<u>(1,031.3)</u>	<u>573.9</u>	<u>3,575.2</u>	<u>5,900.9</u>

Balance Sheet Extract (€'millions)

	As at December 31			As at June 30		
	1991	1992	1993	1994	1995	1996
Fixed Assets	€ 7,619.9	€12,658.3		€ 13,032.7	12,010.2	
Capital-Work-In-Progress	€12,868.9					
Investments	4,954.8	0.0	0.0	0.0	0.0	0.0
Total Current Assets	0.0	0.0	0.0	0.0	276.0	276.0
	3,517.2	6,696.8	9,734.5	15,921.9	16,623.9	
Total Current Liabilities	22,611.1					
	4,140.0	6,046.2	6,207.1	9,373.0	10,155.1	
Net Current Assets/(Liabilities)	13,374.5					
	(622.8)	650.6	3,527.4	6,548.9	6,468.8	9,236.9
Long Term Liabilities	8,858.9	9,201.4	9,770.5	10,164.4	7,874.1	
Net Assets	<u>6,360.9</u>					
	<u>3,093.0</u>	<u>4,107.4</u>	<u>6,789.5</u>	<u>8,394.7</u>	<u>11,739.6</u>	
	<u>15,281.9</u>					

Shareholders' Funds

Stated Capital	979.7	979.7	979.7	979.7	1,323.3	9,381.0
Income Surplus/Deficit	(4,727.8)	(3,713.4)	(1,031.3)	573.9	3,575.2	5,900.9
Capital Surplus	6,841.1	6,841.1	6,841.1	6,841.1	6,841.1	0.0
Total Equity	<u>€3,093.0</u>	<u>€4,107.4</u>	<u>€6,789.5</u>	<u>€8,394.7</u>	<u>€11,739.6</u>	
	<u>€15,281.9</u>					

Note: Cedis are in millions except earnings per share data

Ratios**Profitability Ratios**

	For the Year ended December 31			For Half Year Ended June		
	1991	1992	1993	1994	1995	1996
Gross Profit Margin (%)	16.78	15.44	23.38	18.93	15.88	22.17
Net Profit Margin (%)	10.60	7.98	13.03	5.93	7.27	7.18
Return on Assets (%)	5.46	5.24	11.78	7.17	13.09	NM
Return on Equity (%)	28.40	24.70	39.50	23.84	32.88	NM
Asset Turnover	0.51	0.66	0.90	1.21	1.80	NM

Other Ratios

	1991	1992	1993	1994	1995	1996
Current Ratio	0.29	1.11	1.57	1.70	1.64	1.69
Quick Ratio	0.11	0.53	0.80	0.67	0.89	1.10
Debt/Equity Ratio	12.62	3.71	2.35	2.33	1.54	1.29
Debt to Asset Ratio	0.93	0.79	0.70	0.70	0.61	0.56

PART VI - PROFILE OF ALUWORKS LIMITED

6.1 *Description of Business*

Aluworks Limited ("Aluworks" or the "Company") is engaged in the production and trading of aluminium based products. It is situated at Tema, the major seaport and industrial town in Ghana, and eighteen (18) miles from the capital city Accra. The Company was incorporated in 1978 as a private limited liability company. By a shareholders' resolution on 28th May, 1996, the Company was converted to a public limited liability company.

The Company began operations on 1st October, 1985 at seventy (70) percent of its then installed plant capacity of 10,000 metric tonnes (MT) per annum. The successful operation of Aluworks in addition to increasing demand for its products encouraged the Board and Management to embark on an expansion programme which doubled its installed capacity to 20,000 MT per annum by 1992. Today, the Company produces almost ninety (90) percent of its capacity. The expansion was financed with debt and internally generated funds.

After the expansion work was completed, capacity utilisation moved from 62.8% in 1992 to 74.2% in 1993 then to 82.1% in 1994 and 82.9% in 1995. Corresponding production levels have increased from 12,569 MT in 1992 to 14,846 MT in 1993, 16,416 MT in 1994, 16,574 MT in 1995 and 8,125 MT by June 1996.

6.2 *Principal Activities*

The Company's principal activities consist of the production and sale of aluminium sheet-in-coil, circles, flat sheets, corrugated roofing sheets and other aluminium based products.

The corrugated sheets are sold to construction firms and individuals for roofing of buildings. Coils, circles and flat sheets are sold to the tertiary aluminium companies for conversion into consumer products such as kitchen utensils and roofing sheets. At present, there are at least four (4) major manufacturers of household utensils and other small scale producers who source their circles from Aluworks including a few major manufacturers of roofing sheets. The Company produces in accordance with customer's specifications. In addition to local sales, Aluworks exports, approximately, twenty-two (22) percent of its products.

At present, it exports sheet-in-coil and circles to other ECOWAS countries such as Nigeria, Côte d'Ivoire and Burkina Faso and also to customers in the United States and South America.

The table depicts growth rates for local and exports sales (tonnage) of the Company's products:

	1992	1993	1994	1995
<i>Local Sales</i>				
Sheet in Coil	53.1%	53.4%	(1.8%)	131.46%
Circles	56.0%	26.4%	(11.51%)	30.6%
Flat Sheets	0.6%	12.0%	28.9%	(37.3%)
Corrugated Sheets	<u>68.0%</u>	<u>27.8%</u>	<u>3.4%</u>	<u>(23.05%)</u>
Total Local	<u>59.2%</u>	<u>29.7%</u>	<u>(0.4%)</u>	<u>8.62%</u>
<i>Export Sales</i>				
Sheet in Coil	(13.68%)	(42.35%)	145.47%	(5.33%)
Circles	<u>246.76%</u>	<u>(3.65%)</u>	<u>40.14%</u>	<u>(50.75%)</u>
*Total Export	<u>33.46%</u>	<u>(24.0%)</u>	<u>78.81%</u>	<u>25.54%</u>

* Note: Excludes exports of flat and corrugated sheets

6.3 *Raw Material Supply*

Aluworks sources, approximately, ninety (90) percent of its raw materials from Valco through an agreement between Kaiser Aluminium (Valco) and the Minerals Commission of Ghana. This is advantageous to the Company since it is located adjacent to Valco and as a consequence does not incur significant transportation costs. In addition, its proximity enables the Company to primarily purchase hot molten from Valco instead of solid aluminium ingots or billets thus reducing Aluworks' production costs.

In September 1994 through 1995, the supply of raw material from Valco was reduced due to power curtailment by the Volta River Authority to Valco. This affected the Company's production targets; some of their customers therefore had to source supplies from the international market which, though competitively priced, was not convenient because of the cumbersome import procedures involved. Generally, Valco is a dependable source of raw material supply providing Aluworks with all its raw materials.

In addition, Aluworks has access to other sources of raw materials through small local suppliers of secondary metal. These include: AEL Tema, Bakaya Yaro Enterprises and EMFIDA. In 1995, Aluworks was able to adequately supplement its raw material supplies with 663 MT from these sources.

The Company benefits from a long-term supply contract between the Government of Ghana and Kaiser Aluminium of the U.S., which holds majority interest in Valco. This agreement was entered into by the Government of Ghana through the Minerals Commission on behalf of the Company for an initial period of five (5) years. The present contract will expire in 1997. The contract is expected to be renewed for at least another five years, with an increase in the amount of raw material that can be purchased from Valco, in line with Aluworks' strategic plan.

The present contract provides that the Minerals Commission can purchase up to 20,000 MT of raw material from Valco per annum at the previous month's average world market price of aluminium less the freight charge. Aluworks then purchases ninety (90) percent of this allocation or 18,000 MT from the Minerals Commission. The remaining ten (10) percent is sold by the Minerals Commission to a number of aluminium manufacturers. Many of these manufacturers also purchase Aluworks' products. While this contract helps protect Aluworks from rising prices of aluminium in the spot market, any persistent increase in the price of the commodity must be borne by the Company. The Minerals Commission charges a small premium over Valco's prices.

6.4 *Pricing*

The price of aluminium is determined on the world market in dollars, therefore local prices are consequently affected by fluctuations of the world market prices.

After years of price declines because of large supplies on the market, in January 1994, the major primary producers of aluminium, reached a "Memorandum of Understanding" to cut back production. This caused an increase in the price of the metal. Aluminium prices increased from \$1,175 in January 1994 to \$1,879 per MT by December 1994, a sixty (60) percent increase during the period. In December 1995 and January 1996, the price averaged \$1,657 and \$1,590, respectively. This represents a decline of approximately four (4) percent over this period. By May 1996, the price average had risen to \$1,607 per MT but fell to \$1,590 by the end of May. However, as the price in the world market drops, Aluworks' prices converted to cedis will usually stabilize or rise slightly because of the devaluation of the cedi.

For Aluworks, the rising cost of the metal combined with, approximately, twenty-five (25) to thirty (30) percent depreciation of the cedi in 1994 necessitated adjustments of product prices for its domestic sales. In 1994 and 1995, the price change from January to December in each year, was sixty (60) and thirty (30) percent, respectively. Aluworks prices its local products by taking into account the dollar price of aluminium, the change in the exchange rate plus its margin and then converting that price into cedis. This price is then passed on to its customers. As a consequence, local product prices, in cedi terms, have risen significantly in the last three years.

The table below depicts Aluworks' price increases from January 1993 through May 1996.

Aluworks Local Average Prices (January 1993 - May 1996)

<u>Date</u>	<u>Avg Price ¢' Per Mt</u>	<u>Percentage Change</u>	<u>Total % Change</u>
01-Jan-93	1,326,853	-	
02-Jul-93	1,423,867	7.31%	15.42%
01-Dec-93	1,539,280	8.11%	
01-Feb-94	1,750,000	13.69%	
01-Jul-94	2,182,500	24.71%	58.45%
01-Oct-94	2,620,000	20.05%	
01-Feb-95	3,273,750	24.95%	
06-Jun-95	3,217,500	-1.72%	27.39%
01-Oct-95	3,351,250	4.16%	
01-Jan-96	3,956,250	18.05%	18.05%
31-May-96	3,956,250	0.00%	
30-Jun-96	3,950,250	0.00%	

While overall prices have increased, local demand for Aluworks' products rose by 8.6% from 1994 to 1995. From January through June 1996, prices have remained stable due to a decline in aluminium prices on the world market.

6.5 Manufacturing Process

Primary aluminium in both solid and molten form is sourced mainly from the Valco Smelter, processed in diesel fuel fired furnaces and cast on two 58-inch Hunter Horizontal Sheet Super Casters into coils with nominal thickness of 7 millimeters (mm) and an average weight of 6,500 kilogrammes (kg) coil or 4,420 kg/meter width of sheet. These cast coils are then cold rolled on a non-reversible contact cold mill to specified thickness and tempers.

The rolled coils (work-in-process) are fed to the sheet finishing machines, on which the Company's finished aluminium semis (products) are turned out. The products include:

- **Coils and Strips:** The coils and strips are processed on the Slitting and Embossing Unit as strips for the production of circles and as coils (in embossed and mill finishes) for supply to customers, and for input to the in-house corrugating machine.
- **Discs or Circles:** This product is either processed from strips through direct blanking on a disc press or sheared (at the Circular Shears) from squares and rectangles,

produced from strips, at the Cut-to-Length machine. The circles produced are mostly heat-treated to a desired temper.

- **Flat Sheets:** The product is manufactured from processed coils (from the Slitting and Embossing Unit) on the Cut-to-Length machine.
- **Roll Formed Sheets (Corrugated Sheets).** These sheets are produced from coils processed from cold rolling and slitting and embossing operations on the corrugating machine.

All the products described above except the corrugated roofing sheets are used for further fabrication work by Aluworks' customers.

From its manufacturing process, the Company generates waste, this includes:

- dross from the casting;
 - filter cake from the cold mill filtration system; and
 - liquid waste from kitchen and other areas.
- The Dross contains aluminium which can be recovered and hence it is sold to small companies that recover the aluminium metal and resell it as ingots. The Environmental Protection Agency's guidelines are used to pre-assess companies before contracts for the sale of dross are made with those companies.
 - The Filter Cake and other solid wastes are burned behind the factory with Environmental Protection Agency's approval.
 - All liquid wastes are checked monthly by the Environmental Protection Agency to ensure compliance with Aluworks' Environmental Management Policy.

6.6 *Future Plans*

The Company is currently embarking on an expansion programme which to-date has resulted in the rehabilitation of key machinery and extension of the present factory building. The project cost in the ensuing five-year investment period is expected to be, approximately, \$20 million - \$30 million. As at June 1996 ₦1.34 billion (or approximately, \$810,000 using an average exchange rate of ₦1655/\$1) has been spent on the expansion programme with internally generated funds. Other projects for the future may include continual technology upgrade and production of aluminium foil.

Upgrade of Technology

Aluworks has plans to invest in capital expenditures which over the next four (4) years will lead to improved efficiency, improved product quality, energy savings and over 25% increase in output from the current 16,000 tons to more than 20,000 tons per annum. A second factory building is planned as part of the Company's long-term strategic goals to house the production of colour coated aluminium sheets for the housing industry and other future production facilities.

Production of Aluminium Foil

From the year 2000, Aluworks plans to produce aluminium foil for export and the local packaging industry including household foil and semi-rigid aluminium containers. The new factory building will have provisions for future melting furnaces, casters and a cold mill. It is expected that the additional capacity of, approximately, 20,000 metric tons of coils will thus bring Aluworks' plant capacity to a total of about 40,000 metric tons per annum after the turn of the century.

6.7 *Future Outlook*

While Aluworks has experienced impressive growth in the last few years, competition from other aluminium rolling mills in the world market remains keen. The rising cost of aluminium and competition from substitute products mean that the Company will continue to face strong competition on the world market. Despite these trends, the Company's reputation for quality products should enable it to compete effectively.

On the local market, Aluworks is expecting to achieve greater sales as the tertiary producers, who source their input requirements solely from Aluworks, increase production. Newly planned capacity increases by the Company's larger customers are good signs for the future output of Aluworks.

The table below shows Aluworks' actual and projected production levels from 1993 to 1995 and 1996 to 1999, respectively.

<u>Year</u>	<u>Production (MT)</u>	<u>Percentage Growth</u>
Actual		
1993	14,846	18.1%
1994	16,416	10.5%
1995	16,574	0.96%
Projected		
1996	17,461	5.35%
1997	18,503	5.97%
1998	19,529	5.54%

1999

20,646

5.72%

The potential of Aluworks lies in the increase in capacity of industries dependent on the Company for their input supplies. The expressed commitment of government to create an enabling environment for private investment in the building industry is an opportunity for Aluworks to capitalise on. This is especially true in the housing sector as the government has encouraged the use of locally produced raw materials, such as aluminium, and has initiatives to support the sector in other ways.

6.8 *Financing*

At present, the Company is financing its expansion programme in phases, through internally generated funds. However, an objective of this Restricted Offer is to provide the Company with long-term capital to support the expansion programme and to help increase profits to finance its future projects.

6.9 *Competition*

For Aluworks, local competition in the aluminium industry is minimal as there are no other rolling mills located in Ghana. At present, Valco and Aluworks are local monopolies. There are, however, some competitive mills in West Africa and Asia which could provide aluminium to Aluworks customers at competitive prices, but these competitors (i.e. Mayer of Hong Kong and Socatral of Cameroon) are also subject to world wide market price increases as Aluworks.

Aluworks' proximity to its customers provides them with cost advantages over imported products. The competition in the industry is keen at the tertiary level, primarily, the producers of aluminium hollowware and manufacturers of housing construction materials. In the aluminium household industry, many manufacturers use similar production technology and compete aggressively to sell their products. Their products are purchased by institutions like restaurants, hotels, and other food service operators and wholesalers who sell them to retail outlets mostly on the open market to the end users.

The main substitutes to these aluminium products are imported non-stick coated aluminium utensils or plastics and ceramics, (kitchen utensil products), iron roofing sheet, roofing tiles and asbestos roofing sheets for the building construction materials. According to industry participants, many of the imported substitute products are highly priced because of the depreciation of the cedi and are therefore frequently not purchased by the average Ghanaian consumer. For Aluworks, this means that it has the potential to compete in colour coated product lines including the aluminium foil market, as planned, as long as the Company can produce these products cost effectively and price them competitively.

6.10 *Employee and Labour Relations*

Aluworks has four hundred and ten (410) full time employees of which 313 employees are unionized. There have been no labour disputes or work stoppage, since the Company was established. Relations with management are healthy and cordial.

A breakdown of Aluworks' staff is provided below:

<u>Employees</u>	<u>Number</u>
Management	8
Senior Staff	89
Junior Staff	
Production/Technical	236
Clerical/Administrative	<u>77</u>
Total	<u>410</u>

6.11 *Properties*

Aluworks' major properties and their locations as at 31st December, 1995:

<u>Commercial</u>	<u>Unexpired Term of Lease</u>
• Aluworks Plant/Factory Building situated on Plot No.63/1 - Heavy Industrial Area	50 Years
• Additional Land for Plant Expansion situated on Plot No.63/1A - Heavy Industrial Area	60 Years
<u>Residential</u>	
• House No. Hos/64/Community 11, Tema	85 Years
• House No. Hos/66/Community 11, Tema	80 Years
• House on Residential Plot No.RP/14/KI/1, Community 14, (Lashibi) Tema	54 Years
• House No.C3/B33 Community 3, Tema	10 Years with an option to renew for another 50 Years
• Residential Plot No.TDP/T/C7/141 Community 7, Tema	60 Years

PART VII - MANAGEMENT AND BOARD OF DIRECTORS

7.1 Directors/Officers

The Company is presently governed by a ten (10) member Board. The names, ages as of July 1996, of the Company's Directors are as follows:

Name	Position	Age	Affiliations/Directorships	Address	Appointed or Retired
William Ekroo Inkumsah	Chairman	59	Managing Director •Thompson, Moir & Galloway Ltd Member • National Dev. Plann. Comm. Director •Impact Holdings Ltd.	P. O. Box 9861, Airport - Accra	Appointed 1987
John Percival A. Nyako	Managing Director	54	Director •Cooperative Bank Ltd. •Pioneer Aluminium Factory	P. O. Box 914, Tema	Appointed 1993
Kofi Ansah	Member	51	Chief Executive •Minerals Commission Director •Ashanti Goldfields Co. •Volta River Authority •Ecobank (Gh.) Ltd. •ICI Explosives (Gh.) Ltd.	P. O. Box M248, Accra	Appointed 1984
Griffith Danso Apatu	Member	51	Chief Economic Planning Officer •Ministry of Finance Director •Volta Lake Transport Co. (VLTC) •Twifo Oil Palm Ltd. •National Oil Palm Limited •Aveyime Cattle Ranch	P. O. Box M40, Accra	Appointed 1991
Flt. Lt. Joseph Bampo Atiemo	Member	48	Ag. Chief Executive •Ghana Cocoa Board Director •Abuakwa Formulation Plant Limited •Cocoa Marketing Co. (UK) Limited •Cocoa Marketing Co. (Gh) Limited •Cocoa Processing Co. (Gh) Limited •Produce Buying Company Limited	P. O. Box 933 Accra	Appointed 1996
Name	Position	Age	Affiliations/Directorships	Address	Appointed or Retired
Kofi Koduah Sarpong	Member	42	Ag. Deputy Chief Executive •Ghana Cocoa Board	P.O. Box 933, Accra	Appointed 1996

			Director •Ghana Commercial Bank •IKAM Limited •Chemico Limited •Finance Consult Limited		
Benjamin Akuete Gogo	Member	50	General Manager, Operations •Social Security Bank Ltd.	P.O. Box 13119, Accra	Appointed 1996
Eddie Safo Kwakye	Member	43	Head, Research Dept. •Social Security Bank Ltd.	P.O. Box 13119, Accra	Appointed 1993
Kwadwo Kwarteng	Member	55	Managing Director •Pioneer Aluminium Factory Director •Kufuor & Associates •KAK Management Services	P.O. Box 164, Tema	Appointed 1991
Vincent A. Ofosu-Amaah	Member	54	Executive Director •Ghana Commercial Bank Director •Subri Industries Plantation Ltd. •Development Finance & Holdings Ltd.	P.O. Box 134 Accra	Appointed 1994
David Kwasi Aninakwa	Member	73	Former Chief Executive •Ghana Cocoa Board	P.O. Box 6413, Accra	Retired 1996
Ebenezer A.K. Efodzi	Member	52	Former Deputy Chief Executive •Ghana Cocoa Board	P.O. Box 6413, Accra	Retired 1996
John Asamoah Boateng	Member	49	Senior Manager •Social Security Bank Limited Director •Farmers Services Company	P.O. Box 13119, Accra	Retired 1996

Mr. William Ekroo Inkumsah (Chairman)

Mr. Inkumsah has been a member of the Board since 1987, but was appointed Chairman in 1996. He is the Managing Director of Thompson, Moir and Galloway Limited and a Director of Impact Holdings Limited.

Mr. John Percival Awuku Nyako (Managing Director)

Mr. Nyako has been the Managing Director and a Board Member of the Company since 1993. He was formerly the Managing Director of National Industrial Company. Prior to that he held key positions in both private and public institutions in Ghana including Valco. Mr. Nyako is a Director of Co-operative Bank Limited and Pioneer Aluminium Factory.

Mr. Kofi Ansah (Non-executive Director)

Mr. Ansah is presently the Chief Executive of the Minerals Commission and a Director in Ashanti Goldfields Company, Volta River Authority, Ecobank (Gh) Limited and ICI Explosives (Gh) Limited. He has served as a member of the Board for twelve (12) years.

Mr. Griffith Danso Apatu (Non-Executive Director)

Mr. Apatu is the Chief Economic Planning Officer of the Ministry of Finance and a Director of VLTC, Twifo Oil Palm Limited, National Oil Palm Limited and Aveyime Cattle Ranch. He has served on the Board for five (5) years.

Flt Lt. Joseph Bampo Atiemo (Non-Executive Director)

Flt. Lt. Atiemo is the Acting Chief Executive at Ghana Cocoa Board. He is a Director of Abuakwa Formulation Plant Limited, Cocoa Marketing Co. (UK) Limited and Cocoa Processing Company Limited and Produce Buying Company Limited. He joined Aluworks' Board on July 1, 1996.

Mr. Kofi Koduah Sarpong (Non-Executive Director)

Mr. Sarpong is the Acting Deputy Chief Executive at Ghana Cocoa Board and a Director of Ghana Commercial Bank, IKAM Limited, Chemico Limited and Finance Consult Limited. He became a member of Aluworks' Board on July 1, 1996.

Mr. Benjamin Akuete Gogo (Non-Executive Director)

Mr. Gogo is the General Manager of Operations at Social Security Bank. He joined the Aluworks' Board on July 1, 1996.

Mr. Eddie Safo Kwakye (Non-Executive Director)

Mr. Kwakye is the Head of the Research Department at Social Security Bank and has served on the Board for three (3) years.

Mr. Kwadwo Kwarteng (Non-Executive Director)

Mr. Kwarteng is the Managing Director of Pioneer Aluminium Factory. He has held this position since 1991. He was formerly a General Manager of Associate Battery Manufacturers and Finance Director of Union Carbide Ghana Limited. Mr. Kwarteng is a Director of Kufour and Associates and KAK Management Services. Mr. Kwarteng has served as a Director of Aluworks for five (5) years.

Mr. Vincent A. Ofosu-Amaah (Non-Executive Director)

Mr. Ofosu-Amaah is an Executive Director of Ghana Commercial Bank. He is also a Director of Subri Industries Plantation Limited and Development Finance & Holdings Limited. He has been a member of the Board since September 1994.

Mr. David Kwasi Aninakwa (A Retired Non-Executive Director)

Mr. Aninakwa has been a Chief Executive at Ghana Cocoa Board and he was a member of the Board for six (6) years.

Mr. Ebenezer A.K. Efodzi (A Retired Non-Executive Director)

Mr. Efodzi is the Deputy Chief Executive of Ghana Cocoa Board. He is a Director of Abuakwa Formulation Plant, Tema Chemicals Limited and Instyle Industries Limited. He was a member of Aluworks Board for eight (8) years.

Mr. John Asamoah Boateng (Non-Executive Director) Retired

Mr. Boateng is a Senior Manager with Social Security Bank Limited and a Director of Farmers Services Company. He served on the Aluworks Board for five (5) months.

There are no family relationships among the Directors. Following this offer, the Company will increase the number of the Board of Directors to represent the new shareholders.

7.3 Director and Officer Shareholdings

A summary of Directors and Officers' shareholdings in Aluworks as at 30th June, 1996, is as below:

<u>Directors</u>	<u>No. of Shares</u>
William Ekroo Inkumsah ¹	510,000
John Percival Awuku Nyako	63,750
Griffith Danso Apatu	60,000
Eddie Safo Kwakye	60,000
Kwadwo Kwarteng	7,800
Vincent A. Ofosu-Amaah	19,500
Ebenezer A.K. Efodzi*	12,000
F.D. Gardiner*	<u>900</u>
Sub-total	<u>733,950</u>

¹ These shares include beneficial ownership of shares (330,000) in Impact Holdings Limited.

* Retired from the Board

Officers

Alex Poku-Acheampong	15,000
F.M. Agboada	15,000
R.D. Adzogble	15,000
E.M. Sarkodie	10,500
Sq. Ldr. Lamptey	7,500
S.A. Kwofie	6,000
E.K. Baiden	<u>3,000</u>
Sub total	72,000

Total	<u>805,950</u>
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Total Director and Officer shareholding is equivalent to 7.85% of total shares outstanding.

7.4 Senior Management

Aluworks has an experienced and dedicated management staff.

The Management team includes the Managing Director, Works Manager, Finance Manager, Administrative Manager, Plant Engineer, Production Manager, Commercial Manager and Solicitor/Secretary.

<u>Name</u>	<u>Title</u>	<u>Responsibility</u>
John Percival Awuku Nyako	Managing Director	Strategy &
Samuel Kwofie	Works Manager	Production &
Francis M. Agboada	Finance Manager	Finance
Sqn.Ldr. Peter N. Lamptey (RTD)	Administrative Manager	Administration
Emmanuel Martin Sarkodie	Plant Engineer	Engineering &
Ruthven-David Adzogble	Production Manager	Production
Emmanuel Kwesi Baiden	Commercial Manager	Commercial
Alex Poku-Acheampong	Solicitor/Secretary	Legal
Department/Board		Secretary

John Percival Awuku Nyako has been the Managing Director of Aluworks Limited since 1993. Prior to joining Aluworks, Mr. Nyako was the Managing Director of National Industrial Company from 1987 to 1993. Prior to that, he held various key positions in engineering, maintenance, production and management in both private and public institutions in Ghana including Valco. He has also worked with multilateral institutions such as UNDP, World Bank and others supervising major projects or contracted on assignments. During these assignments, he travelled extensively worldwide.

Mr. Nyako earned a BSc. degree in Engineering (Electrical) from the University of Science & Technology (UST) in 1967. He is a member of the Ghana Institute of Engineers and Ghana Institute of Management. Mr. Nyako has completed several courses and seminars held worldwide, particularly in management, problem solving and decision making, public administration, and science and technology.

Samuel Kwofie is the Works Manager at Aluworks. He has held this position since 1987. He also held positions at Valco as a Manager of the Metal Products Department (1978-1982) and as an Area Supervisor (1974-1978). Prior to that, Mr. Kwofie worked as a Maintenance

Engineer for Ghana Airways Limited (1964-1966). He completed a number of overseas industrial attachments with rolling mill operations located in the United States and Germany. In 1964, Mr. Kwofie earned a Diploma in Aero Engineering and Air Frame Maintenance - equivalent to an HND Mechanical Engineering. He completed several management training courses in the United States from 1975 to 1977.

Francis M. Agboada is the Finance Manager at Aluworks. He was employed in 1985. Prior to his appointment as Finance Manager, he was Acting Commercial Manager (1986-1987) and Chief Accountant (1985-1986). He also held positions as an Accountant and Auditor for Cargo Handling Company Limited from 1973 to 1985. Mr. Agboada completed his GCE `O' Level in 1968 at Kadjebi Secondary School and earned a final certificate (ACCA) in 1979 at Norwich City College of Higher and Further Education, Norwich (UK). He is a member of the Chartered Association of Certified Accountants and the Institute of Chartered Accountants, Ghana.

Sqn. Ldr. Peter Nathaniel Lamptey (RTD) is the Administrative Manager at Aluworks. He has held this position since 1984. From 1970 to 1983, he was with the Minerals Commission as Senior Project Development Officer (1981-1983) and Projects Development Officer (1980-1981). His previous positions include Staff Officer, Engineering Officer and Senior Engineering Officer. Mr. Lamptey earned a Diploma in Engineering at the University of Science and Technology in 1965, a BSc. degree in Engineering at the University of Karachi, Pakistan and a Diploma in Engineering (Aero) at the Airforce College of Aeronautics. He is a member of the Ghana Institute of Personnel Management.

Alex Poku-Acheampong is the Company Secretary at Aluworks. He has held this position since 1986. He joined Aluworks in 1985, as the Company Lawyer and Chief of Personnel. Prior to his appointment with Aluworks, he was a private legal practitioner with Oseawuo Law Chambers in Tema (1981-1985). He also worked as a Legal Officer with National Investment Bank (1980-1981). Mr. Poku-Acheampong earned a LLB (Bachelor of Law Degree) and a BL from the University of Ghana in 1976 and 1978, respectively. He also obtained a post graduate diploma from Europa Institute of Amsterdam in 1979. Mr. Poku-Acheampong has completed several courses in finance, management and law in both the United States and Ghana. He is a member of the Ghana Bar Association.

Emmanuel Martin Sarkodie is the Plant Engineer at Aluworks. He has held this position since 1989, but has worked with Aluworks for twelve (12) years. From 1984 to 1989, he was Head of the Electrical Maintenance section. Prior to his employment with Aluworks, Mr. Sarkodie was an Electrical Engineer at Valco (1981-1983). He earned a Diploma and BSc. degree in Electrical & Electronic Engineering at the University of Science and Technology in 1978 and 1981, respectively. He is also a corporate member of the Ghana Institution of Engineers.

Ruthven-David Adzogble is the Production Manager at Aluworks. He has held this position since 1993. Mr. Adzogble earned a BSc in Engineering from the University of Science and Technology and a Diploma in Industrial Engineering from REFA-Darmstadt, Germany. He also completed several training courses in production management, executive development, aluminium casting and molten metal explosions in the U.S., Germany and Ghana.

Emmanuel Kwesi Baiden is the Commercial Manager at Aluworks. He has held this position since 1987, but has been working for Aluworks since 1984. His previous positions include Sales Manager (1986-1987) and Technical Adviser and Chief of Finishing Section (1984-1986). Mr. Baiden earned a Master of Science degree in metallurgy from Leningrad Polytechnical Institute in 1984. He has also obtained a number of certificates for a variety of courses completed in marketing, management, accounting and other subjects.

7.5 Other Disclosures

- No petition under any bankruptcy law has been filed against any Director or person nominated to become a Director or any partnerships of which such persons were partners or of any company in which such persons were Directors.
- No person who is a Director or has been nominated to become a Director has been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding relating to an offense involving fraud or dishonesty.
- No person who is a Director or has been nominated to become a Director has been the subject of any other judgement or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment advisor, dealer in securities, director or employee of a corporate body or engaging in any type of business practice or activity or profession.
- Total Directors' remuneration for the year ended December 1995 was ₦37.8 million.
- The Directors of the Company, with share ownership, do not intend and will not release or transfer any part of their interest in the issue for a period of six (6) months after the securities of the Company are listed.
- No Director of the Company is materially interested in any material contract or arrangement subsisting at the time of this

prospectus which is significant to the business of the Company.

- No Director has existing service contracts with the Company.
- The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its property and undertaking or in any part thereof and to issue debentures. Such powers can be varied by amending the Company's Regulations.
- No member of management or any other persons have any material interest direct or in any material transaction to which the applicant was/or is to be a party.
- No material part of the business is dependent upon patent, patent rights, trade marks etc., and the Company does not pay or receive any payment for royalties.
- Aluworks has no affiliation or association with any company, besides its shareholding interest in Pioneer Aluminium Factory.

7.6 *Litigation and Other Contingent Liabilities*

The Company has a potential liability of ₵30 million (approximately \$18,000) with regards to civil law suits for dismissal of six employees. Trial of the cases should be completed by December 1997. These outcome will not have any material impact on the Company.

7.7 *Particulars of Reporting Accountants and Auditors*

Reporting Accountants: Owusu and Fiadjoe

Aglonu House
27 Eseefoo Street
Asylum Down
P.O. Box 2239
Accra

Auditors: KPMG

2nd Floor Mobil House
Liberia Road
P.O. Box 242
Accra

7.8 *Investments*

The Company has investments of, approximately, ₵276 million which

represents a 14.29% shareholding in Pioneer Aluminium Factory, a company on the Ghana Stock Exchange.

7.9 Documents for Inspection

Copies of the following documents may be inspected at the registered offices of Aluworks' Limited, Databank Financial Services Limited and National Trust Holding Company Limited during normal business hours of any working day from September 23, 1996 to November 1, 1996.

- i. The Regulations of Aluworks' Limited.
- ii. Undertaking by the Company in support of its Application to the First List.
- iii. Aluworks Limited's audited accounts for the five (5) years ended December 31, 1991 to 1995 and the audited results for the six months ended June 30, 1996.
- iv. Aluworks Limited's Certificate of Incorporation.
- v. Aluworks Limited's Social Security and National Insurance Trust Clearance Certificate.
- vi. Aluworks Limited's Tax Clearance Certificate.
- vii. Aluworks Limited's loan Agreement with the Government of Ghana.
- viii. Aluworks Fixed Asset Revaluation Report.
- ix. A copy of the Rights Issue Circular.

To the best knowledge of Databank Financial Services Limited, Databank Brokerage Limited ("Databank"), and National Trust Holding Company Limited ("NTHC") this prospectus constitutes a full and true disclosure of all material facts about the Company and the issue, but Databank and NTHC will not be held responsible for any inaccuracies as all information given herein was obtained from the Company.

PART VIII - HISTORY OF STOCK PLAN

The authorised capital of the Company will consist of 50,000,000 ordinary shares of no par value upon the closing of this offering.

8.1 *Rights issue*

The Board and shareholders approved a Company Rights Issue Plan ("Rights Issue") for the existing shareholders in 1994. This plan involved the issuance of 3,600,000 shares at a pre-determined price of ¢1,650 per ordinary share, to be paid for by December 31, 1998. The final day for taking up the rights was June 28, 1996. The plan also enjoins each shareholder to pay for an eighth of the rights accepted each half year starting from June 30, 1995 to December 31, 1998, else to forfeit the due but unpaid for rights.

As at the close of the rights issue on June 28, 1996, shareholders had accepted 2,628,460 rights and fully paid for 688,073 at a price of ¢1,650. By December 31, 1996, 872,827 rights are due to be paid for or else forfeited leaving a balance of 1,067,560 rights to be paid for in 1997 and 1998.

8.2 *Special Share Offer*

The Board and shareholders approved a special share offer to members of the Board and management and employees of the Company. Each board member was allocated 20,000 shares at a price of ¢1,650 with an expiration date of June 28, 1996. As at the expiration date, nine (9) Directors had accepted the full amount of the special offer totalling 180,000 shares. Of this, 73,400 had been fully paid for as at June 28, 1996 and were therefore eligible for 146,800 bonus shares. By December 31, 1996 a further 46,000 shares are expected to be paid for or forfeited leaving a balance of 60,000 to be paid for in 1997 and 1998.

Management and Employees were offered a total of 500,000 shares which were fully accepted by the June 28, 1996 expiration date. Also as at that date, 184,300 shares had been fully paid for at ¢1,650, thus making them eligible for additional 368,600 of bonus shares. Management and employees have proposed forming a Trust to hold the balance of the shares of 315,700 of which 65,700 shares will have to be paid for by December 31, 1996 or forfeited leaving a balance of 250,000 to be paid for in 1997 and 1998.

8.3 *Bonus Shares*

A bonus issue was approved by the Board and shareholders on May 28, 1996 (Bonus Plan). The terms of the bonus plan involved two bonus shares for each share held and paid for. Subsequent to the Bonus plan, a cut off date of June 28, 1996 was established for fully paid shares on record to benefit from the bonus plan. The following table illustrates shares on record and the resultant total shares outstanding for the Company as at the cut off date:

	Number of Proceeds Shares ¢'000
Pre-Rights shares	2,476,475
¢ 979,683	
Total Rights paid for	688,073
1,135,320	
Total Special Share Offer paid for	
Directors	73,400
121,110	
Management and Staff	184,300
<u>304,095</u>	
Total Shares Outstanding (TSO)	3,422,248
2,540,208	
Bonus Shares (2 x TSO)	<u>6,844,496</u>
<u>-</u>	
Total Pre-Offering Shares Outstanding	<u><u>10,266,744</u></u>
<u>¢2,540,208</u>	

8.4 *Shares Eligible for Future Sale*

Upon completion of this offering and assuming no over-allotment the Company will have 15,266,744 shares outstanding which will be freely tradeable without restriction.

At the date of this publication, 2,362,687 shares remain payable on the rights issue and the special share offer which will end on December 31, 1998. There will be additional listings for any paid shares at the end of each calendar year until the offer ends. As a public company these shares are renounceable, an existing shareholder with shares which remain payable can renounce his/her right and sell those shares to a

third party. No shares are agreed or proposed to be issued for any consideration other than cash.

The Board and shareholders have approved the sale of an additional 6,000,000 shares to a development finance institution or other institutional investor within the next two year period expiring May 28, 1998 if conditions are favourable.

8.5 The following table sets forth certain information regarding beneficial ownership of the Company's ordinary shares as at June 30, 1996 and pro-forma ownership reflecting the sale of shares offered hereby.

	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering⁽¹⁾
Shareholders	Number	Percent	Percent
Government of Ghana	4,653,300	45.32%	30.48%
Social Security Bank	1,800,909	17.54	11.80
Ghana Cocoa Board	900,000	8.77	5.89
Directors	733,950	7.15	4.81
Aluworks Management & Staff	552,900	5.39	3.62
Individuals and Other Companies	433,905	4.23	2.84
Pioneer Aluminium Factory	264,963	2.58	1.74
National Trust Holdings Limited	169,812	1.65	1.11
Household Aluminium Factory	155,625	1.52	1.02
Kel Investment Limited	154,020	1.50	1.01
Ghana Commercial Bank	150,000	1.46	0.98
Tema Oil Refinery	150,000	1.46	0.98
National Investment Bank	147,360	1.44	0.97
New Shareholders	0	0.00	32.75
Total	10,266,744	100.00 %	100.00%

1 - Assumes no over-allotment in the proposed offering and that existing shareholders will not purchase shares.

PART IX - THE ALUMINIUM INDUSTRY IN GHANA

Introduction

Bauxite was first discovered in Ghana in 1914 in the Atewa Range near Kibi in the Eastern Region by Sir Albert Kitson, a renowned Geologist. In 1928, the British Aluminium Company was granted a concession to mine bauxite at Awaso in the Western Region. However, it was not until the 1940s that further exploration and mining really began. At present, the ore is still being mined only at Awaso and exported as bulk mineral to Scotland for further processing into alumina by Ghana Bauxite Company, a joint venture company between the Government of Ghana and ALCOA. The extensive numerous deposits at Kibi have still not been explored though it has been the subject of memoranda of understanding.

However, the resources required to establish an alumina plant using the Kibi deposits in Ghana are limited. The Government of Ghana (i.e. the Minerals Commission, the regulatory body for the mining and processing of minerals in Ghana) is still seeking to attract a strategic investor to explore and mine the Kibi bauxite and to establish an alumina processing plant.

Background

The Volta Aluminium Company Limited (Valco) owned by Kaiser Aluminium & Chemical Corporation and Reynolds Metal Company, both of the United States, has a 200,000 tonne per year alumina smelter at Tema (Ghana's largest harbour). The plant was contracted in 1967 to use hydro-electric power from the newly built Akosombo Dam. The plant is fed with alumina imported from Jamaica, (another Kaiser affiliate), smelted and processed into solid aluminium ingots and billets primarily for export (90% or 180,000 metric tonnes per annum). The remaining ten (10) percent or 20,000 metric tonnes is sold locally through the Minerals Commission.

At present Aluworks consumes about ninety (90) percent of the 20,000 metric tonnes supplied by Valco to the local market. Aluworks is the only rolling mill in Ghana and one of the few in West Africa. There are several companies who source their inputs from Aluworks and process them into final consumer products. Many of these companies are in the hollowware (manufacturing of cooking utensils) and in the building and construction sectors.

The aluminium plant at Tema is the largest primary producer of aluminium in Africa outside of South Africa and one of the largest private companies in Ghana with a business of over \$200 million a year. The uses of aluminium are many, primarily because of its lightness, its strength compared to its

weight, its resistance to atmospheric corrosion, and its electrical conductivity.

Industry Structure

The domestic 20,000 MT aluminium production industry in Ghana is dynamic and fast growing. It comprises one primary producer Valco, and three other producers of the secondary metal (i.e. Aluminium Enterprise Limited (AEL), Bakaya Yaro Enterprises and EMFIDA) who produce an additional 2,000 - 5,000 tonnes a year. The first line users of these products aluminium ingots and billets are Aluworks (90% usage for products such as aluminium sheet-in-coil, circles and roofing sheets) and, Ghana Aluminium Products (Ghanal) primarily producers of extruded profiles and roofing sheets, and are about forty (40) tertiary processors.

The tertiary processors include companies who produce for the building and household utensil markets and aluminium-based building products such as Instyle Industries Limited, Supreme Aluminium Company Limited, Italumex Limited, Pasico Elders Limited, Alugan Ghana Limited and other small scale producers of window and door frames and roofing sheets. Pioneer Aluminium Factory, Domod Company Limited, Household Aluminium and several others use aluminium circles in the production of cooking utensils, buckets and other household items.

Aluworks and Ghanal act as the middlemen between the raw material produced by Valco and the finished end user. Aluworks is supplied with ingots and molten from Valco while Ghanal is supplied with extrusion billets. Aluworks also supplies Ghanal with aluminium sheet-in-coil and flat sheets for the production of roofing sheets and other products.

Market Participants

The Minerals Commission

The Minerals Commission came into existence in 1984 as a result of a merger between the Aluminium Commission and the Integrated Iron and Steel Commission (ISTC). The main function of the Aluminium Commission, which was established in 1972, was to oversee the development of bauxite mining at Mpraeso, Awaso, Kibi and Henehene.

In 1981, the government of Ghana negotiated with Kaiser Aluminium of the U.S.A., the parent company of Valco, to sell ten (10) percent of its processed aluminium at the London Metal Exchange (LME) price less the freight charges for the local market. Valco, prior to this, exported all its output. The 10% local sale of Valco's output goes to the Minerals Commission which in turn sells and distributes it to a few aluminium manufacturers in Ghana at a few points above the LME price. These primarily include: Aluworks, Ghanal and Eastern Alloy.

Ninety percent (90%) of the aluminium reserved for domestic use is sold to

Aluworks; five percent (5%) to GHANAL; three percent (3%) to Eastern Alloy and two percent (2%) to others. Many of these companies, because of their proximity to Valco, receive their supplies directly from Valco but are billed by the Minerals Commission.

Volta Aluminium Company Limited

Volta Aluminium Company Limited (Valco), the only smelter in Ghana, has a production capacity of two hundred thousand metric tons (200,000 MT). Valco is ninety percent (90%) owned by Kaiser Aluminium and ten percent (10%) owned by Reynolds Metal Company, both of the United States (U.S). It was established in 1967 about thirty (30) years ago. The company employ 1,555 people and has a turnover of over \$200 million a year.

The company has also contributed extensively to the country through its Valco Trust Fund. The company contributes about five hundred thousand (500,000) U.S. dollars a year to the Valco Trust Fund and makes donations (i.e. equipment, buses etc.) to schools, hospitals and other institutions.

Valco imports all its alumina from Jamaica through a Kaiser affiliated operation. The alumina is processed in Ghana using, approximately, 45% of the hydro-electric power from the Akosombo and Kpong dams supplied through the Volta River Authority (VRA). Valco has a fifty (50) year contract with VRA to supply the company's energy needs and this will run through to year 2017. The Valco smelter is a twenty-four hour full year plant that processes alumina into solid aluminium ingots, billets, and sows.

Secondary Metal Processors

Producers of secondary metal from scrap metal include Aluminium Enterprises Limited, Bakaya Yaro Enterprises and EMFIDA, who act as other sources of raw materials, outside of Valco, for companies in the aluminium industry. These companies fill an important niche in the market as such companies like Aluworks have been able to adequately supplement their raw material supplies from them in times of reduced aluminium production by Valco.

Building & General Fabrication Industry

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 achieve even more growth and as such an increasing need for aluminium is expected.

Ghanal

Ghanal purchases about three hundred (300) metric tons of extrusion billets annually from Valco through the Minerals Commission for the production of extruded profiles and purchases flat sheets and coils from Aluworks for the production of roofing sheets for the building industry. GHANAL is the second-

largest producer of roofing sheets on the market. This product constitutes 90% of its output. The company, however also imports aluzinc coils (aluminium and zinc steel based product) from Belgium to make roofing sheets and other products. Other products constitute about 10% of the company's output (i.e., electric poles).

Eastern Alloy

Eastern Alloy primarily extrudes for the general fabrication market. The company manufactures extruded profiles which are produced into pipes, curtain rails, television antennae, furniture etc., for the local market. It also produces billets for both the local market and for export to the Far-East. About seventy (70) percent of the company's output is exported. Eastern Alloy purchases aluminium ingots and sows through the Minerals Commission and has an output of about one thousand two hundred (1,200) metric tonnes per annum.

Alugan

Alugan, an innovative company has been in the aluminium manufacturing business for a number of years. A major part of Alugan's business is to use semi-finished extrusions to produce doors and window frames. Alugan is also a producer of corrugated roofing sheets.

Hollowware

The aluminium hollowware market is highly competitive and includes a large number of competitors with the top seven (7) capturing the majority of the market. These major companies include: Pioneer Aluminium Factory, Domod Company Limited, Achimota Aluminium and Instyle Limited. Other significant producers include Vanguard Aluminium, Lion Aluminium and Household Aluminium.

The growth of the aluminium utensil market has been consistent and strong with an average growth rate of 12% a year in the past two years; demand in the industry is, approximately, 3,000 MT a year.

Most companies in the hollowware market purchase, the bulk of their raw material, aluminium circles from Aluworks; although some are supplied through foreign sources. The circles are purchased in various dimensions on order. Billets used to extrude into handles and knobs for the kitchen utensil are usually purchased from either the Minerals Commission or GHANAL.

Hollowware companies in Ghana usually produce for the local market, though some export small quantities of their goods to countries in the West African sub-region. The demand for hollowware on the Ghanaian market exceeds its supply and many in the industry are actively looking for ways to expand production to keep up with the high demand.

Competition

At present, Valco and Aluworks are local monopolies due to their overwhelming competitive advantages over sub-regional suppliers. The

worldwide aluminium industry is very competitive and cost management is very keen. There are about 180 smelters around the world with which Valco has to compete. Valco was the only smelter in West Africa until recently when a smelter was built in Nigeria which is expected to begin production this year. Cameroon and Egypt both have smelters whilst South Africa has two.

Nonetheless, the proximity of Aluworks and Valco provides most local producers with cost advantages. This could further decrease the market's demand for imports if quality is maintained and volumes supplied by Valco are increased.

The main competitors of aluminium products are producers of roofing tiles and asbestos roofing sheets and also producers of non-stick pans, enamel steel utensils, plastic and ceramics wares. This also includes the companies which export extruded profiles and other products from the Middle East and Europe to Ghana.

Competition at the tertiary level of production is very clear and primarily driven by price and quality, since most manufacturers use similar production technology.

Problems and Constraints

While the last decade has seen the aluminium industry grow and expand considerably, the industry is still faced with constraints. These constraints include:

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, the supply of alumina (imported and processed) by Valco has to-date satisfied the majority of the industry's requirements. However, as these requirements increase, Valco's volume supplied to the local market must be increased in order to satisfy the increasing demand.

Energy/Power

The aluminium industry is one that thrives on a cheap and abundant power supply. All the energy requirements of the industry is supplied by the Akosombo and Kpong hydro-electric dams through the Volta River Authority (VRA). However, in 1994/1995 there were curtailments of power to Valco and other processors because of the low level of the lakes that feed the dams. Production can be compromised due to the under-utilization of plants and equipment. The survival of the industry hinges on the guarantee of a continuous supply of energy. This has not been a constraint in 1996.

Raw Materials/Supply

A potential industry problem is the dependence on one source of aluminium including the fixed supply of aluminium Valco supplies to local processors. Many industry participants would like to see an increase in the local volume supplied by Valco in order to satisfy demand. Besides shipping costs, the

cost of importing from alternative sources is still cost effective for market participants. Nonetheless, majority of the participants would prefer to purchase their raw materials locally.

Aluminium Prices

Aluminium is traded on the international market and therefore its price is determined by world economic forces. The major markets for the metal are the United Kingdom and the United States of America. The highest stock is kept in Holland, however, Russia is the biggest producer of the metal. Several financial institutions also invest in the metal which they hold. Presently, Barclays Bank is the biggest investor in aluminium.

The presence of these bodies in the aluminium metal market greatly influences the price of the metal as a raw material for end users such as Valco and Aluworks, which in turn influences their costs and hence the prices paid by final consumers.

Future Outlook

The future outlook of the aluminium industry in Ghana remains positive as local demand for aluminium products has been increasing consistently. There is a growing and strong market for hollowware and in the West Africa sub region, however the most visible increase is registered in the building industry. This is due to a boom in real estate development by institutional and residential real estate developers.

The structural elements of the industry is expected to strengthen in the coming decade. It is anticipated that over 300 MW of new power both hydro and thermal plant (from Bui and Takoradi) will be operational. In addition, the Minerals Commission is aggressively looking for an investor to invest in the \$1 billion Kibi Bauxite prospect which will process bauxite into alumina. In order to finally establish a fully integrated aluminium processing industry.

These developments will expand Ghana's primary domestic market to include the other 15 countries in the ECOWAS region with a population of over 200 million.

PART X - INDEX TO FINANCIAL STATEMENTS

Aluworks' Audited Financial Statements for the years ended December 31, 1991 through 1995 and the six months ended June 30, 1996.

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