

ALBEDO LIMITED

(Company Registration No. 200505118M)

SALE OF SHARES IN ASSOCIATED COMPANY

Introduction

The Directors of Albedo Limited (the "Company") wish to announce that the Company has entered into a sale and purchase agreement with CMC S.E. Asia Pte Ltd ("CMC") for the sale of its 1.5 million shares (representing all of the Company's 30% stake) in its associated company CMC Albedo Metals Pte Ltd ("the Shares") to CMC ("the Agreement").

Consideration

The consideration for the sale of the Shares is in the sum of S\$1.5 million (the "Purchase Price"), which represents the net asset value of the Shares as at 31 Dec 2007

The Purchase Price was arrived at on a willing buyer willing seller basis and is to be fully satisfied in cash.

Rationale

CMC Albedo Metals Pte Ltd ("CMC Albedo") was incorporated on 9 November 2007 and had purchased the metal recycling business and its assets from Albedo Resources Pte Ltd ("ARPL"), the Company's wholly owned subsidiary in accordance with the terms of an Assets Sale and Purchase Agreement dated 12 November 2007 entered into between the Company, ARPL and CMC Albedo ("Assets SPA").

The sale of the Shares of CMC Albedo is in view of the anticipated increased capital requirements of CMC Albedo beyond that initially contemplated due to decisions of the Board of CMC Albedo to make strategic asset acquisitions.

The Company expects to use the net proceeds of the sale for working capital and /or repayment of borrowings.

Material Conditions

The sale of the Shares is subject to, *inter alia*, the following:

- (a) each of the warranties contained in the Agreement shall be true in all material respects on and as of the completion date with the same force and effect as though made on and as of the completion date. ARPL and the Company shall have performed and complied with all covenants, undertakings and agreements required by the Agreement to be performed or complied with by ARPL or the Company on, or prior to, the completion date;
- (b) the board of directors of the Company and ARPL shall have approved the transactions contemplated in the Agreement;
- (c) ARPL shall have obtained all required consents for the transactions contemplated in the Agreement;
- (d) the board of directors of CMC shall have approved the transactions contemplated in the Agreement.

Arising from the complete disposal of its interest in CMC Albedo, CMC and the Company has agreed that upon completion of the sale of the Shares, ARPL will receive an additional payment of S\$500,000 ("Additional Payment"). This will be in full and final settlement of the remaining consideration from the sale of the metal recycling business which was contingent and payable only upon CMC Albedo attaining a specified metal margin from the metal recycling business between Apr 08 and Mar 09, pursuant to terms of the Assets SPA, details of which were provided in the Company's announcement on 13 November 2007.

Net Profit on disposal

As the Company is disposing the Shares at their net asset value as at 31 December 2007, no profit is attributed directly to the Company in respect of the sale of Shares.

However, as a result of the disposal of the Company's remaining 30% interest in CMC Albedo, the Company will be able to recognize the remaining 30% of the income from the disposal of the metal recycling business by ARPL to CMC Albedo (S\$0.661million) which was deferred in FY 2007 in compliance with the Singapore Financial Reporting Standards.

Together with the Additional Payment of S\$0.5million, the Group expects to realise a total additional net profit of approximately \$1.1 million in FY2008 in respect of the sale of the metal recycling business.

Financial Effects

The pro forma financial effects of the sale of the Shares are purely for illustrative purposes only and do not reflect the future actual financial position of the Group after the completion of the sale of the Shares. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2007, and assuming that the sale of the Shares had been completed on 1 January 2007¹ for the purpose of the financial effect on earnings, and 31 December 2007 for the purpose of the financial effect on the net tangible assets ("NTA").

Net Tangible Assets (\$'000)

Before the Sale	After the Sale
17,256	17,256

¹ CMC Albedo was incorporated on 9 November 2007 and had no operating business up to 31 December 2007. As such, the assumption relating to the point of completion of the sale of Shares for the financial effect on earnings is arbitrary and is immaterial.

Earnings –(Continuing and discontinued business)

	Before the Sale	After the Sale
Profit after tax attributable to shareholders (S\$'000)	1,613	1,613
Weighted average number of shares ('000)		
Basic	92,055	92,055
Diluted	100,055	100,055
EPS (cents)		
Basic	1.75	1.75
Diluted ²	1.65	1.65

For completeness, the pro forma financial effects on earnings due to the recognition of expected additional profit in FY 2008 due to the sale of the metal recycling business (as a result of recognition of deferred income in FY 2007 in compliance with the Singapore Financial Reporting Standards and the Additional Payment), are also illustrated below. These are purely for illustrative purposes only and do not reflect the future actual financial position of the Group. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2007, and assuming that the additional profit had been recognized in FY 2007 for the purpose of the illustrative financial effects.

Net Tangible Assets (\$'000)

Before the Additional Profit	After the Additional Profit
17,256	18,356

Earnings –(Continuing and discontinued business)

	Before the Additional Profit	After the Additional Profit
Profit after tax attributable to shareholders(S\$'000)	1,613	2,713
Weighted average number of shares ('000)		
Basic	92,055	92,055
Diluted	100,055	100,055
EPS (cents)		
Basic	1.75	2.95
Diluted	1.65	2.75

² Earnings adjusted to take into account interest on convertible bonds (S\$41,000)

Interests of Directors and/or Controlling Shareholders

None of the Directors or the Controlling Shareholders has any direct or indirect interest in the proposed sale of the Assets.

Rule 1006 of the Listing Manual

The relative figures as computed on the following bases set out in clause 1006 of the Listing Manual based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2007 are as follows:

- (a) Rule 1006(a) – Net asset value of the Shares compared with the Group’s net asset value is 7.64%
- (b) Rule 1006(b) – The net profits attributable to the Shares compared with the Group’s net profit is 0%.
- (c) Rule 1006(c) – The aggregate value of the consideration for the Shares (S\$1.5million) represents approximately 11.5% of the Company’s market capitalization (based on the last traded price of the Company’s shares transacted on 11 April 2008³);
- (d) Rule 1006(d) – This is not applicable to the proposed sale of the Shares.

The proposed sale of the Shares is a discloseable transaction by the Company under Chapter 10 of the Singapore Exchange Securities Trading Limited's Listing Manual (the “Listing Manual”).

By Order of the Board
TAI KOK CHUAN
CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

³ No shares transactions were reflected on 14 & 15 April 2008.