



MEXAN GROUP LIMITED

(Incorporated in the British Virgin Islands with limited liability)

UNITED GOAL DEVELOPMENT LIMITED

(Incorporated in the British Virgin Islands with limited liability)



ASEAN RESOURCES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

BESTEAM LIMITED

(Incorporated in the British Virgin Islands with limited liability)

**PROGRESS OF GROUP REORGANISATION,
POSSIBLE MANDATORY OFFER FOR THE ASEAN RESOURCES SHARES
AND
POSSIBLE VOLUNTARY OFFER FOR THE BESTEAM SHARES**

Joint financial advisors to Mexan Group Limited



KINGSTON CORPORATE FINANCE LIMITED

and



**CAPITAL
CSC Asia Limited**

Financial advisor to United Goal Development Limited



大福融資有限公司
TAI FOOK CAPITAL LIMITED

Financial advisor to Asean Resources and Besteam

**ANGLO CHINESE
CORPORATE FINANCE, LIMITED**

Independent financial advisor to the independent board committee



SOMERLEY LIMITED

The conditions of the group reorganisation, other than the passing of a special resolution approving the group reorganisation by the Asean Resources shareholders on 5th May, 2003, have not yet been fulfilled.

Accordingly, the Asean Resources and Besteam composite offer documents cannot be despatched on 12th May, 2003, as stated in the circular of Asean Resources dated 10th April, 2003. Such composite offer documents, setting out the respective terms and conditions of the Asean Resources offer and the Besteam offer, together with the respective form of acceptance and transfer, will be despatched to the Asean Resources shareholders and the Besteam shareholders within 7 days of fulfillment of all the respective conditions precedent of the Asean Resources offer and the Besteam offer respectively.

On 30th April, 2003, the Stock Exchange informed Asean Resources of the review decision to treat Asean Resources as a new listing applicant should the asset injection be proceeded. The board has agreed with Mexan Group not to seek a review of the decision by the Listing Appeal Committee. The asset injection agreement will not be entered into as agreed between Asean Resources and Mexan Group.

Reference is made to the announcement jointly made by Asean Resources, Besteam, Mexan Group and United Goal Development on 21st February, 2003, the circular issued by Asean Resources on 10th April, 2003 and the announcement made by Asean Resources on 5th May, 2003. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as defined in the circular of Asean Resources dated 10th April, 2003.

The conditions of the group reorganisation

The conditions of the group reorganisation, other than the passing of a special resolution approving the group reorganisation by the Asean Resources shareholders on 5th May, 2003, have not yet been fulfilled. The unfulfilled conditions include the compliance with section 46(2) of the Companies Act 1981 of Bermuda, a statutory requirement for the cancellation of the share premium account of a company incorporated in Bermuda; the agreement of the Asean Resources group's bankers; the consent of any of the Asean Resources group's joint venture partners and any other third parties' consent or approval. Asean Resources will continue to procure the fulfillment of all such conditions. However, Asean Resources is unable to state when such conditions can be fulfilled. This is because the board cannot accurately estimate the time required to fulfill two of the outstanding conditions which are the requirement to obtain consents from the Asean Resources group's joint venture partners and bankers. Asean Resources had issued 12 letters to the Asean Resources group's joint venture partners and bankers, and had held various meetings with them in order to obtain their consents. As at the date of this announcement, 9 consents in principle, subject to the execution of all necessary documents in relation thereto, have been received from the Asean Resources group's joint venture partners and bankers. All the unfulfilled conditions are not waivable.

The conditions of the sale and purchase agreement

As at the date hereof, all the conditions of the sale and purchase agreement have not been fulfilled. The relevant parties to the sale and purchase agreement will continue to use their respective reasonable endeavours to procure that such conditions are satisfied as soon as practicable and in any event not later than 30th June, 2003, being the long stop day of the sale and purchase agreement. Other than the condition of completion of the group reorganisation, all other conditions are waivable. Mexan Group has not decided whether to waive the unfulfilled conditions or not.

Possible mandatory offer for the Asean Resources shares and possible voluntary offer for the Besteam shares

Since the Asean Resources offer and the Besteam offer are subject to the completion of the sale and purchase agreement and the implementation of the group reorganisation respectively, the Asean Resources and Besteam composite offer documents cannot be despatched on or around 12th May, 2003, as stated in the circular of Asean Resources dated 10th April, 2003. The Asean Resources and Besteam composite offer documents containing details of the Asean Resources offer and the Besteam offer, together with the respective form of acceptance and transfer, will be despatched to the Asean Resources shareholders and the Besteam shareholders within 7 days of fulfillment of all the conditions precedent of the implementation of the group reorganisation in respect of the Besteam offer and the fulfillment of all the conditions precedent to the making of the Asean Resources offer in respect of the Asean Resources offer respectively. An announcement will be made following the despatch of the said composite offer documents to the Asean Resources shareholders and the Besteam shareholders.

The asset injection

Under the sale and purchase agreement, United Goal Development has procured Asean Resources to acquire from Mexan Group or its associates the entire interest in Mexan Holdings, which holds all the assets to be injected into Asean Resources for a total consideration of not more than HK\$700 million, subject to, amongst other things, completion of the sale and purchase agreement. The Stock Exchange considered that Asean Resources should be treated as a new listing applicant if the injection of assets into Asean Resources were to take place shortly after the completion of the sale and purchase agreement. In view of the decision of the Stock Exchange, Asean Resources had appealed to the Stock Exchange for a review of the decision and on 30th April, 2003, Asean Resources was informed by the Stock Exchange of the review decision to treat Asean Resources as a new listing applicant should the asset injection be proceeded.

Following a review of Asean Resources' options by the board, including a further appeal to the Listing Appeal Committee of the Stock Exchange, the board has agreed with Mexan Group not to seek a review of the decision by the Listing Appeal Committee. The asset injection agreement will not be entered into as agreed between Asean Resources and Mexan Group.

Warning

As it is subject to certain conditions which are as yet unfulfilled, the group reorganisation, the sale and purchase agreement, the Asean Resources offer and the Besteam offer may or may not proceed. Investors and the Asean Resources shareholders are urged to exercise caution when dealing in the Asean Resources shares.

By order of the board of
Mexan Group Limited
Lau Kan Shan
Chairman

By order of the board of
United Goal Development Limited
Chan Boon Ho, Peter
Director

By order of the board of
Asean Resources Holdings Limited
Chan Boon Ho, Peter
Chairman

Hong Kong, 12th May, 2003

The directors of Asean Resources jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to Mexan Group and United Goal Development, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement, other than those relating to Mexan Group and United Goal Development, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Mexan Group jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Asean Resources group and United Goal Development, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement, other than those relating to the Asean Resources group and United Goal Development, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of United Goal Development jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Asean Resources group and Mexan Group, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement, other than those relating to the Asean Resources group and Mexan Group, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.