



ASEAN RESOURCES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTION

Tenancy Agreement

Pursuant to the Tenancy Agreement, Mexan International has agreed to let and Mexan Resources has agreed to take the Premises at a rent of HK\$160,000 per month for a period of 3 years.

Connected transaction of the Company

Mexan International is beneficially owned as to 65% by Mr. Lau, an executive Director and the chairman and controlling shareholder of the Company. Accordingly, the Tenancy Agreement constitutes a connected transaction for the Company under the Listing Rules. As the total annual sum under the Tenancy Agreement is over the higher of HK\$1,000,000 or 0.03% of the net tangible assets of the Company, it is required to be disclosed by way of a press announcement. Relevant details will also be included in the next published annual report and accounts of the Company in accordance with Rule 14.25(1) of the Listing Rules.

TENANCY AGREEMENT

Date

30 September 2003

Parties

- (1) Mexan International as the landlord; and
- (2) Mexan Resources, an indirect wholly-owned subsidiary of the Company, as the tenant

Major terms of the Agreement

Premises:	Part of 16th Floor (approximately 6,000 sq.ft.), Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong together with the furniture, fixtures, fittings, equipment and household effects and all the carparks nos. 3, 4 and 5 on the 3rd Floor of the said building
Term:	three years commencing on 1 October 2003 and expiring on 30 September 2006 (both days inclusive)
Rent:	HK\$160,000 per month (inclusive of management fee, rates and government rent and all charges for gas, water and electricity)
Right of early termination:	either party shall have the right to terminate the Tenancy Agreement at any time after 30 September 2004 upon giving to the other party not less than three months' prior written notice of his intention so
Adjustment of rent:	Mexan International shall have the right to revise the rent annually in accordance with the prevailing market rent at the time of such review and Mexan Resources shall pay the revised rent as may be agreed between Mexan International and Mexan Resources provided always that Mexan Resources shall be notified of such revised rent not less than three months before such revised rent is becoming effective

REASON FOR ENTERING INTO THE AGREEMENT

The Premises has been the principal place of business of the Company in Hong Kong since 26 June 2003 and was provided for by Mexan International free of any rent. In order to secure the use of the Premises by the Company on a long term basis, Mexan Resources, an indirect wholly-owned subsidiary of the Company, decided to enter into the Tenancy Agreement with Mexan International in order to govern their relationship in respect of the use of the Premises by the Group. The Directors, including the independent non-executive Directors, are of the view that the Tenancy Agreement has been entered into in the ordinary and usual course of business and on normal commercial terms and are fair and reasonable and that the entering into the Tenancy Agreement is in the best interest of the Company and its shareholders as a whole.

CONNECTED TRANSACTION

Mexan International is beneficially owned as to 65% by Mr. Lau, an executive Director and the chairman and controlling shareholder (as defined in the Listing Rules) of the Company. By virtue of this relationship, the Tenancy Agreement constitutes a connected transaction of the Company under the Listing Rules. As the total annual sum under the Tenancy Agreement is more than the higher of HK\$1,000,000 or 0.03% of the net tangible assets of the Company but does not exceed the higher of HK\$10,000,000 or 3% of the net tangible assets of the Company, it is subject to the disclosure requirements set out in Rule 14.25 of the Listing Rules.

The Company has applied for a waiver from strict compliance with the announcement requirements set out in Rule 14.25 of the Listing Rules in respect of the Tenancy Agreement for the term of the Tenancy Agreement, which is three years commencing on 1 October 2003 and expiring on 30 September 2006 (both days inclusive), on the following conditions:

1. That the Transaction will be entered into:
 - (i) in the ordinary and usual course of business of the Company;
 - (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable than terms available to or from independent third parties; and
 - (iii) on terms that are fair and reasonable so far as the shareholders of the Company are concerned;
2. That the annual aggregate value of the Transaction shall not exceed the Cap Amount;
3. That the independent non-executive Directors shall review the Transaction annually and confirm in the Company's annual report and accounts covering

that year that it has been conducted in the manner as stated in paragraphs 1 and 2 above;

4. That the auditors of the Company shall review the Transaction annually and confirm in a letter addressed to the Directors (a copy of which shall be provided to the Listing Division of the Stock Exchange) and stating that:
 - (i) the Transaction has been approved by the Directors;
 - (ii) the Transaction has been entered into in accordance with the terms of the Tenancy Agreement; and
 - (iii) the annual aggregate value of the Transaction has not exceeded the Cap Amount;
5. That the Company shall promptly notify the Stock Exchange if it knows or has reason to believe that the independent non-executive Directors and/or the Company's auditors will not be able to confirm the matters set out in above;
6. That details of the Transaction in each financial year shall be disclosed as required under Rule 14.25(1)(A) to (D) of the Listing Rules in the annual report of the Company for that financial year.

In the event that any material terms of the Tenancy Agreement are altered in the future, the Company will comply with the provisions of Chapter 14 of the Listing Rules dealing with connected transactions unless it applies for, and obtains, a separate waiver from the Stock Exchange.

INFORMATION RELATING TO THE COMPANY

The principal business of the Group includes property development and investment, securities investment and trading and investment holding.

DEFINITIONS

For the purposes of this announcement, capitalised terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

"Cap Amount"	the higher of HK\$3,000,000 or 0.1% of the net tangible assets of the Company for each financial year in respect of the Transaction
"Company"	Asean Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mexan International"	Mexan International Limited, a company incorporated in Hong Kong and is owned as to 65% by Mr. Lau
"Mexan Resources"	Mexan Resources Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company
"Mr. Lau"	Mr. Lau Kan Shan, an executive Director and the chairman and controlling shareholder of the Company (who indirectly owns approximately 74.97% of the issued share capital of the Company)
"Premises"	part of 16th Floor (approximately 6,000 sq.ft.), Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and all the carparks nos. 3, 4 and 5 on the 3rd Floor of the said building
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tenancy Agreement"	the tenancy agreement dated 30 September 2003 and entered into between Mexan Resources and Mexan International in respect of the Premises
"Transaction"	the lease of the Premises pursuant to the Tenancy Agreement

By order of the Board of
Asean Resources Holdings Limited
Lau Kan Shan
Chairman

Hong Kong, 2 October 2003