



ASEAN RESOURCES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF FINAL RESULTS 2002/2003

RESULTS

The Board of Directors (the "Board") of Asean Resources Holdings Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2003 together with comparative figures for the previous corresponding year are as follows:

	Note	Year ended 31st March	
		2003 HK\$'000	2002 HK\$'000
Turnover	1	238,839	615,055
Direct costs		(130,239)	(711,276)
		108,600	(96,221)
Other revenues		22,551	17,677
Administrative expenses		(47,386)	(57,476)
Impairment of properties held for/under development		(70,616)	-
Profit/(loss) from operations	2	13,149	(136,020)
Finance costs		(22,037)	(31,556)
Share of results of associated companies		(97,866)	3,044
		(106,754)	(164,532)
Loss before taxation		(106,754)	(164,532)
Taxation	3	(5,408)	(1,998)
		(112,162)	(166,530)
Loss after taxation		(112,162)	(166,530)
Minority interests		(18,335)	(16,928)
		(130,497)	(183,458)
Loss attributable to shareholders		(130,497)	(183,458)
Loss per share	4		
- Basic		(10.14 cents)	(14.26 cents)

Notes:

1. **Turnover**
The Group is principally engaged in property development and investment, securities investment and trading and investment holding.

(a) Business segments

	Property rental HK\$'000	Property development HK\$'000	Securities investment and trading HK\$'000	Other operations HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Year ended 31st March 2003						
Turnover	77,672	159,490	1,677	-	-	238,839
Segment results	69,201	(30,631)	(586)	-	-	37,984
Unallocated corporate expenses (net)	-	-	-	-	(42,294)	(42,294)
						(4,310)
Interest income	-	-	-	-	17,459	17,459
Finance costs	-	-	-	-	(22,037)	(22,037)
Share of results of associated companies	-	(143,497)	-	45,631	-	(97,866)
Loss before taxation	-	-	-	-	(5,408)	(106,754)
Taxation	-	-	-	-	-	(5,408)
Loss after taxation	-	-	-	-	-	(112,162)
Minority interests	-	(18,335)	-	-	-	(18,335)
Loss attributable to shareholders	-	-	-	-	-	(130,497)
Year ended 31st March 2002						
Turnover	91,754	472,280	51,021	-	-	615,055
Segment results	86,646	(171,025)	(11,842)	-	-	(96,221)
Unallocated corporate expenses (net)	-	-	-	-	(52,110)	(52,110)
						(148,331)
Interest income	-	-	-	-	12,311	12,311
Finance costs	-	-	-	-	(31,556)	(31,556)
Share of results of associated companies	-	(29,237)	-	32,281	-	3,044
Loss before taxation	-	-	-	-	(1,998)	(164,532)
Taxation	-	-	-	-	-	(1,998)
Loss after taxation	-	-	-	-	-	(166,530)
Minority interests	-	(16,928)	-	-	-	(16,928)
Loss attributable to shareholders	-	-	-	-	-	(183,458)

(b) No geographical analysis is provided as less than 10% of the consolidated turnover, consolidated profit/(loss) and consolidated assets of the Group are attributable to markets outside Hong Kong.

2. Profit/(loss) from operations is stated after charging the depreciation of fixed assets amounted to HK\$1,677,000 (2002: HK\$1,763,000). It also includes realised revaluation reserves amounted to HK\$8,967,000 (2002: HK\$11,170,000) upon the disposal of certain properties.

3. Taxation

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profits for the year. Taxation on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated profit and loss account represents:

	Year ended 31st March	
	2003 HK\$'000	2002 HK\$'000
Hong Kong profits tax		
- provision for current year	1,600	-
Overseas taxation		
- under provision in previous years	62	-
	1,662	-
Share of taxation attributable to associated companies	3,746	1,998
	5,408	1,998

4. Loss per share

The calculation of the basic loss per share is based on the loss attributable to shareholders of HK\$130,497,000 (2002: HK\$183,458,000) and on 1,286,482,836 shares (2002: 1,286,482,836 shares) in issue during the year.

For the year ended 31st March 2003 and 2002, diluted loss per share is not shown as the potential ordinary shares are anti-dilutive.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March 2003 (2002: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the year.

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Loss attributable to shareholders of the Company for the year ended 31st March 2003 was approximately HK\$130 million compared with a loss of approximately HK\$183 million last year. Turnover for the year amounted to approximately HK\$239 million, representing a decrease of 61% compared with that of last year. Profit from operations for the year amounted to approximately HK\$13 million, compared with a loss from operations of approximately HK\$136 million last year. Loss per share for the year amounted to 10.14 cents compared with loss per share of 14.26 cents last year. During the year under review, regular profits were generated from the Group's investment properties. Profits were also generated from the sale of certain remaining units of "The Colonnade", a property development of the Group. During the year, provisions for diminution in value of development properties were made and the Group's share of the resulting losses was recognised in the accounts. These accounted for the overall loss of the Group.

Gross rental income and its contribution to profit from operations for the year amounted to approximately HK\$78 million and HK\$69 million respectively, representing a decrease of approximately 15% and 21% respectively when compared with those of last year.

Turnover from sale of property interests and its contribution to profit from operations for the year amounted to approximately HK\$159 million and a profit of approximately HK\$40 million respectively compared with approximately HK\$472 million and a loss of approximately HK\$171 million respectively last year. During the year, the Group continued the disposal of the remaining units of "The Colonnade" and the resulting profits were recognised in the accounts.

Turnover from securities investment and its contribution to profit from operations for the year amounted to approximately HK\$2 million and a loss of approximately HK\$1 million respectively compared with approximately HK\$51 million and a loss of approximately HK\$12 million respectively last year.

Liquidity and financial information

The Group's total bank borrowings as at 31st March 2003 amounted to approximately HK\$894 million compared with approximately HK\$816 million as at 31st March 2002. Cash and bank balances and trading securities amounted to approximately HK\$791 million as at 31st March 2003 compared with approximately HK\$708 million as at 31st March 2002. Net borrowings amounted to HK\$103 million as at 31st March 2003 compared with HK\$108 million as at 31st March 2002.

Gearing ratio of the Group which is expressed as a percentage of total bank borrowings to shareholders' funds was 32% as at 31st March 2003 compared with 25% as at 31st March 2002. Net gearing ratio of the Group which is expressed as a percentage of net borrowings to shareholders' funds was 4% as at 31st March 2003 compared with 3% as at 31st March 2002.

Of the Group's total bank borrowings, approximately HK\$50 million (6%) is due within one year, approximately HK\$260 million (29%) in more than one year but not exceeding two years, approximately HK\$223 million (25%) in more than two years but not exceeding five years and the remaining balance of approximately HK\$361 million (40%) is due in more than five years.

The above bank borrowings were secured by first charges on certain investment properties, properties held for/under development, properties held for sale, other specified assets of the Group and corporate guarantees from the Company.

Equity, reserves and net asset value

The annual revaluation of the Group's investment properties was carried out by DTZ Debenham Tie Leung Limited, independent professional property valuers. The total value of the Group's investment properties as at 31st March 2003 amounted to approximately HK\$1,553 million compared with approximately HK\$1,927 million as at 31st March 2002. The reduction was mainly due to the decrease in the valuation of Elizabeth House Commercial Podium.

Shareholders' funds of the Group as at 31st March 2003 was approximately HK\$2,787 million compared with approximately HK\$3,304 million as at 31st March 2002. The net asset value per share of the Company was HK\$2.17 as at 31st March 2003 compared with HK\$2.57 as at 31st March 2002.

BUSINESS REVIEW AND OUTLOOK

During the year under review, Hong Kong's domestic economy deteriorated further. Unemployment rate was high. Property prices continued to fall. Domestic consumption remained weak. As a result, there was a moderate downward adjustment in the rental income generated from the Elizabeth House Commercial Podium of the Group. Though the Group's hotel business remained stable during the most of the year under review, occupancy as well as the food and beverage business were severely affected by the sudden outbreak of Severe Acute Respiratory Syndrome in March. Fortunately, the travel warning to Hong Kong was lifted by the World Health Organisation subsequent to the end of the year under review. The Group's hotel business is recovering slowly. Nevertheless, full recovery is not expected until early 2004. Construction of the superstructure for the joint venture at Nos. 33 and 35 Island Road, in which the Group has 57% interest, has commenced. It is anticipated that the project will be completed in early 2004.

The Governments of Hong Kong and China have entered into the Close Economic Partnership Arrangement ("CEPA") subsequent to the year end. Under the CEPA, Hong Kong professionals and business entities may enjoy certain privileges to gain access to the Chinese market. It is believed that the CEPA will open up a new era for our economy.

During the year under review, the Board had been requested by United Goal Development Limited ("United Goal"), the then controlling shareholder of the Company, to place before the Company's shareholders the proposal of the group reorganisation. The Board had also been informed by United Goal that United Goal as vendor and Mexan Group Limited as purchaser had entered into a sale and purchase agreement. Pursuant to the sale and purchase agreement, Mexan Group Limited would acquire approximately 74.3% of the entire issued share capital of the Company from United Goal and Mr. Peter Chan.

Subsequent to the year under review, the group reorganisation and the sale and purchase agreement was completed on 20th June 2003 and 26th June 2003 respectively. Due to the significance of the above transactions, shareholders are encouraged to read the circular dated 10th April 2003 issued by the Company in order to have a better understanding of the effects of the group reorganisation on the Group.

EMPLOYEE INFORMATION

As at 31st March 2003, the total number of employees of the Group was 35 (2002: 36). Remuneration packages are generally structured by reference to market terms and individual qualifications. The remuneration policies of the Group are normally reviewed on periodic basis. Share options were granted to selected eligible executives with a view to provide the directors and employees with an appropriate incentive interests in the growth of the Group. The Group participates in a mandatory provident fund scheme which covers all the eligible employees of the Group.

CHANGES IN DIRECTORATE

The following changes in directorate of the Company occurred subsequent to the year end:

- Mr. Lau Kan Shan, Mr. Yuen Hiu Kwan and Ms Ching Yung have been appointed as executive directors; and
- Mr. Lau Wai and Mr. Cheng Chun Pong, Paul have been appointed as independent non-executive directors.

AUDIT COMMITTEE

The Audit Committee of the Company comprises Mr. Ng Wai Hung and Mr. Cheung Hon Kit, both of whom are independent non-executive directors of the Company. The Audit Committee meets at least twice a year with the Company's management and auditors to review, among other things, the interim and the final results of the Group prior to recommending them to the Board for approval.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

The Company has complied with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the financial year ended 31st March 2003 with the exception that the non-executive directors of the Company are not appointed for specific terms of office but retire from office on a rotational basis in accordance with the Company's Bye-laws.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

Information that is required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

By Order of the Board
Chan Boon Ho, Peter
Chairman

Hong Kong, 15th July 2003



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Asean Resources Holdings Limited (the "Company") will be held at Marriott Ballroom – Salon 4, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 25th September 2003 at 11:30 a.m. for the following purposes:

As Ordinary Business:

1. To receive and consider the audited accounts and the Reports of the Directors and the Auditors for the year ended 31st March 2003.
2. To re-elect retiring Directors and to authorise the Board of Directors to fix the Directors' remuneration for the ensuing year.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

As Special Business:

4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

"THAT:

(a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

"THAT:

(a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar right to subscribe for any shares or convertible securities of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of options under any share option scheme of the Company or similar arrangement adopted for the grant or issue of shares or rights to acquire shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

6. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

"THAT conditional upon the passing of Resolution Nos. 4 and 5 as set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional securities in the capital of the Company pursuant to Resolution No. 5 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 4 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution."

By Order of the Board
Yuen Lai Sheung
Company Secretary

Hong Kong, 15th July 2003

Principal Place of Business in Hong Kong:
16th Floor
Bank of East Asia Harbour View Centre
51-57 Gloucester Road
Wanchai
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under Resolution No. 4 above will be sent to shareholders together with the 2003 Annual Report of the Company.