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## **ASEAN RESOURCES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

## **BESTEAM LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

### **ASEAN RESOURCES GROUP REORGANISATION**

### **CANCELLATION OF THE SHARE OPTIONS IN ASEAN RESOURCES AND EXTENSION OF THE OPTION PERIOD**

On 18th March, 2003, Asean Resources and the optionholders had entered into a share option agreement in relation to, inter alia, the cancellation of the share options and the extension of the option period upon the terms and conditions therein contained.

The board of directors of Asean Resources has agreed, subject to the approval of independent shareholders of Asean Resources, to extend the period during which the optionholders are entitled to exercise the share options by six calendar months from 21st March, 2003 and to pay a cancellation fee of HK\$0.32 per share option in Asean Resources to the optionholders from the internal resources of Asean Resources to cancel such share options.

In the event that the completion of the sale and purchase agreement does not take place and subject to the approval of the extension of the option period by the independent shareholders of Asean Resources, all the outstanding share options shall remain valid and exercisable at an exercise price which shall be adjusted in accordance with the terms of the share option scheme and Besteam proposed to grant share options in Besteam to the optionholders.

Reference is made to the announcement dated 21st February, 2003 jointly made by Asean Resources, Besteam, Mexan Group and United Goal Development in relation to, amongst other things, the possible mandatory offer for the shares in Asean Resources, the possible voluntary offer for the shares in Besteam and the proposed transactions including the Asean Resources group reorganisation, the management contract, the asset injection agreement, if applicable, and the cancellation of the outstanding share options in Asean Resources.

#### **Cancellation of the share options in Asean Resources and extension of the option period**

As at the date of this announcement, Asean Resources has granted a total of 104,200,000 share options to certain of its directors and full time employees (of which 79,682,000 share options have been granted to the directors of Asean Resources and 24,518,000 share options to other employees of Asean Resources) to subscribe for an aggregate of 104,200,000 shares in Asean Resources, being the maximum number of shares in Asean Resources that could be subscribed for by exercising all the outstanding share options, at an exercise price of HK\$0.68 per share, subject to adjustment, in Asean Resources. The cancellation of all outstanding share options granted to the optionholders is one of the conditions precedent to completion of the sale and purchase agreement. Should any of the optionholders exercise the share options, one of the conditions precedent to completion of the sale and purchase agreement cannot be fulfilled. Therefore, on 18th March, 2003, Asean Resources and the optionholders had entered into a share option agreement in relation to, inter alia, the cancellation of all the outstanding share options and the extension of the option period during which the optionholders are entitled to exercise the share options by six calendar months from 21st March, 2003, being the expiry date of all the outstanding share options, upon the terms and conditions therein contained. Under the terms of the share option agreement, the optionholders have agreed not to exercise the share options in order to facilitate the completion of the sale and purchase agreement and hence the Asean Resources offer. Save for the extension of the option period, the terms of the share option scheme remain unchanged. The board of directors of Asean Resources has agreed, subject to the approval of the independent shareholders of Asean Resources, to extend the option period and to pay a total cancellation fee of HK\$0.32 per share option, being the difference between the aggregate offer price of HK\$1.00 per share in Asean Resources under the Asean Resources offer and the Besteam offer and the exercise price of the share option of HK\$0.68 per share, or an aggregate amount of approximately HK\$33 million to the optionholders from the internal resources of Asean Resources to cancel all the outstanding share options before the completion of the sale and purchase agreement. The board considers such cancellation arrangement to be a fair and appropriate way to deal with any Takeovers Code implications on the outstanding share options arising from the sale and purchase agreement and such cancellation arrangement will be subject to the approval of the independent shareholders of Asean Resources. In the event that the completion of the sale and purchase agreement does not take place and subject to the approval of the extension of the option period by the independent shareholders of Asean Resources, all the outstanding share options shall remain valid and exercisable at an exercise price to be adjusted in accordance with the terms of the share option scheme to reflect the cash dividend to be declared by Asean Resources and Besteam proposed to grant share options in Besteam, on a one for one basis, to optionholders at an exercise price of HK\$0.01 per share in Besteam.

#### **Voting on the cancellation of the share options and extension of the option period**

All the optionholders, United Goal Development and Mr. Peter Chan and their respective associates and concert parties, and other connected persons, as defined under the Listing Rules, will abstain from voting on the proposed resolution to approve, amongst other things, the cancellation of the share options and the extension of the option period at a special general meeting.

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

Hong Kong, 20th March, 2003

*The directors of Asean Resources jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement 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.*