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Asia Resources Transportation Holdings Limited
亞洲資源運輸控股有限公司*

(Incorporated in Bermuda with limited liability)

Announcement

Pursuant to paragraph 2 of the Listing Agreement, the Board would like to inform the shareholders of the Company that the Company is exploring the possibility of acquiring a property development project in Shanghai of Fairyoung and is in negotiations with Fairyoung for such acquisition. For such purpose, the Company signed an exclusivity agreement on 4th May, 2002 to facilitate negotiations during the period from 4th May, 2002 to 30th May, 2002 to the intent that the Company shall be entitled to negotiate exclusively with Fairyoung in respect of the potential acquisition.

Pursuant to paragraph 2 of the Listing Agreement, the board (the "Board") of directors (the "Directors") of Asia Resources Transportation Holdings Limited (the "Company") would like to inform the shareholders of the Company that the Company is in negotiations with Fairyoung Holdings Limited ("Fairyoung") in relation to a potential acquisition of the interest in a property development project at Pudong Fairyoung Building, Lot No.F-2, Fujiazhai 1139-1205 Pudong Avenue, Pudong New Area, Shanghai, China (the "Project") currently held by Fairyoung through its subsidiaries. For such purpose, the Company signed an exclusivity agreement on 4th May, 2002 ("Exclusivity Agreement") to facilitate negotiations during the period from 4th May, 2002 to 30th May, 2002 to the intent that the Company shall be entitled to negotiate exclusively with Fairyoung in respect of the potential acquisition. Fairyoung is a listed company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and is independent of the directors, chief executive and substantial shareholders of the Company, any of its subsidiaries or their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) (the "Listing Rules").

Under the Exclusivity Agreement, the Company is also entitled to conduct its due diligence exercise on the subject matter to be acquired. The Company has paid a deposit of approximately HK \$2.8 million to Fairyoung upon signing of the Exclusivity Agreement. Such deposit was non-refundable save and except for (i) if the Company is not satisfied with the results of the due diligence of the Project and (ii) if Fairyoung cannot validly transfer its interest in the Project to the Company. In the event of a breach of the Exclusivity Agreement by Fairyoung, Fairyoung has to pay a break-up fee of RMB3 million in addition to the refund of the deposit to the Company.

It is indicated by the parties in the Exclusivity Agreement that the consideration for the potential acquisition will be not more than RMB78 million together with the obligation of the Company to undertake to settle existing debts owing in relation to the Project, which will be not more than RMB80 million. Out of the abovementioned RMB78 million, it is intended that RMB 38 million will be paid by way of cash in various instalments and RMB40 million will be settled by way of convertible bonds to be issued by the Company. A formal sale and purchase agreement is expected to be executed on or before 30th May, 2002.

Apart from the aforesaid, the Board confirms that there are no negotiations or agreements relating to the intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Negotiations relating to the potential acquisition are at a preliminary stage and no agreement has been reached. The potential acquisition, if proceeds, may constitute a notifiable transaction within the meaning of the Listing Rules. **The shareholders of the Company should be aware that the potential acquisition may or may not proceed.** Further announcements in relation to the potential acquisition will be made in case of any significant development as and when appropriate. **Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board
Wong Kwong Miu
Chairman

Hong Kong, 6th May, 2002

* For identification purpose only