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China Asean Resources Limited

神州東盟資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 08186)

ANNOUNCEMENT

PROGRESS OF POTENTIAL DISPUTE OVER THE COMPANY'S OWNERSHIP IN A MEDICAL EQUIPMENT SUBSIDIARY

The Company formally lodged a request to review (the "Administrative Review") the governmental approval of the Unauthorised Disposal and registration of the Unauthorised Sale and Purchase Agreements. The Administrative Review application was recently accepted by the Jiangsu Provincial government.

Shareholders and potential investors of the Company are reminded that the final decision of the Administrative Review has not been issued yet, and the Company has not determined whether to take the case to the courts of China by lodging an administrative claim.

Reference is made to the Company's announcement (the "Announcement") dated 26 March 2009 in relation to, Unauthorised Disposal of the Medical Equipment Subsidiary. Unless otherwise stated, terms used herein shall have the same meanings as those used in the Announcement.

PROGRESS OF POTENTIAL DISPUTE OVER THE COMPANY'S OWNERSHIP IN A MEDICAL EQUIPMENT SUBSIDIARY

The Board wishes to provide the shareholders of the Company and the investing public of the latest development of the dispute over the Company's 65% equity interest in the Medical Equipment Subsidiary and the works conducted by the Special Investigation Committee.

Works of the Special Investigation Committee

After publication of the Announcement of 26 March 2009, the Special Investigation Committee has collected answers to the questionnaires from the former and current Directors who had been involved in management of the business of the Medical Equipment Subsidiary. The questionnaires are prepared for purposes of gaining an understanding on the background of the Unauthorised Disposal. From the replies of the interviewees, the Board and the Special Investigation Committee took the view that none of the former and current Directors had executed any of the Unauthorised Sale and Purchase Agreements.

According to the advice of the China lawyers (the “PRC Lawyers”), the Special Investigation Committee holds the view that there may be irregularities under which the relevant governmental authorities of Nanjing, China (i) approved the Unauthorised Disposal; and (ii) registered the Unauthorised Sale and Purchase Agreements (both of which were not duly executed by the Company).

In May 2009, representatives of the Special Investigation Committee traveled to Nanjing, China and met officials of relevant Nanjing governmental authorities to (i) report the potential dispute with the Chinese Partner over the ownership of 65% interest in the Medical Equipment Subsidiary; (ii) complain about the irregularities under which the relevant Nanjing governmental authorities approved the Unauthorised Disposal and registered the Unauthorised Sale and Purchase Agreements; and (iii) request the relevant governmental authorities to maintain the status quo of the Medical Equipment Subsidiary and prevent further transfer of equity interest in the Medical Equipment Subsidiary so that the Company’s interest will be protected.

Administrative Review of the Unauthorised Disposal

With the assistance and advice of the PRC Lawyers, the Company formally lodged a request to review (the “Administrative Review”) the governmental approval of the Unauthorised Disposal and registration of the Unauthorised Sale and Purchase Agreements. The Administrative Review application was recently accepted by the Jiangsu Provincial government.

The Administrative Review is an administrative process (but not a process which involves the courts of China) permitted under the administrative laws of China, in which a more senior governmental department will review and determine the legality and appropriateness of the executive decision of approving the Unauthorised Disposal. According to the advice of the PRC Lawyers, since the Unauthorised Sale and Purchase Agreements were not duly executed by the Company, this is an arguable case in the Company’s favour that there may be irregularities under which the relevant governmental authorities of Nanjing approved the Unauthorised Disposal and registered the Unauthorised Sale and Purchase Agreements. If the higher governmental authority agrees that the approval of Unauthorised Disposal and registration of the Unauthorised Sale and Purchase Agreements were improper or inappropriate, the Unauthorised Disposal may be declared void, in which case any valid transfer of the Company’s 65% interest in the Medical Equipment Subsidiary has not taken place and the Company still retains its 65% interest in the Medical Equipment Subsidiary.

In any event, if the Company is unsuccessful in the Administrative Review, the Company may take a legal action against the relevant governmental authorities of Nanjing by lodging an administrative claim in the courts of China.

Shareholders and potential investors of the Company are reminded that the final decision of the Administrative Review has not been issued yet, and the Company has not determined whether to take the case to the courts of China by lodging an administrative claim.

The Board wishes to stress that it is pre-mature for the Board to form any formal views on this dispute and on the potential liability of any persons (including officers of the Company and other third parties) involved in this matter.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Asean Resources Limited
Leung Sze Yuan Alan
Chairman

Hong Kong, 9 June 2009

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Leung Sze Yuan, Alan, and Mr. Zhang Zhenzhong; two non-executive directors, namely Mr. Li Nga Kuk, James, and Mr. Li Tai To, Titus; and three independent non-executive directors, namely Mr. Fan Wan Tat, Mr. Tam Wai Leung, Joseph, and Mr. Chan Kim Chung, Daniel.

This announcement, for which the directors of the Company collectively and individually accept full responsibilities, include particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Company's directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.

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