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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: 8186)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

Reference is made in the Company’s announcements dated 26 March 2009 and 9 June 2009, in relation to Unauthorised Disposal of the Medical Equipment Subsidiary. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in those two announcements.

The board (the “**Board**”) of directors of China Asean Resources Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) wishes to announce that the Group would record net loss for the six months ended 30 June 2009 (as compared with the net profit of approximately HK\$36,541,000 recorded for the corresponding period in 2008) due to (i) the deconsolidation of the results of Sinnowa Medical Science & Technology Co., Ltd (南京神州英諾華醫療科技有限公司) (the “**Medical Equipment Subsidiary**”), a sino-foreign joint venture enterprise established by the Company in September 2002 with its registered capital beneficially owned as to 65% by the Company from the Group’s financial statements, as a result of the potential dispute over the Group’s ownership of 65% interest in the Medical Equipment Subsidiary, and (ii) the fact that there was no income generated by the Group from sub-concession of its forest in Cambodia during the six months ended 30 June 2009 (as compared with a gain of approximately HK\$52.08 million generated from forest sub-concession for the corresponding period in 2008).

This profit warning announcement is made based on the preliminary assessment of the Board with the management accounts of the Group and other information available to the Group, and such accounts have not been audited by the Company’s auditors. The Company is still in the course of preparing the Group’s results for the six months ended 30 June 2009 and the results announcement is expected to be released on or before 11 August 2009.

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

By Order of the Board
China Asean Resources Limited
Leung Sze Yuan, Alan
Executive Director

Hong Kong, 29 July 2009

As at the date of this announcement, the board of Directors of the Company 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 responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, 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 respects 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 assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication.