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If you have sold or transferred all your shares in China Asean Resources Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



China Asean Resources Limited

神州東盟資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

**PROPOSAL RELATING TO
GRANTING OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES OF THE COMPANY,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF THE LIMIT TO GRANT OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Asean Resources Limited (the "Company") to be held at Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on 18 June 2009 at 10:00 a.m. is set out on pages 14 to 17 of this circular. A form of proxy for the Annual General Meeting (the "AGM") is enclosed with this circular. If you intend to attend and vote at the AGM, please complete and return the enclosed form of proxy to the share registrar of the Company, that is Computershare Hong Kong Investor Services Ltd., at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM in person.

This circular, for which the directors ("Directors") of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities ("GEM Listing Rules") on the Growth Enterprise Market ("GEM") of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular 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 herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for 7 days from the date of its posting.

19 May 2009

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Library, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong at 10:00 a.m on Thursday, 18 June 2009 for the purpose of considering, and if thought fit, approving the proposed resolutions set out in this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2008
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended, modified or otherwise supplemented from time to time
“Company”	China Asean Resources Limited (formerly known as Medical China Limited), a company incorporated in Bermuda with limited liability, the shares of which are listed on the GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Registrar”	Computershare Hong Kong Investor Services Ltd. Rooms 1901-5, 19th Floor, Hopewell Centre 183 Queen’s Road East, Hong Kong

DEFINITIONS

“Latest Practicable Date”	15 May 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Scheme Limit”	the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company, not exceeding 10% of the total issued share capital of the Company
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company which was adopted on 14 December 2001
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers



China Asean Resources Limited

神州東盟資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

Executive Directors:

Leung Sze Yuan Alan (*Chairman*)

Zhang Zhenzhong (*Chief Executive Officer*)

Non-executive Director:

LI Tai To, Titus

LI Nga Kuk, James

Independent non-executive Directors:

FAN Wan Tat

TAM Wai Leung, Joseph

CHAN Kim Chung, Daniel

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Principal place of business:

8th Floor

Teda Building

87 Wing Lok Street

Hong Kong

19 May 2009

To the shareholders

Dear Sir or Madam,

**PROPOSAL RELATING TO
GRANTING OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES OF THE COMPANY,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF THE LIMIT TO GRANT OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM of the Company to be held at Library, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on 18 June 2009 at 10:00 a.m..

LETTER FROM THE BOARD OF DIRECTORS

On 18 June 2008, resolutions were passed by the shareholders of the Company giving general and unconditional mandates (“previous general mandates”) to the directors of the Company to:

- (a) allot, issue and deal with additional shares of HK\$0.01 each (“Shares”) in the Company and to make or grant offers, agreements, options and warrants not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue at the date of passing of the relevant resolution on 18 June 2008;
- (b) repurchase Shares not exceeding 10% of the aggregate nominal value of the Shares in issue at the date of passing the relevant resolution on 18 June 2008; and
- (c) add to the general mandate for issuing Shares set out in (a) above the number of Shares repurchased by the Company pursuant to the repurchase mandate set out in (b) above.

The previous general mandates will expire at the conclusion of the forthcoming AGM and the purpose of this circular is to, among other things, request your support to renew the general mandates relating to issue and repurchase of Shares at the AGM as referred to below.

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, it will be proposed, by way of an ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase Shares on the GEM of the Stock Exchange up to a maximum of 10% of the issued share capital of the Company at the date of passing the ordinary resolution (the “Repurchase Mandate”).

The Repurchase Mandate, if approved, will continue in force until (a) the conclusion of the next annual general meeting of the Company following the passing of the resolution in relation to the Repurchase Mandate; or (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; or (c) being revoked or varied by ordinary resolution of shareholders of the Company in general meeting prior to the next annual general meeting, whichever occurs first.

The Company may only repurchase Shares on GEM if:

- (i) the Shares proposed to be repurchased by the Company are fully paid up;
- (ii) the Company has previously sent to its shareholders the explanatory statement in relation to the Repurchase Mandate; and
- (iii) the shareholders of the Company have in general meeting approved the Repurchase Mandate and the relevant documents in connection therewith have been delivered to the Stock Exchange.

LETTER FROM THE BOARD OF DIRECTORS

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the GEM Listing Rules is set out in Appendix I to this circular. That explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

At the AGM, it will also be proposed, by way of ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to issue new Shares up to 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the ordinary resolution (“New Issue Mandate”). In addition, it is further proposed, by way of a separate ordinary resolution, that the New Issue Mandate be extended so that the Directors be given a general mandate to issue further Shares of an aggregate nominal value equal to the aggregate nominal value of the Share repurchased under the Repurchase Mandate. Any issue of new Shares subject to approval from the Stock Exchange for the listing of and permission to deal in such new Shares.

DIRECTORS PROPOSED TO BE RE-ELECTED

As at the Latest Practicable Date, the board of directors of the Company comprises two executive directors, namely, Mr. Zhang Zhenzhong, and Mr. Leung Sze Yuan, Alan; two non-executive director, namely Mr. Li Nga Kuk, James, 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.

Pursuant to Article 99 of the Company’s Bye-Laws, Mr. Li Tai To Titus, Mr. Fan Wan Tat and Mr. Chan Kim Chung, Daniel shall retire from office by rotation at the Annual General Meeting and being eligible, offer themselves for re-election.

Pursuant to Rule 17.46A of the GEM Listing Rules, a listed issuer shall disclose the details required under Rule 17.50(2) of the GEM Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting. Biographical details of the retiring directors to be re-elected which are required to be disclosed under the GEM Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD OF DIRECTORS

REFRESHMENT OF LIMIT TO GRANT OPTIONS UNDER THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to recognise the contribution of the executives and employees of the Group by granting share options to them as incentives or rewards. As at the Latest Practicable Date, apart from the Share Option Scheme, there is no other scheme for eligible participants to subscribe for shares in the Company. Under the rules of the Share Option Scheme:

- (i) the maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company cannot exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if such grant would result in the above limit being exceeded;
- (ii) subject to Shareholders' approval, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the Shares in issue at the date of the relevant approval (the "Scheme Limit"); and
- (iii) the Scheme Limit may be refreshed by Shareholders in general meeting, on condition that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the "refreshed" Scheme Limit, excluding any options previously granted (including those outstanding options lapsed or cancelled) in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company.

The Scheme Limit has been refreshed last year during the AGM on 18 June 2008 and the Directors were authorized to grant options up to 170,500,000 shares, representing 10% of the 1,705,000,000 issued share capital of the Company at the time. An aggregate of options to subscribe for 76,000,000 new shares in the Company have been granted since its adoption which has included 4,000,000 shares granted to the former director has been subsequently cancelled after his resignation. Save as disclosed above, the Company confirmed that no share option granted has been exercised, lapsed or cancelled.

Shareholders' approval will be sought in the forthcoming Annual General Meeting for the refreshment of the Scheme Limit. As at the Latest Practicable Date, the Company had 1,905,000,000 Shares in issue. Assuming no further issue or repurchase of Shares at any time up to the Annual General Meeting, upon refreshment of the Scheme Limit by shareholders at the Annual General Meeting, the Company may grant options entitling holders to subscribe for up to a maximum of 190,500,000 Shares, representing 10% of the total number of Shares in issue as at the date of Annual General Meeting. Consequently, the aggregate options granted represent 3.8% of issued share capital after the refreshment.

LETTER FROM THE BOARD OF DIRECTORS

The Directors consider that the Company should refresh the Scheme Limit so that the Company will be more flexible in providing incentives or rewards to participants for their contribution to the Group and enable the Group to recruit and retain high-calibre employees and attract human resource that are valuable to the Group.

The refreshment of the Scheme Limit (as refreshed) is conditional on:

- (a) the passing of an ordinary resolution to approve the refreshment of the Scheme Limit (as refreshed) by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares (representing 10% of the total Shares in issue as at the date of the AGM approving the refreshment of the Scheme Limit (as refreshed) which may fall to be issued pursuant to the exercise of options under the Share Option Scheme and any other share option scheme(s) of the Company.

Application will be made to the Stock Exchange for listing of, and permission to deal in, any Shares, representing a maximum of 10% of the Shares in issue at the Annual General Meeting which may fall to be issued upon the exercise of any option that may be granted under the Share Option Scheme and any other share option schemes of the Company.

ANNUAL GENERAL MEETING

A notice (“AGM Notice”) convening the AGM to be held at Library, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on 18 June 2009 at 10:00 a.m. is set out on pages 14 to 17 of this circular.

A form of proxy for the AGM is enclosed with this circular. If you intend to attend and vote at the AGM, please complete the form of proxy and return it to the share registrar of the Company, that is Computershare Hong Kong Investor Services Limited, at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM in person.

LISTING RULES REQUIREMENTS

According to rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

LETTER FROM THE BOARD OF DIRECTORS

RECOMMENDATION

The Board believes that the resolutions for the New Issue Mandate, the Repurchase Mandate, the Extension Mandate, the re-election of the retiring Directors and the refreshment of the Scheme Limit are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favor of all the resolutions to be proposed at the Annual General Meeting.

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

This is an explanatory statement given to all shareholders relating to a resolution to be proposed at the forthcoming AGM authorizing the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

If the Repurchase Mandate is exercised in full, on the basis of 1,905,000,000 Shares in issue as at the Latest Practicable Date prior to the printing of this circular for ascertaining certain information contain herein (“Latest Practicable Date”) and assuming no Shares are issued or repurchased between the Latest Practicable Date and the date of AGM, a total of 190,500,000 Shares (representing 10% of the total issued Shares as at the Latest Practicable Date) will be repurchased by the Company during the period from the date of passing the resolution in relation to the Repurchase Mandate up to (a) the conclusion of the next annual general meeting of the Company following the passing of the resolution relating to the Repurchase Mandate; or (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the bye-laws of the Company to be held; or (c) when it is revoked or varied by an ordinary resolution by the shareholders of the Company in general meeting, whichever is the earliest.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders as a whole. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share.

3. FUNDING OF REPURCHASES

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the memorandum of association and Bye-Laws of the Company, the applicable laws of Bermuda and the GEM Listing Rules.

4. EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company’s audited financial statements for the year ended 31 December 2008) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of passing the resolution in relation to the Repurchase Mandate, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares being held by the public as required by the Stock Exchange.

5. DISCLOSURE OF INTENTION

None of the Directors and, to the best of their knowledge having made all reasonable enquiries, none of their respective associates, have any present intention, if the Repurchase Mandate is approved by the shareholders of the Company, to sell any Shares to the Company or its subsidiaries.

6. DIRECTOR'S UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and bye-laws of the Company and the applicable laws of Bermuda.

7. TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Li Wo Hing, which is a substantial shareholder of the Company, held direct and indirectly 230,830,000 Shares, representing approximately 12.11 per cent. of the total issued share capital of the Company. On the basis that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting, in the event that the Repurchase Mandate is exercised in full, the attributable shareholding of Li Wo Hing would be increased to approximately 13.46 per cent. of the total issued share capital of the Company. Accordingly, on the basis that Repurchase Mandate is exercised in full, the attributable shareholding of Li Wo Hing shall remain at a level not exceeding 30 per cent. of the total issued share capital of the Company and he will not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that would result in a mandatory offer being required under the Takeovers Code. The Directors also have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25 per cent.

Save as disclosed above, the Directors are not aware of any other condition that will trigger a mandatory offer under Rule 26 of the Takeovers Code as a result of the exercise of the Repurchase Mandate.

8. SHARE PURCHASE MADE BY THE COMPANY

No purchases of shares have been made by the Company during the six months preceding the date of this circular.

9. CONNECTED PERSON

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

10. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the GEM during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
May	0.28	0.22
June	0.28	0.24
July	0.26	0.20
August	0.20	0.17
September	0.19	0.08
October	0.12	0.04
November	0.08	0.05
December	0.08	0.06
2009		
January	0.08	0.06
February	0.12	0.06
March	0.12	0.08
April	0.10	0.08
May (up to the Latest Practicable Date)	0.09	0.08

The Biographical details of the Directors who will retire from office by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election are as follows:

RE-ELECTION OF NON EXECUTIVE DIRECTOR

Mr. Li Tai To, Titus, aged 69, is a non-executive Director. Mr. Li graduated from 中國上海第一醫學院 and has obtained a medical diploma in Taiwan. He was a surgeon in 浙江嘉興第二醫學院 (Zhenjian Jiaying No. 2 Hospital). Mr. Li is the elder brother of Dr. Li Nga Kuk, James, a Non-Executive Director of the Company. Mr. Li was appointed on 7 September 2001. Save as disclosed above, Mr. Li does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Li has a personal interest of 16,400,000 Shares of the Company and holds 9.81% shareholding interest in PMM, being a substantial shareholder of the Company. The amount of Director's fee specified in Mr. Li's Letter of Appointment with the Company is fixed at HK\$152,310 per year, which was determined on the bases of prevailing market conditions and his role and responsibilities. Except the Director's fee, Mr. Li is not entitled to any bonus or benefits of the Company. The Letter of Appointment is effective from 25 June 2008 for a year and will continue thereafter annually, provided that the appointment may be terminated by the Company or Mr. Li with a written notice of not less than 3 months.

Save as disclosed herein, there is no other matters in relation to the appointment of Mr. Li that need to be brought to the attention of the holders of securities of the Company and there is no other information that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fan Wan Tat, aged 64, is an independent non-executive Director. Mr. Fan is a medical doctor in Hong Kong. Mr. Fan was appointed on 10 December 2001. Mr. Fan does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Fan has no interest in the Shares within the meaning of Part XV of the SFO. The amount of Director's fee specified in Mr. Fan's Letter of Appointment with the Company is fixed at HK\$120,000 per year, which was determined on the bases of prevailing market conditions and his role and responsibilities. Except the Director's fee, Mr. Fan is not entitled to any bonus or benefits of the Company. The Letter of Appointment is effective from 10 December 2001 for a year and will continue thereafter annually, provided that the appointment may be terminated by the Company or Mr. Fan with a written notice of not less than 3 months.

Save as disclosed herein, there is no other matters in relation to the appointment of Mr. Fan that need to be brought to the attention of the holders of securities of the Company and there is no other information that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Chan Kim Chung, Daniel, aged 45, is an independent non-executive Director. Mr. Chan is the General Manager of Royal Media Limited that is specialized in the provision of consultancy services in software testing and quality assessment. He holds a Doctor of Philosophy degree in computing science from the University of Glasgow, United Kingdom and is a Chartered Engineer and a Chartered Information Technology Professional of the Engineering Council of the United Kingdom. Mr. Chan will receive an annual director's fee of HK\$120,000 which is determined with reference to his duties and responsibilities with the Company and the market rate for the position. Except the Director's fee, Mr. Chan is not entitled to any bonus or benefits of the Company. Mr. Chan does not have any relationship with any director or the senior management of the Company, or with any substantial shareholders or controlling shareholder of the Company and does not have any interest in shares (within the meaning of Part XV of the Securities and Futures Ordinance) of the Company. The Letter of Appointment is effective from 16 June 2006 for a year and will continue thereafter annually, provided that the appointment may be terminated by the Company or Mr. Chan with a written notice of not less than 3 months.

Save as disclosed herein, there is no other matters in relation to the appointment of Mr. Chan that need to be brought to the attention of the holders of securities of the Company and there is no other information that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



China Asean Resources Limited

神州東盟資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of China Asean Resources Limited (the “Company”) will be held at Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on 18 June 2009 at 10:00 a.m. to transact the following proposes:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2008;
2. to re-elect retiring directors and to authorise the board of directors to fix the directors’ remuneration;
3. to re-appoint the Company’s auditors and to authorise the board of directors to fix their remuneration;
4. as special business, to consider and, if thought fit, pass with or without alterations, the following resolution as ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with (otherwise than by way of rights issue or pursuant to the exercise of options granted under any of the Company’s share option schemes or any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time) additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall be in addition to any other authorization given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the directors pursuant to the approval in paragraph (a) above, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of 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 date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next AGM of the Company;
- (ii) the expiration of the period within which the next AGM of the Company is required by any other applicable law or articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given by this resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).”

- 5. As special business, to consider and if thought fit, 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 during the Relevant Period (as defined in resolution no. 4(d) set out in the notice of this meeting) of all powers of the Company to repurchase ordinary shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures

NOTICE OF ANNUAL GENERAL MEETING

Commission and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws and requirements of the GEM Listing Rules or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company which is authorised to repurchase pursuant in paragraph (a) of this resolution and shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly.”

6. As special business, to consider and if thought fit, pass with or without any amendments, the following resolution as an ordinary resolution:

“THAT:

conditional upon resolutions nos. as 4 and 5 set out in the notice convening this meeting duly passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot and issue shares pursuant to resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, 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 the passing this resolution.”

7. **“THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.01 each in the share capital of the Company (representing a maximum of 10% of the shares in issue as at the date of passing this Resolution) to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 14 December 2001 (the “Share Option Scheme”) and any other share option schemes of the Company, the refreshment of the scheme limit on grant of options under the Share Option Scheme and any other share option schemes of the Company up to 10%

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of the shares in issue as at the date of passing this Resolution (the “Refreshed Scheme Limit”) be and is hereby approved and any director of the Company be and is hereby authorised to do such act and execute such document to effect the Refreshed Scheme Limit.”

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

Hong Kong, 19 May 2009

Registered office:

Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal place of business:

8th Floor
Teda Building
87 Wing Lok Street
Hong Kong

Notes:

1. A proxy form to be used for the meeting is enclosed.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
4. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting.
5. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.