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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 UNUSUAL PRICE AND VOLUME MOVEMENT

The Board has noted the increase in both the price and the trading volume of the shares of the Company today and wishes to state that, save as disclosed below, the Board is not aware of any reasons for such increases.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of China Asean Resources Limited (the “Company”, together with its subsidiaries, the “Group”) has noted the increase in both the price and the trading volume of the shares of the Company today and wishes to state that, save as disclosed below, the Board is not aware of any reasons for such increases.

POTENTIAL DISPOSAL OF SUBSIDIARIES ENGAGED IN MEDICAL BUSINESS

As stated in the Company’s annual report for the year ended 31 December 2008, the management of the Company has decided to focus the Group’s financial and management resources on the development of the Group’s forestry, wood product manufacturing and plantation businesses in the Kingdom of Cambodia and intends to divest its medical and pharmaceutical assets in the People’s Republic of China. The Board is pleased to announce that the Company has taken proactive steps along the aforesaid development direction and has been in preliminary negotiations with a third party in relation to a potential disposal of its subsidiaries engaged in medical business. However, the Board also wishes to emphasize that, as at the date of this announcement, such negotiations are still preliminary and no legally binding agreements have been entered into by the Company in this regard.

The aforesaid disposals, if materialised, may constitute a notifiable transaction of the Company under Chapter 19 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”) and further announcement(s) on any material development will be made by the Company as and when appropriate.

SUB-CONTRACTION OF TIMBER LOGGING, TRANSPORTATION AND PROCESSING

As stated in the Company's annual report for the year ended 31 December 2008, the Group has intended to speed up the development of its forestry, wood manufacturing and plantation businesses in the Kingdom of Cambodia. In April 2009, the Group entered into agreements (the "Sub-contraction Agreements") with Jing Wei Stock Investment (Cambodia) Co., Ltd. ("JWS"), an independent third party, to outsource (i) the logging and (ii) the transportation of the timber in the Group's forests in the Kingdom of Cambodia as well as (iii) the subsequent processing of the timber into wood flooring materials. The initial outsourcing will cover 100 hectares of the forests. If the quality of the aforesaid sub-contraction work performed by JWS is to the satisfaction of the Group, the Group has the option to continue to outsource to JWS the timber logging, transportation and processing services up to 35,000 hectares or more.

The management of the Company considers that the arrangement under the Sub-contraction Agreements is a good business cooperation arrangement for the Group to cope with its future expansion in the forestry business in the Kingdom of Cambodia through possible continuous acquisition of additional forests and/or provision of consultancy services as set out below.

POSSIBLE PROVISION OF CONSULTANCY SERVICES BY THE GROUP FOR ADDITIONAL FORESTS

The Group currently owns two forests of approximately 19,500 hectares in total. The Group has been approached by owners of four forests of approximately 35,000 hectares located adjacent to the Group's existing two forests for engaging the Group's consultancy services including applying wood product export approvals as well as arranging and managing sub-contractors to provide services for logging, forest clearing, timber transportation, wood product processing and plantation in respect of these four forests. The said owners have advised that they had obtained the relevant land use rights and/or the rights to forest exploitation for these four forests and are ready to engage the Group's consultancy services as soon as the commercial terms are finalised.

Whilst the Board considers the above a potential opportunity for the Group to rapidly ramp up its scale of operation in the forestry business through provision of consultancy services, it wishes to emphasize that as at the date of this announcement, the Company is still in preliminary discussion in this regard and no legally binding agreements have been entered into.

The Board confirms that other than the aforesaid, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be a price-sensitive nature.

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

Hong Kong, 26 May 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.

This announcement will remain on the "Latest Company Announcement" pages of the GEM website at "<http://hkgem.com>" for seven days after the date of the publication.