

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Asean Resources Limited

神州東盟資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached other than companies listed on the Stock Exchange. 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.

This announcement, for which the directors of China Asean Resources Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to China Asean Resources Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and beliefs 1. the information contained in this announcement is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this announcement misleading; and 3. 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.

The board of directors (the “Board”) of China Asean Resources Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for each of the three months and nine months ended 30 September 2010, together with the comparative unaudited figures for the corresponding periods in 2009, as follows:



China Asean Resources Limited

神州東盟資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8186)



Third Quarterly Report 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached other than companies listed on the Stock Exchange. 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of China Asean Resources Limited 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 Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.





SUMMARY

- Turnover for the nine months ended 30 September 2010 amounted to approximately HK\$2,995,000 (2009: HK\$59,000).
- The Group's loss attributable to equity holders of the Company for the nine months ended 30 September 2010 amounted to approximately HK\$10,856,000 (2009: HK\$22,156,000).
- The Group's basic and diluted loss per share is 0.46 Hong Kong cents (2009: loss per share of 1.16 Hong Kong cents).
- The directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2010 (2009: Nil).

THIRD QUARTERLY RESULTS (UNAUDITED)

The board of directors (the “Board”) of China Asean Resources Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 30 September 2010, together with the unaudited comparative figures for the corresponding period in 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
CONTINUING OPERATIONS					
Turnover	2	2,305	29	2,995	59
Cost of sales		(3,235)	(108)	(3,607)	(261)
Gross loss		(930)	(79)	(612)	(202)
Other income	4	4,595	1	4,634	12
Net effect of deconsolidation of a subsidiary	5	–	–	–	1,044
Selling and distribution expenses		(33)	(6)	(108)	(77)
Administrative expenses		(8,778)	(7,136)	(23,230)	(20,672)
Finance costs	6	–	(353)	–	(1,047)
Gain on disposal of subsidiaries	7	–	–	12,260	–
Loss before taxation	6	(5,146)	(7,573)	(7,056)	(20,942)
Taxation	8	–	–	–	–
Loss for the period from continuing operations		(5,146)	(7,573)	(7,056)	(20,942)



	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
DISCONTINUED OPERATIONS					
Loss for the period from discontinued operations	7	-	(1,172)	(3,800)	(1,214)
LOSS FOR THE PERIOD		(5,146)	(8,745)	(10,856)	(22,156)
Other comprehensive income for the period					
Exchange differences on translation of financial statements of overseas subsidiaries		592	1	41	(3,281)
Other comprehensive income for the period, net of tax		592	1	41	(3,281)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,554)	(8,744)	(10,815)	(25,437)
Basic and diluted loss per share					
		2010 HK Cents	2009 HK Cents	2010 HK Cents	2009 HK Cents
From continuing operations	9	(0.19)	(0.40)	(0.30)	(1.10)
From discontinued operations		-	(0.06)	(0.16)	(0.06)
		(0.19)	(0.46)	(0.46)	(1.16)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the GEM Rules) and with Hong Kong Financial Reporting Standards (“HKFRSs”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2010. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRSs”); Hong Kong Accounting Standards (“HKASs”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. TURNOVER

Turnover recognised during the period is analysed as follows:

	Continuing operations				Discontinued operations			
	For the three months ended 30 September		For the nine months ended 30 September		For the three months ended 30 September		For the nine months ended 30 September	
	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Sales of wood and agriculture products	2,305	29	2,995	59	-	-	-	-
Research and development services fees	-	-	-	-	-	1	-	965
	2,305	29	2,995	59	-	1	-	965



3. SEGMENT INFORMATION

The Board considers that presentation of segment disclosure would not be meaningful as the Group only operated in a single business segment, that is, natural resources business in the Kingdom of Cambodia (“Cambodia”). Accordingly, no segmental analysis is presented.

4. OTHER INCOME

	Continuing operations				Discontinued operations			
	For the three months ended 30 September 2010		For the nine months ended 30 September 2009		For the three months ended 30 September 2010		For the nine months ended 30 September 2009	
	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income	1	1	3	11	-	5	8	31
Miscellaneous	-	-	-	1	-	-	-	-
Gain on disposal of property, plant and equipment	6	-	43	-	-	-	-	-
Gain on disposal of Medical Equipment Subsidiary (note 5)	4,588	-	4,588	-	-	-	-	-
	4,595	1	4,634	12	-	5	8	31

5. DECONSOLIDATION OF MEDICAL EQUIPMENT SUBSIDIARY

As detailed in the Company's announcement on 26 March 2009 and 9 June 2009 in relation to a potential dispute over the Company's ownership in Sinnowa Medical Science and Technology Co., Ltd (the "Medical Equipment Subsidiary"), the Company has been unable to obtain the management financial statements of the Medical Equipment Subsidiary since 31 December 2008.

Due to the above reason, the directors considered that the Group was unable to exercise its rights as major shareholder either to control the assets and operations or to exercise control over the financial and operating policy decisions of the Medical Equipment Subsidiary. As such, the directors considered that it is inappropriate to consolidate the financial results of the Medical Equipment Subsidiary into the Group and therefore, the Medical Equipment Subsidiary has been deconsolidated as from 1 January 2009.

Details of the net effect of deconsolidation of Medical Equipment Subsidiary recognised are as follows:

	<i>HK\$'000</i>
<hr/>	
Aggregate assets deconsolidated	
Property, plant and equipment	16,339
Prepaid lease payments	1,132
Intangible assets	763
Inventories	12,452
Trade and other receivables	14,716
Cash at bank and on hand	9,775
Amount due from Innova Science & Technology Co., Ltd. ("Innova")	5,840
	<hr/>
	61,017
<hr/>	
Aggregate liabilities, non-controlling interests and reserves deconsolidated	
Trade and other payables	18,738
Bank borrowings	13,040
Taxation	1,665
Non-controlling interests	9,651
Exchange reserve	3,312
	<hr/>
	46,406
<hr/>	
Net deconsolidated amount	14,611
Write-back of provision for a potential loss of control of Medical Equipment Subsidiary at 31 December 2008	(15,655)
	<hr/>
Net effect of deconsolidation of Medical Equipment Subsidiary	(1,044)

Reference is made to the Company's announcement on 9 September 2010, the dispute was settled and an amount of RMB4,000,000 (approximately HK\$4,588,000) was paid to the Company as consideration of the transfer of shares of Medical Equipment Subsidiary.



6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Continuing operations				Discontinued operations			
	For the three months ended 30 September 2010		For the nine months ended 30 September 2010		For the three months ended 30 September 2010		For the nine months ended 30 September 2010	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Finance costs								
Interest on bonds	-	353	-	1,047	-	-	-	-
Staff costs								
Wages and salaries	2,149	1,649	5,909	4,443	-	152	1,197	534
Share based payments	538	1,159	893	3,477	-	-	-	-
Staff retirement benefits	13	13	39	39	-	-	-	-
Other items								
Cost of inventories	-	46	-	145	-	16	-	16
Depreciation	305	220	838	440	-	17	36	63
Auditors' remuneration	532	250	1,197	750	-	-	4	8
Operating lease charges in respect of office premises	78	138	373	315	-	21	143	41
Amortisation of prepaid lease payments	-	-	-	-	-	1	69	45
Amortisation of forest exploitation rights	1,810	1,810	5,429	5,429	-	-	-	-

7. DISPOSAL OF SUBSIDIARIES

Reference is made to the announcement of the Company dated 2 March 2010 and 28 June 2010 (the “Announcement”) relating to the disposal of subsidiaries engaged in the medical business in the PRC. Unless otherwise stated herein, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 24 June 2010, the Group completed the disposal transaction, of which the Group disposed of the entire registered capital of China Best Pharmaceutical (Nanjing) Co. Ltd. and 75% of the issued share capital of Medical China Technology at a consideration of HK\$12,000,000.

Details of the net assets disposed of are as follows:

	<i>HK\$'000</i>
Property, plant and equipment	174
Construction in progress	12,130
Prepaid lease payments	1,365
Intangible assets-medical research projects	16,734
Inventories	12
Trade and other receivables	4,284
Cash at bank and on hand	4,766
Trade and other payables	(28,394)
Amount due to Innova	(2,272)
Non-controlling interest	915
	9,714
Exchange reserve realised upon disposal (<i>note 11</i>)	(9,974)
	(260)
Gain on disposal of subsidiaries	12,260
Consideration	12,000
Consideration satisfied by:	
Cash consideration	12,000

The subsidiaries that were disposed of during the nine months ended 30 September 2010 contributed a loss of approximately HK\$3,800,000 to the Group from operating activities for the six months ended 30 June 2010.

The Group made a loss on re-measurement to fair value in respect of construction in progress and medical research projects during the year ended 31 December 2009. The total amount of loss recognised amounted to HK\$19,735,000.



8. TAXATION

(a) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made for the three months and nine months ended 30 September 2010 (2009: HK\$Nil) as the Group did not have any assessable profits chargeable to Hong Kong Profits Tax for the periods.

(b) PRC Enterprise Income Tax

No provision for PRC enterprise income tax has been made as the Group did not have any assessable profits for the three months and nine months ended 30 September 2010 (2009: HK\$Nil) determined in accordance with the relevant income tax rules and regulations in the PRC.

(c) Cambodia Tax on Profit

No provision for Cambodia Tax on Profits has been made as the Group did not have any assessable profits for the three months and nine months ended 30 September 2010 (2009: HK\$Nil) determined in accordance with the relevant tax rules and regulations in Cambodia.

(d) Deferred taxation

No provision for deferred taxation is deemed necessary as the Group does not have any material deductible or taxable temporary differences for the three months and nine months ended 30 September 2010 (2009: HK\$Nil).

9. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months and nine months ended 30 September 2010 is based on the loss attributable to equity holders of the Company at HK\$5,146,000 (2009: loss of HK\$8,745,000) and HK\$10,856,000 (2009: loss of HK\$22,156,000) respectively, divided by the weighted average number of 2,667,000,000 (2009: 1,905,000,000) ordinary shares in issue for the three months and nine months ended 30 September 2010.

The diluted loss per share for the three months and nine months ended 30 September 2010 are the same as basic loss per share for the three months and nine months ended 30 September 2010 because the exercise prices of the Company's share options were higher than the average market price for shares.

10. DIVIDEND

The directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2010 (2009: Nil).

11. RESERVES

	Share premium HK\$'000	Contributed surplus HK\$'000	Share options reserve HK\$'000	Exchange reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
Balance at 1 January 2009 (audited)	497,783	5,265	6,135	15,805	50,868	575,856	9,651	585,507
Transactions with owners								
Recognition of equity- settled share based payments	-	-	3,476	-	-	3,476	-	3,476
Total transactions with owners	-	-	3,476	-	-	3,476	-	3,476
Comprehensive income								
Loss for the period	-	-	-	-	(22,156)	(22,156)	-	(22,156)
Other comprehensive income for the period	-	-	-	(3,281)	-	(3,281)	-	(3,281)
Total comprehensive income	-	-	-	(3,281)	(22,156)	(25,437)	-	(25,437)
Deconsolidation of a subsidiary	-	-	-	-	-	-	(9,651)	(9,651)
Balance at 30 September 2009 (unaudited)	497,783	5,265	9,611	12,524	28,712	553,895	-	553,895
Balance at 1 January 2010 (audited)	497,783	5,265	9,197	12,069	1,994	526,308	-	526,308
Transactions with owners								
Issue of shares	7,620	-	-	-	-	7,620	-	7,620
Recognition of equity- settled share based payments	-	-	894	-	-	894	-	894
Total transactions with owners	7,620	-	894	-	-	8,514	-	8,514
Comprehensive income								
Loss for the period	-	-	-	-	(10,856)	(10,856)	-	(10,856)
Other comprehensive income for the period	-	-	-	41	-	41	-	41
Total comprehensive income	-	-	-	41	(10,856)	(10,815)	-	(10,815)
Exchange reserve realised upon disposal of subsidiaries	-	-	-	(9,974)	-	(9,974)	-	(9,974)
Balance at 30 September 2010 (unaudited)	505,403	5,265	10,091	2,136	(8,862)	514,033	-	514,033



12. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the Company's circular (the "Circular") to the Shareholders and the notice of the SGM (the "Notice") dated 17 September 2010 and 6 October 2010 respectively in relation to, among other things, the Acquisition of the Third Forest in Cambodia and the transactions contemplated thereunder (including the issue of the Convertible Bonds, the issue and allotment of the Consideration Shares and the Conversion Shares), the Share Consolidation and the increase in the authorised share capital of the Company. Unless otherwise defined herein, capitalised terms used in this report shall have the same meanings as those defined in the Circular.

FINANCIAL REVIEW

The Group's turnover for the nine months ended 30 September 2010 amounted to approximately HK\$2,995,000 (2009: HK\$59,000) from sales of wood and agriculture products in Cambodia.

Other income of the Group for the nine months ended 30 September 2010 amounted to approximately HK\$4,634,000 (2009: HK\$12,000). The increase was due to the consideration received under the Settlement Agreements in relation to the Medical Equipment Subsidiary, as detailed in the Company's announcement on 9 September 2010.

The loss attributable to equity holders of the Company for the nine months ended 30 September 2010 amounted to approximately HK\$10,856,000 (2009: loss of HK\$22,156,000). The decrease of losses for the period were primarily due to written back of provision of the disposal of the discontinued operations in China and the increase in other income as explained above. The loss per share for the nine months ended 30 September 2010 was 0.46 Hong Kong cents (2009: loss per share of 1.16 Hong Kong cents).

At 30 September 2010, the Group had no bank loan outstanding (2009: Nil).

The Group's transactions are denominated in Renminbi, Hong Kong dollars and US dollars and the Group has not entered into any hedging arrangements during the periods under review.

At 30 September 2010, the Group had no outstanding hedging instruments (2009: Nil).

BUSINESS REVIEW

The Group is principally engaged in the forestry and plantation business in Cambodia. During the nine months ended 30 September 2010, the Group recorded revenue of HK\$2,995,000 from the sale of sawn timber in the domestic and export markets. The Board attributes the poor performance to a lack of funding for capital expenditure and working capital. The Group has only one sawn timber factory located in the First Forest which (i) has an actual annual capacity of only 6,000 cubic metres and is far from sufficient to utilise the abundant natural resources owned by the Group at a meaningful pace; and (ii) does not have the capability of manufacturing wood flooring materials (which command higher margins) for the Group to generate meaningful operating profit.



BUSINESS OUTLOOK

Reference is made to the Company's circular (the "Circular") to the Shareholders and the notice of the SGM (the "Notice") dated 17 September 2010 and 6 October 2010 respectively in relation to, among other things, the Acquisition of the Third Forest in Cambodia and the transactions contemplated thereunder (including the issue of the Convertible Bonds, the issue and allotment of the Consideration Shares and the Conversion Shares), the Share Consolidation and the increase in the authorised share capital of the Company. Unless otherwise defined herein, capitalised terms used in this report shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that all ordinary resolutions (the "Ordinary Resolutions") approving the Acquisition of the Third Forest and the transactions contemplated thereunder (including the issue of Convertible Bonds, the issue and allotment of the Consideration Shares and the Conversion Shares), the Share Consolidation and the increase in the authorised share capital of the Company as set out in the Notice were duly passed by the Shareholders by way of a poll at the SGM held on 6 October 2010. Completion of the Acquisition is expected to take place before the end of year 2010.

Pursuant to Completion of the acquisition of the Third Forest, the Vendors will provide the Working Capital Facility of HK\$30 million to the Target Group as general working capital for development of the Forests. With the additional funding, the Group plans to complete the construction of a wood flooring material factory with an annual capacity of at least 10,000 cubic metres, and commence field planting of rubber seedlings in early 2011 in accordance with the business development plan agreed with and endorsed by the Cambodian government.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2010, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name	Number of ordinary shares of HK\$0.01 each (the “Shares”) in the share capital of the Company held	Nature of interests	Percentage of interest
Mr. Leung Sze Yuan Alan	54,754,589	Personal	3.81%
	46,857,143	Share options granted but not yet exercised	
Mr. Zhang Zhenzhong	136,640,000	Personal	6.88%
	46,857,143	Share options granted but not yet exercised	
Mr. Li Tai To, Titus	22,995,134	Personal	0.86%

Save as disclosed above, as at 30 September 2010, none of the directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the minimum standards of dealings by directors, to be notified to the Company and the Stock Exchange.



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

On 14 December 2001, the Company had conditionally approved and adopted a Share Option Scheme pursuant to which any employees and directors of the Company and its subsidiaries may be granted options to subscribe for shares of the Company.

The Company has granted Share Option of 51,428,571 shares, 46,285,714 shares and 66,500,000 shares to directors and employees of the Group on 12 October 2007, 31 March 2008 and 4 June 2010 at exercise prices of HK\$0.35, HK\$0.163 and HK\$0.073 per share respectively. Subsequently, 5,142,857 shares granted to the former director and 18,642,857 share options granted to the senior employees have been cancelled after their resignation.

As at 30 September 2010, details of the outstanding options were as follows:

Date of grant	Exercise period	Number of share options				Outstanding as at 30 September 2010
		Outstanding as at 1 January 2010	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	
12/10/2007	12/10/2009 to 12/10/2011	41,142,857	-	-	-	41,142,857
31/03/2008	31/03/2010 to 31/03/2012	32,785,714	-	-	-	32,785,714
04/06/2010	04/06/2011 to 03/06/2014	-	66,500,000	-	-	66,500,000
		73,928,571	66,500,000	-	-	140,428,571

Save as disclosed above, as at 30 September 2010, no other directors or the chief executive or their associates had any interests or rights to subscribe for any securities of the Company or any of its associated corporations as defined in the SFO.

At no time during the periods was the Company or any of its subsidiaries a party to any arrangement to enable the directors or the chief executive of the Company or any of their respective associates, including spouses or children under eighteen years of age, to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 September 2010, according to the register kept by the Company under Section 336 of the SFO, the following persons and companies were interested in 5% or more in the Shares or underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of substantial shareholder	Number of shares held	Capacity	Percentage of interests
Mr. Li Wo Hing	34,090,267	Beneficial owner	1.28%
	270,704,000	Interest of controlled corporation (<i>Note</i>)	10.15%
	304,794,267		11.43%
PMM	270,704,000	Beneficial owner (<i>Note</i>)	10.15%
Mr. Zhang Zhenzhong	136,640,000	Beneficial owner	5.12%

Note: Mr. Li personally holds 34,090,267 Shares, representing approximately 1.28% of the Company's issued share capital. In addition, People Market Management Limited ("PMM") owns 270,704,000 Shares, representing approximately 10.15% of the issued share capital of the Company. The issued share capital of PMM is owned as to (i) approximately 70.58% by Mr. Li Wo Hing; (ii) approximately 19.61% by Mr. Li Nga Kuk, James; and (iii) approximately 9.81% by Mr. Li Tai To, Titus, a non-executive Director. Accordingly, Mr. Li Wo Hing is deemed to hold indirect interest in the 270,704,000 Shares through PMM under the SFO.

Save as disclosed above, so far as was known to the Directors, there were no other persons (other than the Directors or chief executive of the Company) who, as at 30 September 2010, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.



DIRECTORS' INTEREST IN CONTRACTS

No contract, commitment or agreement of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party and in which any of the directors of the Company had a material interest, either directly or indirectly, subsisted during the nine months ended 30 September 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30 September 2010, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPETING INTERESTS

None of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any businesses that compete or may compete with the business of the Group or has any other conflicts of interests with the Group.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

During the nine months ended 30 September 2010, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules.

As required by the Rules 5.28 to 5.33 of the GEM Listing Rules, the Company has established an audit committee (the "Committee") with written terms of reference which deals with its authority and duties. The Committee's primary duties are to review and to supervise the financial reporting process and internal control system of the Group and to provide advice and comments to the directors.

The Committee comprises three independent non-executive directors, namely, Messrs. Fan Wan Tat (resigned on 21 October 2010), Tam Wai Leung, Joseph, Chan Kim Chung, Daniel and Zhang Ying (appointed on 21 October 2010).

During the nine months ended 30 September 2010, the Committee held three meetings for the purpose of reviewing the Company's reports and financial statements, and providing advice and recommendations to the board of directors.



The Committee members have reviewed the Company's quarterly report for the nine months ended 30 September 2010, which was of the opinion that the preparation of such results complied with applicable accounting standards.

The Company adopted the required standards on dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' transactions in securities of the Company throughout the nine months ended 30 September 2010. The Company's directors confirmed that they have complied with such code of conduct and required standards of dealings throughout the nine months ended 30 September 2010.

THE SPECIAL INVESTIGATION COMMITTEE

Reference is made to the Company's announcement on 9 September 2010, in relation to the final settlement for the dispute over the Company's ownership in a subsidiary engaged in Medical Equipment business in China. Given the Special Investigation Committee has completed its mandate, it was dissolved on 10 November 2010.

By order of the Board
Leung Sze Yuan Alan
Chairman

Hong Kong, 10 November 2010

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2010 (2009: Nil).

AUDIT COMMITTEE

As required by Rules 5.28 to 5.33 of the GEM Listing Rules, the Company has established an audit committee (the “Committee”) with written terms of reference which deal with its authority and duties. The Committee’s primary duties are to review and to supervise the financial reporting process and internal control systems of the Group and to provide advice and comments to the directors.

As at 30 September 2010, the Committee was composed of the three independent nonexecutive directors, namely, Messrs. Fan Wan Tat (resigned on 21 October 2010), Tam Wai Leung, Joseph, Chan Kim Chung, Daniel and Zhang Ying (appointed on 21 October 2010). During the nine months ended 30 September 2010, the Committee held three meetings for the purpose of reviewing the Company’s reports and financial statements, and providing advice and recommendations to the board of directors.

The Committee members have reviewed the Company’s unaudited interim financial report for the nine months ended 30 September 2010 and are of the opinion that the preparation of such results complied with applicable accounting standards.

By order of the Board
Leung Sze Yuan Alan
Chairman

Hong Kong, 10 November 2010

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Leung Sze Yuan, Alan, Mr. Zhang Zhenzhong and Mr. Zeng Lingchen; one non-executive Director, namely Mr. Li Tai To, Titus; and four independent non-executive Directors, namely Ms. Wen Huiying, Mr. Zhang Ying, Mr. Tam Wai Leung, Joseph and Mr. Chan Kim Chung, Daniel.

This announcement, for which the Director 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, have made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcement” page of the GEM website at <http://www.hkgem.com> for seven days after the date of publication and on the website of the Company at <http://www.chinaaseanresources.com>.