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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)

PROGRESS ON THE MEMORANDUM OF UNDERSTANDING AND THE IN-PRINCIPLE AGREEMENT IN RESPECT OF ACQUISITION OF THE SECOND FOREST IN CAMBODIA

Financial Adviser

COMMERZBANK 

Commerzbank AG Hong Kong Branch

The Board is pleased to announce that further to the signing of the MOU and the In-Principle Agreement, the Company has been continuously in active negotiations with the relevant parties relating to the Acquisition, and is in the process of finalising the Formal Agreement under the major terms as set out in the MOU and the In-Principle Agreement.

Reference is made to the Company's announcement dated 14 November 2007 and 9 January 2008 (the "Announcements") in relation to, among other things, the signing of the MOU and the In-Principle Agreement regarding the Company's possible acquisition of the entire equity interest in Agri-Industrial Crop. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

PROGRESS IN RESPECT OF ACQUISITION OF THE SECOND FOREST

The Board is pleased to announce that further to the signing of the MOU and the In-Principle Agreement, the Company has been continuously in active negotiations with the relevant parties relating to the Acquisition, and is in the process of finalising the Formal Agreement under the major terms as set out in the MOU and the In-Principle Agreement. Given the satisfactory progress of the negotiations and the good intention of the parties, the Earnest Money has not been refunded to the Company.

If the Acquisition is materialized, it may constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules on the part of the Company and the Company will make further announcement(s) in respect of the Acquisition in the event that any Formal Agreement is entered into in this regard.

By Order of the Board
China Asean Resources Limited
Li Wo Hing
Executive Director & Chief Executive Officer

Hong Kong, 14 March 2008

As at the date of this announcement, the board of Directors of the Company comprises three executive directors, namely, Mr. Li Nga Kuk, James, Mr. Li Wo Hing and Mr. Li Tai To, Titus; one non-executive director, namely Mr. Chen Minshan; 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 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 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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