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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE PROPOSED OPEN OFFER OF NOT MORE THAN 762,000,000 OFFER SHARES FOR EVERY FIVE EXISTING SHARES HELD ON RECORD DATE

INTRODUCTION

Reference is made to the announcement of China Asean Resources Limited (the “**Company**”) dated 5 March 2010 (the “**Announcement**”) in relation to, amongst others, the Open Offer. Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Announcement.

In the paragraph headed “Shareholding structure of the Company” on page 8 of the Announcement, it is stated that Mr. Li, a substantial Shareholder, personally holds 28,970,000 Shares, representing approximately 1.52% of the Company’s issued share capital. Together with his interest in PMM, Mr. Li is deemed to be interested in 222,330,000 Shares, representing approximately 11.67% of the Company’s issued share capital. However, the Company recently discovered that a disposal of 4,670,000 Shares personally held by Mr. Li took place in June 2009.

Hence, the Board wishes to clarify that as at the date of this announcement, Mr. Li personally holds 24,300,000 Shares, representing approximately 1.28% of the Company’s issued share capital. Accordingly, his aggregate shareholding in the Company (including the indirect interest through PMM) is 217,660,000 Shares, representing approximately 11.43% of the Company’s issued share capital as at the date hereof. As a result of the revised shareholding, Mr. Li and PMM’s combined entitlement under the Open Offer should be 87,064,000 Offer Shares instead of 88,932,000 Offer Shares as stated in the Announcement. In light of the above, the Board sets out below the revised sections of the Announcement for your information.

THE OPEN OFFER

Issue statistics

Number of Offer Shares	:	Not less than 87,064,000 Offer Shares and not more than 762,000,000 Offer Shares. As such, the aggregate nominal value of the Offer Shares will be not less than HK\$870,640 and not more than HK\$7,620,000
Number of Shares in issue immediately following the completion of the Open Offer	:	Not less than 1,992,064,000 Shares and not more than 2,667,000,000 Shares
Number of Offer Shares undertaken to be taken up by Mr. Li and PMM	:	87,064,000 Offer Shares

Under the Open Offer, (i) a maximum of 762,000,000 Offer Shares would be allotted assuming all the Shareholders would take up their entitlements under the Open Offer or all excess Offer Shares (if any) are taken up in full by way of excess application, representing 40.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 28.57% of the Company's maximum enlarged issued share capital; and (ii) a minimum of 87,064,000 Offer Shares would be allotted (assuming no Shareholders other than Mr. Li and PMM take up their entitlements under the Open Offer), representing approximately 4.57% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.37% of the Company's minimum enlarged issued share capital.

The Open Offer is not underwritten. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription. Subject to fulfillment of the conditions of the Open Offer, the Open Offer will proceed regardless of the ultimate subscription level. Based on the irrevocable and unconditional undertakings from Mr. Li and PMM, it is anticipated that at least 87,064,000 Offer Shares will be taken up.

Undertakings

Undertaking from Mr. Li

Mr. Li has irrevocably and unconditionally undertaken to the Company:

1. to subscribe or procure the subscription of an aggregate of 87,064,000 Offer Shares to which he and PMM are entitled pursuant to the Open Offer;
2. the Shares beneficially owned by him or PMM will remain registered in the same name up to the date on which the Open Offer has become unconditional;
3. not to and procure PMM not to, dispose of Shares held by them before the Open Offer has become unconditional; and
4. not to dispose his equity interest in PMM before the Open Offer has become unconditional.

Shareholding structure of the Company

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Open Offer is set out below:

Shareholders	As at the date of this announcement		Immediately after completion of the Open Offer assuming no Shareholder apart from Mr. Li and PMM take up their entitlements under the Open Offer		Immediately after completion of the Open Offer assuming all Shareholders take up their entire entitlement under the Open Offer	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
<i>Substantial Shareholder</i>						
Mr. Li (<i>note</i>)	217,660,000	11.43	304,724,000	15.30	304,724,000	11.43
<i>Directors</i>						
Mr. Zhang Zhenzhong	97,600,000	5.12	97,600,000	4.90	136,640,000	5.12
Mr. Leung Sze Yuan, Alan	39,000,000	2.05	39,000,000	1.96	54,600,000	2.05
Mr. Li Nga Kuk, James	32,800,000	1.72	32,800,000	1.65	45,920,000	1.72
Mr. Li Tai To, Titus	16,400,000	0.86	16,400,000	0.82	22,960,000	0.86
Subtotal of the Directors	185,800,000	9.75	185,800,000	9.33	260,120,000	9.75
Public	1,501,540,000	78.82	1,501,540,000	75.38	2,102,156,000	78.82
Total	<u>1,905,000,000</u>	<u>100.00</u>	<u>1,992,064,000</u>	<u>100.00</u>	<u>2,667,000,000</u>	<u>100.00</u>

Note: Mr. Li personally holds 24,300,000 Shares, representing approximately 1.28% of the Company's issued share capital. In addition, PMM owns 193,360,000 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; (ii) approximately 19.61% by Mr. Li Nga Kuk James, a non-executive Director; and (iii) approximately 9.81% by Mr. Li Tai To, Titus, a non-executive Director. Accordingly, Mr. Li holds indirect interest in the 193,360,000 Shares through PMM.

Reasons for the Open Offer and use of proceeds

The estimated minimum net proceeds from the Open Offer of approximately HK\$1.0 million (assuming no Shareholders other than Mr. Li and PMM take up their entitlements under the Open Offer) translates to a net price of approximately HK\$0.0115 per Offer Share and the estimated maximum net proceeds from the Open Offer of approximately HK\$14.5 million (assuming all the Shareholders would take up their respective entitlements under the Open Offer or all excess Offer Shares (if any) are taken up by way of excess application) translates to a net price of approximately HK\$0.0190 per Offer Share. The net proceeds from the Open Offer will be used for general working capital of the Group and for payment of operating costs of the Group, no matter what the total amounts raised and the level of subscriptions under the Open Offer are.

GENERAL

Save for the aforesaid and the clarification disclosed in the Company's announcement dated 11 March 2010, the information set out in the Announcement remains true, accurate and complete so far as the Directors are aware. Furthermore, the timetable of the Open Offer set out in the Announcement remains unchanged and the Prospectus Documents are expected to be despatched to the Shareholders on Thursday, 25 March 2010. **Shareholders are advised to carefully consider the information set out in the Prospectus Documents prior to reaching any decision with regard to the Open Offer.**

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

Hong Kong, 19 March 2010

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 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.

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 the publication and will be published on the website of the Company "<http://www.chinaaseanresources.com>".