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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 – LATEST DEVELOPMENT ON THE DISPUTE OVER THE COMPANY’S OWNERSHIP IN A SUBSIDIARY ENGAGED IN MEDICAL EQUIPMENT BUSINESS IN CHINA**

The Company preliminarily intends to settle the dispute with the counterparty, in consideration of the counterparty paying a sum of RMB4,000,000 to the Company. However, no final decision has been made by the Company in this regard yet, and the Company could further negotiate the exact terms of settlement with the counterparty in more details.

**Shareholders and potential investors of the Company are reminded that no legally binding agreements have been entered into by the relevant parties for the proposed settlement of the dispute yet, and are therefore advised to exercise caution when dealing in the shares of the Company.**

This announcement is made pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The Board wishes to provide the shareholders of the Company and the investing public of the latest development of the dispute the Company’s 65% equity interest in Sinnowa Medical Science and Technology Co., Ltd. (南京神州英諾華醫療科技有限公司) (the “**Medical Equipment Subsidiary**”).

Reference is made to the Company’s announcements (the “**Announcements**”) dated 26 March 2009 and 6 June 2009 respectively and the paragraph headed “Litigation” in Appendix IV of the open offer prospectus of the Company dated 25 March 2010, in relation to the Unauthorised Disposal of the Medical Equipment Subsidiary. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those used in the Announcements.

#### **Formal Request to Review the Unauthorised Disposal**

The Company has already lodged a formal request for administrative review for scrutinizing the governmental approval of the Unauthorised Disposal and registration of the unauthorised sale and purchase agreements in relation thereto. In the midst of the administrative review, the Company

was notified in October 2009 that one of the current registered owners of the Medical Equipment Subsidiary, i.e. the counterparty to the dispute, filed a civil claim against the Group in the courts of Nanjing, PRC so as to seek the court's declaration that the transfer of the Company's 65% interest in the Medical Equipment Subsidiary is legal and valid. Both the administrative review lodged by the Company and the civil claim against the Company are in progress, but no judgment has been issued by the relevant PRC authorities or courts as at the date of this announcement.

### **Proposed Settlement of the dispute**

In order to settle the dispute as soon as practicable, the Company has instructed its PRC lawyers to review all the relevant court papers so as to assess the likelihood of success on the part of the Company, and to liaise with the relevant court officials and the counterparty for proposed settlement of the case. After several negotiations by the PRC lawyers for and on behalf of the Company, the Company preliminarily intends to settle the dispute with the counterparty, in consideration of the counterparty paying a sum of RMB4,000,000 to the Company. However, no final decision has been made by the Company in this regard yet, and the Company could further negotiate the exact terms of settlement with the counterparty in more details.

**Shareholders and potential investors of the Company are reminded that no legally binding agreements have been entered into by the relevant parties for the proposed settlement of the dispute yet, and are therefore advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 2 August 2010

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