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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)

MAJOR AND CONNECTED TRANSACTION – FURTHER DELAY IN DESPATCH OF CIRCULAR AND EXTENSION OF LONG STOP DATE AND UPDATE ON THE OPERATION OF FORESTRY BUSINESS

FURTHER DELAY IN DESPATCH OF CIRCULAR

As additional time is required for the Company to finalise certain information in the Circular, the date of despatch of the Circular will be extended to no later than 31 January 2014.

EXTENSION OF LONG STOP DATE

The Board announces that the Long Stop Date of the Disposal Agreement will be extended from 30 June 2013 to 31 January 2014 pursuant to the supplemental agreement entered into between, the Company and the Purchaser.

UPDATE ON THE OPERATION OF FORESTRY BUSINESS OF THE GROUP

The forestry business of the Group has been suffering a continuing shortage of working capital, resulting in such business segment being operated under-capacity. In light of the continuing cash outflow, management of the Group's forestry business has decided to suspend the production of the factory in Cambodia including lay-off certain factory workers. Production will resume when the cash flow situation improves.

The Group still remains at risk of having its economic land concessions being cancelled by the Cambodian Government without compensation if its plantation commitment for 2013 is not met, as detailed in the circular of the Company dated 8 July 2013.

Reference is made to the announcement (the “Announcement”) of the Company dated 28 June 2013 in relation to, among other things, the Disposal and delay in despatch of the Circular. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

FURTHER DELAY IN DESPATCH OF CIRCULAR

As stated in the Announcement, the Circular relating to the Disposal is expected to be despatched to the Shareholders on or before 31 August 2013. Since additional time is required for the Company to finalise certain information to be included in the Circular, the date of despatch of the Circular will be extended to no later than 31 January 2014.

EXTENSION OF THE LONG STOP DATE

As disclosed in the Announcement, the conditions precedent of the Disposal Agreement shall be fulfilled on or before 31 August 2013 (or such later date as the parties under the Disposal Agreement may agree). As additional time is required for the parties to the Disposal Agreement for fulfilling the conditions precedent, including but not limited to the preparation of the Circular, the Company and the Purchaser have entered into a supplemental agreement to extend the Long Stop Date to 31 January 2014 (or such later date as the parties under the Disposal Agreement may agree). Save and except for the aforesaid extension of the Long Stop Date, all other terms of the Disposal Agreement shall remain unchanged.

UPDATE ON THE OPERATION OF FORESTRY BUSINESS OF THE GROUP

The forestry business of the Group has been operated under-capacity in the past months. It is because the continuing shortage of working capital has resulted in, among other things, delay in payments of wages to factory workers and resource tax to Cambodian Government which in turn caused strike actions by the workers, shortage of tax-paid logs for processing and delay in custom approval for export shipment in the past months. Such situation was alleviated to some extent upon receipt of approximately US\$700,000 provided by Mr. Zhang Zhen Zhong, the CEO of the Company and lender of the loan agreement dated 21 May 2013. The strike actions ended after part of the unpaid wages were settled, and export shipment resumed after the overdue resource tax payments were paid to the Cambodian Government.

However, in light of the continuing cash outflow and the limited cash on hand, the management of the Group’s forestry business, decided to suspend the production of the factory in Cambodia including lay-off certain factory workers. Production of the factory will resume when the cash flow situation improves.

In addition, as detailed in the circular of the Company dated 8 July 2013, the Group is at risk of having its economic land concessions cancelled by the Cambodian Government without compensation if its plantation commitment for 2013 is not met. Therefore, the Company's discussion with Mr. Zhang for provision of additional funding is critical to enable the Group to meet its plantation commitment for 2013. Mr. Zhang has indicated his intention to provide additional funding to the Group's forestry business shortly, likely to be within the time frame of 30 days. The Company will update its shareholders in this regard as and when appropriate.

By Order of the Board
China Asean Resources Limited
Leung Sze Yuan, Alan
Executive Director

Hong Kong, 3 December 2013

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Chultemsuren Gankhuyag, Mr. Gong Ting, Mr. Leung Sze Yuan, Alan, Ms. Yu Xiao Min and Mr. Zeng Lingchen; and three independent non-executive Directors, namely Mr. Hung Bingxian, Ms. Wen Huiying and Mr. Zhang Ying.

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>".