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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)

UPDATE ON THE LOAN ARRANGEMENT AND REMOVAL OF CHIEF EXECUTIVE OFFICER

Reference is made to the announcement of the Company dated 2 September 2014 (the “Announcement”). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

UPDATE ON THE LOAN ARRANGEMENT

The Company is recently informed that legal proceedings were instituted in the High Court of Justice of British Virgin Islands by the Lender against Keen Wood, Forest Glen and China Cambodia, for inter alia, a declaration that the Lender is entitled to take the legal and beneficial ownership over the respective shares of Forest Glen and of China Cambodia. Keen Wood is currently seeking legal advice in respect of the above legal proceedings and, based on preliminary legal advice, Keen Wood believes that it has an arguable defence in the above legal proceedings. The Company will keep its shareholders and the public informed of any material development in connection with the above proceedings by way of further announcement(s) as and when appropriate.

REMOVAL OF CHIEF EXECUTIVE OFFICER

The Board announces that Mr. Zhang Zhenzhong (“Mr. Zhang”) has been removed as the chief executive officer of the Company with effect from the date of this announcement due to the conflict of interest between Mr. Zhang and the Group as a result of the above mentioned legal proceedings and the Board considered the removal of Mr. Zhang being in the interest of the Company and its shareholders as a whole.

Since Mr. Zhang had been responsible for the forestry business of the Group for a number of years, the removal of Mr. Zhang as chief executive officer of the Company may result in uncertainty as to the operation of the Group's forestry business. However, given the fact that the business operation of the Group's forestry business in Cambodia had been maintained at only a moderate level under Mr. Zhang's management and had been suspended due to lack of working capital, the Directors considered that the potential adverse effect resulted from the removal of Mr. Zhang might not be material under the circumstances.

Save for disclosed above, the Board is not aware of any other disagreement between Mr. Zhang and the Board and there are no matters which need to be brought to the attention of the Stock Exchange and the shareholders of the Company in relation to the removal of Mr. Zhang as the chief executive officer of the Company.

By order of the Board
China Asean Resources Limited
Chung Ka King
Company Secretary

Hong Kong, 3 October 2014

As at the date of this announcement, the board of Directors comprises four executive Directors, namely, Ms. Yu Xiao Min, Mr. Chultemsuren Gankhuyag, Mr. Leung Sze Yuan, Alan and Mr. Zeng Lingchen; and three independent non-executive Directors, namely Ms. Pang King Sze, Rufina, Mr. Hong Bingxian and Ms. Wen Huiying.

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 GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for seven days from the date of its publication and on the website of the Company at <http://www.chinaaseanresources.com>.