

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Asean Resources Limited

神州東盟資源有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 8186)

TERMINATION OF MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 50% OF THE ISSUED SHARE CAPITAL OF A COAL SOURCING AND DISTRIBUTION COMPANY

The Company announces that on 19 December 2011, the Company, the Purchaser, the Guarantor and the Vendor mutually agreed to terminate the Acquisition Agreement by entering into the Deed of Termination. Each of the Vendor, the Purchaser, the Guarantor and the Company has agreed to terminate the Acquisition Agreement with effect from the date of the Deed of Termination and to release and discharge the other parties to the Acquisition Agreement absolutely from all past, present and future duties, obligations and liabilities under the Acquisition Agreement, notwithstanding any provisions contained in the Acquisition Agreement providing otherwise.

The Directors believe that the termination of the Acquisition Agreement has no material adverse impact on the interests of the Company and the Shareholders as well as the existing business and financial position of the Group.

Reference is made to the announcement of the Company dated 10 July 2011 in relation to, among other things, the acquisition of 50% of the issued share capital of the Target Company by the Purchaser pursuant to the Acquisition Agreement (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company announces that on 19 December 2011, the Company, the Purchaser, the Guarantor and the Vendor mutually agreed to terminate the Acquisition Agreement by entering into the Deed of Termination which was arrived after arm’s length negotiation between the Vendor, the Purchaser, the Guarantor and the Company (the “**Deed of Termination**”). Pursuant to the Deed of Termination, each of the Vendor, the Purchaser, the Guarantor and the Company has agreed to terminate the

Acquisition Agreement with effect from the date of the Deed of Termination and to release and discharge the other parties to the Acquisition Agreement absolutely from all past, present and future duties, obligations and liabilities under the Acquisition Agreement, notwithstanding any provisions contained in the Acquisition Agreement providing otherwise.

The Directors believe that the termination of the Acquisition Agreement has no material adverse impact on the interests of the Company and the Shareholders as well as the existing business and financial position of the Group. The Company will continue exploring viable investment opportunities in the area of natural resources business to diversify its income stream to improve its operating results.

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

Hong Kong, 19 December 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Chultemsuren Gankhuyag, Mr. Gong Ting, Mr. Leung Sze Yuan, Alan and Mr. Zeng Lingchen; and three independent non-executive directors, namely Mr. Tam Wai Leung, Joseph, Ms. Wen Huiying and Mr. Zhang Ying.

This announcement, for which the directors of the Company 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 of the Company, 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 at “<http://www.chinaaseanresources.com>”.