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ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF THE BOND

The Board announces that on 30 May 2012, Able Point, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with LTE, MAP and LS to subscribe for the Bond in a principal amount of US\$5,000,000 exchangeable into the MAP Shares.

As the applicable percentage ratios for the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules.

Reference is made to the Company's announcements dated: (i) 26 August 2011 in relation to the signing of the MOU; (ii) 21 October 2011 in relation to the signing of the First Addendum; and (iii) 11 January 2012 in relation to the signing of the Second Addendum.

The Board announces that on 30 May 2012, Able Point, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with LTE, MAP and LS to subscribe for the Bond in a principal amount of US\$5,000,000 exchangeable into the MAP Shares.

As at the date of this announcement, a total refundable deposit of US\$5,000,000 had been placed by the Company with LTE, which will be used to offset the consideration to be paid for the Subscription on Completion.

As the applicable percentage ratios for the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules.

THE SUBSCRIPTION AGREEMENT

Date : 30 May 2012

Parties : 1. LTE as the Issuer;

2. Able Point as the Subscriber;

3. MAP; and

4. LS.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, LTE, MAP and their ultimate beneficial owners are third parties independent of and not connected with the Group and its connected persons (as defined in the Listing Rules).

Principal terms of the Bond

The terms of the Bond were determined after arm's length negotiation between the parties with reference to, among other things, feasibility studies on the Coal Concessions and market prospect. The principal terms of the Bond are summarised below:

Principal amount : US\$5,000,000

Maturity Date : The first anniversary of the date of issue of the Bond, the Bond could be extended for 1 year if mutually agreed by the Issuer and the Subscriber

Underlying Shares : Fully paid-up MAP Shares representing 5% of the total issued and paid-up share capital of MAP on a fully diluted basis if the date of the exchange rights are being exercised on or before the Maturity Date. In case of the Maturity Date is being extended, the Underlying Shares will be fully paid-up MAP shares representing 7.5% of the total issued and paid-up share capital of MAP on a fully diluted basis

Coupon : Zero

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| Redemption price | : | Fixed at US\$6,084,400, representing a redemption premium of 21.6888%, throughout the period from the date of issue to the Maturity Date. In case of the Maturity Date is being extended, the redemption price will be calculated based on a redemption premium of 41% on an accrued basis on the total outstanding principal amount of the Bond, starting from the first anniversary of the date of the issue of the Bond |
| Exchange rights | : | The Bond is exchangeable into the Underlying Shares during the full period of the term of the Bond |
| Transferability | : | The Bond is freely transferable and the Issuer is given the first right of refusal to purchase the Bond |
| Call option of the Issuer | : | Callable by the Issuer by giving 14 business days' prior notice to the Subscriber with redemption premium |
| Events of default | : | <ul style="list-style-type: none"> (a) The Issuer shall fail to pay when due any amount due under the Subscription Agreement or the Bond; (b) The Issuer shall fail to implement the transfer of the MAP Shares pursuant to and in accordance with the Subscription Agreement; (c) The Issuer, MAP or LS shall fail to perform any other covenant or agreement to be performed by it under the Subscription Agreement, which is not cured within 14 days of receipt of notice of an alleged breach of this clause; (d) Any representation or warranty made by the Issuer, MAP or LS in the Subscription Agreement or any agreement related to the Subscription Agreement shall prove to have been incorrect when made; (e) Any approval or corporate consent, authorisation or approval now or hereafter necessary to enable the Issuer, MAP or LS to comply with its obligations under the Subscription Agreement shall be revoked, withdrawn or withheld prejudicial to the interests of the Subscriber, or shall be modified or amended in a manner prejudicial to the interests of the Subscriber; |

- (f) Any application is made by or the making of an order against the Issuer, MAP or LS for bankruptcy, dissolution, liquidation, winding up or for the appointment of a receiver, judicial manager or encumbrancer of the Issuer of any material part of its property;
- (g) the Issuer, MAP or LS ceases to carry on its business in the ordinary course; or
- (h) any change in the shareholding of the Issuer due to sell of its shares by LS shall occur without the prior written consent of the Subscriber.

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| Default interest | : | 24% p.a. |
| Collateral | : | 5% existing issued shares of LTE pursuant to the Pledge of Shares Agreement |
| Voting rights | : | The Subscriber will not be entitled to attend or vote at any meetings of MAP by reason only of being the holder of the Bond. |
| Ranking | : | The Underlying Shares will rank pari passu in all respects with all the shares of MAP in issue at the date on which the exchange rights attaching to the Bond are exercised. |

Completion

Completion of the Subscription took place on the same day of the signing of the Subscription Agreement.

INFORMATION ON LTE AND MAP

LTE is a limited liability company established under and by virtue of the laws of Indonesia on 21 February 2011, it is an investment holding company which is legally and beneficially owned as to 85% by PT Alam Cipta Manunggal and 15% by LS. The principal activities of LTE's subsidiaries are general mining services. As at the date of this announcement, LTE indirectly holds a total of nine coal concessions in Indonesia including the Coal Concessions.

MAP is a limited liability company established in Indonesia on 30 March 2009, it is an investment holding company which is legally and beneficially owned as to 99.9% by LTE and 0.1% by an independent person. The Coal Concessions are held by MAP's subsidiaries which cover over 40 hectares of four thermal and/or coking coal concessions in West Papua, Indonesia.

REASONS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENT

The Group is principally engaged in the manufacturing of footwear products. For the two financial years ended 31 March 2010 and 2011, the Group recorded net profits of US\$2,299,000 and US\$789,000 respectively, representing a year on year decrease of approximately 65.68%. This was due to the rising production costs as a result of the increasing minimum wage in Guangdong Province, the People's Republic of China and the rising prices of raw materials during the years under review.

In view of the current business environment, the Directors have always been proactive in seeking opportunities for expanding and diversifying its business, in order to broaden the Group's revenue streams.

The Directors believe that the Subscription offers the Group an opportunity to achieve its business objective. The Subscription represents a good investment opportunity for the Group to generate income from the redemption premium at maturity or, upon exercising the exchange rights attached to the Bond, the potential capital gain and business opportunities from investing in the Coal Concessions in their early stages.

The Directors consider the terms of the Bond to be fair and reasonable as far as the Shareholders are concerned and that the Subscription Agreement is in the interests of the Company and its Shareholders as a whole.

GENERAL

As the applicable percentage ratios for the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

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| “Able Point” | Able Point Corporation Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability |
| “Board” | board of Directors |
| “Bond” | the zero coupon secured exchangeable bond due 2013 in the principal amount of US\$5,000,000 to be issued by the Issuer to the Subscriber pursuant to the Subscription Agreement |

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| “Business Day” | a day which is not a Saturday, Sunday or public holiday in Jakarta, Hong Kong or New York where any notice or other communication is received and on which banks are open for business |
| “Coal Concessions” | four coal concessions in Indonesia covering a total mining area of over 40 hectares held by subsidiaries of MAP |
| “Company” | Ares Asia Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange |
| “Completion” | completion of the Subscription pursuant to the Subscription Agreement |
| “connected persons” | has the meaning ascribed to it under the Listing Rules |
| “Directors” | directors of the Company |
| “First Addendum” | the addendum to the MOU dated 21 October 2011 entered into between the Company and the Issuer in relation to the extension of exclusivity period under the MOU |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Issuer” | LTE |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “LTE” | PT Langit Timur Energy, a company established in Indonesia with limited liabilities, being the Issuer of the Bond |
| “LS” | PT Lintas Sanjaya, a company established in Indonesia with limited liabilities which owns 15% existing issued share capital of LTE |
| “MAP” | PT Mandiri Arya Persada, a company established in Indonesia with limited liability which holds the Coal Concessions through its subsidiaries |
| “MAP Shares” | ordinary shares of MAP each having a par value of Rp1,000,000 each in the share capital of MAP |

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| “Maturity Date” | the date falling one year after the date of the issue of the Bond |
| “MOU” | the memorandum of understanding entered into between the Company and LTE on 26 August 2011 in relation to the Company’s intention to participate with LTE relating to the tender offer for coal offtake agreement and acting as a marketing agency in relation to the Coal Concessions |
| “Indonesia” | Republic of Indonesia |
| “Pledge of Shares Agreement” | the Pledge of Shares Agreement entered into between LS and Able Point in relation to the pledge of 5% existing issued share capital of LTE for the Subscription, which forms part of the Subscription Agreement |
| “Second Addendum” | the second addendum to the MOU dated 11 January 2012 entered into between the Company and the Issuer in relation to the further extension of exclusivity period under the MOU and the First Addendum |
| “Subscriber” | Able Point |
| “Subscription” | the subscription for the Bond pursuant to the Subscription Agreement |
| “Subscription Agreement” | the secured exchangeable bond agreement dated 30 May 2012 entered into between the Issuer and the Subscriber in relation to the Subscription |
| “Shareholders” | holders of shares of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Underlying Shares” | fully paid-up MAP Shares representing 5% of the total issued and paid-up share capital of MAP on a fully diluted basis if the date of the exchange rights are being exercised on or before the Maturity Date. In case of the Maturity Date is being extended, the Underlying Shares will be fully paid-up MAP shares representing 7.5% of the total issued and paid-up share capital of MAP on a fully diluted basis |
| “US\$” | US dollars, the lawful currency of the United States of America |
| “%” | per cent |

By the Order of the Board
Chua Chun Kay
Chairman

Hong Kong, 30 May 2012

As at the date of this announcement, the executive Directors of the Company is Mr. CHUA Chun Kay (Chairman), Mr. David Michael GORMLEY (Chief Executive Officer) and Mr. Junaidi YAP and the independent non-executive Directors are Mr. LAM Pun Yuen, Frank, Mr. NGAN Hing Hon and Mr. Yeung Kin Bond, Sydney.