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ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

ANNOUNCEMENT UPDATE ON BUSINESS

This announcement is made by Ares Asia Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing The Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 13 November 2013 in relation to the entering into by Ares Repco Limited (“**Ares Repco**”), an indirect wholly-owned subsidiary of the Company, of a coal sale and purchase agreement (the “**Agreement**”) with a marketing agent of two top coal miners in Indonesia (the “**Original Supplier**”), which was entered into in the usual and ordinary course of business of Ares Repco and the terms of which were on normal commercial terms. Another coal sale and purchase agreement was also entered into with the same Original Supplier subsequently on 21 November 2013 on substantially the same terms (the “**Second Agreement**”, together with the Agreement, the “**Agreements**”). The Agreements were further amended on 18 February 2014 pursuant to which the amount of thermal coal to be supplied to Ares Repco was revised from approximately 15 million metric tonnes to approximately 13 million metric tonnes.

This announcement aims to provide shareholders of the Company and the investor further update on the Agreements and the transactions contemplated thereunder.

On 22 July 2015, Ares Repco, the Original Supplier and another agent of the two top coal miners in Indonesia (the “**New Supplier**”) entered into a deed of transfer and amendment (the “**Deed**”), pursuant to which the Original Supplier transferred certain of its rights, titles and interest in and to the Agreements to the New Supplier, and amended certain terms of the Agreements. Under the Agreements as amended by the Deed, the purchase price of the coal will be determined and agreed by the parties to the Deed at the beginning of every year or any other date as mutually agreed by the parties, and which supply the New Supplier shall deliver up to approximately 11.6 million metric tonnes of thermal coal to Ares Repco by the end of 2017, subject to price to be agreed between the

parties and further purchase contracts. The Original Supplier will also be entitled to half of the profit margin (the “**Original Seller’s Entitlements**”) of Ares Repco in consideration of its facilitating the entering into the Deed among the parties and referral of potential end customers to Ares Repco. As at the date of the Deed, the balance of prepayment paid to the Original Supplier was approximately US\$11.6 million and the Original Seller’s Entitlements will be deducted from such balance of prepayment.

Save for the amendments made to the Agreements, the other terms of the Agreements shall remain in full force and effect.

To the best of the information, knowledge and belief of the Company having made all reasonable enquiry, the New Supplier is an independent third party not connected with the core connected persons of the Company and their respective close associates (as defined in the Stock Exchange). Ares Repco is principally engaged in the coal trading business and the Company considers that the Deed is entered into in its usual and ordinary course of business on normal commercial terms.

The directors of the Company are of the view that the entering into of the Deed will secure the stable and reliable supply of thermal coal originated from Indonesia’s top coal mines and will contribute to the stable development of the Company’s coal trading business, which is in the best interests of the Company and its shareholders as a whole.

For and on behalf of the Board
Ares Asia Limited
ZHENG Yong Sheng
Chairman

Hong Kong, 22 July 2015

As at the date of this announcement, the executive directors of the Company are Mr. ZHENG Yong Sheng (Chairman), Mr. RAN Dong and Mr. CHAN Tsang Mo, and the independent non-executive directors of the Company are Mr. CHANG Tseng Hsi, Jesse, Mr. NGAN Hing Hon and Mr. YEUNG Kin Bond, Sydney.