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## **ARES ASIA LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 645)**

### **PROFIT WARNING**

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2017 (“**1H2017**”), the Group is expected to record a significant increase in net losses attributable to the Shareholders for 1H2017 by about 271% as compared to that for the corresponding period in 2016 (“**1H2016**”) mainly due to (i) a decline in sales volume of the Group for 1H2017 by approximately 28% as compared to 1H2016; (ii) an increase in average purchasing cost of coal as a result of the market price of coal having remained elevated and showed less volatility during 1H2017 when compared to 1H2016 which had led to slower purchases by the Group and (iii) an increase in shipping costs of coal, all of which had put significant pressure on gross profit margin for the period.

The Company is aware that Platts Marine recently reported a sharp rise in ships loaded with coal that were stationary off the southern and eastern coasts of China and extensive delays for discharge of seaborne coal due to possible tightening of coal import. Platts Marine has also reported that port authorities have rejected claims that restrictions have been imposed on the discharge of imported coal at various ports. Whilst the Company has noted an increased demand for coal in China for the second half of its financial year, the Company is closely monitoring developments in this regard as tightening controls on coal imports into China may have a material effect on the Group’s sales.

Nevertheless, the Company has yet to finalise the unaudited interim results of the Group for the six months ended 30 September 2017. As such, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available including the unaudited consolidated management accounts of the Group for the six months ended 30 September 2017, which have not been reviewed or confirmed by the Company's auditors or the audit committee of the Company and which are therefore subject to adjustments. The actual interim results of the Group for the six months ended 30 September 2017 may therefore be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 September 2017, which is expected to be published by the end of November 2017.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**ARES ASIA LIMITED**  
**ZHENG Yong Sheng**  
*Chairman*

Hong Kong, 9 November 2017

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