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ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board of the Company wishes to inform its Shareholders and potential investors that based on the information currently available, the Group is expected to record a significant loss for the six months ended 30 September 2012 as compared with a profit for the six months ended 30 September 2011.

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

This announcement is made by Ares Asia Limited (the “Company”, together with its subsidiaries shall be referred to as the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of the Company wishes to inform shareholders of the Company (“Shareholders”) and potential investors that, based on the information currently available, the Group is expected to record a significant loss for the six months ended 30 September 2012 as compared with a profit for the six months ended 30 September 2011.

The Board considers that the deterioration in the performance of the Group is mainly attributable to (i) a decrease in turnover as a result of lower demand in the footwear industry which is caused by the on-going debt crisis in Europe and the sluggish U.S. economy; (ii) an increase in administrative expenses as a result of the increase in employee benefit expenses, as well as the legal and professional fees incurred for the proposed acquisition of a mining services company in Indonesia; and (iii) the restructuring costs associated with streamlining of manufacturing operation in the PRC during the first half of financial year 2012/2013.

As the Group is still in the process of finalising its unaudited consolidated results for the six months ended 30 September 2012, the information contained in this announcement is only based on a preliminary assessment of the information available by the management. Finalised results for the six months ended 30 September 2012 of the Group will be disclosed in the interim results announcement of the Group, which is expected to be released in late November 2012.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Ares Asia Limited
Junaidi YAP
Executive Director and Chief Executive Officer

Hong Kong, 2 November 2012

As at the date of this announcement, the executive directors of the Company are Mr. Adwin Haryanto SURYOHADIPROJO (Chairman), Mr. CHUA Chun Kay and Mr. Junaidi YAP (Chief Executive Officer) and the independent non-executive directors of the Company are Mr. LAM Pun Yuen, Frank Mr. NGAN Hing Hon and Mr. YEUNG Kin Bond, Sydney.