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ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

CONTINUING CONNECTED TRANSACTIONS — LEASE OF OFFICE PREMISES

AND

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

LEASE OF OFFICE PREMISES

The Board announces that on 17 October 2014, the Lessee, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Lessor in respect of the lease of the Premises for a term of 3 years commencing from 20 October 2014 and expiring on 19 October 2017.

Mr. Chanchai RUAYRUNGRUANG owns the entire share capital of Reignwood International Holdings Company Limited, which holds 182,459,527 Shares, representing approximately 53.57% of the total issued share capital of the Company, and is the controlling shareholder of the Company. The Lessor is a direct wholly-owned subsidiary of Reignwood International Holdings Company Limited and, therefore, an associate of Mr. Chanchai RUAYRUNGRUANG and a connected person of the Company. The transactions contemplated under the Lease Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios calculated pursuant to the Listing Rules for the lease of the Premises are less than 5%, the transactions contemplated under the Lease Agreement are subject to the announcement, annual reporting and annual review requirements, but exempt from the independent Shareholders' approval requirement under the Listing Rules.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board further announces that the principal place of business of the Company in Hong Kong will be changed to Level 96, International Commerce Centre, 1 Austin Road West, Hong Kong with effect from 20 October 2014.

LEASE OF OFFICE PREMISES

The Board announces that on 17 October 2014, the Lessee, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Lessor in respect of the lease of the Premises for a term of 3 years commencing from 20 October 2014 and expiring on 19 October 2017.

LEASE AGREEMENT

The principal terms of the Lease Agreement are set out below:

Date:	17 October 2014
Lessor:	Reignwood International Investment (Group) Company Limited
Lessee:	Ares Repco Limited
Premises:	A segregated portion of the Whole Floor
Whole Floor:	Level 96, International Commerce Centre, 1 Austin Road West, Hong Kong
Area:	Approximately 3,100 square feet
Lease term:	3 years from 20 October 2014 to 19 October 2017 (both dates inclusive)
Monthly rent:	HK\$241,800 (or HK\$78 per square feet) payable in advance monthly
Rent free period:	From 20 October 2014 to 19 January 2015 (both dates inclusive)
Rates:	The Lessee shall bear the portion of the rates being assessed on the Whole Floor to be calculated proportionate to the area of the Premises
Monthly air-conditioning charges and property management fee:	HK\$23,560 (or HK\$7.6 per square feet), subject to any further change imposed by the building management during the lease term
Utility charges:	The Lessee shall bear the portion of the utility charges incurred by the users on the Whole Floor to be calculated proportionate to the area of the Premises
Deposit:	HK\$530,720 (equivalent to the sum of the rent, air-conditioning charges and property management fee for two months)

The Lessor obtains the use rights of the Whole Floor from an independent third party for several years. The monthly rent is determined after arm's length negotiations with reference to the various lease offers quoted and recent transactions reported by property agents in respect of premises within the same building. The sharing of other rates, fees and charges as mentioned above is generally based on the area of the Premises as compared to the total area of the Whole Floor.

Lessor will assist the Lessee in applying car park space(s) in the building where the Premises is situate and Lessee will reimburse the Lessor the exact car park fee being charged by the relevant building management.

REASONS FOR AND BENEFITS OF THE LEASE OF THE PREMISES

The lease of the office premises currently used by the Group as its principal place of business in Hong Kong will expire in November 2014. The Premises is located within a well-equipped and well-managed office building and the office building is being a landmark building in Hong Kong. The Board considers the Premises suitable for the use as the Group's new principal place of business in Hong Kong.

The Board (including all the independent non-executive Directors) considers that the terms of the Lease Agreement are fair and reasonable and the lease of the Premises is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

CAPS

The caps set by the Board for different periods within the lease term are as follows:

Period	Cap amount <i>HK\$</i>
20 October 2014 to 31 March 2015	1,405,000
1 April 2015 to 31 March 2016	3,150,000
1 April 2016 to 31 March 2017	3,172,000
1 April 2017 to 19 October 2017	1,761,000

Each of the caps represents approximately the aggregate amount of estimated rents, rates, fees and charges payable under the Lease Agreement for each period. The estimated rents, fees and charges payable are calculated with reference to the terms set out in the Lease Agreement, the amortization of the saving during the rent free period, the latest rates assessment, the current car park fee set by the relevant building management and the utility charges currently incurred by the Group. It is also assumed that the various rates, fees and charges will be subject to an annual inflation rate of 5%.

INFORMATION ON THE GROUP AND THE LESSOR

The principal activity of the Company is investment holding. The Group is principally engaged in the business of coal trading, entailing the selling of thermal coal purchased from Australia and Indonesia to the PRC.

The principal activity of the Lessor is investment holding. The Lessor is a member of Reignwood Group. Reignwood Group is a multinational conglomerate with significant presence in the PRC and its major business investments and operations include, Red Bull Energy Drink, Beijing Pine Valley Golf Club & Resort and Beijing Reignwood Centre, etc.

LISTING RULES IMPLICATIONS

Mr. Chanchai RUAYRUNGRUANG owns the entire share capital of Reignwood International Holdings Company Limited, which holds 182,459,527 Shares representing approximately 53.57% of the total issued share capital of the Company, and is the controlling shareholder of the Company. The Lessor is a direct wholly-owned subsidiary of Reignwood International Holdings Company Limited and, therefore, an associate of Mr. Chanchai RUAYRUNGRUANG and a connected person of the Company. The transactions contemplated under the Lease Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios calculated pursuant to the Listing Rules for the lease of the Premises are less than 5%, the transactions contemplated under the Lease Agreement are subject to the announcement, annual reporting and annual review requirements, but exempt from the independent Shareholders' approval requirement under the Listing Rules.

Messrs. RAN Dong and CHAN Tsang Mo, the executive Directors who hold positions in the Reignwood Group, are deemed to have material interests in the transactions contemplated under the Lease Agreement and they have abstained from voting on the Board resolution in respect of the lease of the Premises. Save as disclosed above, none of the other Directors has a material interest in such transactions and has abstained from voting on the relevant Board resolution.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board further announces that the principal place of business of the Company in Hong Kong will be changed to Level 96, International Commerce Centre, 1 Austin Road West, Hong Kong with effect from 20 October 2014. The Company's website, email address, telephone number and facsimile number remain unchanged.

DEFINITION

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

“Board”	the board of Directors
“associate(s)”, “cap(s)” “connected person(s)” “controlling shareholder” and “percentage ratios”	have the meanings ascribed to them in the Listing Rules
“Company”	Ares Asia Limited, a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Lease Agreement”	the agreement dated 17 October 2014 entered into between the Lessor and the Lessee governing the lease of the Premises
“Lessee”	Ares Repco Limited, an indirect wholly-owned subsidiary of the Company
“Lessor”	Reignwood International Investment (Group) Company Limited, a direct wholly-owned subsidiary of Reignwood International Holdings Company Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	a segregated portion of Whole Floor

“Reignwood Group”	a multinational conglomerate controlled by Mr. Chanchai RUAYRUNGRUANG with significant presence in the PRC and the major business investments and operations of which include Red Bull Energy Drink, Beijing Pine Valley Golf Club & Resort and Beijing Reignwood Centre, etc.
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholders”	the holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Whole Floor”	Level 96, International Commerce Centre, 1 Austin Road West, Hong Kong

By order of the Board
Junaidi YAP
Chief Executive Officer

Hong Kong, 17 October 2014

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