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ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

RESTRUCTURING OF COAL SUPPLY AND PURCHASE AGREEMENTS

The board of directors (the “Board”) of Ares Asia Limited (the “Company”, together with its subsidiaries the “Group”) refers to the impairment loss reported by the Group in the audited consolidated financial statements for the year ended 31 March 2016 in respect of unutilised prepayments and receivables in connection with coal supply and purchase agreements (in the amount of approximately US\$11,704,000). Further information regarding the impairment is set out in note 14 to those financial statements.

The Board is pleased to announce that the Group recently restructured the rights and obligations under those coal supply and purchase agreements, through a series of contracts signed and exchanged on 12 December 2016 with the relevant parties. The effect of the new contracts is for the original supplier to agree to a coal supply arrangement for an anticipated term of approximately five years, for purchases of coal on such terms as may from time to time be agreed by the Group. Approximately US\$140,000 are to be repaid to the Group within 90 days of the date of the new contracts, and the remainder of the unutilised prepayments are to be utilised on an agreed basis against each purchase with an annual minimum (of application of prepayment towards purchases or cash payment to the Group) of US\$2 million. Accordingly a reversal of the impairment loss reported during the year ended 31 March 2016 will be credited to the profit and loss account of the Group to the extent of the amount of prepayments utilised and other receivables repaid during the period.

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

Hong Kong, 12 December 2016

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.