

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Ares Asia Limited (the “Company”, together with its subsidiaries, the “Group”) 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 year ended 31 March 2018, the Group is expected to record a net loss for the year ended 31 March 2018 (“FY 2017/18”) attributable to the Shareholders as compared with the net profit for the year ended 31 March 2017 (“FY 2016/17”), which is mainly due to:

- (i) the decrease in revenue during the year by approximately 20% to 25% as compared with FY2016/17, primarily for reasons of the reduced sales in the first half of the financial year as reported in the Company’s interim report and continued pressure on gross profit margin due to the increase in shipping costs during the year; and
- (ii) the absence of a reversal of the impairment loss of USD640,000 recognised during the year ended 31 March 2017 in connection with the restructuring of the coal supply and purchase agreements announced by the Group on 12 December 2016 which was credited to the profit or loss for the year ended 31 March 2017. The Company is considering taking steps for the collection of the annual minimum repayment of US\$2,000,000 from the original supplier pursuant to the restructured agreements, which fell due earlier this calendar year.

Nevertheless, the Company has yet to finalise the audited annual results of the Group for FY2017/18. 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 FY2017/18, which have neither been reviewed nor confirmed by neither the Company's auditors nor the audit committee of the Company and which are therefore subject to adjustments. The actual annual results of the Group for FY2017/18 may therefore be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY2017/18, which is expected to be published on 29 June 2018.

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
Ruayrungruang Woraphanit
Chairlady

Hong Kong, 29 May 2018

As at the date of this announcement, the executive directors of the Company are Ms. Ruayrungruang Woraphanit (Chairlady) and Mr. Wang Chih-Wei, and the independent non-executive directors of the Company are Mr. CHANG Jesse, Mr. NGAN Hing Hon and Mr. YEUNG Kin Bond, Sydney.