ARES ASIA
安 域 亞 洲

ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 645)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2012, APPOINTMENT OF EXECUTIVE DIRECTOR AND CHANGE OF CHAIRMAN

The board of directors (the "Board") of Ares Asia Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2012 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2012

	Notes	2012 US$'000	2011 US$'000
Turnover	2	**27,967**	29,099
Cost of sales		**(26,330)**	(26,804)
Gross profit		**1,637**	2,295
Other income	3	**314**	1,441
Distribution expenses		**(200)**	(253)
Administrative expenses		**(3,294)**	(3,100)
Other gains, net	4	**—**	462
(Loss) profit before tax	5	**(1,543)**	845
Income tax expense	6	**—**	(48)
(Loss) profit for the year attributable to owners of the Company		**(1,543)**	797
Other comprehensive expense			
Reclassification adjustment for the cumulative gain included in profit or loss upon disposal of available-for-sale financial assets		**—**	(8)
Total comprehensive (expense) income for the year attributable to owners of the Company		**(1,543)**	789
		US cents	US cents
(Loss) earnings per share — basic and diluted	8	**(0.5)**	0.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2012

	Notes	**2012** **US$'000**	2011 *US$'000*
Non-current assets			
Property, plant and equipment		**581**	428
Current assets			
Inventories		**4,153**	5,306
Trade receivables	*9*	**3,318**	3,983
Deposits, prepayments and other receivables		**5,314**	252
Bank balances and cash		**25,826**	31,272
		38,611	40,813
Current liabilities			
Trade payables	*10*	**1,208**	2,304
Accruals and other payables		**2,770**	2,180
Tax payable		**48**	48
		4,026	4,532
Net current assets		**34,585**	36,281
Total assets less current liabilities		**35,166**	36,709
Capital and reserves			
Share capital		**440**	440
Reserves		**34,726**	36,269
Total equity		**35,166**	36,709

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

Application of new and revised standards, amendments and interpretations

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) — Interpretation ("Int") 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments

Except as described below, the application of the new and revised HKFRSs has had no material impact on the Group's performance and position for the current and prior years and/or the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of Financial Statements
(as part of Improvements to HKFRS issued in 2010)

The amendments to HKAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present such an analysis in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these consolidated financial statements have been modified to reflect the change.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents revenue arising on gross invoiced sales of athletic and sports leisure footwear products, net of returns, discounts and sales related taxes.

(a) Segment revenues, results, assets and liabilities

The Group's operating segment is based on information reported to the chief operating decision makers, who have been identified as the directors of the Company, for the purpose of resources allocation and performance assessment.

The Group's revenues, results, assets and liabilities are primarily attributable to the sales of athletic and sports leisure footwear products. The directors of the Company consider that there is only one operating and reportable segment for the Group.

(b) Geographical information

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed as below:

	Revenue from external customers		**Non-current assets**	
	2012	2011	**2012**	2011
	US$'000	*US$'000*	***US$'000***	*US$'000*
The People's Republic of China (the "PRC")	**26,858**	27,111	**581**	428
Asia (other than the PRC)	**1,109**	1,988	**—**	—
	27,967	29,099	**581**	428

(c) Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2012	2011
	US$'000	*US$'000*
Customer A	**11,570**	11,966
Customer B	**5,438**	5,973

3. OTHER INCOME

	2012	2011
	US$'000	*US$'000*
Bank interest income	**2**	25
Interest income from unlisted debt securities	**—**	1
Gain on disposal of property, plant and equipment	**—**	1,084
Dividend income from held for trading investments	**—**	54
Scrap sales	**307**	241
Others	**5**	36
	314	1,441

4. OTHER GAINS, NET

	2012	2011
	US$'000	*US$'000*
Loss on disposal of available-for-sale financial assets	**—**	(14)
Gain on disposal of held for trading investments	**—**	476
	—	462

5. (LOSS) PROFIT BEFORE TAX

(Loss) profit before tax has been arrived at after charging:

	2012	2011
	US$'000	*US$'000*
Auditor's remuneration	**50**	44
Depreciation of property, plant and equipment	**114**	171
Amortisation of prepaid lease payments on land use rights	**—**	49
Cost of inventories recognised as expenses	**26,330**	26,804
Allowance for inventories (included in cost of sales)	**—**	114
Written off of prepaid lease payment on land use rights	**—**	121
Written off of property, plant and equipment	**—**	185
Staff costs (including directors' emoluments)	**7,247**	7,189
Operating lease in respect of rented premises	**118**	22
Net exchange loss	**219**	278

6. INCOME TAX EXPENSE

	2012	2011
	US$'000	*US$'000*
Current tax — Hong Kong	—	48

No provision for Hong Kong Profit tax has been made as the Group has no estimated assessable profits arising in Hong Kong for the year ended 31st March 2012. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended 31st March 2011.

Taxation arising in other jurisdictions is calculated as the rates prevailing in the relevant jurisdictions in which the Group operates. No taxation had been provided for the two years ended 31st March 2012 and 2011 as the Group had no assessable profits arising in or deriving from the relevant jurisdictions.

7. DIVIDEND

No final dividend was paid or proposed during the year ended 31st March 2012, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

8. (LOSS) EARNINGS PER SHARE

(a) Basic

Basic (loss) earnings per share is calculated by dividing the (loss) profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the two years ended 31st March 2012 and 2011.

	2012	2011
(Loss) profit for the year attributable to owners of the Company *(US$)*	**(1,543,000)**	797,000
Weighted average number of ordinary shares in issue	**340,616,934**	340,616,934
Basic (loss) earnings per share *(US cents)*	**(0.5)**	0.2

(b) Diluted

Diluted (loss) earnings per share was the same as the basic (loss) earnings per share as there were no potential dilutive ordinary shares outstanding during the two years ended 31st March 2012 and 2011.

9. TRADE RECEIVABLES

	2012	2011
	US$'000	*US$'000*
Trade receivables	**3,318**	3,983

The Group allows a credit period ranging from 30 to 90 days to its trade customers. Ageing analysis of the Group's trade receivables at the end of the reporting period presented based on the invoice date is as follows:

	2012	2011
	US$'000	*US$'000*
Within 30 days	**1,747**	2,443
31 to 60 days	**1,554**	1,297
61 to 90 days	**—**	224
Over 90 days	**17**	19
	3,318	3,983

The Group does not hold any collateral over these balances.

10. TRADE PAYABLES

Ageing analysis of trade payables at the end of the reporting period presented based on the invoice date is as follows:

	2012	2011
	US$'000	*US$'000*
Within 30 days	**563**	1,506
31 to 60 days	**638**	706
61 to 90 days	**—**	85
Over 90 days	**7**	7
	1,208	2,304

The credit period on purchases of goods ranges from 14 days to 90 days. The Group has financial risk management policies in the place to ensure that all payables are settled within the credit timeframe.

11. EVENTS AFTER BALANCE SHEET DATE

The Company and PT Langit Timur Energy ("LTE"), a company established in Indonesia with limited liability, had on 26th August 2011 entered into the memorandum of understanding, as supplemented on 21st October 2011 and 11th January 2012 (collectively known as, the "MOU") regarding the Company's intention to enter into a coal offtake agreement and acting as a marketing agency of certain coal concessions in West Papua, Indonesia ("Coal Concessions") as well as the possible acquisition of certain equity interests in the Coal Concessions.

Pursuant to the MOU, a total refundable security deposit of US$5 million (the "Security Deposit") had been placed by the Company with LTE as at 31st March 2012.

Subsequent to the end of the reporting period, on 30th May 2012, Able Point Corporation Limited ("Able Point"), an indirect wholly-owned subsidiary of the Company, entered into a subscription agreement ("Subscription Agreement") with LTE, PT Mandiri Arya Persada ("MAP") (a company established in Indonesia with limited liability which holds certain coal concessions in West Papua, Indonesia through its subsidiaries and is legally and beneficially owned as to 99.9% by LTE) and PT Lintas Sanjaya (a company established in Indonesia with limited liability which owns 15% existing issued share capital of LTE) to subscribe for a one-year zero coupon secured exchangeable bond ("Bond") in a principal amount of US$5 million to be issued by LTE exchangeable into the shares of MAP owned by LTE, representing 5% (7.5% in case of the maturity date being extended for one year under mutual agreement by Able Point and LTE) of the total issued and paid-up capital of MAP on a fully diluted basis on the date of the exchange rights are being exercised (the "Subscription").

Simultaneously with the signing of the Subscription Agreement, the Company, LTE, and Able Point agree that the MOU shall be terminated automatically and that neither the Company nor LTE shall have any further obligation under the MOU. It was further agreed that the Security Deposit was used to offset against the consideration of the Subscription.

Completion of the Subscription took place on the same day of the signing of the Subscription Agreement.

The Subscription constitutes a discloseable transaction to the Company pursuant to Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the details of which are set out in the Company's announcement dated 30th May 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Turnover decreased by 4% to US$28.0 million from US$29.1 million for the last year.

- Loss for the year attributable to owners of the Company was US$1.5 million as compared to a profit of US$0.8 million for the previous year.

REVIEW OF OPERATIONS

For the year ended 31st March 2012, the Group's turnover decreased by 4% to US$28.0 million from US$29.1 million for the last year. Geographically, Asian countries contributed 100% of the Group's turnover for the year under review.

Gross profit was US$1.6 million, representing a decrease of US$0.7 million or 29% compared to the US$2.3 million recorded in the previous year. The gross profit margin for the year fell from 7.9% to 5.8%. This was mainly attributable to higher cost of materials, further increase in labour costs and Renminbi appreciation.

Other income for the year was US$0.3 million compared to US$1.4 million recorded in the last year, due primarily to the absence of gain on disposal of the Group's leasehold building in Hong Kong amounting to US$1.1 million recorded in the last year.

General and administrative expenses were US$3.3 million or 11.8 % of sales, a slight increase from US$3.1 million or 10.7% of sales reported for the previous year. The increase was mainly due to the increased expenditures on the legal and professional fees for the proposed investment in the coal mining sector in Indonesia.

Other gains, net recorded in the last year represented the gain on disposal of held for trading securities amounting to US$0.5 million.

As a result of the increasing cost pressure of the Group's manufacturing business in the PRC and the absence of last year gains on disposal of leasehold property and held for trading securities, a loss for the year attributable to owners of the Company of US$1.5 million was incurred for the year as compared to last year's profit of US$0.8 million.

PROPOSED INVESTMENT IN INDONESIA/SUBSCRIPTION OF EXCHANGEABLE BOND

The Group has been actively looking for attractive investment opportunities in order to extend its business reach and to improve the Group's financial performance.

On 26th August 2011, the Company and PT Langit Timur Energy ("LTE"), a company established in Indonesia with limited liability, had entered into the memorandum of understanding, as supplemented on 21st October 2011 and 11th January 2012 (collectively known as, the "MOU") regarding the Company's intention to enter into a coal offtake agreement and acting as a marketing agency of certain coal concessions in West Papua, Indonesia ("Coal Concessions") as well as the possible acquisition of certain equity interests in the Coal Concessions. A total refundable security deposit of US$5 million (the "Security Deposit") had been placed by the Company with LTE up to 31st March 2012.

On 30th May 2012, the Group entered into a subscription agreement ("Subscription Agreement") with LTE and its related parties to subscribe for a one-year zero coupon secured exchangeable bond ("Bond") in a principal amount of US$5 million to be issued by LTE exchangeable into the shares of PT Mandiri Arya Persada ("MAP"), a company established in Indonesia with limited liability which holds certain coal concessions in West Papua, Indonesia through its subsidiaries and is legally and beneficially owned as to 99.9% by LTE, representing 5% (7.5% in case of the maturity date being extended for one year) of the total issued and paid-up capital of MAP on a fully diluted basis on the date of the exchange rights are being exercised (the "Subscription"). The redemption price is fixed at US$6.08 million, representing a redemption premium of 21.69% throughout the one-year period and in case of the maturity date being extended for one year, the redemption premium will be calculated at 41% on an accrual basis on the total outstanding principal amount.

The MOU terminated simultaneously with the signing of the Subscription Agreement and the Security Deposit was used to offset against the consideration of the Subscription. Completion of the Subscription took place on the same day of the signing of the Subscription Agreement.

The Group is of the view that the Subscription represents a good investment opportunity for the Group to generate income from the redemption premium at maturity or, upon exercising the exchange rights attached to the Bond, the potential capital gain and business opportunities from investing in the Coal Concessions in their early stages.

PROSPECT

The Group will remain full of challenges in the coming year given a more competitive business environment in the PRC and the complex global financial problems. It is expected that there would possibly be further decline in the sales and profits of Group when the prolonged euro zone debt crisis continues to stifle the global economy. The Group will continue to work on streamlining and refining its operations to protect the Shareholders' interest. It's also the Group's mission to identify any new business opportunities to broaden its sources of revenue, taking into account the cash flow requirement and associated business risks.

CHANGE OF COMPANY NAME

During the year, for the purpose of refreshing the Company's corporate identity, the Company has changed its English name from KTP Holdings Limited to Ares Asia Limited and its Chinese name from "港台集團有限公司" (which has been used by the Company for identification purposes only) to "安域亞洲有限公司" by adopting the same as its secondary name, both with effect from 19th March 2012.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity and financial resources continued to be healthy and it is debt-free as at 31st March 2012. The reported cash and bank balances were US$25.8 million, as compared to US$31.3 million as at 31st March 2011. The decrease in cash and bank balances was mainly attributable to the payment of Security Deposit amounting to USD 5 million pursuant to the MOU.

The Group will closely monitor its financial position and maintain a healthy cash position to provide the Group with optimum flexibility to respond to market.

OPERATING WORKING CAPITAL

The Group follows a policy of prudence in managing its working capital. Trade receivables decreased by US$0.7 million from US$4 million as of 31st March 2011 to US$3.3 million as of 31st March 2012 which was in line with the decrease in fourth quarter sales as compared with the same period last year. The average collection period of trade receivables was around 45 days (31st March 2011: 49 days). The Group maintains tight control on its credit and collection policies and we have not experienced any significant bad debts in the past.

Inventories decreased by US$1.1 million from US$5.3 million as of 31st March 2011 to US$4.2 million as of 31st March 2012 and the average stock turnover remained healthy at around 65 days (31st March 2011: 71 days).

CAPITAL EXPENDITURES AND COMMITMENTS

The Group generally relies on its internally generated cash flow to finance its day to day operations and we believe that the Group has adequate financial resources to meet its funding requirement for our future business developments.

EMPLOYEES AND REMUNERATION POLICY

As at 31st March 2012, the Group had a total of 1,150 (2011: 1,500) full time employees (including contracted manufacturing workers) in Hong Kong and the PRC. The Group's emolument policy is to pay wages and salaries that are competitive in the industry in a way that will be motivational, fair and equitable, and that are dependent on individual's and the Group's performance. Apart from salaries, the Group also provides other fringe benefits to employees, which include provident fund schemes and bonus on performance basis.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31st March 2012.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31st March 2012, except for the following deviations:

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company's independent non-executive directors were not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the audited consolidated financial statements of the Group for the year ended 31st March 2012.

APPOINTMENT OF EXECUTIVE DIRECTOR AND CHANGE OF CHAIRMAN

The Board announces that with effect from 4th July 2012, Mr. Chua Chun Kay ("Mr. Chua") will resign as Chairman of the Company but remain as executive director of the Company and Mr. Adwin Haryanto Suryohadiprojo ("Mr. Suryohadiprojo"), will be appointed as an executive director and Chairman of the Company.

Mr. Suryohadiprojo, aged 53 has extensive experience in the coal mining and infrastructure development sector in Indonesia. He is currently the President Director of PT Darma Henwa Tbk, an integrated mining and energy services company listed on the Indonesia Stock Exchange. He holds a Doctorate Degree and a Master of Science Degree in Mechanical Engineering from Texas A&M University and also participated in the Program of Senior Executive Management at the Massachusetts Institute of Technology — Sloan School of Management.

Save as disclosed above, Mr. Suryohadiprojo did not hold any directorship in any other listed public company in the last three years.

As at the date of this announcement, Mr. Suryohadiprojo (i) is not a director of and does not hold any executive position in any member of the Group (ii) does not have any interest in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Suryohadiprojo has not entered into a service agreement with the Company. There is no specific length of service has been agreed between Mr. Suryohadiprojo and the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the provisions of the Company's byelaws. Mr. Suryohadiprojo's remuneration has not been fixed but if fixed it will be determined by the Board with reference to his performance and duties, the Company's performance and remuneration policy as well as the prevailing market conditions.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Board is not aware of any other matters that need to be brought to the attention of the shareholders of the Company in relation to this appointment.

The Board would like to express its sincere appreciation to Mr. Chua for his invaluable contributions to the Company during the tenure of his services as the Company's Chairman.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published at the website of the Company at the websites of irasia.com at www.irasia.com/listco/hk/aresasia/index.htm and the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the year ended 31st March 2012 containing all the information required by the Listing Rules will be despatched to shareholders and available on the same websites in due course.

By Order of the Board
Ares Asia Limited
Chua Chun Kay
Chairman

Hong Kong, 29th June 2012

As at the date of this announcement, the executive directors of the Company are Mr. Chua Chun Kay (Chairman), Mr. Junaidi Yap and Mr. David Michael Gormley and the independent non-executive directors are Mr. Lam Pun Yuen, Frank, Mr. Ngan Hing Hon and Mr. Yeung Kin Bond, Sydney.