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 31 MARCH 2013

The board of directors (the "Board") of Ares Asia Limited (the "Company") is pleased to present the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2013 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Note	**2013** ***US$'000***	2012 *US$'000* (restated *(note 7)*)
Continuing operation			
Turnover	*2*	**44,639**	—
Cost of sales		**(43,801)**	—
Gross profit		**838**	—
Other revenue	*3*	**122**	—
Other net income	*3*	**1,125**	15
Selling and distribution expenses		**(186)**	—
Administrative expenses		**(2,446)**	(1,500)
Loss before taxation	*4*	**(547)**	(1,485)
Income tax	*5*	**—**	—
Loss from continuing operation		**(547)**	(1,485)
Discontinued operation			
Loss from discontinued operation	*7*	**(3,709)**	(58)
Loss and total comprehensive income for the year		**(4,256)**	(1,543)
Loss per share	*8*		
Basic and diluted			
— Continuing operation		**US(0.16) cent**	US(0.43) cent
— Discontinued operation		**US(1.09) cent**	US(0.02) cent
		US(1.25) cent	US(0.45) cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Note	2013 US$'000	2012 US$'000
Non-current asset			
Property, plant and equipment		**296**	581
Current assets			
Financial asset designated at fair value through profit or loss	9	**6,014**	—
Inventories		**—**	4,153
Trade and other receivables	10	**693**	8,632
Cash and cash equivalents		**25,047**	25,826
		31,754	38,611
Current liabilities			
Trade and other payables	11	**1,041**	3,978
Current taxation		**48**	48
		1,089	4,026
Net current assets		**30,665**	34,585
NET ASSETS		**30,961**	35,166
CAPITAL AND RESERVES			
Share capital		**440**	440
Reserves		**30,521**	34,726
TOTAL EQUITY		**30,961**	35,166

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 March 2013, but is derived from those financial statements.

The measurement basis used in the preparation of the financial statements is the historical costs basis except for financial assets designated as fair value through profit or loss which are stated at fair value.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. These amendments have no significant impact on the Group's financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. TURNOVER AND SEGMENT REPORTING

(a) Turnover

The Group is principally engaged in the coal trading business.

The Group was also engaged in the manufacture and sale of footwear products, which have been classified as discontinued operation (see note 7). Turnover represents the sales value of goods sold less returns, discounts and value added taxes and other sales taxes. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2013	2012
	US$'000	*US$'000*
		(restated)
Continuing operation		
Sales of coal	**44,639**	—
Discontinued operation		
Sales of footwear products	**13,112**	27,967
	57,751	27,967

Revenue from customers contributing over 10% of the Group's revenue are as follows:

	Coal trading	**Footwear business**
	US$'000	*US$'000*
2013		
Customer A	44,639	—
Customer B	—	7,096
2012		
Customer B	—	11,570
Customer C	—	5,438

(b) Segment reporting

In the prior year, the Group had one operating and reportable segment as the Group's revenue and contribution to results were primarily attributable to the manufacturing and sale of footwear products. The primary segment information was analysed on the basis of geographical segments by location of customers. During the current year, the Group discontinued the footwear business in January 2013. Further, the Group commenced the coal trading business in October 2012.

Since the commencement of the Group's coal trading business, the Group manages its business by divisions, which are organised by business lines and focus more specifically on the operation efficiency by each operation unit. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group had two reportable business segments for the year ended 31 March 2013 — coal trading and footwear business, which are classified as continuing operation and discontinued operation (see note 7) respectively. No operating segments have been aggregated to form the reporting segments. Amounts reported for the prior year have been restated to reflect the change in basis of presentation.

Continuing operation:

— Coal trading : Sale of coal

Discontinued operation:

— Footwear business : Manufacturing and sale of footwear products

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of investment in financial asset, intercompany receivables and other corporate assets. Segment liabilities include current taxation, creditors, other payables and accrued expenses attributable to the activities of the individual segments, with the exception of intercompany payables.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The measure used for reporting segment profit is "EBIT" i.e. "adjusted earnings before interest and taxes" of individual segment. To arrive at EBIT the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue, depreciation and impairment losses and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the years ended 31 March 2013 and 2012 is set out below.

	2013			2012		
	Continuing operation	**Discontinued operation**		Continuing operation	Discontinued operation	
	Coal trading	**Footwear business**	**Total**	Coal trading	Footwear business	Total
	US$'000	***US$'000***	***US$'000***	*US$'000*	*US$'000*	*US$'000*
Revenue						
Reportable segment revenue	**44,639**	**13,112**	**57,751**	—	27,967	27,967
Results						
Reportable segment results (EBIT)	**(26)**	**(3,709)**	**(3,735)**	—	(58)	(58)
Net unrealised gain on financial asset designated at fair value through profit or loss			**1,014**			—
Unallocated head office and corporate expenses			**(1,535)**			(1,485)
Consolidated loss for the year			**(4,256)**			(1,543)
Additions to non-current segment assets during the year	**160**	**—**	**160**	—	9	9
Depreciation for the year	**95**	**63**	**158**	—	90	90
Assets						
Segment assets	**25,462**	**533**	**25,995**	—	9,725	9,725
Financial asset designated at fair value through profit or loss			**6,014**			—
Deposits			**—**			5,000
Unallocated head office and corporate assets			**41**			24,467
Consolidated total assets			**32,050**			39,192
Liabilities						
Segment liabilities	**794**	**176**	**970**	—	3,675	3,675
Unallocated head office and corporate liabilities			**119**			351
Consolidated total liabilities			**1,089**			4,026

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment. The geographical location of customers is based on the location at which the goods delivered. The geographical location of the property, plant and equipment is based on the physical location of the asset.

	Revenue from external customers		**Property, plant and equipment**	
	2013	2012	**2013**	2012
	US$'000	*US$'000*	***US$'000***	*US$'000*
		(restated)		(restated)
Continuing operation				
The People's Republic of China ("PRC")	**44,639**	—	**296**	236
Discontinued operation				
The PRC	**12,901**	26,858	**—**	345
Asia (other than the PRC)	**211**	1,109	**—**	—
	13,112	27,967	**—**	345
	57,751	27,967	**296**	581

3. OTHER REVENUE AND NET INCOME

	2013	2012
	US$'000	*US$'000*
		(restated)
Other revenue		
Continuing operation		
— Bank interest income	**13**	—
— Others	**109**	—
	122	—
Discontinued operation		
— Bank interest income	**1**	2
— Others	**39**	5
	40	7
	162	7

	2013	2012
	US$'000	*US$'000*
		(restated)
Other net income		
Continuing operation		
— Net foreign exchange gain	**111**	15
— Net unrealised gain on financial asset designated at fair value through profit or loss *(note 9)*	**1,014**	—
	1,125	15
Discontinued operation		
— Net foreign exchange loss	**(68)**	(234)
— Scrap sales	**399**	307
— Gain on disposal of property, plant and equipment	**464**	—
	795	73
	1,920	88

4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2013	2012
	US$'000	*US$'000*
		(restated)
(a) Staff costs		
Continuing operation		
Contributions to defined contribution retirement plans	**14**	3
Equity settled share-based payment expenses	**51**	—
Salaries, wages and other benefits	**1,586**	543
	1,651	546
Discontinued operation		
Contributions to defined contribution retirement plans	**66**	74
Salaries, wages and other benefits	**3,536**	6,627
Termination benefits	**2,135**	—
	5,737	6,701
	7,388	7,247

	2013	2012
	US$'000	*US$'000*
		(restated)
(b) Other items		
Continuing operation		
Auditors' remuneration — audit services	**91**	50
Depreciation	**95**	24
Operating lease charges in respect of properties	**288**	118
Cost of inventories	**43,801**	—
Discontinued operation		
Auditors' remuneration		
— audit services	**32**	—
— non-audit services	**45**	—
Depreciation	**63**	90
Cost of inventories	**14,468**	26,330

5. INCOME TAX

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2013 and 2012 as the Group's operations in Hong Kong sustained a loss for Hong Kong Profits Tax purpose. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

6. DIVIDEND

No final dividend was paid or proposed during the year ended 31 March 2013, nor has any dividend been proposed since the end of the reporting period (2012: Nil).

7. DISCONTINUED OPERATION

During the year ended 31 March 2013, the Group ceased the operation of its footwear business. Accordingly, the operating results of the footwear business for the year ended 31 March 2013 are presented as discontinued operation in the financial statements. The presentation of comparative information in respect of the year ended 31 March 2012 has been reclassified to conform to the current year's presentation.

(a) Results of the discontinued operation:

	2013	2012
	US$'000	*US$'000*
Revenue	**13,112**	27,967
Cost of sales	**(14,468)**	(26,330)
Other revenue	**40**	7
Other net income	**795**	73
Selling and distribution expenses	**(109)**	(200)
Administrative expenses	**(829)**	(1,575)
Restructuring costs	**(2,250)**	—
Loss before taxation	**(3,709)**	(58)
Income tax	**—**	—
Loss for the year	**(3,709)**	(58)

(b) Cash flows of the discontinued operation:

	2013	2012
	US$'000	*US$'000*
Net cash (used in)/generated from operating activities	**(177)**	1,056
Net cash generated from/(used in) investing activities	**752**	(7)
Net cash inflow from discontinued operation	**575**	1,049

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of US$4,256,000 (2012: US$1,543,000) and the weighted average of 340,616,934 ordinary shares (2012: 340,616,934 ordinary shares) in issue during the year.

(b) Diluted loss per share

The calculation of diluted loss per share is the same as basic loss per share for the years ended 31 March 2013 and 2012 as there were no dilutive potential ordinary shares during that year.

9. FINANCIAL ASSET DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013	2012
	US$'000	*US$'000*
At fair value:		
Overseas unlisted exchangeable bond	**6,014**	—

During the year ended 31 March 2012, a refundable deposit of US$5,000,000 (the "Refundable Deposit") was placed by the Company to PT Langit Timur Energy ("LTE"), an independent third party and a company established in Indonesia with limited liability, regarding the Company's intention to participate in the tender offer of a coal offtake agreement and to act as a marketing agency of certain coal concessions in Indonesia, as well as the proposed acquisition of certain equity interests in such coal concessions.

Such Refundable Deposit was included in "Trade and other receivables" at 31 March 2012.

As disclosed in the Company's announcements dated 30 May 2012 and 22 March 2013, Able Point Corporation Limited ("Able Point"), an indirectly wholly-owned subsidiary of the Company, entered into a subscription agreement ("Subscription Agreement") and a supplemental agreement ("Supplemental Agreement") on 30 May 2012 and 22 March 2013 respectively with LTE, PT Mandiri Arya Persada ("MAP", a non-wholly owned subsidiary of LTE which holds certain coal concessions in Indonesia) and PT Lintas Sanjaya, the non-controlling shareholder of LTE, to subscribe for a one year zero coupon secured exchangeable bond in a principal amount of US$5,000,000 issued by LTE ("Exchangeable Bond"). The Exchangeable Bond could be extended for one year if mutually agreed by LTE and Able Point.

The Refundable Deposit was used to offset against the consideration for the subscription of the Exchangeable Bond.

Subject to certain conditions as stipulated in the Subscription Agreement (as amended and supplemented by the Supplemental Agreement), Able Point can exercise the right to exchange the Exchangeable Bond into shares of MAP (the "Underlying Shares"). The equity interests of the Underlying Shares in MAP have been increased from 5% to 70% of the total issued and paid up capital of MAP on a fully diluted basis as agreed in the Supplemental Agreement.

LTE can redeem the Exchangeable Bond at any time prior to the maturity and the redemption price is fixed at approximately US$6,084,000, representing a redemption premium of 21.6888% throughout the one-year period. In the case of the maturity date being extended for one year, the redemption price will be calculated based on a redemption premium of 41% on an accrual basis on the total outstanding principal amount of the Exchangeable Bond, starting from the first anniversary of the date of the issue of the Exchangeable Bond. Unless previously redeemed or converted, LTE shall redeem the Exchangeable Bond at 100% principal amount plus the redemption premium at maturity.

On 29 May 2013, LTE and Able Point agreed to extend the maturity date of the Exchangeable Bond to 29 May 2014 pursuant to the Subscription Agreement (as amended and supplemented by the Supplemental Agreement).

The Group has designated the Exchangeable Bond as a financial asset at fair value through profit or loss upon initial recognition and a fair value gain of US$1,014,000 was recognised during the year ended 31 March 2013. The valuation was carried out by an independent valuer, Greater China Appraisal Limited.

10. TRADE AND OTHER RECEIVABLES

	2013	2012
	US$'000	*US$'000*
Trade debtors	—	3,318
Deposits	—	5,000
Other receivables	**693**	314
	693	8,632

All of the Group's deposits and other receivables are expected to be recovered or recognised as an expense within one year as at 31 March 2013 and 2012.

Included in "Trade and other receivables" are trade debtors with the following ageing analysis, based on the invoice date, as of the end of the reporting period:

	2013	2012
	US$'000	*US$'000*
Within 30 days	—	1,747
More than 30 days but within 60 days	—	1,554
More than 90 days	—	17
	—	3,318

The credit terms offered by the Group to its customers differ with each business line. The credit terms offered to customers of coal trading business are negotiated on a case-by-case basis. Deposits are usually required and the remaining balance is payable within 2 days after the customers receive all the documents as stipulated in the sales agreements. The credit terms offered to customers of footwear business are normally 30 to 90 days from the date of billing.

11. TRADE AND OTHER PAYABLES

	2013	2012
	US$'000	*US$'000*
Trade creditors	—	1,208
Other payables and accrued expenses	**1,041**	2,770
	1,041	3,978

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade creditors, based on invoice date, is as follows:

	2013	2012
	US$'000	*US$'000*
Within 30 days	—	563
More than 30 days but within 60 days	—	638
More than 90 days	—	7
	—	1,208

BUSINESS AND FINANCIAL HIGHLIGHTS

During the year ended 31 March 2013, the Group discontinued its footwear manufacturing business and its results for the period prior to cessation is reported separately as Discontinued Operation in the consolidated financial statements. The Group commenced its coal trading business in October 2012, which is currently the principal activity of the Group and its results for the year is presented as "Continuing Operation" in the consolidated financial statements.

Analysis on the performance of the Group including revenue and results of Continuing and Discontinued Operations before allocation of the corporate overheads is set out in note 2 "Turnover and Segment Reporting" to the consolidated financial statements.

Overall, the Group doubled its revenue to approximately US$57.7 million for the year ended 31 March 2013, of which US$44.6 million was generated from the Continuing Operation and the remaining US$13.1 million was from the Discontinued Operation. Last year's turnover of approximately US$28.0 million was wholly contributed by the Discontinued Operation.

Loss for the year ended 31 March 2013 was US$4.3 million as compared to loss of US$1.5 million in 2012. The substantial increase in loss was mainly attributable to the loss of US$3.7 million from the Discontinued Operation.

REVIEW OF OPERATIONS

Continuing Operation

Over the years, we have been exploring suitable business opportunities to broaden the revenue base and to diversify the business scope of the Group. We are pleased to report that the Group has successfully launched the coal trading business during the year.

Performance for the coal trading business was satisfactory. It achieved turnover for the Continuing Operation of US$44.6 million since its commencement in October 2012 with gross profit of US$0.8 million or gross profit margin of 1.9%. For the year ended 31 March 2013, the Group sold steam coal originated from Indonesia to China for a total volume of approximately 940,000 tonnes.

Other revenue from the Continuing Operation mainly represented the one-off reimbursement received from the vendor following the termination of the Group's proposed acquisition of a mining services company during the year.

Selling, general and administrative expenses consisted primarily of employee benefits costs, rental and corporate expenses which totaled US$2.6 million for the current year compared to US$1.5 million in last year. The increase was mainly due to higher employee benefits expenses as a result of the expansion on coal trading business.

Loss from the Continuing Operation was approximately US$0.5 million, significantly narrowed as compared to US$1.5 million in 2012. If excluding the fair value gain of approximately US$1.0 million on the Exchangeable Bond (which is further analysed in "SUBSCRIPTION OF EXCHANGEABLE BOND" below), loss from the Continuing Operation for the year would be almost the same as reported for the last financial year.

Discontinued Operation

The Discontinued Operation faced severe challenges over the past few years. Decreasing sales and rising production costs were the principal factors affecting the operating performance of the Discontinued Operation.

During the year, turnover of the Discontinued Operation decreased by 53% to approximately US$13.1 million. In addition to gross loss of approximately US$1.4 million resulting from the combined effects of lower sales and higher production costs, the Discontinued Operation incurred a restructuring cost of approximately US$2.3 million in streamlining the manufacturing operations in the first half of this financial year, all of which resulted in a substantial loss of US$3.7 million prior to cessation this year.

PROSPECT

Looking ahead, the Group will expand the scale of its coal trading business with the view that coal will continue to be the most economical source of energy in China and other Asian countries. We will keep expanding the network of overseas suppliers to ensure a stable supply of quality coal and developing our customer base in order to achieve a sustainable long term growth in both financial and operating performance of the Group.

In respect of the Discontinued Operation, we will use our best effort to realise the remaining interests in the footwear manufacturing business.

SUBSCRIPTION OF EXCHANGEABLE BOND

As disclosed in the Company's announcements dated 30 May 2012 and 22 March 2013, Able Point Corporation Limited ("Able Point"), an indirectly wholly-owned subsidiary of the Company, entered into a subscription agreement ("Subscription Agreement") and a supplemental agreement ("Supplemental Agreement") on 30 May 2012 and 22 March 2013 respectively with PT Langit Timur Energy ("LTE"), an independent third party and a company established in Indonesia with limited liability, PT Mandiri Arya Persada ("MAP", a non-wholly owned subsidiary of LTE which holds certain coal concessions in Indonesia) and PT Lintas Sanjaya, the non-controlling shareholder of LTE to subscribe for a one year zero coupon secured exchangeable bond in a principal amount of US$5 million issued by LTE ("Exchangeable Bond"). The Exchangeable Bond could be extended for 1 year if mutually agreed by LTE and Able Point.

The refundable deposit of US$5.0 million (the "Refundable Deposit") placed by the Company to LTE for the year ended 31 March 2012 regarding the Company's intention to participate into the tender offer of a coal offtake agreement and acting as a marketing agent of certain coal concessions in Indonesia, as well as the proposed acquisition of certain equity interests in such coal concessions was used to offset against the consideration of the subscription of the Exchangeable Bond.

Subject to certain conditions as stipulated in the Subscription Agreement (as amended and supplemented by the Supplemental Agreement), Able Point can exercise the right to exchange the Exchangeable Bond into the shares of MAP (the "Underlying Shares"). The equity interests of the Underlying Shares in MAP have been increased from 5% to 70% of the total issued and paid up capital of MAP on a fully diluted basis as agreed in the Supplemental Agreement.

LTE can redeem the Exchangeable Bond at any time prior to the maturity and the redemption price is fixed at approximately US$6.1 million, representing a redemption premium of 21.6888% throughout the one-year period. In case of the maturity date being extended for one year, it will be calculated based on a redemption premium of 41% on an accrual basis on the total outstanding principal amount of the Exchangeable Bond, starting from the first anniversary of the date of the issue of the Exchangeable Bond. Unless previously redeemed or converted, LTE shall redeem the Exchangeable Bond at 100% principal amount plus the redemption premium at maturity.

On 29 May 2013, LTE and Able Point agreed to extend the maturity date of the Exchangeable Bond to 29 May 2014 pursuant to the Subscription Agreement (as amended and supplemented by the Supplemental Agreement).

The Group has designated the Exchangeable Bond as financial asset at fair value through profit or loss and a fair value gain of approximately US$1.0 million was recognised for the year ended 31 March 2013.

LIQUIDITY AND FINANCIAL RESOURCES

We continue our conservative positioning in managing the Group's working capital.

The Group's financial and liquidity position continued to be strong, remaining debt-free as at 31 March 2013. The Group has net current assets of US$30.7 million as at 31 March 2013 with cash on hand and at banks amounting to approximately US$25.0 million as compared to US$25.8 million in 2012.

As always, the Group implements tight control on its credit and collection policies. For the coal trading business, deposits are usually required and the remaining balance is payable within 2 days after the customers receive all documents as stipulated in the sale and purchase agreements. There were no outstanding trade receivables and payables from both Continuing Operation and Discontinued Operation as at 31 March 2013 and the Group has not experienced any significant bad debts in the past.

The Group generally relied on its internally generated cash flows and the existing trade facilities to finance its day to day operations. There are no present plans for material capital expenditures and we believe that the Group has adequate liquidity to meet its current and future working capital requirements.

RISK OF CURRENCY FLUCTUATIONS

The Group's assets and liabilities as well as the income and expenses derived from both the Continuing Operation and Discontinued Operation are mainly denominated in Hong Kong Dollars, and United States Dollars (i.e. functional currency of the Company and its subsidiaries) and Renminbi.

There is no significant exposure to the fluctuation of foreign exchange rates, but the Group is closely monitoring the financial market and would consider appropriate measures if required. Currently, the Group has no hedging arrangement for foreign currencies and has not entered into any financial derivatives arrangement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2013, the Group had a total of 14 (2012: 1,150) full time employees 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 share option scheme, provident fund schemes and bonus on performance basis.

The Remuneration Committee reviews the Group's emolument policy and structure for remuneration of the directors and senior management of the Group, having regards of the Group's operating results, individual performance and comparable market standards.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities 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 that, following specific enquiries made by the Company, they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2013.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2013, except for the following deviation:

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

AUDIT COMMITTEE

The Audit Committee has reviewed with management and KPMG, the Company's auditors, the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the annual results of the Group for the year ended 31 March 2013.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published at the websites of the Company at www.aresasialtd.com / www.irasia.com/listco/hk/aresasia and the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the year ended 31 March 2013 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
Junaidi YAP
Executive Director and Chief Executive Officer

Hong Kong, 21 June 2013

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 are Mr. LAM Pun Yuen, Frank, Mr. NGAN Hing Hon and Mr. YEUNG Kin Bond, Sydney.