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Asia Coal Limited
亞洲煤業有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 835)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The board of directors of the Company wishes to inform the shareholders of the Company and potential investors that it is expected that the net loss of the Group for its financial year ended 31 March 2011 is expected to increase significantly as compared with the loss recorded by the Group for its financial year ended 31 March 2010.

This profit warning announcement is only based on the preliminary review on the management accounts of the Group, which has not been confirmed nor audited by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares in the Company.

This announcement is made by Asia Coal Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Based on preliminary review by the Company's management on the management accounts of the Group, the board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that it is expected that the net loss of the Group for its financial year ended 31 March 2011 is expected to increase significantly as compared with the loss recorded by the Group for its financial year ended 31 March 2010. The Board considers that such expected increase in the net loss of the Group for its financial year ended 31 March 2011 was due to the increase in selling and distribution expenses, impairment loss on prepayments and loss incurred on issue of the Termination Convertible Bonds as defined in the circular of the Company dated 28 January 2011 (the "Circular") in relation to the termination of the PF Acquisition as defined in the Circular.

This profit warning announcement is only based on the preliminary review on the management accounts of the Group, which has not been confirmed nor audited by the Company's auditors.

The Company is in the process of finalizing the annual results of the Group for its financial year ended 31 March 2011. The annual audited results announcement of the Group for its financial year ended 31 March 2011 is expected to be announced before the end of June 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares in the Company.

By Order of the Board

Asia Coal Limited

Chen Yunfei

Chairman

Hong Kong, 27 May 2011

As at the date of this announcement, the Board comprises (i) Mr. Chen Yunfei, Mr. Jin Langchuan, Mr. Sun David Lee and Mr. Kwok Wing Leung, Andy as executive directors of the Company; (ii) Mr. Yeung Ting Lap, Derek Emory as non-executive director of the Company; and (iii) Ms. Lu He, Ms. Chiu Kam Hing, Kathy, Mr. Ho Man Kin, Tony and Mr. Li Kar Fai, Peter as independent non-executive directors of the Company.