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Asia Coal Limited
亞洲煤業有限公司

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

(1) SUBMISSION OF RESUMPTION PROPOSAL;
(2) UPDATE ON RECENT BUSINESS DEVELOPMENT;
AND
(3) CONTINUAL SUSPENSION OF TRADING OF SHARES

This announcement is made by Asia Coal Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 24 September 2017, 27 September 2017, 29 September 2017, 8 February 2018, 8 March 2018, 27 March 2018, 27 April 2018, 31 May 2018, 4 July 2018, 1 August 2018 and 6 August 2018, respectively (collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

SUBMISSION ON RESUMPTION PROPOSAL

The Company announced on 27 March 2018 that it was placed in the second delisting stage on 23 March 2018 under Practice Note 17 to the Listing Rules. The second delisting stage will expire on 22 September 2018 and the Company should provide a viable resumption proposal to demonstrate that it has sufficient level of operations or assets required by Rule 13.24 at least 10 business days before the expiry of the second delisting stage (i.e. 10 September 2018).

The Company announces that it has submitted a resumption proposal to the Stock Exchange on 10 September 2018, setting out, among others, the Company's business plan on expansion of the customer base of existing coal trading business, as well as the proposed plan to participate in the supply chain of the coal trading business.

UPDATE ON RECENT BUSINESS DEVELOPMENT

The Company wishes to provide its Shareholders with further updates on the Group's coal trading business and expansion plan.

Update on the existing coal trading business

Since July 2018, the Group has secured sales orders from some large conglomerates and state-owned enterprises and is currently in discussions with certain state-owned enterprises for sale of coal to such enterprises.

The Group has commenced its international coal trade in May 2018 and since then has secured international sales orders from various customers. The Group is currently in discussions with other new customers for sale of coal outside the PRC.

Based on its management accounts, the Group has recorded revenue in the aggregate amount of HK\$102 million, for the five-month period from 1 April up to 31 August 2018 for its coal trading business.

Proposed plan to participate in the supply chain of the coal trading business

To facilitate the expansion plan of the Group, on 10 September 2018, the Group has entered into a non-binding memorandum of understanding with 懷仁縣德成馬運輸有限公司 (Huairen County Dechengma Transportation Co., Ltd.)* ("**Dechengma**"), a third party independent of the Company and its connected persons (within the meaning of the Listing Rules) ("**Independent Third Party**") in relation to the sale and purchase of used vehicles ("**Vehicle Purchase MOU**"). On 10 September 2018, the Group has also entered into two non-binding memoranda of understanding with two Independent Third Parties in relation to transportation of coal (collectively "**Coal Transport MOUs**").

Vehicle Purchase MOU

On 10 September 2018, 廣州亞煤礦業有限公司 (Guangzhou Asia Coal Mining Co., Ltd)* ("**Guangzhou Asia Coal**"), a wholly owned subsidiary of the Company, entered into the Vehicle Purchase MOU with Dechengma in relation to the sale and purchase of used vehicles. Pursuant to the Vehicle Purchase MOU, subject to further discussions and negotiations in relation to the model, purchase price and delivery time of the vehicles, and finalisation of the terms of the formal contract, Guangzhou Asia Coal or its designated nominee intended to purchase from Dechengma 22 used vehicles for transportation of coal.

The acquisition of the used vehicles, if consummated, will constitute a major acquisition for the Company under Chapter 14 of the Listing Rules, and is subject to the disclosure and approval requirements set out therein.

Coal Transport MOUs

On 10 September 2018, Guangzhou Asia Coal entered into the Coal Transport MOUs with 懷仁縣金源煤炭運銷有限公司 (Huairen County Jinyuan Coal Transport and Sales Co., Ltd.)* (“**Jinyuan**”) and 懷仁縣益昇煤炭運銷有限公司 (Huairen County Yisheng Transport and Sales Co., Ltd.)* (“**Yisheng**”) in relation to the transportation of coal. Pursuant to the Coal Transport MOUs, subject to further discussions and negotiations in relation to the number of carloads, delivery charges, delivery time, destination and other logistics, and finalisation of the terms of the formal contracts, it is envisaged that each of Jinyuan and Yisheng will place orders for delivery of 1.2 million tons of coal annually at a delivery cost of RMB10 per ton.

The Vehicle Purchase MOU and the Coal Transport MOUs are non-binding and subject to further discussions and negotiations and finalisation of the terms of the formal contracts. The transactions contemplated under the Vehicle Purchase MOU and the Coal Transport MOUs may or may not consummate.

Further announcement(s) will be made by the Company to update the Shareholders of the developments of the Company as and when appropriate.

CONTINUAL SUSPENSION OF TRADING OF SHARES

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 October 2017 and will remain suspended until further notice.

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

By order of the Board
Asia Coal Limited
ZHU Xinjiang
Chairman

Hong Kong, 10 September 2018

As at the date of this announcement, the Board comprises Mr. ZHU Xinjiang, Mr. CHEUNG Siu Fai and Mr. LENG Xiaokang as executive directors.

* *The English name is the literal translation of the Chinese name and is for identification purposes only*