



ARES ASIA

安域亞洲

Ares Asia Limited

安域亞洲有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 645



INTERIM REPORT 2024/2025



Ares Asia Limited
Interim Report 2024-2025

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Corporate Information

Ares Asia Limited

(Incorporated in Bermuda with limited liability)

DIRECTORS

Executive Directors

Mr. LAI Yi-Chun (also known as Robert LAI)
(Chairman and Chief Executive Officer)
Mr. LUO Xiao

Non-Executive Director

Ms. RUAYRUNGRUANG Woraphanit

Independent Non-Executive Directors

Mr. YEUNG Kin Bond, Sydney
Mr. LIU Ji
Mr. QUAN Ruixue

AUDIT COMMITTEE

Mr. LIU Ji *(Chairman)*
Mr. YEUNG Kin Bond, Sydney
Mr. QUAN Ruixue

REMUNERATION COMMITTEE

Mr. QUAN Ruixue *(Chairman)*
Mr. YEUNG Kin Bond, Sydney
Mr. LIU Ji

NOMINATION COMMITTEE

Mr. YEUNG Kin Bond, Sydney *(Chairman)*
Mr. LIU Ji
Mr. QUAN Ruixue

COMPANY SECRETARY

Ms. FUNG Mei Ling

AUTHORISED REPRESENTATIVES

Mr. LAI Yi-Chun (also known as Robert LAI)
Ms. FUNG Mei Ling

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit No. 9602, Level 96
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

AUDITOR

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

LEGAL ADVISERS

As to Hong Kong Law
Loeb & Loeb LLP

As to Bermuda Law

Conyers Corporate Services (Bermuda) Limited

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

COMPANY WEBSITES

www.aresasiatd.com
www.irasia.com/listco/hk/aresasia

STOCK CODE

645

Condensed Consolidated Statement of Comprehensive Income

The board (the “**Board**”) of directors (the “**Directors**”) of Ares Asia Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2024 (the “**Period**”) together with the comparative figures for the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Unaudited Six months ended 30 September	
	Notes	2024 US\$'000	2023 US\$'000
Revenue	3	3,317	27,930
Cost of sales		(3,241)	(27,780)
Gross profit		76	150
Other income	4	–	3
Selling expenses		(53)	(39)
Administrative expenses		(671)	(662)
Loss from operations		(648)	(548)
Finance costs		(4)	(5)
Loss before taxation	5	(652)	(553)
Income tax	6	–	–
Loss and total comprehensive loss for the period		(652)	(553)
Loss per share			
Basic and diluted	8	(0.13) cent	(0.11) cent

The notes on pages 8 to 15 form part of this interim financial report.

Condensed Consolidated Statement of Financial Position

At 30 September 2024

	Notes	Unaudited At 30 September 2024 US\$'000	Audited At 31 March 2024 US\$'000
Non-current assets			
Property, plant and equipment		26	32
Right-of-use assets	9	283	–
		309	32
Current assets			
Trade and other receivables	10	4,120	1,533
Cash and bank balances		2,769	6,258
		6,889	7,791
Current liabilities			
Other payables	11	469	672
Income tax payable		54	54
Lease liabilities		249	139
		772	865
Net current assets		6,117	6,926
Total assets less current liabilities		6,426	6,958
Non-current liabilities			
Lease liabilities		120	–
Net assets		6,306	6,958
Capital and reserves			
Share capital		662	662
Reserves		5,644	6,296
Total equity		6,306	6,958

The notes on pages 8 to 15 form part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

For the six months ended 30 September 2024

	Unaudited				
	Share capital <i>US\$'000</i>	Share premium account <i>US\$'000</i>	Contributed surplus <i>US\$'000</i>	Accumulated losses <i>US\$'000</i>	Total <i>US\$'000</i>
Balance at 1 April 2024	662	6,777	15,088	(15,569)	6,958
Loss and total comprehensive loss for the period	-	-	-	(652)	(652)
Balance at 30 September 2024	662	6,777	15,088	(16,221)	6,306
Balance at 1 April 2023	662	6,777	15,088	(14,304)	8,223
Loss and total comprehensive loss for the period	-	-	-	(553)	(553)
Balance at 30 September 2023	662	6,777	15,088	(14,857)	7,670

The notes on pages 8 to 15 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	US\$'000	US\$'000
Operating activities		
(Increase)/decrease in trade and other receivables	(2,587)	3,062
Decrease in other payables	(203)	(5,671)
Other cash flows used in operating activities	(602)	(544)
Net cash used in operating activities	(3,392)	(3,153)
Net cash used in a financing activity		
Other cash flows used in a financing activity	(97)	(105)
Net decrease in cash and cash equivalents	(3,489)	(3,258)
Cash and cash equivalents at 1 April	6,258	7,695
Cash and cash equivalents at 30 September	2,769	4,437

The notes on pages 8 to 15 form part of this interim financial report.

Notes to the Condensed Consolidated Financial Statements

1 General information

Ares Asia Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company is located at Unit No. 9602, level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

These unaudited condensed consolidated interim financial statements are presented in United States dollars (“**US\$**”) and rounded to the nearest thousand (“**000**”), unless otherwise stated.

2 Basis of preparation and changes in accounting policies

(a) Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 (the “**Interim Financial Statements**”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 — “**Interim financial reporting**”, issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The financial information relating to the financial year ended 31 March 2024 that is included in the Interim Financial Statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those consolidated financial statements.

The Interim Financial Statements have been prepared on the historical cost basis.

Notes to the Condensed Consolidated Financial Statements

2 Basis of preparation and changes in accounting policies

(Continued)

(b) Changes in accounting policies

The accounting policies adopted and methods of computation used in the preparation of the Interim Financial Statements are consistent with those applied in preparing those presented in the Group's annual consolidated financial statements for the year ended 31 March 2024. In the current interim period, the Group has applied the following new/revised Hong Kong Financial Reporting Standards ("HKFRSs") which are relevant to the Group's operation and are effective for the Group's financial year beginning on or after 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these news/revised standards has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the Interim Financial Statements.

The HKICPA has issued several news/revised HKFRSs that are not yet effective for the current accounting period of the Group, which the Group has not early adopted. The Group does not anticipate that the adoption of the news/revised HKFRSs in the future periods will have any material impact on the consolidated financial statements of the Group.

Notes to the Condensed Consolidated Financial Statements

3 Revenue and segment reporting

(a) Revenue

The Group is principally engaged in the coal and other commodities trading business, which encompasses supply chain management and risk management services. All of the revenue for the six months ended 30 September 2024 is recognised in accordance with HKFRS 15. Revenue from contracts with customers, which is also the Group's turnover, mainly represents the sales value of coal in the ordinary course of businesses which are recognised at a point in time.

(b) Segment reporting

The Group has a single business segment which is "coal and other commodities trading". Accordingly, the business segment information for this sole reportable segment is equivalent to the consolidated figures.

Geographical 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 and right-of-use assets ("**Non-current assets**"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the Non-current assets is based on the physical location of the asset.

	Revenue from external customers		Non-current assets	
	Unaudited Six months ended 30 September 2024 US\$'000	2023 US\$'000	Unaudited At 30 September 2024 US\$'000	Audited At 31 March 2024 US\$'000
Mainland China	3,317	27,930	–	–
Hong Kong	–	–	308	30
Singapore	–	–	1	2
	3,317	27,930	309	32

Notes to the Condensed Consolidated Financial Statements

4 Other income

	Unaudited Six months ended 30 September	
	2024	2023
	US\$'000	US\$'000
Interest received from bank deposit	–	1
Net foreign exchange (loss)/gain	(2)	2
Others	2	–
	–	3

5 Loss before taxation

Loss before taxation is arrived at after charging:

	Unaudited Six months ended 30 September	
	2024	2023
	US\$'000	US\$'000
Depreciation of property, plant and equipment	5	3
Staff costs	284	306
Cost of inventories	3,241	27,780
Finance costs	4	5

Notes to the Condensed Consolidated Financial Statements

6 Income tax

No provision for Hong Kong and Singapore Profits Tax had been made for the six months ended 30 September 2024 and 2023 as the Group's operations in Hong Kong and Singapore sustained a loss for Hong Kong and Singapore Profits Tax purpose.

7 Dividend

The Directors did not recommend the payment of any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

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\$652,000 (six months ended 30 September 2023: US\$553,000) and the weighted average of 513,175,401 ordinary shares (six months ended 30 September 2023: 513,175,401 ordinary shares) in issue during the period.

(b) Diluted loss per share

The calculation of diluted loss per share is the same as that basic loss per share for the six months ended 30 September 2024 and 2023 as there were no dilutive potential ordinary shares during the period.

9 Right-of-use assets

During the current interim period, the Group has recognised approximately US\$323,000 of additions in right-of-use assets (six months ended 30 September 2023: Nil) for a 2-year lease of an office in Hong Kong.

Notes to the Condensed Consolidated Financial Statements

10 Trade and other receivables

	Unaudited At 30 September 2024 US\$'000	Audited At 31 March 2024 US\$'000
Within 1 month	3,317	–
Trade and bills receivables	3,317	–
Other receivables and deposits	800	351
Prepayments		
Prepayments for supply contracts		
— Prepayment A	11,064	11,064
— Prepayment B	–	1,180
Other prepayments	3	2
	11,067	12,246
Less: Impairment of Prepayment A	(11,064)	(11,064)
	3	1,182
Total trade and other receivables	4,120	1,533

As of the end of the reporting period, the ageing analysis of trade debtors (which is included in trade and other receivables) is presented, based on the invoice date (or date of revenue recognition, if earlier).

The credit terms offered to customers of coal and other commodities trading business are negotiated on a case-by-case basis. Irrevocable letters of credit, up to a tenor of 180 days after the receipt of required documents by nominated banks, are usually required not later than 14 days prior to the expected date of vessel's arrival at loading port as stipulated in the sales agreements.

Notes to the Condensed Consolidated Financial Statements

11 Other payables

	Unaudited At 30 September 2024 US\$'000	Audited At 31 March 2024 US\$'000
Other payables and accrued expenses	469	672

12 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors disclosed in the unaudited condensed consolidated financial statement is as follows:

	Unaudited Six months ended 30 September 2024 US\$'000	2023 US\$'000
Salaries and other short-term employee benefits	134	133
Retirement scheme contributions	1	1
	135	134

Notes to the Condensed Consolidated Financial Statements

12 Material related party transactions *(Continued)*

(b) Transaction with a fellow subsidiary

	Unaudited Six months ended 30 September 2024 US\$'000	2023 US\$'000
Repayment of lease liabilities and interest on lease liabilities	96	105
Building management fee and utility charges	10	14

During the six months ended 30 September 2024, the Group was committed to repay lease liabilities and interest on lease liabilities of US\$176,000 (2023: US\$193,000), of which US\$80,000 (2023: US\$88,000) have not been paid.

Management Discussion and Analysis

REVIEW OF OPERATIONS

The Group continued to mainly operate its coal and other commodities trading business which encompasses supply chain management and risk management services during the Period. The customers of the Group are primarily state-owned and privately owned Chinese or Singaporean companies (or their offshore subsidiaries) whose businesses include trading or sales of commodities, including coal, and import and export operations. As a result of the Group supplying to trading customers, the ultimate consumer of the supplies is generally unknown to the Group.

It is the Company's policy not to carry any coal inventory. Accordingly, the Group utilises its knowledge of the specifications and quality of the commodity, its contacts both on the demand and supply sides of the market and its assessment of price/price trends to seek to meet its customers' needs by sourcing the supplies at the required quantity, specification and delivery period at the best available price from the Group's suppliers, which include coal mine owners, operators or their agents.

During the Period, the revenue generated from the coal and other commodities trading business was approximately US\$3.3 million, representing a decrease of 88.12% or US\$24.61 million, as compared to the revenue of approximately US\$27.93 million in the corresponding period of last year. The Group sold thermal coal originated from Indonesia to Mainland China with a total volume of approximately 0.038 million metric tonnes ("MT") as compared to approximately 0.33 million MT in the corresponding period of last year. The decrease in revenue and trading volume was primarily due to several factors: (i) the seasonal downturn in demand for thermal coal, (ii) Amid unfavourable market conditions, the procurement price in the Chinese coal market frequently drops below the Indonesian Coal Index (ICI) price, resulting in a price inversion thereby impacting transaction volume, and (iii) intensified competition as China prioritised domestic coal consumption over imports. Despite these challenges, the Group is actively engaging with customers and suppliers to secure long-term contracts as a measure to counter these unfavourable conditions.

The gross profit of the Group amounted to approximately US\$0.08 million for the Period (for the six months ended 30 September 2023: US\$0.15 million). The lower gross profit margin percentage for the Period as compared to the corresponding period of last year was mainly a result of decrease in trading volume and unfavourable market condition in Mainland China as stated above.

The selling and administrative expenses primarily consisted of employee benefits costs as well as rental and corporate expenses which amounted to approximately US\$0.72 million for the Period, which increased by US\$0.02 million as compared to US\$0.70 million in the corresponding period of last year. The increase in selling and administrative expenses for the Period were mainly attributable to the increase in depreciation cost of right-of-use assets derived from the new 2-year office lease agreement.

Management Discussion and Analysis

The Group recorded an increase in net losses attributable to the shareholders for the Period by about 17.9% as compared to that for the corresponding period in 2023 mainly due to the decrease in gross profit.

PROSPECT

Looking ahead, the Group expects to continue to face challenges in the future business environment with many uncertainties in the global and local business environment, including economic volatility, war and conflict, demand and supply dynamic or expansion and strengthen of renewable energy sources. Any further deterioration in the global economy will also increase uncertainties for the Group and adversely affect the Group's business and its short term performance, despite its efforts to manage such risks. These factors may lead to reduced orders, put pressure on its profit margin and payment terms and its performance. The Group will closely monitor the impact of the macro issues on its performance, and will carefully plan and develop strategies to manage these factors to provide the best possible results to shareholders in the medium to long-term. The Group did not have any future plans for material investments or capital assets as at the date of this interim report.

LIQUIDITY AND FINANCIAL RESOURCES

The Directors continue their conservative positioning in managing the Group's working capital.

As at 30 September 2024, cash on hand and at banks together for the Group amounted to approximately US\$2.77 million as compared to US\$6.26 million as at 31 March 2024. No material fluctuations was noted.

As at 30 September 2024, the debt to equity ratio, being total debt to total equity was approximately 14.1% (31 March 2024: approximately 12.43%).

The Group implements tight control on its credit and collection policies. As stipulated in the sale and purchase agreements for the coal and other trading business, irrevocable letters of credit, up to a tenor of 180 days after the receipts of required documents by nominated banks, are usually required not later than 14 days prior to the expected date of vessels' arrival at loading port. So far, the Group has not experienced any bad debts from its coal and other trading business.

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

Management Discussion and Analysis

RISK OF CURRENCY FLUCTUATIONS

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

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.

Corporate Governance and Other Information

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

SHARE OPTION SCHEME

The Company's existing share option scheme (the "**Share Option Scheme**") was adopted on 21 September 2012 (the "**Date of Adoption**"). The Share Option Scheme will remain in force for a period of 10 years commencing from the Date of Adoption (that is from 21 September 2012 to 20 September 2022). Pursuant to the Share Option Scheme, the Directors may grant options to eligible participants (including any executive directors, non-executive directors and independent non-executive directors, employees of the Group and any other persons who the Board considers, in its sole discretion, to have contributed to the Group) to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. The purpose of the Share Option Scheme is to provide eligible participants with an opportunity to acquire proprietary interests in the Company, which the Directors believe would help the Company to attract and retain high caliber personnel who have made contributions to the success of the Company, and would also help the building of common objective of the Group and the eligible participants for the betterment of business and profitability of the Group.

There was no outstanding share option under the Share Option Scheme as at 1 April 2024 and 30 September 2024 respectively.

No share option was granted, exercised, lapsed or cancelled during the six months ended 30 September 2024.

Corporate Governance and Other Information

The number of share options which may be granted under the Share Option Scheme shall not exceed 10% of the issued share capital of the Company as at the date of shareholders' approval. The Company may seek approval by the shareholders at general meeting to refresh the 10% limit (the "**Option Scheme Limit**"). The maximum number of unexercised share options under the Share Option Scheme and any other share option schemes shall not exceed 30% of the issued share capital of the Company at any time. The maximum number of options issued to each participant under the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of options in excess of the limit is subject to the shareholders' approval in general meeting with such participant and his associates abstaining from voting. Any grant of options to a connected person (as defined in the Listing Rules) must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee). Where options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director or any of their respective associates, and the proposed grant of options, when aggregated the options already granted to such connected person in the past 12 months period, would entitle that person to receive more than 0.1% of the total issued shares of the Company for the time being and the value of which is in excess of HK\$5,000,000, then the proposed grant must be subject to the approval of the shareholders at the general meeting. Apart from the connected person involved, all other connected persons of the Company must abstain from voting in such general meeting (except where any connected person intends to vote against the proposed grant).

Based on 340,616,934 shares of the Company (the "**Shares**") in issue as at the Date of Adoption, the maximum number of Shares which may be issued upon the exercise of all the options granted or to be granted under the Share Option Scheme or any other share option schemes of the Company must not, in aggregate, exceed 34,061,693 Shares, being 10% of the Shares in issue as at the Date of Adoption. The Option Scheme Limit has not been previously refreshed since the Date of Adoption. The total number of Shares available for issue under the Share Option Scheme is 32,561,693 Shares, representing 6.35% of the total number of Shares in issue as at the date of this interim report.

The exercise price must be at least the higher of: (a) the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (b) the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for five business days immediately preceding the date of grant; and (c) the nominal value of the Company's shares.

Corporate Governance and Other Information

A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option. The acceptance of an offer of the grant of the option must be made within 15 days from the date of grant.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee of the option, which period may commence on a day after the date upon which the option is granted but shall and in any event be not later than ten years from the date of grant of the option. The Directors may at their sole discretion determine the minimum period for which the option has to be held or other restrictions before the exercise of the option.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" below, at no time during the six months ended 30 September 2024 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**")) or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

Name of shareholder	Nature of interest	Number of the Shares held	Percentage of issued share capital
Reignwood International Holdings Company Limited (" Reignwood International ") (Note)	Beneficial Owner	337,465,038	65.76%
Dr. Chanchai RUAYRUNGRUANG (Note)	Interest in controlled corporation	337,465,038	65.76%

Note: Reignwood International is wholly-owned by Dr. Chanchai RUAYRUNGRUANG who is the father of Ms. RUAYRUNGRUANG Woraphanit, a non-executive Director.

Save as disclosed above, as at 30 September 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

Corporate Governance and Other Information

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares of the Company) during the six months ended 30 September 2024.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2024, the Group had a total of 6 full time (31 March 2024: 6) employees. 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 performance 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, discretionary bonuses on performance basis and medical insurance.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules during the six months ended 30 September 2024 except for the following deviation:

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. LAI Yi-Chun (also known as Robert LAI) is currently the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company (the "**CEO**"). The Board considers that the structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that the structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. LAI Yi-Chun (also known as Robert LAI) and believes that his holding of the positions of the Chairman and the CEO is beneficial to the business development of the Group. The Board will nevertheless regularly review the effectiveness of the structure to ensure that the structure is appropriate in view of the Group's prevailing circumstances.

Corporate Governance and Other Information

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by Directors and by relevant employees of the Group. All Directors confirmed, following specific enquiries made by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors' securities transactions during the six months ended 30 September 2024.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed with the management of the Company on the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including the review of the Interim Financial Statements and the interim report of the Company for the six months ended 30 September 2024 with no disagreement by the Audit Committee.

By Order of the Board
ARES ASIA LIMITED
LAI Yi-Chun
(also known as Robert LAI)
Chairman

Hong Kong, 28 November 2024