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ARES ASIA LIMITED

安域亞洲有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

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 2025 (the “Period”) together with the comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Unaudited	
		Six months ended	
		30 September	
		2025	2024
	Notes	US\$'000	US\$'000
Revenue	3	493	3,317
Cost of sales		<u>(492)</u>	<u>(3,241)</u>
Gross profit		1	76
Other income	4	3	–
Selling expenses		(56)	(53)
Administrative expenses		<u>(665)</u>	<u>(671)</u>
Loss from operations		(717)	(648)
Finance costs		<u>(4)</u>	<u>(4)</u>
Loss before taxation	5	(721)	(652)
Income tax	6	<u>–</u>	<u>–</u>
Loss and total comprehensive expense for the period attributable to owners of the Company		<u>(721)</u>	<u>(652)</u>
		<i>US</i>	<i>US</i>
Loss per share			
Basic and diluted	8	<u>(0.14) cents</u>	<u>(0.13) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2025

		Unaudited At 30 September 2025 US\$'000	Audited At 31 March 2025 US\$'000
	Notes		
Non-current assets			
Property, plant and equipment		16	21
Right-of-use assets	9	121	203
		<u>137</u>	<u>224</u>
Current assets			
Trade and other receivables	10	3,048	3,005
Cash and cash equivalents		1,002	1,900
		<u>4,050</u>	<u>4,905</u>
Current liabilities			
Other payables	11	169	309
Lease liabilities		140	179
		<u>309</u>	<u>488</u>
Net current assets		<u>3,741</u>	<u>4,417</u>
Total assets less current liabilities		<u>3,878</u>	<u>4,641</u>
Non-current liabilities			
Lease liabilities		–	42
Net assets		<u>3,878</u>	<u>4,599</u>
Capital and reserves			
Share capital		662	662
Reserves		3,216	3,937
Total equity		<u>3,878</u>	<u>4,599</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company				
	Share capital	Share premium account	Contributed surplus	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balances at 1 April 2025 (audited)	662	6,777	15,088	(17,928)	4,599
Loss and total comprehensive loss for the period	—	—	—	(721)	(721)
Balances at 30 September 2025 (unaudited)	662	6,777	15,088	(18,649)	3,878
Balances at 1 April 2024 (audited)	662	6,777	15,088	(15,569)	6,958
Loss and total comprehensive loss for the period	—	—	—	(652)	(652)
Balances at 30 September 2024 (unaudited)	662	6,777	15,088	(16,221)	6,306

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Unaudited	
	Six months ended	
	30 September	
	2025	2024
	US\$'000	US\$'000
Operating activities		
Net cash used in operating activities	<u>(813)</u>	<u>(3,392)</u>
Financing activities		
Repayment of lease liability	(81)	(93)
Interest paid	<u>(4)</u>	<u>(4)</u>
Cash used in financing activities	<u>(85)</u>	<u>(97)</u>
Net decrease in cash and cash equivalents	(898)	(3,489)
Cash and cash equivalents at 1 April	<u>1,900</u>	<u>6,258</u>
Cash and cash equivalents at 30 September	<u><u>1,002</u></u>	<u><u>2,769</u></u>

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 2025 (the “Interim Financial Statements”) have 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 2025 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.

(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 2025. In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard which are relevant to the Group's operation and are effective for the Group's financial year beginning on or after 1 April 2025:

Amendments to HKAS 21

Lack of Exchangeability

The amendments to a HKFRS Accounting Standard do not have 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/amendments to HKFRS Accounting Standards 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/amendments to HKFRS Accounting Standards in the future periods will have any material impact on the condensed consolidated financial statements of the Group.

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 2025 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		Unaudited	Audited
	Six months ended		At	At
	30 September		30 September	31 March
	2025	2024	2025	2025
	US\$'000	US\$'000	US\$'000	US\$'000
Mainland China	–	3,317	–	–
Hong Kong	–	–	137	223
Singapore	493	–	–	1
	<u>493</u>	<u>3,317</u>	<u>137</u>	<u>224</u>

4 OTHER INCOME

	Unaudited	
	Six months ended	
	30 September	
	2025	2024
	US\$'000	US\$'000
Net foreign exchange gain/(loss)	1	(2)
Others	2	2
	<u>3</u>	<u>–</u>

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Unaudited	
	Six months ended	
	30 September	
	2025	2024
	US\$'000	US\$'000
Depreciation of property, plant and equipment	5	5
Staff costs	323	284
Cost of inventories	492	3,241
Finance costs	4	4
	<u>4</u>	<u>4</u>

6 INCOME TAX

No provision for Hong Kong and Singapore Profits Tax had been made for the six months ended 30 September 2025 and 2024 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 2025 (six months ended 30 September 2024: 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\$721,000 (six months ended 30 September 2024: US\$652,000) and the weighted average of 513,175,401 ordinary shares (six months ended 30 September 2024: 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 2025 and 2024 as there were no dilutive potential ordinary shares during both periods.

9 RIGHT-OF-USE ASSETS

During the six months ended 30 September 2025, there was no material additions in right-of-use assets. During the six months ended 30 September 2024, the Group has recognised approximately US\$323,000 of additions in right-of-use assets for a 2-year lease of an office in Hong Kong.

10 TRADE AND OTHER RECEIVABLES

	Unaudited At 30 September 2025 US\$'000	Audited At 31 March 2025 US\$'000
Trade and bills receivables	3,320	3,317
Less: Allowance for expected credit losses	<u>(850)</u>	<u>(850)</u>
	<u>2,470</u>	<u>2,467</u>
Other receivables and deposits	<u>100</u>	<u>90</u>
Prepayments		
Prepayments for supply contracts		
— Prepayment A	11,064	11,064
— Prepayment B	593	593
Other prepayments	<u>40</u>	<u>10</u>
	11,697	11,667
Less: Impairment of Prepayment A	(11,064)	(11,064)
Less: impairment of Prepayment B	<u>(155)</u>	<u>(155)</u>
	<u>478</u>	<u>448</u>
Total trade and other receivables	<u><u>3,048</u></u>	<u><u>3,005</u></u>

The following is an aged analysis of trade receivables net of allowance for expected credit losses presented, based on the invoice date (or date of revenue recognition, if earlier), as of the end of the reporting period:

	Unaudited At 30 September 2025 US\$'000	Audited At 31 March 2025 US\$'000
Within 1 month	3	—
More than 6 months	<u>2,467</u>	<u>2,467</u>
	<u><u>2,470</u></u>	<u><u>2,467</u></u>

The credit terms offered to customers of coal and other commodities trading business are negotiated on a case-by-case basis which ranges from 7 to 30 days.

As at 31 March 2025, the Group's trade receivables amounted to approximately US\$3,317,000, which is due from an end customer, arising from a coal sale transaction, in which the goods were loaded to the designated shipment, the control of the goods was passed to the end customer who bore the shipment costs, insurance, and related expenses so as to direct the shipment to the designated port that the end customer determined. Hence, the related revenue and receivables were recognized accordingly during the year. However, there was failure from the Supplier (as defined in note 13) to meet critical terms of the coal purchase agreement, including but not limited to failure to deliver the agreed quantity and timely provision of the required original documents, leading to the recoverability of such receivables being in doubt and jeopardized. In respect of this, on 6 February 2025, the Group applied to the Singapore International Arbitration Centre with the Supplier as respondent for the Arbitration (as defined in note 13) for a contractual dispute against the Supplier, details of which are set out in note 13.

For impairment assessment of such receivables, the management makes individual assessment on the recoverability of the trade receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Accordingly, an impairment of US\$850,000 is identified and recognised during the year ended 31 March 2025 (for the six months ended 30 September 2025: nil).

11 OTHER PAYABLES

	Unaudited	Audited
	At	At
	30 September	31 March
	2025	2025
	US\$'000	US\$'000
Other payables and accrued expenses	169	309

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	
	2025	2024
	US\$'000	US\$'000
Salaries and other short-term employee benefits	136	134
Retirement benefit scheme contributions	1	1
	137	135

(b) Transactions with a fellow subsidiary

	Unaudited	
	Six months ended	
	30 September	
	2025	2024
	US\$'000	US\$'000
Repayment of lease liabilities and interest on lease liabilities	86	96
Building management fee and utility charges	11	10

During the six months ended 30 September 2025, the Group was committed to repay lease liabilities and interest on lease liabilities of US\$86,000 (2024: US\$176,000), of which US\$14,000 (2024: US\$80,000) have not been paid.

13. ARBITRATION

On 18 March 2024, Ares Asia Resources Pte. Ltd. (“AAR”), an indirect wholly-owned subsidiary of the Company, entered into a purchase agreement (the “Coal Purchase Agreement”) with a supplier (the “Supplier”), which is a company incorporated in the Republic of Singapore, pursuant to which the Supplier agreed to sell, and AAR agreed to purchase an agreed amount of Indonesian Steam Coal (the “Shipment of Coal”).

On 6 February 2025, AAR applied to the Singapore International Arbitration Centre with the Supplier as respondent for the arbitration (the “Arbitration”) for a contractual dispute under the Coal Purchase Agreement, requesting the Supplier to compensate AAR for the sum of USD3,833,500, being the amounts paid to the Supplier, damages, interest, legal costs, and expenses, a declaration and an order that any costs and expenses incurred arising from any claim by the end customer of the Group against the Group in relation to the Shipment of Coal shall be indemnified by the Supplier, and such relief as the tribunal deems fit. On 12 February 2025, the Singapore International Arbitration Centre notified AAR that the Arbitration had commenced and was in progress.

As of the date of issuance of these condensed consolidated financial statements, as the Arbitration is still in process, and hence the Group has not recognized any receivables from the Arbitration in this regard.

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\$0.5 million, representing a decrease of 85.14% or US\$2.82 million, as compared to the revenue of approximately US\$3.3 million in the corresponding period of last year. On 19 September, the Group entered into purchase and sales agreement for a total of 120 metric tonnes ("MT") of nickel ore and subsequently sold 30 MT of nickel in Singapore during the Period. In contrast, the Group sold approximately 0.038 million MT of thermal coal in the corresponding period last year. The sharp decline in revenue was mainly attributable to a substantial drop in sales volume, driven by weaker import demand from Mainland China. This was due in part to increased domestic coal production and abundant reserves, which reduced reliance on imported coal. In addition, a persistent mismatch between Indonesian coal offer prices and the lower price levels acceptable to Chinese buyers further constrained transaction volumes. To mitigate reliance on coal and diversify its product mix, the Group identified and commenced trading of nickel in September 2025. While the volume remains small, this forms part of the Group's effort to broaden its commodity portfolio and develop alternative revenue streams.

The gross profit of the Group amounted to approximately US\$1,000 for the Period (for the six months ended 30 September 2024: US\$0.08 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 was the same as compared to US\$0.72 million in the corresponding period of last year.

The Group recorded an increase in net losses attributable to the shareholders for the Period by about 10.58% as compared to that for the corresponding period in 2024 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 announcement.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 September 2025, cash on hand and at banks together for the Group amounted to approximately US\$1 million as compared to US\$1.9 million as at 31 March 2025. The slight decrease in cash and bank balances was primarily the result of the payment for daily operations during the six months ended 30 September 2025.

As at 30 September 2025, the debt to equity ratio, being total debt to total equity was approximately 7.97% (31 March 2025: approximately 11.52%).

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.

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.

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 2025.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2025, the Group had a total of 6 full time (31 March 2025: 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 2025 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.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 2025.

AUDIT COMMITTEE

At the request of the audit committee of the Company (the “Audit Committee”), Moore CPA Limited (“Moore HK”), the auditor of the Company, performed certain agreed-upon procedures on the Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 September 2025 in accordance with International Standards on Related Services 4400 (Revised) Agreed Upon Procedures Engagements.

The agreed-upon procedures were performed solely to assist the Audit Committee to review the interim results of the Group for the six months ended 30 September 2025. As the agreed-upon procedures does not constitute an assurance engagement in accordance with International Standards on Auditing or International Standards on Review Engagements, Moore HK does not express any assurance on the interim results of the Group for the six months ended 30 September 2025.

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 2025 with no disagreement by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published at the websites of the Company at www.aresasia ltd.com and www.irasia.com/listco/hk/aresasia and the Stock Exchange at www.hkexnews.hk. The interim report of the Company for the six months ended 30 September 2025 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 28 November 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. LAI Yi-Chun (also known as Mr. Robert LAI) (Chairman) and Mr. LUO Xiao; one non-executive Director, namely Ms. RUAYRUNGRUANG Woraphanit; and three independent non-executive Directors, namely Mr. YEUNG Kin Bond, Sydney, Mr. LIU Ji and Mr. QUAN Ruixue.