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## **ARES ASIA LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 645)**

### **INSIDE INFORMATION**

The board of directors (the “**Board**”) of Ares Asia Limited (the “**Company**”) refers to the legal proceedings commenced by Landway Investments Limited (“**Landway**”) against the Company in March 2016, which alleged that a former director of the Company made certain misrepresentation in the disposal by the Company of 1 share of Brave Win Industries Limited and the entire issued share capital of, and shareholders loan to, China Compass Investments Limited to Landway for a consideration of US\$3,200,000 (the “**Disposal**”) in 2014. The case was heard by the Court of First Instance which ruled in favour of Landway and awarded damages in the sum of US\$700,000 or the Hong Kong Dollar equivalent at the time of payment with a costs order nisi that the Company shall pay Landway’s costs of the action. The Company is taking legal advice as to whether or not it wishes to appeal against this judgment.

Whilst the consolidated financial statements of the Company has disclosed a contingent liability in respect of such proceedings (see note 12 to the condensed consolidated financial statements in the interim report 2020/2021 of the Company), no provision has previously been made. Consequently, regardless of whether or not the Company will proceed with an appeal against the judgement, the Company will be required to recognize the judgement debt of US\$700,000 in its consolidated financial statements for the year ending 31 March 2021, which will add to losses of the Group accordingly in the current financial year.

By Order of the Board  
**ARES ASIA LIMITED**  
**RUAYRUNGRUANG Woraphanit**  
*Chairlady*

Hong Kong, 26 February 2021

*As at the date of this announcement, the executive directors of the Company are Ms. RUAYRUNGRUANG Woraphanit (Chairlady) and Mr. LAI Yi-Chun (or Mr. Robert LAI), and the independent non-executive directors of the Company are Mr. CHANG Jesse, Mr. NGAN Hing Hon and Mr. YEUNG Kin Bond, Sydney.*