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ARES ASIA LIMITED

安域亞洲有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

**(1) RESULTS OF THE INDEPENDENT REVIEW
AND
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Ares Asia Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements (the “**Announcements**”) of the Company dated 30 June 2021, 13 August 2021, 28 September 2021, 30 September 2021, 5 October 2021, 19 October 2021, 30 November 2021, 31 December 2021, 31 March 2022, 13 June 2022 and 30 June 2022, in relation to, among others, (i) the suspension of trading in the Shares on the Stock Exchange, (ii) the delay in publication of the 2020/2021 Annual Results, (iii) the resignation of the auditor, (iv) the Resumption Guidance, (v) the appointment of Independent Reviewer to conduct Independent Review, (vi) the quarterly updates on suspension of trading, (vii) the delay in publication of 2021 Interim Results, (viii) the appointment of auditor, and (ix) the delay in publication of the 2021/2022 Annual Results. Unless otherwise stated, the capitalised terms used herein shall have the same meaning as defined in the Announcements.

As disclosed in the announcements of the Company dated 13 August 2021 and 19 October 2021, in regards to the Significant Matters noted during the performance of the audit of the Company for the year ended 31 March 2021 by Mazars, the former auditor of the Company, PricewaterhouseCoopers Consulting (Singapore) Pte Ltd (“**PwC Consulting**”), was engaged as the independent reviewer to conduct the Independent Review. On 2 August 2022, PwC Consulting issued a report on its observations.

VIEW OF THE AUDIT COMMITTEE AND THE BOARD

The Audit Committee and the Board have reviewed the key findings and observations of the Independent Review. The Audit Committee and the Board are of the view that the Independent Review has, subject to certain limitation of scope and procedures, investigated into the matters raised by Mazars, and that the content and the findings and observations of the Independent Review are reasonable. Subject to the limitation of scope and procedures of the Independent Review in particular its limitation on procedures to identify fraud, the Audit Committee and the Board were not aware of any fraud or misconduct on the part of any person being identified in the Independent Review. The Audit Committee and the Board further noted that the Independent Review contained a discussion on the internal control weaknesses of the Group. The Audit Committee and the Board decided that it is appropriate for the Company to focus on taking all necessary remedial actions to safeguard the interests of the Company and its shareholders in a timely manner.

REMEDIAL ACTIONS

With the recommendations of the Audit Committee, the Board will take the following remedial actions to address the concerns identified in the Independent Review:

1. to engage the Internal Control Adviser (as defined below) to conduct an internal control review of the Company and selected subsidiaries of the Company;
2. to document and report to the Board on a timely basis any deviation from the trading policy;
3. to have all signed contracts administered centrally by the trading department to ensure appropriate books and records are maintained; and
4. to have the Audit Committee and the Board review the trading policy and provide more explicit guidance on the policy for prepayments to suppliers as well as its risk assessment requirements by way of giving regular trainings to relevant staff and management personnel.

As at the date of this announcement, the Board has engaged Crowe (HK) Risk Advisory Limited (the “**Internal Control Adviser**”) for an internal control review.

CONTINUED SUSPENSION OF TRADING

In accordance with Rule 13.50 of the Listing Rules, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2021 and will remain suspended until further notice.

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

By Order of the Board
ARES ASIA LIMITED
LAI Yi-Chun
Chairman

Hong Kong, 18 August 2022

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. CHANG Jesse, Mr. YEUNG Kin Bond, Sydney and Mr. LIU Ji.