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)

DISCLOSEABLE AND CONNECTED TRANSACTION
LEASE RENEWAL AGREEMENT

LEASE RENEWAL AGREEMENT

Reference is made to the announcement of the Company dated 15 October 2024 relating to the 2024 Lease Agreement in respect of the lease of head office of the Group in Hong Kong. To (i) maintain the stability of the operations of the Group; (ii) avoid any unnecessary disruption to the operations of the Group; and (iii) minimize any unnecessary relocation costs as the Premises have been the Company's principal place of business in Hong Kong since 2024, the Directors consider it would be beneficial to the Group to renew the lease of the Premises and therefore entered into the Lease Renewal Agreement with the Lessor for a term of two years and 364 days from 16 July 2026 to 14 July 2029 (both days inclusive).

LISTING RULES IMPLICATIONS

As the highest percentage ratio, on the basis of the value of the right-of-use asset to be recognized by the Company in connection with the Lease Renewal Agreement, is higher than 5% but less than 25%, the transaction contemplated under the Lease Renewal Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Lessor is a direct wholly-owned subsidiary of Reignwood International Holdings Company Limited which is the controlling shareholder of the Company holding 337,465,038 Shares, representing approximately 65.76% of the total issued share capital of the Company as at the date of the Lease Renewal Agreement. The Lease Renewal Agreement therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio, on the basis of the value of the right-of-use asset to be recognized by the Company in connection with the Lease Renewal Agreement, is higher than 5% but the total consideration is less than HK$10,000,000, the transaction contemplated under the Lease Renewal Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

LEASE RENEWAL AGREEMENT

On 15 July 2026, the Lessee, an indirect wholly-owned subsidiary of the Company, entered into the Lease Renewal Agreement with the Lessor in respect of the lease renewal of the Premises for a term of two years and 364 days from 16 July 2026 to 14 July 2029 (both days inclusive).

The principal terms of the Lease Renewal Agreement are set out below:

Date:	15 July 2026
Lessor:	Reignwood International Investment (Group) Company Limited, an investment holding company wholly owned by the Controlling Shareholder of the Company
Lessee:	Ares Repco Limited
Premises:	Portion of Unit No. 9602, Level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Area:	Approximately 1,269 square feet
Lease term:	For a term of two years and 364 days from 16 July 2026 to 14 July 2029 (both days inclusive)

Monthly rent:	HK$81,201.92 payable in advance monthly
Rates:	The Lessee shall bear the portion of the rates being assessed and calculated proportionate to the area of the Premises
Monthly air-conditioning charges and property management charges:	Approximately HK$14,337.21, subject to any further change imposed by the building management during the lease term
Utility charges:	The Lessee shall bear the portion of the utility charges incurred by the users at the Premises and calculated proportionate to the area of the Premises
Deposit:	HK$294,204.69
Contractual licence:	The Lessor (as licensor) will allow the Lessee (as licensee) to use and occupy the Premises on 15 July 2026 by way of contractual licence upon and subject to the terms and conditions contained in the 2024 Lease Agreement

The Premises form part of a larger space leased by the Lessor from an independent third party. The original acquisition cost borne by the Lessor in relation to the Premises, based on the estimated right of use asset under the Lessor's lease from the independent third party attributable to the Premises, is approximately HK$3,270,000. The monthly rent of the Lease Renewal Agreement is determined after arm's length negotiations with reference to the various lease offers quoted and recent transactions reported by property agents in respect of premises within the same building. The sharing of other rates, fees and charges as mentioned above is generally calculated based on the area of the Premises.

HKFRS 16 requires that the Group accounts for its rights to the use of the Premises under the Lease Renewal Agreement as a right-of-use asset while its obligations to make lease payments (i.e. the rental) as lease liability. The asset and the liability arising from the Lease Renewal Agreement are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the Lease Renewal Agreement using the incremental borrowing rate as the discount rate. Under HKFRS 16 and in the consolidated statement of comprehensive income of the Group, the Group is required to recognize (i) depreciation charge over the life of the right-of-use asset; and (ii) interest expenses amortized from the lease liability over the lease term.

The Company estimates, based on the terms of the Lease Renewal Agreement, that the right-of-use of assets as at the commencement of the term of the Lease Renewal Agreement to be approximately HK$3,270,000. This estimated figure is unaudited and is subject to adjustment.

REASONS FOR AND BENEFITS OF THE LEASE RENEWAL AGREEMENT

The Board is of the view that the entering into the Lease Renewal Agreement will (i) maintain the stability of the operations of the Group; (ii) avoid any unnecessary disruption to the operations of the Group; and (iii) minimize any unnecessary relocation costs as the Premises have been the Company's principal place of business in Hong Kong since 2024.

The terms of the Lease Renewal Agreement (including the monthly rent) were arrived at after arm's length negotiations between the Lessee and the Lessor with reference to the market terms and monthly rent of similar office premises in Hong Kong. The Directors, including the independent non-executive Directors, consider that the transaction contemplated under the Lease Renewal Agreement to be in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of the Lease Renewal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE LESSOR

The Group is principally engaged in the coal and other commodities trading business and mainly sells coal originated from Indonesia and Philippines to Mainland China and Vietnam.

The principal activity of the Lessor is investment holding. The Lessor is a member of Reignwood Group. Reignwood Group is a multinational conglomerate with significant presence in the PRC and its major business investments and operations include energy drinks, Beijing Pine Valley Golf Club & Resort and Beijing Reignwood Centre, etc.

LISTING RULES IMPLICATIONS

As the highest percentage ratio, on the basis of the value of the right-of-use asset to be recognized by the Company in connection with the Lease Renewal Agreement, is higher than 5% but less than 25%, the transaction contemplated under the Lease Renewal Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Dr. Chanchai RUAYRUNGRUANG owns the entire share capital of Reignwood International Holdings Company Limited, which holds 337,465,038 Shares representing approximately 65.76% of the total issued share capital of the Company, and is the controlling shareholder of the Company. The Lessor is a direct wholly-owned subsidiary of Reignwood International Holdings Company Limited and, therefore, an associate of Dr. Chanchai RUAYRUNGRUANG and a connected person of the Company. The Lease Renewal Agreement therefore constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio, on the basis of the value of the right-of-use asset to be recognized by the Company in connection with the Lease Renewal Agreement, is higher than 5% but the total consideration is less than HK$10,000,000, the transaction contemplated under the Lease Renewal Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Ms. RUAYRUNGRUANG Woraphanit, a non-executive Director, is the daughter of Dr. Chanchai RUAYRUNGRUANG and holds positions in the Reignwood Group. In view of this, she has abstained from voting on the Board resolution to approve the Lease Renewal Agreement.

DEFINITION

In this announcement, the following terms shall have the meanings set out below, unless the context requires the otherwise:

"2024 Lease Agreement"	the sub-lease agreement dated 15 October 2024 entered into between the Lessor and the Lessee in relation to the sub-lease of the Premises from 16 July 2024 to 14 July 2026
"associate(s)", "connected person(s)", "controlling shareholder" and "percentage ratios"	have the meanings ascribed to them in the Listing Rules
"Board"	the board of Directors
"Company"	Ares Asia Limited, a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Lease Renewal Agreement"	the sub-lease agreement dated 15 July 2026 entered into between the Lessor and the Lessee in relation to the sub-lease renewal of the Premises for a term of two years and 364 days from 16 July 2026 to 14 July 2029
"Lessee"	Ares Repco Limited (安域資源有限公司), an indirect wholly-owned subsidiary of the Company
"Lessor"	Reignwood International Investment (Group) Company Limited (華彬國際投資（集團）有限公司), a direct wholly-owned subsidiary of Reignwood International Holdings Company Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Parties"	the Lessee and the Lessor
"PRC"	the People's Republic of China, which for the purposes of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Premises"	Portion of Unit No. 9602, Level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
"Reignwood Group"	a multinational conglomerate controlled by Dr. Chanchai RUAYRUNGRUANG with significant presence in the PRC and the major business investments and operations of which include energy drinks, Beijing Pine Valley Golf Club & Resort and Beijing Reignwood Centre, etc.

"Shares"	ordinary shares of HK$0.01 each in the capital of the Company
"Shareholders"	the holders of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 15 July 2026

As at the date of this announcement, the Board comprises one executive Director, namely Mr. LAI Yi-Chun (also known as Mr. Robert LAI) (Chairman); 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.