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

ANNUAL REPORT 2024/2025

CONTENTS

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

Mr. LEE Tsi Fun Nicholas (appointed on 25 April 2025)
Ms. FUNG Mei Ling (resigned on 25 April 2025)

AUTHORISED REPRESENTATIVES

Mr. LAI Yi-Chun (also known as Robert LAI)
Mr. LEE Tsi Fun Nicholas (appointed on 25 April 2025)
Ms. FUNG Mei Ling (resigned on 25 April 2025)

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

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

CORPORATE INFORMATION

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

STOCK CODE
645

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Ares Asia Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Company for the year ended 31 March 2025.

Since 2020, the world has experienced significant upheaval due to various major events: the COVID-19 pandemic and the Russia-Ukraine conflict. The COVID-19 pandemic in 2020 led to widespread lockdowns imposed by governments to curb the virus's spread, stalling numerous trades and commercial activities. The Russia-Ukraine conflict in 2022 resulted in fuel and food shortages, driving up inflation, causing global political instability, and raising fears of a worldwide economic recession. From 2023, the global economy faced continued disruption from high inflation, tight monetary policy, geopolitical conflicts, and shifts in national policies, leading to weaker demand, project delays, elevated costs, and increased uncertainty across global markets.

According to the International Monetary Fund, the global inflation rate ("GIR") surged from 4.7% in 2021 to 8.8% in 2022. As pandemic-related disruptions began to ease in early 2023, the GIR moderated to 5.8%, supporting a rebound in global trade activity. This contributed to stronger coal demand during 2023 and 2024. However, for the financial year ended 31 March 2025, sharp drop in coal demand primarily due to shifts in national policies led decline in consumer import demand, slowing industrial activity, accelerated energy transition policies under the carbon neutrality goals, increased adoption of renewables reducing reliance on coal-fired power and elevated inventories at power plants and ports.

However, in the year ended 31 March 2025, the world continued to grapple with macroeconomic uncertainties. These uncertainties significantly impacted people and economies worldwide, delaying numerous ongoing projects and the Group faced with increase in costs of sales such as labour costs. Although the Group faced with the challenging business sentiment of recent global economic uncertainty, we continued to implement clear strategies to balance short-term results and long-term goals. During the year ended 31 March 2025, the Group recorded (i) revenue of approximately US$3.3 million, representing a decrease of approximately 95.3%, as compared with the previous financial year; and (ii) gross profit of approximately US$0.1 million, representing a decrease of approximately 69.5%, as compared with the previous financial year. The Group recorded a consolidated net loss attributable to shareholders of the Company (the "Shareholders") of approximately US$2.4 million for the year ended 31 March 2025, representing an increase of approximately 86.1%, as compared with the previous financial year.

The Group believes that global economic uncertainties and unfavorable trading factors may adversely affect our business and short-term performance. The Group will be cautious in managing the business risk; be prepared to respond to changes in such business environment, and aim to strategically develop the Group's business to mitigate these impacts. The Group will carefully plan and formulate strategies to manage these factors with the aim to deliver the best possible results to the Shareholders.

On behalf of the Board, I would like to extend my sincere gratitude to our Shareholders, business partners, customers, suppliers, bankers, management and employees for their continuous support and valuable contribution to the Group.

LAI Yi-Chun
Chairman

Hong Kong, 26 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL HIGHLIGHTS

The Group continued to mainly operate its coal and other commodities trading business which encompasses supply chain management and risk management services during the year ended 31 March 2025. 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.

The Group's revenue for the year ended 31 March 2025, which was generated from its coal and other commodities trading business, decreased to US$3.3 million (2024: US$70.4 million). The Group's gross profit from its coal and other commodities trading business was US$0.1 million for the year ended 31 March 2025 (2024: US$0.3 million).

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 of 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.

Loss before taxation for the year ended 31 March 2025 was US$2.4 million, representing US$0.1 million of profit from the coal trading business, and US$1.0 million of corporate overhead expenses. In comparison, loss before taxation for the year ended 31 March 2024 was US$1.2 million, representing US$0.3 million of profit from the coal trading business and US$1.5 million of corporate overhead expenses.

REVIEW OF OPERATIONS

During the year ended 31 March 2025, the performance of the coal and other commodities trading business has recorded with revenue of approximately US$3.3 million, representing a decrease of 95.3% or approximately US$67.1 million, as compared with approximately US$70.4 million for the year ended 31 March 2024. 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. The Group mainly sold coals originated from Indonesia to Mainland China with a total volume of approximately 0.04 million metric tonnes ("MT") as compared to approximately 0.91 million MT in previous year.

The gross profit of the Group amounted to approximately US$0.1 million for the year ended 31 March 2025. The lower gross profit as compared to approximately US$0.3 million in the previous year was mainly a result of increase in cost of sales and inflation in term of cost of labor, materials, and other inputs necessary for production that driven the cost of coal increased, which in turn squeezed profit margins.

Selling and administrative expenses primarily consisted of employee benefits costs as well as corporate expenses which amounted to approximately US$1.5 million for the year ended 31 March 2025 (2024: US$1.6 million). The slight decrease compared to the prior year was mainly attributable to lower legal and professional fees, as well as a reduction in staff costs during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs of US$10,000 incurred during the year ended 31 March 2025 (2024: US$8,000) arose from the lease liabilities. The increase in finance costs by approximately US$2,000 was mainly attributable to the new lease agreement during the year ended 31 March 2025.

The Group recorded loss before taxation of US$2.4 million for the year ended 31 March 2025 which has increased as compared to loss before taxation of US$1.2 million for the year ended 31 March 2024. This was mainly because of (i) the decrease in gross profit during the year as a result of the foregoing reasons and (ii) the impairment losses under expected credit loss, made after an individual assessment on the recoverability of the trade receivables and other receivables.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 March 2025, cash and bank balances for the Group amounted to approximately US$1.9 million as compared to US$6.3 million as at 31 March 2024. The balances significant decreased during the year mainly due to the US$3.3 million trading receivable from customer.

As at 31 March 2025, the Group's debt to equity ratio, being total debt to total equity, was approximately 12% (2024: 12%).

The Group implements tight control on its credit and collection policies. As stipulated in the sale and purchase agreements for the coal and other commodities trading business, irrevocable letters of credit, up to a tenor of 180 days (2024: 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 vessels' arrival at loading port. So far, the Group has not experienced any bad debts from its coal and other commodities trading business.

During the years ended 31 March 2025 and 2024, the Group's banking facilities were temporarily suspended by the banks mainly due to the previous suspension of trading of the shares of the Company on the Stock Exchange and the Group currently 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.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures, or any significant investment during the years ended 31 March 2025 and 2024.

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.

CHARGE OVER THE GROUP'S ASSETS

As at 31 March 2025, there was no charge over the assets of the Group (2024: Nil).

CONTINGENT LIABILITIES

As at 31 March 2025, the Group had no significant contingent liabilities (2024: Nil).

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had no capital commitments (2024: Nil).

SUBSEQUENT EVENTS

There have been no material events occurring after 31 March 2025 and up to the date of this report.

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 annual report.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had a total of 5 full-time (2024: 6) employees in Hong Kong and Singapore. The Group's emolument policy is to pay salaries and wages that are competitive in the industry in a way that will be motivational, fair and equitable, and that are commensurate to individual's performance and the Group's overall performance. Apart from salaries, the Group also provides other fringe benefits to employees, which include provident fund schemes, discretionary bonuses on performance basis and medical insurance.

The remuneration committee under the Board reviews the Group's emolument policy, having regards to the Group's operating results, individual performance and comparable market standards.

MANAGEMENT DISCUSSION AND ANALYSIS

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company (the "AGM"), the register of members of the Company will be closed from Monday, 22 September 2025 to Thursday, 25 September 2025 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of the shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 19 September 2025.

DIRECTORS' REPORT

The Directors are pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the coal and other commodities trading, which encompasses supply chain management and risk management services. The Group commenced coal and other commodities trading in October 2012. An analysis of the Group's performance by operating segments is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 59 of this annual report.

The Directors did not recommend the payment of any dividend in respect of the year ended 31 March 2025.

BUSINESS REVIEW

A fair review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in the "Chairman's Statement" and "Management Discussion and Analysis" set out on page 4 and pages 5 to 8 of this annual report respectively.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, and liquidity risk. The risk management policies and practices of the Group are shown in note 20 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

The Company's environmental, social and governance report are set out in the Environmental, Social and Governance Report on pages 34 to 53 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied with the relevant laws and regulations in material respects that have a significant impact on the business and operation of the Group. During the year ended 31 March 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

DIRECTORS' REPORT

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals.

During the year ended 31 March 2025, there was no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders except for the events mentioned in note 15 to the consolidated financial statements.

PERMITTED INDEMNITY

Pursuant to the memorandum and bye-laws ("Bye-laws") of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Save as otherwise disclosed in this annual report, such permitted indemnity provision has been in force throughout the year ended 31 March 2025.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 19 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Under the Companies Act 1981 of Bermuda (as amended) (the "Act"), the Company's contributed surplus is distributable to shareholders under certain circumstances as provided in the Act. No reserve was available for distribution to shareholders of the Company as at 31 March 2025 as the aggregate deficit as calculated under Act amounted to US$3,376,000 as at 31 March 2025 (2024: aggregate deficit as calculated under Act amounted to US$739,000).

Details of the movements in reserves of the Group are set out in the consolidated statement of changes in equity on page 61 of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda in respect of the Company's share capital.

TAX RELIEF AND EXEMPTION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the shares of the Company ("Shares").

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 106 of this annual report.

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 year ended 31 March 2025.

DIRECTORS

The Directors during the year ended 31 March 2025 and up to the date of this annual report are:

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

In accordance with Bye-laws 83–84 of the Company's Bye-laws, Mr. LAI Yi-Chun and Mr. LUO Xiao will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "AGM").

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the Directors of the Company are set out in the "Biographical Details of Directors" section on pages 18 to 19 of this annual report.

DIRECTORS' EMOLUMENTS

The Directors' emoluments for the year ended 31 March 2025 are set out in note 9 to the consolidated financial statements.

EMOLUMENT POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual's performance and the Group's overall performance). The remuneration packages are subject to review on a regular basis.

The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Other than as disclosed under the section headed "Material Related Party Transactions" in note 21 to the consolidated financial statements, no Director or entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the Group to which the Company or any of its subsidiaries was a party and which subsisted during or at the end of the year ended 31 March 2025.

CONTRACTS OF SIGNIFICANCE

Other than disclosed under the section headed "Material Related Party Transactions" in note 21 to the consolidated financial statements, (i) no contract of significance between the Company, or any of its subsidiaries, and a controlling shareholder of the Company or any of its subsidiaries during the reporting year or subsisted at the end of the reporting year; and (ii) no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted at the end of the reporting year or at any time during the year ended 31 March 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

No Director or the controlling shareholders of the Company and their respective close associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) had interests in a business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, and is required to be disclosed pursuant to the Listing Rules, during the year ended 31 March 2025 and up to the date of this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of independence, and the Board has assessed their independence and considers that each of them to be independent and has met the guidelines set out in Rule 3.13 of the Listing Rules.

CHARITABLE DONATIONS

The Group did not make any charitable donation during the year ended 31 March 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2025.

RETIREMENT BENEFITS SCHEME

Details relating to the Group's retirement benefits scheme are set out in note 18 to the consolidated financial statements.

SHARES ISSUED

Details of the shares issued in the year ended 31 March 2025 are set out in note 19 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted on 21 September 2012. The Share Option Scheme remained in force for a period of 10 years and expired on 20 September 2022 (the "Expiration Date") and no further share options of the Company shall be granted under the Share Option Scheme thereafter. There was no outstanding share options which remain unexercised under the Share Option Scheme as at the Expiration Date and as at 31 March 2025.

DIRECTORS' REPORT

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 year ended 31 March 2025 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 31 March 2025, 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.

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

As at 31 March 2025, 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 31 March 2025, 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.

RELATED PARTY TRANSACTIONS

A summary of the related party transactions entered into by the Group during the year ended 31 March 2025 is disclosed in note 21 to the consolidated financial statements. Save for the connected transaction described below in the section headed "Connected Transaction", none of these transactions constitutes a connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION

Pursuant to Chapter 14A of the Listing Rules, the Group had the following connected transaction during the year ended 31 March 2025.

Lease of Office Premises

On 15 July 2021, Ares Repco Limited ("Ares Repco"), an indirect wholly-owned subsidiary of the Company, as lessee, entered into a lease agreement (the "2021 Lease Agreement") with Reignwood International Investment (Group) Company Limited ("Reignwood International Investment"), a direct wholly-owned subsidiary of Reignwood International, as lessor, in respect of the lease of the premises situated at Unit No. 9608, Level 96, International Commerce Centre, 1 Austin Road West, Hong Kong for a term of 3 years commencing from 16 July 2021 and expiring on 15 July 2024 at a monthly rent of HK$135,720, exclusive of rates, air-conditioning charges and property management fee, subject to the terms and conditions of the 2021 Lease Agreement. On 15 October 2024, Ares Repco entered into a lease agreement (the "2024 Lease Agreement") with Reignwood International Investment pursuant to which Reignwood International Investment, as lessor, leased a portion of Unit No. 9602, Level 96, International Commerce Centre, 1 Austin Road West, Hong Kong (the "Premise") for a term of 1 year and 364 days from 16 July 2024 to 14 July 2026 (both days inclusive), at a monthly rental of HK$96,427, and rates, air-conditioning charges and property management fee, subject to the terms and conditions of the 2024 Lease Agreement.

Under the Group's accounting policy, the Group accounts for its rights to the use of the Premise under the 2024 Lease Agreement as a right-of-use asset while its obligations to make lease payments (i.e. the rental) as lease liability. The Company estimated that the right-of-use of assets in respect of the 2024 Lease Agreement as at the commencement was approximately US$0.32 million. As at 31 March 2025, the carrying amounts of such right-of-use assets was approximately US$0.2 million.

Dr. Chanchai RUAYRUNGRUANG owns the entire share capital of Reignwood International, which in turn holds 337,465,038 shares in the capital of the Company, representing approximately 65.76% of the then 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 and, therefore, an associate of Dr. Chanchai RUAYRUNGRUANG and a connected person of the Company. The transactions contemplated under the 2021 Lease Agreement and 2024 Lease Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules, details of which are set out in the Company's announcement dated 15 October 2024.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2025, the percentages of purchases and sales attributable to the Group's major suppliers and customers are as follows:

Purchases

— the largest supplier	100%

Sales

— the largest customer	100%

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors, owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, throughout the year ended 31 March 2025 until the date of this annual report, there is a sufficiency of public float of the Company's securities as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 20 to 33 of this annual report.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed with the management and the external auditor of the Company on the accounting principles and practices adopted by the Group and discussed the internal controls of the Group with an engaged external professional consultant and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the year ended 31 March 2025 with no disagreement by the Audit Committee.

AUDITOR

Moore CPA Limited ("Moore") will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution to re-appoint Moore, the retiring auditor, as auditor of the Company is to be proposed at the forthcoming AGM of the Company.

The consolidated financial statements of the Group for the year ended 31 March 2025 have been audited by Moore CPA Limited who shall retire and, being eligible, offer themselves for re-appointment in the forthcoming AGM. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board
LAI Yi-Chun
(also Known as Robert LAI)
Chairman

Hong Kong, 26 June 2025

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. LAI Yi-Chun (also known as Robert LAI), aged 58, was appointed as the executive Director on 1 November 2018 and the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO") on 8 July 2022. Mr. LAI graduated from Feng Chia University in the Republic of China in 1990 with a Bachelor's Degree of Science in Land Management. Mr. LAI obtained his Master's Degree in Business Administration from the USC Marshall School of Business in the USA in 1993. Mr. LAI has over 25 years of experience in financial analysis, fund management and project management especially in real estate. Mr. LAI is currently a deputy director and director of the international investment department of Reignwood Investment (China) Ltd., a wholly-owned subsidiary of Reignwood International which is the controlling shareholder of the Company with interest in approximately 65.76% of the total issued share capital of the Company; and responsible for pre-project management, financial analysis and modeling and supervising investment projects and implementing investment strategies since October 2010. Mr. LAI is also a director of several subsidiaries of the Company.

Mr. LUO Xiao, aged 38, was appointed as the executive Director on 8 July 2022. He graduated from the City University of Hong Kong with a Master's Degree in Global Business Management. He has over 10 years of experience in the energy industry, covering investment of energy projects, international trading and distribution of coal and oil products. Mr. LUO worked with various reputable energy companies in Hong Kong and Singapore. Since November 2020, Mr. LUO has been the vice president of Reignwood Holding Pte Ltd. which is the subsidiary of Reignwood International, the controlling shareholder of the Company with interest in approximately 65.76% of the total issued share capital of the Company. He was also the vice president of Ares Repco Limited, the subsidiary of the Company from November 2018 to October 2020.

NON-EXECUTIVE DIRECTOR

Ms. RUAYRUNGRUANG Woraphanit, aged 35, was appointed as the executive Director, the Chairman and the CEO on 5 January 2018. She was re-designated as a non-executive Director and resigned as the Chairman and the CEO on 8 July 2022. She obtained her Bachelor's Degree in Advertisement from Peking University in the People's Republic of China ("PRC") in 2013. Ms. RUAYRUNGRUANG is the daughter of Dr. Chanchai RUAYRUNGRUANG, the beneficial owner of Reignwood International which is the controlling shareholder of the Company with interest in approximately 65.76% of the total issued share capital of the Company. She is a director of several subsidiaries of the Company. Ms. RUAYRUNGRUANG, who is also currently a director of several subsidiaries of Reignwood International and companies owned by her family, is responsible for handling refinancing issues, maintaining relationships with banking partners, delivery of Reignwood International's strategic vision outside of the PRC, managing European investment portfolio during her past seven years with the Group and currently overseeing one of the Thailand's largest property development project, Reignwood Park, which includes golf course, international school, multiple residential components with villas and golf estate aimed at a diverse range of lifestyles and families.

BIOGRAPHICAL DETAILS OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YEUNG Kin Bond, Sydney, aged 51, was appointed as the independent non-executive Director and the chairman of the nomination committee of the Company (the "NC") and the member of each of the AC and remuneration committee of the Company (the "RC") on 16 February 2011. He is currently an executive director, group chief executive officer and a member of the nominating committee of GSS Energy Limited (listed on the Singapore Stock Exchange) since 31 October 2014. Mr. YEUNG is also a director of several subsidiaries of, and a commissioner of two subsidiaries of GSS Energy Limited. Mr. YEUNG is the founder director and shareholder of Roots Capital Asia Limited, a substantial shareholder of GSS Energy Limited. Mr. YEUNG has many years of experience in the financial industry, starting his career in the institutional equity division at Morgan Stanley New York and as the managing director of international trading at Van der Moolen (listed on the New York Stock Exchange), a US securities specialist firm. Mr. YEUNG is an active member of the Rotary Club in Singapore.

Mr. LIU Ji, aged 46, was appointed as the independent non-executive Director and a member of each of the AC, RC and NC on 13 January 2022; and the chairman of the AC on 24 January 2022. Mr. LIU obtained a bachelor of science in applied accounting from Oxford Brookes University in association with The Association of Chartered Certified Accountants in 2003. Mr. LIU has been qualified as a Chartered Accountant of Singapore and admitted as a member of the Institute of Singapore Chartered Accountants since February 2016. He has over 18 years of experience in financial advisory and consultancy services. Since April 2018, Mr. LIU has been the director of Southeast Asia Utilities Investment Management Pte. Ltd. in Singapore which is an investment management and advisory firm. Since January 2017, Mr. LIU has been the chief financial officer of JLogo Holdings Limited, a company listed on GEM of the Stock Exchange (Stock Code: 8527). From September 2011 to October 2016, Mr. LIU worked as the senior executive director and head of corporate advisory services at Ellis Botsworth Advisory Pte. Ltd., where he provided financial advisory and consultation services to companies and businesses involved in initial public offering or reverse takeovers, public companies fund raisings and secondary debts/equity financing. From May 2003 to August 2011, Mr. LIU worked at Deloitte & Touche LLP, with his last position as an audit manager.

Mr. QUAN Ruixue, aged 51, was appointed as the independent non-executive Director, the chairman of the RC and a member of each of the NC and the AC on 1 December 2023. Mr. QUAN obtained a bachelor's degree in economic law from the Northwest Institute of Political Science and Law (西北政法學院) (now known as the Northwest University of Political Science and Law (西北政法大學)) in the PRC in July 1997. He further obtained a degree of master of laws in environmental and resource law from the University of Utah in the United States in May 2001. He was admitted as a lawyer in the PRC in July 1998, and was admitted to practice law in the State of New York in March 2009. Mr. QUAN has extensive experience in the legal profession from working at law firms and companies, for instance, he worked in the Beijing office of then King & Wood from 1998 to 2000 (now known as King & Wood Mallesons); the Shanghai office of Holman Fenwick & Willan from 2001 to 2003; and the Beijing and Shanghai offices of Guantao Law Firm from 2003 to 2013. Mr. QUAN was the global general counsel of Wanfeng Auto Holding Group, the holding company of a listed company on the Shenzhen Stock Exchange (stock code: 002085) from 2021 to February 2025.

CORPORATE GOVERNANCE REPORT

Corporate governance provides the framework within which the board forms their decisions and builds the businesses. The Company is committed to achieving good corporate governance and focusing on creating long-term sustainable growth for shareholders of the Company (the "Shareholders") and delivering long-term values to all stakeholders. An effective corporate governance structure allows the Company to have a better understanding of, evaluate and manage, risks and opportunities.

The Company adopted all the code provisions in the Corporate Governance Code (the "CG Code") in Appendix C1 of the Listing Rules as its own code on corporate governance practices. During the year ended 31 March 2025, the Company complied with the code provisions set out in Part 2 of the CG Code with the exception of the deviation explained below.

THE BOARD OF DIRECTORS

Board Composition and Responsibilities

The Board currently comprises two executive Directors, namely Mr. LAI Yi-Chun (also known as Mr. Robert LAI) (Chairman and CEO) and Mr. LUO Xiao; one non-executive Director, namely Ms. RUAYRUNGRUANG Woraphanit; and three independent non-executive Directors (the "INED(s)"), namely Mr. YEUNG Kin Bond, Sydney, Mr. LIU Ji and Mr. QUAN Ruixue.

The Board is responsible for overseeing the management and business affairs as well as approving strategic plans and major policy decisions for the Company with the objectives of enhancing the Shareholder value.

The Board as a whole achieves an appropriate balance of skills and experience to meet the requirements of the Group's business. The biographical details of the Directors and the relationships amongst them, if any, are set out in the section headed "Biographical Details of Directors" of this annual report.

The Board delegated the day-to-day management responsibility to the executive Directors who perform their duties under the leadership of the CEO, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include but are not limited to annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under the Listing Rules and making recommendation for capital reorganization or scheme arrangement of the Company. The Chairman and the CEO, was delegated with the authority and responsibility to maintain the Group's business and day-to-day operations, and to implement the Group's strategy with respect to the achievement of its business objectives and take up the overall management of the Group. The Board would meet regularly throughout the year to formulate overall strategy, monitor business development as well as the financial performance of the Group.

The Board established mechanism to ensure that independent views and input are available to the Board. The INEDs support the effective discharge of the duties and responsibilities of the Board and bring independent views and input to the Board. In addition, the Board, Board committees or individual Directors may seek independent professional advice, views and input, which include but are not limited to legal advice, advice of accountants and advice of other professional financial advisors, as considered necessary to fulfil their responsibilities and in exercising independent judgment when making decisions in furtherance of their Directors' duties at the Company's expense.

The Directors have been keeping abreast of their responsibilities as a director of a listed company and of the conduct, business activities and development of the Group. Management provides appropriate and sufficient information to the Directors and the Board committees' members in a timely manner to keep them apprised of the latest development of the Group. The Board and each of the Directors also have separate and independent access to the management whenever necessary. According to current Board practice, any material transaction that involves a conflict of interests of a substantial shareholder of the Company or a Director, will be considered and dealt with by the Board at a duly convened Board meeting.

Ms. RUAYRUNGRUANG Woraphanit, currently the non-executive Director, is the daughter of Dr. Chanchai RUAYRUNGRUANG, the beneficial owner of Reignwood International which is the controlling shareholder of the Company with interest in approximately 65.76% of the total issued share capital of the Company. Ms. RUAYRUNGRUANG Woraphanit, who is also currently a director of several subsidiaries of Reignwood International and companies owned by her family, is responsible for handling refinancing issues, maintaining relationships with banking partners, delivery of Reignwood International's strategic vision outside of the PRC, and managing European investment portfolio during her past seven years within the Group.

Mr. LAI Yi-Chun (also known as Robert LAI), currently the executive Director, is a deputy director and director of the international investment department of Reignwood Investment (China) Ltd., a wholly-owned subsidiary of Reignwood International which is the controlling shareholder of the Company with interest in approximately 65.76% of the total issued share capital of the Company.

Mr. LUO Xiao, currently the executive Director, has been the vice president of Reignwood Holding Pte Ltd. since November 2020. Reignwood Holding Pte Ltd. is the subsidiary of Reignwood International, the controlling shareholder of the Company with interest in approximately 65.76% of the total issued share capital of the Company.

Save as disclosed above, there is no financial, business, family or other material/relevant relationship amongst the Directors.

Board and Board Committees Meetings and General Meeting

The attendance records of the Directors for the regular Board and Board committees meetings and general meetings of the Company for the year ended 31 March 2025 are as follows:

	No. of meetings attended/No. of meetings held				
Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Director					
Mr. LAI Yi-Chun (also known as Robert LAI) *(Chairman and CEO)*	4/4	N/A	N/A	N/A	1/1
Mr. LUO Xiao	4/4	N/A	N/A	N/A	1/1
Non-Executive Director					
Ms. RUAYRUNGRUANG Woraphanit	4/4	N/A	N/A	N/A	1/1
Independent Non-Executive Director					
Mr. YEUNG Kin Bond, Sydney	4/4	2/2	1/1	1/1	1/1
Mr. LIU Ji	4/4	2/2	1/1	1/1	1/1
Mr. QUAN Ruixue	4/4	2/2	1/1	1/1	1/1

CORPORATE GOVERNANCE REPORT

In compliance with the Listing Rules, the Company appointed INEDs with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company received an annual confirmation of independence from each of the INEDs as required under Rule 3.13 of the Listing Rules. The Board considers each of the INEDs to be independent and has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

The term of appointment pursuant to the renewed service agreement of Ms. RUAYRUNGRUANG Woraphanit, a non-executive Director, is for a period of 2 years commencing from 5 January 2024. The term of appointment pursuant to the renewed appointment letter of Mr. LIU Ji, is for a term of 2 years commencing from 13 January 2024. The term of appointment pursuant to the appointment letter of Mr. QUAN Ruixue is for a term of 2 years commencing from 1 December 2023. The term of appointment pursuant to the appointment letter of Mr. YEUNG Kin Bond, Sydney is for a term of 2 years commencing from 16 February 2025. The non-executive Directors are subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting of the Company pursuant to the amended and restated Bye-laws of the Company (the "Bye-laws").

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 and 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 as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors and by relevant employees of the Group. All Directors, who held office as the Director during the year ended 31 March 2025, confirmed that following specific enquiries made by the Company, they complied with the Model Code and its code of conduct regarding the Directors' securities transactions during the year ended 31 March 2025.

Continuous Professional Development of Directors

During the year ended 31 March 2025 and according to the records provided by the Directors, the executive Directors, namely Mr. LAI Yi-Chun (also known as Mr. Robert LAI) and Mr. LUO Xiao; the non-executive Director, namely Ms. RUAYRUNGRUANG Woraphanit; and the INEDs, namely Mr. LIU Ji, Mr. YEUNG Kin Bond, Sydney and Mr. QUAN Ruixue participated in continuous professional development ("CPD") activities by way of reading materials.

BOARD COMMITTEES

The Company established the NC, the RC and the AC to oversee particular aspects of the Group's affairs. Each of these committees adopted written terms of reference covering its duties, authorities and functions which will be reviewed by the Board from time to time in compliance with the CG Code of the Listing Rules. The terms of reference of these committees were posted on the websites of the Company at www.aresasialtd.com and www.irasia.com/listco/hk/aresasia.

Nomination Committee

The NC comprises INEDs, namely Mr. YEUNG Kin Bond, Sydney, Mr. LIU Ji and Mr. QUAN Ruixue. The NC is currently chaired by Mr. YEUNG Kin Bond, Sydney.

The primary duties of the NC are to review the structure, size and composition and diversity of the Board, identify individuals suitably qualified to become members of the Board, assess the independence of INEDs and make recommendations to the Board on the appointment or re-appointment of the Directors. Where vacancies on the Board exist, the NC will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of an INED, the Company's needs and other relevant statutory requirements and regulations according to the Director's Nomination Policy, further details of which are set out in the below paragraph "Director's Nomination Policy".

During the year ended 31 March 2025, the NC had reviewed the structure, size and composition and diversity of the Board; assessed the independence of the INEDs; recommended the Directors for re-election at the annual general meeting of the Company; and made recommendation to the Board regarding the appointment of the Director.

Remuneration Committee

The RC comprises INEDs, namely Mr. QUAN Ruixue, Mr. YEUNG Kin Bond, Sydney and Mr. LIU Ji. The RC is currently chaired by Mr. QUAN Ruixue.

The primary duties of the RC are to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy; review and approve any remuneration offered by the Group with reference to corporate goals and objectives resolved by the Board from time to time; and make recommendations to the Board on the remuneration of non-executive Directors. The Directors are remunerated with reference to their respective duties and responsibilities with the Company, the Company's performance and current market situation. The RC adopted the model under the CG Code to make recommendations to the Board on the remuneration packages of the Directors and senior management.

During the year ended 31 March 2025, the RC had reviewed the remuneration packages of the Directors and the senior management and the Group's remuneration policy and structure; and made recommendation to the Board on the remuneration of non-executive Directors.

Particulars of the Directors' emoluments for the year ended 31 March 2025 are set out in note 9 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, details of the annual remuneration of the members of the senior management by band for the year ended 31 March 2025 are set out in notes 9 and 10 to the consolidated financial statements.

Audit Committee

The AC comprises INEDs, namely Mr. LIU Ji, Mr. QUAN Ruixue and Mr. YEUNG Kin Bond, Sydney. The AC is currently chaired by Mr. LIU Ji.

The primary duties of the AC are to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor; approve the remuneration and terms of engagement of the external auditor; consider any questions of resignation or dismissal of the auditor; discuss the scope of audit work with the auditor; and review the risk management and internal control systems, the Group's financial and accounting policies and practices and the financial statements and reports of the Company. The AC is also responsible for developing and reviewing the Company's policies and practices on corporate governance; reviewing the Company's compliance with the CG code and disclosure in the corporate governance report; and reviewing and monitoring the training and continuous professional development of Directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements; and etc.

During the year ended 31 March 2025, the AC had reviewed the accounting principles and practices adopted by the Group with the management and the Company's auditor, the internal control reports, the report of independent review from external consultant, the risk management and internal control systems and the effectiveness of the internal audit function of the Group, the continuing connected transaction of the Company, the Company's policies and practices on corporate governance, the Company's compliance with the CG Code and the disclosure in the corporate governance report; and discussed auditing, internal control and financial reporting matters including the audited financial statements and unaudited interim financial statements.

Director's Nomination Policy

The nomination policy of the Company (the "Nomination Policy") sets out the procedure and criteria for the selection, appointment and re-appointment of Directors. The selection criteria that the NC has to consider in evaluating and selecting a candidate for directorship include the following:

(a) contribution to the diversity of the Board in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

(b) reputation for integrity;

(c) his or her ability to devote sufficient time and attention to the affairs of the Company;

(d) the board diversity policy of the Company and any measurable objectives adopted for achieving diversity on the Board;

(e) such other perspectives appropriate to the Company's business or as suggested by the Board; and

(f) if the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in the Listing Rules. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under the Listing Rules.

The procedure for the appointment and re-appointment of a Director is summarised as follows:

(a) Nomination by the NC

(i) The NC reviews the structure, size and composition (including the balance mix of skills, knowledge and experience) of the Board periodically and makes recommendation on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) When it is necessary to fill a causal vacancy or appoint an additional director, the NC identifies or selects candidates as recommended to the NC, with or without assistance from external agencies or the Company, pursuant to the criteria set out in the Nomination Policy;

(iii) If the process yields one or more desirable candidates, the NC shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);

(iv) The NC makes recommendation to the Board including the terms and conditions of the appointment; and

(v) The Board deliberates and decides on the appointment based upon the recommendation of the NC.

(b) Re-election of Director at Annual General Meeting

(i) In accordance with the Bye-laws, every director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election at annual general meeting of the Company;

(ii) The NC shall review the overall performance and contribution of the retiring director to the Company. The NC shall also review the expertise and professional qualifications of the retiring director, who offered himself/herself for re-election at the annual general meeting of the Company, to determine whether such Director continues to meet the criteria as set out in the Nomination Policy; and

(iii) Based on the review made by the NC, the Board shall make recommendations to the Shareholders on candidates standing for re-election or re-appointment at the annual general meeting of the Company, and provide the available biographical information of the retiring Directors in accordance with the Listing Rules to enable the Shareholders to make the informed decision on the re-election of such candidates at annual general meeting of the Company.

(c) Nomination by Shareholders of the Company

The Shareholders may propose a person for election as a director in accordance with the Bye-laws and applicable law, details of which are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director" on the websites of the Company at www.aresasialtd.com and www.irasia.com/listco/hk/aresasia.

CORPORATE GOVERNANCE REPORT

Mr. LAI Yi-Chun (also known as Robert LAI) and Mr. LUO Xiao, the executive Directors, entered into service agreement for their appointment with the Company for a period of 3 years commencing from 1 November 2024 and 8 July 2025 respectively unless earlier terminated by either party giving to the other not less than 1 calendar month's prior notice in writing or otherwise in accordance with the terms of the service agreement.

Ms. RUAYRUNGRUANG Woraphanit, the non-executive Director, entered into renewed service agreement for her appointment with the Company for a period of 2 years commencing from 5 January 2024 unless earlier terminated by either party giving to the other not less than 1 calendar month's prior notice in writing or otherwise in accordance with the terms of the service agreement. Mr. LIU Ji, the INED, entered into a renewed appointment letter for his appointment with the Company for a term of 2 years with effect from 13 January 2024. Mr. QUAN Ruixue, the INED, entered into an appointment letter for his appointment with the Company for a term of 2 years commencing from 1 December 2023. Mr. YEUNG Kin Bond, Sydney, the INED, entered into an appointment letter for his appointment with the Company for a term of 2 years commencing from 16 February 2025.

All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

According to Bye-laws 84(1)-(2) of the Bye-laws, at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every 3 years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 83(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

According to Bye-laws 83(1)-(2) of the Bye-laws, the Directors shall be elected or appointed in the first place at the statutory meeting of the Shareholders and thereafter at the annual general meeting of the Company in accordance with Bye-law 84 or at any special general meeting of the Company called for such purpose and who shall hold office for such term as the Shareholders may determine or, in the absence of such determination, in accordance with Bye-law 84 or until their successors are elected or appointed or their office is otherwise vacated. Any general meeting of the Company may authorise the Board to fill any vacancy in their number left unfilled at a general meeting of the Company. The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Shareholders in general meeting of the Company, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Shareholders in general meeting of the Company. Any Director so appointed shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy of the Company (the "Board Diversity Policy") which sets out the approach to the diversity on the Board.

The Company recognises and embraces the benefits of diversity in Board members. A truly diverse board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition of the Board.

The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender. All Board appointments will be based on merit while taking into account diversity including gender diversity. The NC will discuss and agree annually measurable objectives for implementing diversity on the Board and recommend them to the Board for adoption and monitor the implementation of the Board Diversity Policy.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

1. The Company shall comply with the requirements on board composition under the Listing Rules from time to time.

2. The number of INEDs should be not less than three and one-third of the Board.

3. At least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

4. At least 1 Director should be the professional or have intensive experience of the industry on which the business of the Group is.

The Board achieved the measurable objectives in the Board Diversity Policy during the year ended 31 March 2025.

The Board currently comprises one female Director and five male Directors. The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the Board Diversity Policy and the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board.

The Company has also taken, and continues to take, steps to promote diversity at all levels of its workforce (including senior management). Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. As at 31 March 2025, the gender ratio of the Group's workforce (including senior management) was 60% male and 40% female.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility for preparing all information and representations contained in the annual report for the year ended 31 March 2025 under review. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibilities for overseeing the preparation of financial statements of the Company which give a true and fair view of the financial position of the Group. The management provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

Monthly business and financial reports are prepared by the Group's finance department with a view to providing the Board and the management of the Company with timely and reliable financial/operational data and information to ensure that they fully understand the financial position and operating conditions of the Group all the time.

AUDITOR AND THEIR REMUNERATION

The statement of the current auditor of the Company about their reporting responsibilities on the Group's consolidated financial statements for the year ended 31 March 2025 is set out in the Independent Auditor's Report of this annual report. The remuneration paid and payable to the Group's current independent auditor, Moore, in respect of the year ended 31 March 2025 is approximately US$142,000 for annual audit fee and approximately US$29,000 for non-audit services related to review of interim results announcement, annual review of continuing connected transaction and review of preliminary announcement.

In order to maintain the independence and objectivity of Moore, the Group has been monitoring the use of the auditor for non-audit services and the balance of audit and non-audit fees paid. The AC has pre-approved the engagement of Moore to provide the non-audit services and any other non-audit services must be specifically pre-approved by the AC.

DIVIDEND POLICY

The dividend policy of the Company (the "Dividend Policy") was adopted by the Board on 1 January 2019.

The Dividend Policy is to ensure that the Board maintains an appropriate procedure on declaring and recommending the dividend payment of the Company. The Board endeavors to strike a balance between the Shareholders' interests and prudent capital management with a sustainable dividend policy.

The declaration and recommendation of dividends is subject to the decision of the Board after considering the Company's ability to pay dividends, which will depend upon, among other things:

- the Group's current and future operations;
- the Group's earnings;
- the Group's financial condition;
- the Group's cash requirements, expenditure and availability;
- the Group's capital expenditure;
- the Group's investment requirements;
- the Group's expected working capital requirements and future expansion plans;
- the Group's business conditions and strategies;
- the interests of the Shareholders;
- the general business conditions and strategies;
- the general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- any restrictions on payment of dividends that may be imposed by the Group's lenders; and
- any other factors that the Board may consider to be relevant.

The Board has complete discretion on whether to pay a dividend and the form to pay, subject to any restrictions under the Bermuda Companies Act and the Bye-laws. Any final dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at an annual general meeting of the Company and must not exceed the amount recommended by the Board.

The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends.

There is no assurance that dividends will be paid in any particular amount for any given period.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility

The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems and reviewing their effectiveness in order to safeguard the interests of the shareholders and the assets of the Group. The risk management and internal control systems are designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. Action items to mitigate the identified risks are developed for implementation. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company is committed to implement a stricter and more regulated internal control and risk management procedures. In the future, the Group will conduct regular review of the Group's risk management and internal control systems and its effectiveness to ensure the interest of the Shareholders is safeguarded.

The Board would, at least annually, review the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. The Board would ensure adequacy of resources, staff qualifications and experience, training programmes and budget for the accounting, internal audit, financial reporting functions, as well as those relating to the ESG performance and reporting.

Main Features

The main features of the risk management and internal control systems of the Group include:

- to strengthen the Company's risk management and internal control in compliance with the requirements of the Listing Rules;
- to establish and constantly improve the risk management and internal control systems; and
- to keep baseline risks within the acceptable range.

Process

The Group's risk management and internal control systems involve five elements as internal environment, risk assessment, control activities, information and communication and internal supervision. The aim of internal control is to reasonably guarantee the compliance of its operation and management with regulations and laws, assets security, and authenticity and integrity of financial report and related information, improve the efficiency and effectiveness of operating activities and promote the realization of development strategy of the Group.

The Group adopted a three-tier risk management approach to identify, assess, mitigate and handle risks. At the first line of defense, business units are responsible for identifying, assessing and monitoring risks associated with each business or deal. The finance department, as the second line of defense, defines rule sets and models, oversees and reports risk management matters to the Board. It ensures that risks are within the acceptable range and that the first line of defense is effective. As the final line of defense, the Board together with the AC, with the assistance of an external professional consultant by whom internal audit review was conducted on an annual basis, ensures that the first and second lines of defense are effective through constant inspection and monitoring. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the AC and the Board of Directors on a timely basis to ensure prompt remediation actions are taken.

Handling and Dissemination of Inside Information

The procedures and internal controls for the handling and dissemination of inside information includes:

- the Group conducts the affairs of the Company with close regard to the Guidelines on Disclosure of Inside Information published by Securities and Futures Commission and the Listing Rules and reminding the Directors and employees of the Group regularly about due compliance with all policies regarding the inside information;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs.

Internal Audit Function

The Company does not have an internal audit function for the Group. The Company engaged the external professional consultant to assist the Company in maintaining an effective internal audit function and facilitate review of the effectiveness of the Group's risk management and internal control systems conducted by the Board during the year ended 31 March 2025.

The Company performed annual risk assessment to identify significant risks of the Group in terms of strategic risks, operational risks, financial risks and compliance risks. An internal audit plan was determined based upon the result of the annual risk assessment and approved by the AC. In accordance with the duties and responsibilities as stipulated in the Internal Audit Charter, the external consultant performed the internal control review under the approved internal audit plan. Control weaknesses and relevant recommendations were proposed after the internal control review to the Group for improvement. The risk assessment report and internal control review report have been submitted to the AC and the Board for review.

Annual Confirmation

During the year ended 31 March 2025, the Board reviewed the effectiveness of the Group's risk management and internal control systems. The Company considered the Group's risk management and internal control systems are effective and adequate.

COMPANY SECRETARY

Ms. FUNG Mei Ling was the company secretary during the year. The primary contact person at the Company is Mr. LAI Yi-Chun (also known as Robert LAI), the Chairman and the CEO. Ms. FUNG Mei Ling resigned as the company secretary with effect from 25 April 2025, and Mr. LEE Tsi Fun Nicholas was appointed as the company secretary on the same date. Both Ms. FUNG Mei Ling and Mr. LEE Tsi Fun Nicholas have been working with Acclime Corporate Services Limited.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2025, there had been no change in the Company's constitutional documents.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting

Pursuant to the Bye-laws, the Board may whenever it thinks fit call special general meetings of the Company, and the Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require a special general meeting of the Company to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may convene such meeting in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

Put Forward Proposals at General Meetings

The Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. The written requisition should be signed by the requisitionist(s) and deposited at the Company's principal place of business in Hong Kong or the Company's Hong Kong branch share registrar and transfer office for the attention of the company secretary of the Company, specifying the Shareholders' contact details and the resolution intended to be put forward at general meeting of the Company.

For including a resolution to propose a person for election as a Director at general meeting of the Company, the Shareholders are requested to follow the Bye-laws. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting of the Company unless a written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong or at the Hong Kong branch share registrar and transfer office of the Company provided that the minimum length of the period, during which such written notice(s) are given, shall be at least seven days and that (if the written notices are submitted after the despatch of the notice of the general meeting of the Company appointed for such election) the period for lodgment of such written notice(s) shall commence on the day after the despatch of the notice of the general meeting of the Company appointed for such election and end no later than seven days prior to the date of such general meeting of the Company. The written notice must state that person's biographical details as required by rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as a Director are posted on the Company's website.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company endeavors to maintain a high level of transparency in communicating with the Shareholders and investors. The Company's policy of shareholder's communication is aiming at providing the Shareholders and potential investors of the Company with ready and timely access to balanced and understandable information of the Company.

The Board and the Company maintain an on-going dialogue with the Shareholders and the investment community mainly through the Company's financial reports, annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website.

The Shareholders should direct their questions about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong. The Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. The Shareholders may also make enquiries to the Board by writing to the company secretary at the Company's principal place of business in Hong Kong at Unit No. 9602, Level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

Upon reviewing the implementation and effectiveness of the Shareholders' communication policy, the Board considers the policy and its implementation are effective as the policy provides effective channels for the Shareholders to communicate their views with the Company and the Company complied with the principles and required practices as set out in the policy during the year ended 31 March 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

Ares Asia Limited (the "Company" and together with its subsidiaries, the "Group") is delighted to present the Environmental, Social and Governance Report ("ESG Report"). This report aims to enhance stakeholders' recognition of the Group's performance in terms of environment and society and understanding of the Group's strategy for sustainable development.

Environmental, Social and Governance ("ESG") is wide-ranging with a great impact not only on the company's long-term business development but also on general society. A good ESG performance is indispensable for a company's long-term success and sustainable development. The board of directors (the "Board") has examined the Group's corporate governance practices and hereby confirmed full compliance with all the provisions set forth in Appendix C2 to the Listing Rules (the "ESG Reporting Guide") throughout the financial year ended 31 March 2025 (the "Reporting Period").

The Group's sustainable development governance focuses on compliance with the applicable environmental and social laws and regulations in the regions where it operates. The Group's policies for sustainable development governance are formulated by its relevant departments aligning with regulatory requirements and operational needs, and their implementation is subject to the supervision and guidance from the Group's management.

The Group is grateful for the support from stakeholders, including its shareholders, employees, suppliers, customers and the community. Their engagement is critical in enhancing our sustainable performance. Going forward, the Group will continue to review and strengthen its ESG management practices conscientiously for sustainable business development.

GOVERNANCE STRUCTURE

The Board assumes overall responsibility for the Company's ESG governance, which includes:

- ensuring that appropriate and effective ESG risk management and internal control systems are in place;
- determining and assessing the Company's ESG-related risks and opportunities;
- evaluating the Company's ESG management approach, strategy, priorities, objectives, and performance targets;
- delegating the day-to-day responsibility for ESG-related matters to the management of the Company (the "Management");
- reviewing the Company's performance periodically against ESG-related goals and targets; and
- approving ESG policies, practices, and disclosures in ESG report.

The Management recognizes and discharges its day-to-day responsibility for ESG-related matters, which includes:

- designing, implementing, and monitoring ESG risk management and internal control systems;
- developing ESG policies and practices;
- setting and executing the ESG management approach, strategy, priorities, objectives and performance targets in line with the business performance and development of the Group;
- monitoring and ensuring compliance with laws and regulations in relation to ESG matters; and
- preparing the ESG report.

COMMUNICATION WITH STAKEHOLDERS

The Group values the feedback from stakeholders and is committed to responding to their concerns while improving our performance in sustainable development by optimizing communication strategies and taking concrete actions. The Group has launched various measures in continuous efforts to strengthen stakeholder engagement. Below are the communication channels between the Group and stakeholders and key topics of their concern.

Stakeholder Groups	Concerned Topics	Communication Channels	Frequency
Investors and shareholders	Corporate governance, financial performance	Shareholders' meeting, annual reports and ESG report	Annually
Suppliers and customers	Product quality and customer service	Company website, E-mails, feedback from employees	Irregular
Employees	Compensation, health and safety, training and development	Regular internal meetings, internal complaint mechanism, training	Irregular
Government	Tax compliance, occupational safety	Proactive liaison with relevant government departments	Irregular
Community	Involvement in cultural and social development	Proactive liaison with the relevant bodies	Irregular

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group conducts an annual materiality assessment to systematically identify and prioritize the environmental and social issues by analyzing stakeholder concerns. The priority of ESG issues is reviewed by benchmarking against sustainability reporting standards. The specific process is as follows:

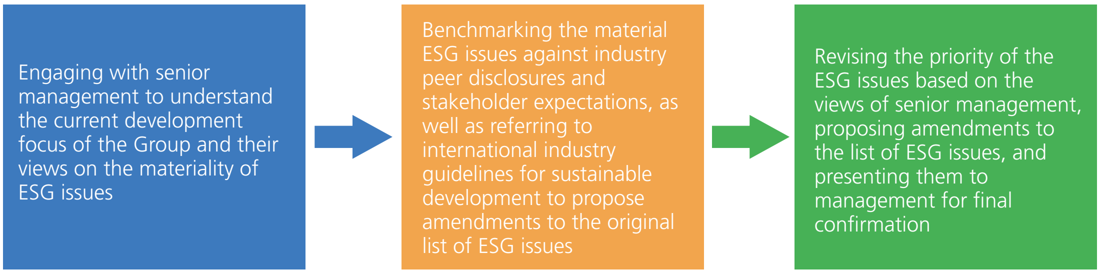

Chart 1: Review process of material ESG issues

Given the consistency in the Group's principal business during the Reporting Period, the materiality matrix of ESG issues remained unchanged from the previous year. The materiality matrix below presents the finalized result of the materiality assessment process:

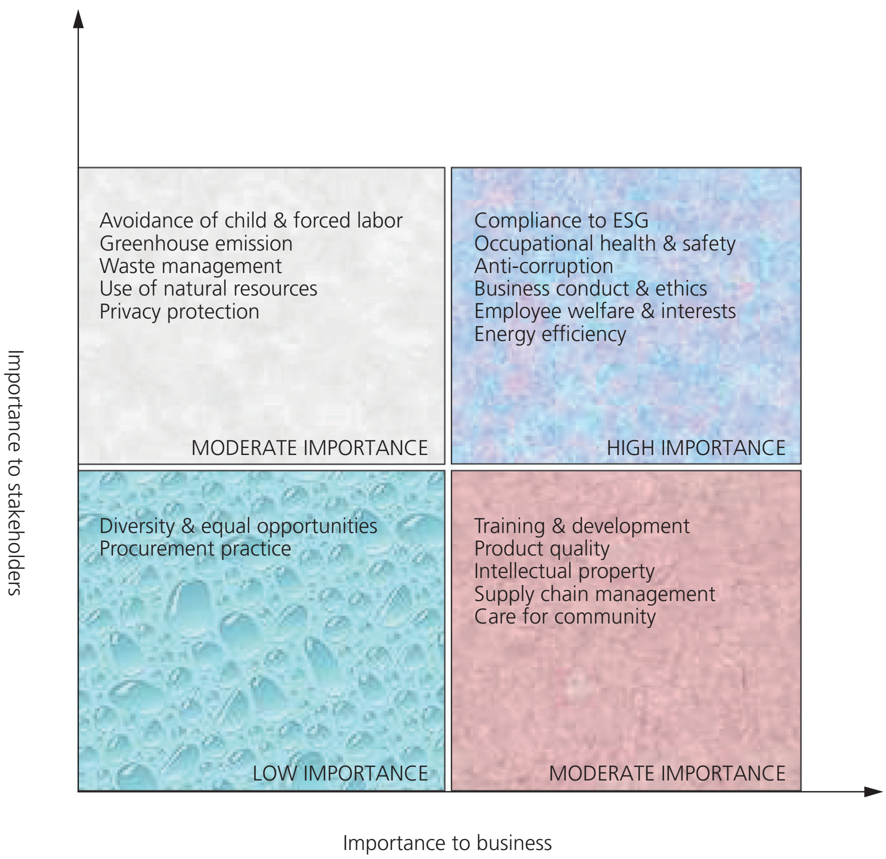

Chart 2: Materiality matrix of ESG issues

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PRINCIPLES

The Group has applied the principles of "Materiality", "Quantitative", "Balance "and "Consistency" in accordance with the ESG Reporting Guide in the preparation of this report. Details of application of these reporting principles are illustrated below:

Materiality:	The Group has engaged stakeholders in the process of identifying, prioritizing, and determining important ESG issues that reflect the Group's significant impacts on the economy, environment, and society.
Quantitative:	The Group has disclosed ESG information on the standards, methodologies, assumptions, calculation tools, and sources of conversion factors when presenting the environmental and social key performance indicators ("KPIs").
Balance:	The Group has prepared this report in a truthful and accurate manner and strives to present a fair disclosure in all aspects of the Group's ESG performance.
Consistency:	The Group has adopted consistent reporting and calculation methodologies and stated any changes in the relevant sections to facilitate the comparison with previous year's ESG performance.

REPORTING BOUNDARY

This report covers the ESG performance of the Group's main business. The Group continued to mainly operate its coal and other commodities trading business, which encompasses supply chain management and risk management services in Hong Kong and Singapore during the Reporting Period. The business principally entails the sale of coal and/or other commodities purchased from various countries to the People's Republic of China.

ENVIRONMENTAL POLICY AND RESOURCES MANAGEMENT MEASURES

The Group is committed to upholding high environmental standards while pursuing sustainable operations through energy consumption reduction, pollutant discharge minimization, responsible use of natural resources, and waste management enhancement. Given the nature of the Group's business, the office-based operations do not directly generate material air pollutants, greenhouse gas emissions, or significant hazardous materials. The main emission was sourced indirectly from electricity consumption. The Group has implemented environmentally friendly policies designed to mitigate both the direct and indirect environmental impacts.

During the Reporting Period, the Group strictly complied with all applicable environmental laws and regulations and was not subject to any environmental regulatory sanctions. The applicable environmental laws and regulations include but are not limited to the following:

- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong);
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong);
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong);

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Energy Conservation Act (Cap. 92C of the Laws of Singapore); and
- Environmental Protection and Management Act (Cap. 94A of the Laws of Singapore).

The Group emphasizes environmental protection through the effective reduction of waste, emissions, and resource consumption in its operations. This is achieved by implementing a comprehensive management system that incorporates policies, measurable targets, consumption reduction practices and awareness promotion.

The Group maintained its commitment to annual reduction targets of at least 2% per person for resource consumption, waste, and greenhouse gas emissions. During the Reporting Period, the Singapore office maintained low resource consumption due to continued work-from-home arrangements and frequent out-of-office business meetings. As a result, the majority of the Group's resource consumption, waste production and greenhouse gas emissions originated from the Hong Kong office. To meet these targets, the Group provides regular employee training programs focused on sustainable workplace practices.

The Group has consistently implemented various waste reduction and resource conservation measures, including waste recycling, sorting, and pretreatment before external processing. Additionally, in alignment with its commitment to responsible management practices, the Group is gradually transitioning to a paperless office through document digitization while encouraging double-sided printing. To complement these operational measures, the Group actively raises environmental awareness among employees by displaying promotional stickers and posters on office walls.

The Group encourages all employees to participate in resource conservation through practical energy-saving measures. For example, air conditioners should be set within an optimal temperature range, unused electrical appliances should be powered off promptly, and internal security guards should confirm a complete office shutdown after business hours. The Group will continue to identify additional initiatives to improve energy efficiency and reduce electricity consumption in its facilities.

Emissions and waste produced

For the year ended 31 March 2025, the total emissions and waste produced are tabulated below:

Category	unit	31.03.2025	31.03.2024
Carbon[2] (Scope 2 Indirect emission)	kg	**5,395**	3,712
	kg/person	**1,079**	619
Hazardous materials[1]	kg	**0**	0
	kg/person	**0**	0
Non-hazardous materials[1]	kg	**200**	200
	kg/person	**40**	33.33

Remarks:

1. Due to the office-based operations, the Group did not generate significant hazardous materials during the Reporting Period (2024: Nil). Non-hazardous wastes, such as office and domestic waste, were minimal and had an insignificant impact on the environment.

2. Due to the nature of its trading business, the Group produced no emissions of SO_x (2024: Nil), NO_x (2024: Nil), or direct emission of greenhouse gas. The Group's carbon emissions were solely from indirect sources related to electricity consumption.

During the Reporting Period, it was noted that the Group did not achieve its annual target of reducing carbon dioxide emission by at least 2%. The increase in both the volume and intensity of carbon dioxide emissions was attributable to the higher electricity consumption. For more details on electricity consumption, please refer to section "Resources Consumption" below.

Although the Group did not achieve its annual target for waste reduction, it maintained a low level of waste generation during the Reporting Period through the effective implementation of the abovementioned measures. The slight increase in the intensity of non-hazardous materials, compared to last year, was attributable to the reduction in the total workforce. The Group will continue to control the waste generated during business operations.

Resources Consumption

For the year ended 31 March 2025, the total resources consumption is tabulated as below:

Category of resources consumption	unit	31.03.2025	31.03.2024
Electricity	kWh	**14,198**	9,518
	kWh/person	**2,840**	1,586
Water	m^3	**15**	15
	m^3/person	**3.00**	2.50

The Group also aims to reduce electricity consumption by at least 2% annually. To achieve this energy efficiency goal, the Group is optimizing its lighting system through measures such as activating lights only when necessary, maximizing nature daylight utilization, and using high-efficiency lamps. As mentioned in the "Emissions and waste produced" section above, there was a higher electricity consumption occurred due to the gradual resumption of in-office work following the easing of the COVID-19 pandemic, the Group did not achieve its annual target in electricity consumption during the Reporting Period. The Group believes that electricity consumption will stabilize under normal business operations and, in the long term, will gradually decrease through the energy-saving measures outlined above.

The water consumption of the Group remains minimal. The daily water consumption is primarily supplied by the municipal water network. The Group faces no difficulties in sourcing water. To promote responsible water usage for water conservation, signage has been installed across workplace facilities to encourage water-saving practices, such as turning off taps during handwashing lathering process. During the Reporting Period, although the water consumption reduction target was not achieved, the Group maintained a low level of water consumption.

The Group's operations did not involve significant packaging materials during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environment and Natural Resources

Given the nature of the Group's principal business, the Management considered that the Group's operations do not significantly impact the environment or deplete natural resources. Nevertheless, the Group actively implements measures to reduce electricity consumption, maintains full compliance with all applicable laws and regulations, and sustains an ongoing commitment to environmental protection, driving continuous improvement in sustainability performance.

Climate Change

With the escalating frequency of unpredictable weather events and rising global temperatures driven by greenhouse gas emissions, climate change presents a critical challenge to business sustainability, necessitating rigorous identification and mitigation of climate-related risks alongside strategic adaptations in operational processes. The Group acknowledges that frequent extreme weather events, such as super typhoons, floods, and heatwaves, directly attributable to climate change, could potentially disrupt its supply chain, operational efficiency, and employee safety. To address these challenges, the Group has established a governance framework that integrates regular risk identification and comprehensive mitigation measures to minimize its climate impact.

Risk Identification

The Group's coal trading business, particularly shipments from suppliers to customers, is vulnerable to climate change and unstable weather conditions. Severe weather events, including heavy rainfall, storm surges, floods, and super typhoons, may compromise the quality of coal, leading to shipment delays and increased costs. Moreover, extreme weather conditions may pose significant risks to the personal safety of employees in office.

To assess its vulnerability to climate impacts, the Group has integrated climate-related risks into its risk management system and conducts a risk assessment at least annually. When significant risks are identified, management develops response plans, such as adjusting operational practices, which are subsequently reviewed and approved by the Board to minimize adverse impacts.

Mitigation Measures

Alongside regular risk identification, the Group actively monitors developments in local climate-related policies, laws, and regulations to ensure ongoing compliance. To enhance resilience, the Group has established robust communication channels with customers, suppliers, and employees, enabling timely responses to acute physical risks as they emerge. Additionally, the Group has formulated contingency plans to ensure seamless and efficient shipment of goods and has implemented safety guidelines for employees, including flexible work arrangements where appropriate, to mitigate both short-term and long-term climate impacts. As noted above, the Group has established clear targets for reducing carbon emissions and electricity consumption. The Group regularly monitors progress toward these targets as part of its measures to address climate change.

EMPLOYMENT MANAGEMENT AND POLICY

The Group respects the human rights and personal freedoms of its employees. Consequently, the Group is dedicated to fostering a workplace free from discrimination and harassment. The Group ensures equal opportunities for all job applicants and employees, irrespective of age, race, religion, disability, gender, sexual orientation, marital status, social class or political affiliation. In-depth investigations will be conducted regarding any allegations of discrimination or harassment, and suitable measures will be taken accordingly. Anti-discrimination principles are integral to our recruitment, promotion and termination procedures.

The Group has enrolled all employees in the applicable retirement scheme as mandated by relevant laws and regulations and provides additional benefits, including medical insurances. The Group's management regularly reviews the Group's internal management systems and updates the employee compensation and benefits policies in response to changes in labor laws. The employee benefits packages offered by the Group encompass provident fund, medical insurance, dental insurance, life insurance, business travel insurance, and health check-up benefits. Employees are entitled to paid public holidays, as gazetted by the local governments annually, and the statutory holidays stipulated in the applicable laws and regulations. Apart from the statutory holidays, employees are eligible for annual leave, paid sick leave, maternity leave, paternity leave, marriage leave, compassionate leave or no pay leave under certain circumstances.

Employees' salaries are reviewed on an annual basis. Salary increments, discretionary bonuses or promotions are determined based on the merit performance of the employee. The employment contract may be terminated by either party by giving written notice or making a payment in lieu of notice as specified in the legally binding employment contract.

The Group strictly complies with all applicable labor laws and regulations in relation to employment and labor practices, including but not limited to the following:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);
- Employment Act (Cap. 91 of the Laws of Singapore); and
- Central Provident Fund Act (Cap. 36 of the Laws of Singapore).

The Group is continuously strengthening its human resources management strategy, offering employees career development opportunities, appropriate incentives and a positive working environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employees' Background

As at 31 March 2025, the Group had a total of 5 full-time employees (2024: 6 employees). All of them (2024: 5 employees), represent 100% (2024: 83%) with a bachelor's degree or above.

The breakdown of the Group's employees by age, gender, position and geographic distribution are as follows:

	31.03.2025		31.03.2024	
KPIs	*Number*	*Percentage*	*Number*	*Percentage*
Total workforce	5	100%	6	100%
Workforce by gender				
Male	3	60%	3*	50%*
Female	2	40%	3*	50%*
Workforce by employee type				
Management	3	60%	3	50%
Non-management	2	40%	3	50%
Workforce by age group				
Under 31 years old	0	0%	1	17%
31–50 years old	4	80%	4	66%
Over 50 years old	1	20%	1	17%
Workforce by geographical region				
Hong Kong	1	20%	1	17%
Singapore	3	60%	4	66%
Thailand	1	20%	1	17%
Workforce by education level				
Bachelor's degree or above	5	100%	5	83%
Below a bachelor's degree	0	0%	1	17%

* Data is restated in the current year.

The breakdown of employee turnover rate by different categories is as follows:

KPIs	31.03.2025 Number	31.03.2025 Percentage	31.03.2024 Number	31.03.2024 Percentage
Total employee turnover	**1**	**20%**	1	17%
Employee turnover by gender				
Male	**0**	**0%**	0	0%
Female	**1**	**50%**	1	33%*
Employee turnover by employee type				
Management	**0**	**0%**	0	0%
Non-management	**1**	**50%**	1	33%
Employee turnover by age group				
Under 31 years old	**0**	**0%**	1	100%
31–50 years old	**1**	**25%**	0	0%
Over 50 years old	**0**	**0%**	0	0%
Employee turnover by geographical region				
Hong Kong	**0**	**0%**	1	100%
Singapore	**1**	**33%**	0	0%
Thailand	**0**	**0%**	0	0%

* Data is restated in the current year.

Health and Safety

The Group is attentive to its employees' health and benefits, offering insurance plans that enhance their welfare and reduce their medical expenses. As a component of the employee benefits package, the Group provides all employees and their dependents with a free annual medical check-up.

The Group regularly reviews its workplace and safety policies to ensure strict compliance with the applicable laws and regulations, including but not limited to the followings:

- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);
- Workplace Safety and Health Act (Cap. 354A of the Laws of Singapore); and
- Work Injury Compensation Act (Cap. 354 of the Laws of Singapore)

All accidents must be reported to the Management and are subject to evaluation according to the Group's internal processes. The Group informs new employees about the occupational health and safety policy during staff induction, and provides regular updates on the latest occupational safety information. The Group has not experienced any industrial accidents nor injuries over the past three years, including the Reporting Period. The Group is not aware of any material non-compliance with laws and regulations related to health and safety.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development and Training

To promote employees' career development and reinforce the foundation of the Group's sustainable development, the Group encourages employees to engage in relevant courses provided by professional organizations. These courses enable employees to enhance their professional knowledge, skills, techniques, and competitiveness, as well as broaden their horizons. The Group invites various outside parties to provide training regularly.

The details of employees trained by gender and employee category is as follows:

KPIs	31.03.2025 *Number*	31.03.2025 *Percentage*	31.03.2024 *Number*	31.03.2024 *Percentage*
Trained Employee	**5**	**100%**	6	100%
Trained Employees by gender				
Male	**3**	**60%**	3*	50%*
Female	**2**	**40%**	3*	50%*
Trained Employees by employee type				
Management	**3**	**60%**	3	50%
Non-management	**2**	**40%**	3	50%

* Data is restated in the current year.

For the year ended 31 March 2025, employees of the Group attended training on various topics, including occupational safety and health, and the coverage of training reached 100% (2024: 100%). The Group recognises the importance of enhancing employees' skills and abilities and has increased the duration of training to 81 hours (2024: 76 hours).

The average training hours by gender and employee type are as follows:

KPIs	31.03.2025 Average training hours	31.03.2024 Average training hours
Average training hours by gender		
Male	**20**	19*
Female	**10**	7*
Average training hours by employee type		
Management staff	**20**	19
Non-management staff	**10**	7

* Data is restated in the current year.

Labour Standards

During the recruitment process, background checks will be conducted, including but not limited to verifying identity, academic certifications, and valid work visas. The Group not only abides by the relevant labor laws and regulations, but also prevents child labor and forced labor.

For the year ended 31 March 2025, the Group reviewed its employment records and confirmed that it did not engage in any child labor and forced labor, in compliance with employment laws and regulations in the jurisdictions in which it operates.

The Group does not tolerate any form of child or forced labor and is not exposed to such risks. Should any instance occur, the following actions will be taken if there are any instances of child or forced labor:

- To cease the employment of any child labor;
- To investigate any non-compliance identified;
- To report to the local labor authority after investigation, as appropriate; and
- To take corrective action to prevent recurrence.

COMPLIANCE OPERATION

Supply Chain Management

The Group is committed to establishing a long-term supply and demand cooperation relationship, meticulously selecting suppliers and carefully considering the inherent environmental and social risks. Risk assessments are conducted with regard to certifications related to product quality, pricing, stability of delivery, reliability, reputation, and environmental protection. The Group also conducts annual assessments of suppliers to maintain a stable supply chain. In the event that any supplier is found to be disqualified, the Group will, upon confirmation through inspection, immediately terminate the contract and take action to address the issue, ensuring product quality.

For the year ended 31 March 2025, there is 1 supplier (2024: 8 suppliers) from 1 geographic region (2024: three regions):

	31.03.2025		**31.03.2024**	
Number of suppliers by geographical region	***Number***	***Percentage***	*Number*	*Percentage*
Singapore	**1**	**100%**	3	37.5%
Hong Kong	**0**	**0%**	2	25%
Indonesia	**0**	**0%**	3	37.5%
Total	**1**	**100%**	8	100%

The Group is committed to diversifying its supply chain by adding diverse suppliers in the near future. The Group will adhere strictly to the supplier selection process and actively pursue new cooperative opportunities with suppliers.

The selection of new suppliers is subject to approval by our senior management. The selection criteria take into account environmental and social risks, such as compliance with applicable environmental laws and regulations, sustainability, and fair trade. To encourage continuously improvement in environmental and social performance, we require each supplier to meet our standards for environmental protection and occupational health and safety. For example, we favor suppliers who produce sustainably sourced coal, employ eco-friendly technologies in mining, and adhere to occupational safety and health standards. The Group conducts an annual review of the supplier list to ensure compliance with our stringent requirements.

Privacy Protection and Product Responsibility

The Group safeguards the confidentiality of personal information and customer privacy, and adheres to the applicable laws and regulations, including but not limited to the followings:

- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong);
- Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong); and
- Personal Data Protection Act of Singapore.

The Group has established detailed code of conduct for operations and services to protect customer privacy. It mandates that employees strictly follow guidelines on the treatment of customer data treatment and prohibits the copying, communication, or disclosure of confidential information without proper authorization, thereby minimizing the risk of information leakage.

The Group is vigilant in observing and protecting intellectual property rights, and stands firmly against any form of intellectual property infringement. This commitment is stipulated in our employee handbooks and is rigorously enforced through corporate policies, systems, and procedures.

In addition, the Group has a quality control system in place for all products sold. Product quality is in line with safety and health regulations and remains stable for a long time. The Group has set up a channel for prompt treatment of customers' queries, feedback, complaints, and relevant after-sales services. The Group values customers' complaints and conducts internal investigations through fair, open and just means. Investigation results will be provided to the affected customers, and subsequent remedial measures will be taken. The Group also regularly conducts spot checks of product quality and reviews the aspects for improvement according to customers' opinions and complaints, so as to improve the product and service level of the Company. For the year ended 31 March 2025, no customer complaints or non-compliance issues were noted on the aspects of privacy protection and product responsibility.

Since the purchased coal is shipped directly from suppliers to customers, product recalls are arranged between suppliers and customers. Recall procedures are not applicable to the Group.

Anti-corruption

The Group believes that honesty, integrity, and fair play are important assets in its business. An internal code of conduct has been established to set out the standards of behavior for employees. The Group requires its employees to behave ethically, act with honesty, treat others with fairness, respect diversity, accept accountability, and communicate openly in accordance with these standards. The code of conduct stipulates rules against bribery, procedures for accepting advantages, policies on conflict of interest, and guidelines for dealing in listed securities, etc. Anyone who breaches these guidelines or applicable regulatory requirements will be subject to discipline, up to and including dismissal.

The Group complies with all applicable anti-corruption laws and regulations, including but not limited to the following:

- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong); and
- Prevention of Corruption Act (Cap. 241 of the Laws of Singapore).

During the Reporting Period, the Group did not receive any reports regarding bribery, corruption, extortion, fraud, or money laundering cases relating to the Group. There were no concluded legal cases regarding corrupt practices brought against the Group and its employees.

The Group encourages employees, customers, suppliers, and other stakeholders to pay attention to and report any misconduct relating to the Group. Stakeholders may express their concerns without restriction through face-to-face communication, email, or telephone, directly to the Audit Committee, senior management, personnel department, or immediate supervisors, as appropriate. Reported cases are handled promptly, confidentially, and independently to protect whistleblowers from retaliation and reprisals. The Audit Committee will review the reported cases and take follow-up actions to investigate on every potential misconduct or irregularity.

If an employee has a grievance regarding employment or experiences discrimination under the Discrimination Ordinances at work, they may first discuss the matter with their immediate supervisor or a director. If the grievance or complaint cannot be satisfactorily resolved, employees may present the case to the personnel department and/or senior management. The grievance or complaint will be investigated in strict confidence, and a response will be provided within three working days.

To implement the code of conduct effectively, the Group regularly provides training and resources, such as reference materials published by the Independent Commission Against Corruption, to directors and employees to ensure awareness of the latest information about anti-corruption.

Care for Community

The Group is committed to supporting community development in the areas where it operates while having a positive influence on the local communities. The Group supports community engagement, contributes to cultural and social development, and encourages employees to get involved in volunteer services and community activities to promote cultural diversity and community values.

The Group adopts a community investment policy to build trust and stable relationships with its stakeholders. The Group focuses its social contributions on sport, health, culture, education and environment.

As a socially responsible company, our employees have been actively involved in community and charitable work. During the Reporting Period, the Group's employees participated in 10 hours (2024: 10 hours) of community activities, including a bowling competition, a neighborhood engagement event, and a coffee pour-over workshop. These initiatives, aligned with our commitment to sustainable development, strengthen relationships with key stakeholders, such as employees, local communities and their neighbors, fostering social cohesion and employee well-being. The Group and its employees will continue to engage in community and charitable works to promote racial harmony and social cohesion in Singapore.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, General Disclosures and KPIs	Description	Section/Remarks
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Policy and Resources Management Measures
KPI A1.1	The types of emissions and respective emissions data.	Emissions and waste produced
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Emissions and waste produced
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions and waste produced
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions and waste produced
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Policy and Resources Management Measures
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Policy and Resources Management Measures

Subject Areas, General Disclosures and KPIs	Description	Section/Remarks
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Policy and Resources Management Measures
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility)	Resources Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resources Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Policy and Resources Management Measures
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resources Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resources Consumption
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, General Disclosures and KPIs	Description	Section/Remarks
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employee Management and Policy
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employees' Background
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employees' Background
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety

Subject Areas, General Disclosures and KPIs	Description	Section/Remarks
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management

Subject Areas, General Disclosures and KPIs	Description	Section/Remarks
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Privacy Protection and Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Privacy Protection and Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Privacy Protection and Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Privacy Protection and Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Privacy Protection and Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Privacy Protection and Product Responsibility

Subject Areas, General Disclosures and KPIs	Description	Section/Remarks
B7 Anticorruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Care for Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Care for Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Care for Community

INDEPENDENT AUDITOR'S REPORT

MOORE

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To the members of
Ares Asia Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Ares Asia Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 59 to 105, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue recognition *Refer to Notes 3 and 5 to the consolidated financial statements*	
The Group is principally engaged in the coal and other commodities trading business. Revenue mainly represents income from the sale of coal sourced from various countries to end customers in Mainland China. The Group enters into sale and purchase agreements with customers and, in accordance with the terms of the agreements, revenue is recognised when the control of the coal has been transferred to the customers which is determined to be when the coal is transferred to the ship at the point of origin's anchorage. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk in recognition of revenue to meet specific targets or expectations.	Our procedures in relation to revenue recognition included: • Evaluated the design, implementation and operating effectiveness of key internal controls which govern revenue recognition; • Inspected sale and purchase agreements, on a sample basis, to understand the terms of delivery and assessed whether management recognised the related revenue in accordance with the Group's accounting policies and the prevailing accounting standards; • Obtained and assessed a legal opinion issued by the Company's external legal counsel to assess whether the Group has an enforceable right to payment of consideration and such payment is probable; • Evaluated, on a sample basis, revenue transactions recorded during the year with the underlying sale and purchase agreements, bills of lading, invoices and bank-in slips for settled balances and assessed whether the related revenue had been recognised in accordance with the Group's revenue recognition policies; • Arranged confirmation, on a sample basis, to customers of the Group of sales transactions during the year and, for unreturned confirmation, performed alternative procedures by evaluating details of the relevant transactions with relevant underlying documentation; and • Evaluated, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying sale and purchase agreements and bills of lading to determine whether the related revenue had been recognised in the appropriate financial period.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

Lai Hung Wai
Practicing Certificate number: P06995
Hong Kong, 26 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 *US$'000*	2024 *US$'000*
Revenue	*5*	**3,317**	70,382
Cost of sales		**(3,216)**	(70,051)
Gross profit		**101**	331
Other income, net	*6*	**2**	5
Selling expenses		**(168)**	(109)
Impairment losses under expected credit loss		**(1,005)**	–
Administrative expenses		**(1,309)**	(1,484)
Loss from operations		**(2,379)**	(1,257)
Finance costs	*7(a)*	**(10)**	(8)
Loss before taxation	*7*	**(2,389)**	(1,265)
Income tax credit	*8*	**30**	–
Loss and total comprehensive expense for the year attributable to owners of the Company		**(2,359)**	(1,265)
		US	*US*
Loss per share			
Basic and diluted	*11*	**(0.46 cents)**	(0.25 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 US$'000	2024 US$'000
Non-current assets			
Property, plant and equipment	12	21	32
Right-of-use assets	13	203	–
		224	32
Current assets			
Trade and other receivables	15	3,005	1,533
Cash and cash equivalents	16(a)	1,900	6,258
		4,905	7,791
Current liabilities			
Other payables	17	309	672
Income tax payable		–	54
Lease liabilities	13	179	139
		488	865
Net current assets		4,417	6,926
Total assets less current liabilities		4,641	6,958
Non-current liabilities			
Lease liabilities	13	42	–
Net assets		4,599	6,958
Capital and reserves			
Share capital	19(b)	662	662
Reserves		3,937	6,296
Total equity		4,599	6,958

These consolidated financial statements on pages 59 to 105 were approved and authorised for issue by the Board of Directors on 26 June 2025 and are signed on its behalf by:

LAI Yi-Chun
Director

LUO Xiao
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital	Share premium	Contributed surplus	Accumulated losses	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
		(Note 19(c))	*(Note 19(c))*		
At 1 April 2023	662	6,777	15,088	(14,304)	8,223
Loss and total comprehensive expense for the year	–	–	–	(1,265)	(1,265)
At 31 March 2024 and 1 April 2024	**662**	**6,777**	**15,088**	**(15,569)**	**6,958**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(2,359)**	**(2,359)**
At 31 March 2025	**662**	**6,777**	**15,088**	**(17,928)**	**4,599**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 *US$'000*	2024 *US$'000*
OPERATING ACTIVITIES			
Loss before taxation		**(2,389)**	(1,265)
Adjustments for:			
Finance costs	*7(a)*	**10**	8
Depreciation of property, plant and equipment	*7(c)*	**11**	7
Depreciation of right-of-use assets		**122**	–
Provision for impairment of trade receivable		**850**	–
Provision for impairment of prepayment		**155**	–
Operating cash flows before movements in working capital		**(1,241)**	(1,250)
Changes in working capital:			
Trade and other receivables		**(2,477)**	9,922
Other payables		**(363)**	(9,879)
Income tax paid		**(24)**	–
Net cash used in operating activities		**(4,105)**	(1,207)
Cash used in investing activity			
Purchases of property, plant and equipment		**–**	(20)
FINANCING ACTIVITIES			
Repayment of lease liabilities		**(243)**	(202)
Interest paid		**(10)**	(8)
Cash used in financing activities		**(253)**	(210)
Net decrease in cash and cash equivalents		**(4,358)**	(1,437)
Cash and cash equivalents at beginning of the year		**6,258**	7,695
Cash and cash equivalents at end of the year	*16(a)*	**1,900**	6,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Ares Asia Limited (the "Company", together with its subsidiaries 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"). In the opinion of the directors, the ultimate holding company of the Company is Reignwood International Holdings Company Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Dr. Chanchai RUAYRUNGRUANG who is the father of Ms. RUAYRUNGRUANG Woraphanit, a non-executive Director of the Company. 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 consolidated financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company, and rounded to the nearest thousand ("000"), unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any accumulated impairment loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Leasehold improvements	4 years or over the remaining term of the lease, if shorter
Furniture, fixtures and equipment	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Credit losses and impairment of assets

Credit losses of financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rate where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Credit losses and impairment of assets *(Continued)*

Measurement of ECLs (Continued)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a loss rate approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 150 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Credit losses and impairment of assets *(Continued)*

Significant increases in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Credit losses and impairment of assets *(Continued)*

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Credit losses and impairment of assets *(Continued)*

Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- prepayments for supply contracts; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Trade and other receivables (other than prepayments for supply contracts)

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

Prepayments for supply contracts

Prepayments for supply contracts are stated at cost less allowance for impairment losses (see Note 3.2).

Other payables

Other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 3.2 to the consolidated financial statements.

Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Income tax *(Continued)*

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - — the same taxable entity; or
  - — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The Group engages in the trading of coal and other commodities.

Timing of revenue recognition

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sale of coal and other commodities is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are loaded onto the vessel or delivered to customers, and the title is passed.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of payment is one year or less.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15 *(Continued)*

Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Contract liabilities

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

It is common for the Group to receive from the customer the whole or some of the contractual payments before the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

As a lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises:

(i) the amount of the initial measurement of the lease liability;

(ii) any lease payments made at or before the commencement date, less any lease incentives received;

(iii) any initial direct costs incurred by the Group; and

(iv) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses (see Note 3.2) and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset as follows:

Office premises	Over the lease term

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

As a lessee (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract. The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(i) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(ii) variable lease payments that depend on an index or a rate;

(iii) amounts expected to be payable under residual value guarantees;

(iv) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(v) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

As a lessee *(Continued)*

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if

(i) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(ii) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(i) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(ii) the Group determines the lease term of the modified contract.

(iii) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(iv) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(v) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in United States dollars, which is both the Company's presentation currency and functional currency.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of entities with functional currency other than United States dollars are translated into United States dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statements of financial position items are translated into United States dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences, if any, are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an entity with functional currency other than United States dollars, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. MATERIAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following is the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent consideration (principal)

The Group engages in trading of coal and other commodities. The Group concluded that the Group acts as the principal for such transactions as the Group is primarily responsible for fulfilling the promise to provide the coal and other commodities. The Group is also responsible for identifying customers and suppliers and determining quantity and quality of the commodities and transportation and payment terms with customers and suppliers, and has discretion in setting price of the goods bought and sold, respectively. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Loss allowance on receivables

The Group uses loss rate approach to calculate ECL for receivables. The current and forecast economic conditions. Management reassesses the provision at the end of each reporting period.

Significant judgement is exercised on the assessment of the collectability of receivables from each customer. In making the judgement, management considers a wide range of factors such as ageing of the receivables, counterparty credit-worthiness and historical write-off experience. If the financial conditions of the counterparty were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

4. MATERIAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(ii) Income tax

Determining income tax provisions involves judgment on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations.

5. REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the coal and other commodities trading business. All of the revenue for the years ended 31 March 2025 and 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. The revenue from contracts with customers within HKFRS 15 is based on fixed price.

Revenue from customers contributing over 10% of the Group's revenue are as follows:

Coal and other commodities trading	Year ended 31 March	
	2025	2024
	US$'000	*US$'000*
Customer 1	**3,317**	N/A
Customer 2	**N/A**	20,811
Customer 3	**N/A**	12,396
Customer 4	**N/A**	11,813
Customer 5	**N/A**	9,736
Customer 6	**N/A**	7,994

No revenue was generated from Customers 2 to 6 for the years ended 31 March 2025.

(b) Segment reporting

The Group has a single reportable segment which is "coal and other commodities trading". The information reported to the Group's management for the purpose of resource allocation and performance assessment presents the operating results of the Group as a whole since the Group's resources are integrated and no discrete operating segment is available. Accordingly, the operating segment information for this sole reportable segment is equivalent to the consolidated figures.

5. REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

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	
	2025	2024	**2025**	2024
	US$'000	*US$'000*	***US$'000***	*US$'000*
Mainland China	**3,317**	49,571	**–**	–
Hong Kong	**–**	–	**223**	30
Singapore	**–**	–	**1**	2
Vietnam	**–**	20,811	**–**	–
	3,317	70,382	**224**	32

6. OTHER INCOME, NET

	2025	2024
	US$'000	*US$'000*
Interest received from bank deposits	**1**	2
Government subsidies *(Note)*	**–**	1
Net foreign exchange gain	**1**	2
	2	5

Note: The government subsidies were granted from the Government of Singapore under the Employment Support Scheme for the year ended 31 March 2024.

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

		2025 US$'000	2024 US$'000
(a)	**Finance costs**		
	Interest on lease liabilities	10	8
		10	8
(b)	**Staff costs**		
	Salaries and other benefits	566	581
	Contributions to defined contribution retirement plan	20	24
		586	605
(c)	**Other items**		
	Cost of inventories	3,216	69,742
	Depreciation of property, plant and equipment	11	7
	Depreciation of right-of-use assets	122	–
	Auditors' remuneration		
	– Annual audit	142	142
	– Non-annual audit	29	23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

8. INCOME TAX CREDIT

Hong Kong Profits Tax, if any, is calculated at 16.5% (2024: 16.5%) on the assessable profits for the year. No provision for Hong Kong Profits Tax had been made for the years ended 31 March 2025 and 2024 as the Group's operations in Hong Kong incurred a loss for Hong Kong Profits Tax purpose.

The income tax provision in respect of operations in Singapore is calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

Reconciliation between tax credit and loss before taxation at applicable tax rates:

	2025	2024
	US$'000	*US$'000*
Loss before taxation	**(2,389)**	(1,265)
Income tax at domestic tax rates in respective tax jurisdictions	**(394)**	(209)
Tax effect of non-taxable income	**(17)**	(4)
Tax effect of non-deductible expenses	**336**	58
Tax effect of tax losses not recognised	**76**	157
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1)**	(2)
Over-provision in prior years	**30**	–
Income tax credit	**30**	–

Deferred tax assets not recognised

The Group has not recognised deferred tax asset in respect of tax losses of US$18,249,000 (2024: US$17,891,000) as it is not probable that sufficient taxable profits will be available to allow the tax losses to be utilised in the foreseeable future. The tax losses do not expire under current tax legislation.

9. DIRECTORS' EMOLUMENTS

The aggregate amounts of emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

For the year ended 31 March 2025

	Directors' fees *US$'000*	Salaries, allowances and benefits in kind *US$'000*	Contributions to defined contribution retirement plans *US$'000*	Discretionary bonus *US$'000*	Total *US$'000*
Executive directors					
LAI Yi-Chun	–	123	–	–	123
Non-Executive director					
RUAYRUNGRUANG Woraphanit	–	81	2	–	83
Independent non-executive directors					
YEUNG Kin Bond, Sydney	23	–	–	–	23
LIU Ji	23	–	–	–	23
Quan, Ruixue *(Note b)*	23	–	–	–	23
	69	204	2	–	275

For the year ended 31 March 2024

	Directors' fees *US$'000*	Salaries, allowances and benefits in kind *US$'000*	Contributions to defined contribution retirement plans *US$'000*	Discretionary bonus *US$'000*	Total *US$'000*
Executive directors					
LAI Yi-Chun	–	123	–	–	123
Non-Executive director					
RUAYRUNGRUANG Woraphanit	–	81	2	–	83
Independent non-executive directors					
CHANG Jesse *(Note a)*	11	–	–	–	11
YEUNG Kin Bond, Sydney	23	–	–	–	23
LIU Ji	23	–	–	–	23
Quan, Ruixue *(Note b)*	8	–	–	–	8
	65	204	2	–	271

Notes:

(a) Mr. CHANG Jesse resigned as independent non-executive director on 15 September 2023.

(b) Mr. Quan, Ruixue was appointed as independent non-executive director on 1 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. DIRECTORS' EMOLUMENTS *(Continued)*

Fees, salaries, allowances and benefits in kind paid to or for the executive directors of the Company are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries. The emoluments shown above for the non-executive director and independent non-executive directors primarily relate to their services as directors of the Company.

During the years ended 31 March 2025 and 2024, there was no amount paid or payable by the Group to the directors or any of the highest paid individuals as set out in Note 10 below as an inducement to join or upon joining the Group or as compensation for loss of office and the entire amount were paid or payable for the emoluments to the management of the Company. There was no arrangement under which a director has waived or agreed to waive any remuneration during the years ended 31 March 2025 and 2024.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2024: two) are directors whose emoluments are disclosed in Note 9 to the consolidated financial statements. The aggregate of the emoluments in respect of the other three (2024: three) individuals are as follows:

	2025 ***US$'000***	2024 *US$'000*
Salaries and other emoluments	**238**	245
Contributions to defined contribution retirement plans	**15**	19
Discretionary bonus	**–**	–
	253	264

The emoluments of the three (2024: three) individuals with the highest emoluments are within the following bands:

	2025 ***Number of individuals***	2024 *Number of individuals*
Nil to HK$1,000,000 (equivalent to Nil to US$129,000)	**2**	2
HK$1,000,001 to HK$1,500,000 (equivalent to US$129,001–US$194,000)	**1**	1

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders of the Company of US$2,359,000 (2024: US$1,265,000) and the weighted average of 513,175,401 ordinary shares (2024: 513,175,401 ordinary shares) in issue during the year.

(b) Diluted loss per share

The calculation of diluted loss per share is the same as basic loss per share for the years ended 31 March 2025 and 2024 as there were no dilutive potential ordinary shares during these years.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *US$'000*	Furniture, fixtures and equipment *US$'000*	Total *US$'000*
Cost:			
At 1 April 2023	32	186	218
Addition	–	20	20
At 31 March 2024	32	206	238
Accumulated depreciation			
At 1 April 2023	32	167	199
Charge for the year	–	7	7
At 31 March 2024	32	174	206
Net book value			
At 31 March 2024	–	32	32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Leasehold improvements *US$'000*	Furniture, fixtures and equipment *US$'000*	Total *US$'000*
Cost:			
At 1 April 2024 and 31 March 2025	32	206	238
Accumulated depreciation			
At 1 April 2024	32	174	206
Charge for the year	–	11	11
At 31 March 2025	32	185	217
Net book value			
At 31 March 2025	–	21	21

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Office premises
	US$'000
Reconciliation of carrying amount	
At 31 March 2024	
Cost	1,032
Accumulated depreciation and impairment	(1,032)
	–
Reconciliation of carrying amount	
At 1 April 2023 and 31 March 2024	–
Addition	325
Depreciation	(122)
At 31 March 2025	**203**
At 31 March 2025	
Cost	**325**
Accumulated depreciation	**(122)**
	203

	2025	2024
	US$'000	*US$'000*
Lease liabilities		
Current portion	**179**	139
Non-current portion	**42**	–
	221	139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

The Group's right-of-use assets in respect of properties represent leases of office premises located in Hong Kong for its daily operations and with lease term of three years. Lease terms are negotiated on an individual basis and contain similar terms and conditions. The lease agreements do not impose any covenants.

The total cash outflow for leases was US$253,000 (2024: US$210,000) for the year ended 31 March 2025.

At 31 March 2025, the weighted average incremental borrowing rate for the lease liabilities of the Group was 5% (2024: 5%) per annum.

14. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

			Proportion of ownership interest		
Name	**Place of incorporation and operations**	**Particulars of issued and/or paid up share capital**	**Group's effective interest**	**Held by subsidiaries**	**Principal activities**
Able Point Corporation Limited	Hong Kong	1,000,000 ordinary shares	100%	100%	Investment holding
Ares Repco Limited	Hong Kong	2,000,000 ordinary shares	100%	100%	Coal and other commodities trading
Ares Asia Resources Pte. Ltd.	Singapore	2,000,000 ordinary shares	100%	100%	Coal and other commodities trading

15. TRADE AND OTHER RECEIVABLES

	Notes	2025 US$'000	2024 US$'000
Trade and bills receivables	15(a)	3,317	–
Less: Allowance for expected credit losses		(850)	–
		2,467	–
Other receivables and deposits		90	351
Prepayments			
Prepayments for supply contracts			
– Prepayment A	15(b)	11,064	11,064
– Prepayment B	15(c)	593	1,180
Other prepayments		10	2
		11,667	12,246
Less: impairment of Prepayment A	15(b)	(11,064)	(11,064)
Less: impairment of Prepayment B	15(c)	(155)	–
		448	1,182
Total trade and other receivables		3,005	1,533

15. TRADE AND OTHER RECEIVABLES *(Continued)*

(a) Trade and bills receivables

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:

	2025 *US$'000*	2024 *US$'000*
More than 6 months	2,467	–

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 23) 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 23) for a contractual dispute against the Supplier, details of which are set out in note 23.

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.

15. TRADE AND OTHER RECEIVABLES *(Continued)*

(b) Prepayment A

During the year ended 31 March 2014, the Group entered into coal sale and purchase agreements with a marketing agent of two coal miners in Indonesia (the "Supplier") and made prepayments of US$13,000,000 for the purpose of securing long-term supply of thermal coal from the relevant coal miners. During the year ended 31 March 2015, a deed of transfer and amendment was entered into and the original agreement was transformed into a new contract with another agent of the two coal miners in Indonesia. As at 31 March 2016, such prepayments with unutilised amount of US$11,704,000, the directors reassessed the recoverability of the unutilised prepayments based on all relevant information available to the Group. Due to the continuing downturn of coal market, the low demand of coal and minimal utilisation of the prepayments, demand for repayment which were in vain, the directors made a full impairment loss of US$11,704,000 which was recognised in the consolidated statement of comprehensive income during the year ended 31 March 2016 considering that there was significant uncertainty as to the ability of the Group to recover the balance of the prepayments through either utilisation from future purchases or repayment of the prepayments. On 12 December 2016, the Group restructured the rights and obligations under the relevant coal supply and purchase agreements, through a series of contracts signed and exchanged on 12 December 2016 with the relevant parties (the "Restructuring Agreement"), where the Supplier agreed to a coal supply arrangement (with an anticipated term of approximately five years) for purchases of coal on such terms as may from time to time be agreed by the Group and the Supplier. Details of the Restructuring Agreement are set out in the announcement of the Company dated 12 December 2016. During the year ended 31 March 2017, unutilised prepayments and other receivables in total of US$640,000 were recovered and recognised in the consolidated statement of comprehensive income during the year ended 31 March 2017.

As at 31 March 2025 and 2024, the amount of US$11,064,000 remained as irrecoverable and the impairment loss made in prior years remained as US$11,064,000. The directors of the Company have taken various actions to seek to recover the prepayments from the Supplier, including follow-up with email and phone calls but to no avail. Since 2022, the directors of the Company have instructed legal advisers to issue letter to terminate the Restructuring Agreement for the Supplier's failure to perform material obligation under the Restructuring Agreement and demanded full payment of US$11,064,000. In the opinion of the directors of the Company, the Group has continued to seek and consider all of their options to recover the prepayments, including, potentially, issuing further demand letter, arranging for a meeting with the Supplier's management in Indonesia, commencing legal proceedings and/or bringing petition for the winding up of Supplier at the relevant jurisdiction(s), if necessary.

(c) Prepayment B

The amount was paid to the Supplier (as defined in note 23) of the Group for procurement of coal, details of which set out in note 23.

As at 31 March 2025, considered the Arbitration (as defined in note 23), the management has applied the same loss rate as impairment for trade receivable set out in note15(a), to calculate the impairment on the unutilised and refundable prepayment to the Supplier. Accordingly, an impairment of US$155,000 is identified and recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025	2024
	US$'000	*US$'000*
Cash in hand	**8**	8
Cash at banks	**1,892**	6,250
Cash and cash equivalents in the consolidated statement of cash flows	**1,900**	6,258

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities
	US$'000
At 1 April 2023	341
Changes from financing cash flows:	
Repayment of lease liabilities	(202)
Interest paid	(8)
Total changes from financing cash flows	(210)
Other changes:	
Interest expenses *(see Note 7(a))*	8
Total changes	(202)
At 31 March 2024	139

16. OTHER CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of liabilities arising from financing activities: *(Continued)*

	Lease liabilities ***US$'000***
At 1 April 2024	**139**
Changes from financing cash flows:	
Increase in lease liabilities	**325**
Repayment of lease liabilities	**(243)**
Interest paid	**(10)**
Total changes from financing cash flows	**72**
Other changes:	
Interest expenses *(see Note 7(a))*	**10**
Total changes	**82**
At 31 March 2025	**221**

17. OTHER PAYABLES

	2025 ***US$'000***	2024 *US$'000*
Accruals	**240**	274
Other payables	**69**	398
	309	672

The other payables are expected to be settled within one year or are repayable on demand.

18. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed in accordance with the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately. There was no forfeited contribution utilized to offset employers' contributions for the years ended 31 March 2025 and 2024, and there was no forfeited contribution available to reduce the contribution payable in the future years as at 31 March 2025 and 2024.

The total cost charged to profit or loss of US$4,336 (2024: US$5,500) represents contributions payable to these schemes by the Group in respect of the year ended 31 March 2025.

19. CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital	Share premium	Contributed surplus	Accumulated losses	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 April 2023	662	6,777	15,088	(14,622)	7,905
Loss and total comprehensive loss for the year	–	–	–	(1,271)	(1,271)
At 31 March 2024 and 1 April 2024	**662**	**6,777**	**15,088**	**(15,893)**	**6,634**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**(2,571)**	**(2,571)**
At 31 March 2025	**662**	**6,777**	**15,088**	**(18,464)**	**4,063**

19. CAPITAL AND RESERVES *(Continued)*

(b) Share capital of the Company

	Number of shares	*Amount*
		US$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 31 March 2025	36,000,000,000	46,452
Issued and full paid:		
At 1 April 2023, 31 March 2024 and 31 March 2025	513,175,401	662

(c) Nature and purpose of reserves

i. Share premium

The application of the share premium is governed by Section 40 of the Bermuda Companies Act 1981.

ii. Contributed surplus

Contributed surplus arose from the Group reorganisation in prior years.

(d) Distributability of reserves

In addition to retained profits, under the Bermuda Companies Act 1981, the contributed surplus account of the Company is also available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

i. it is, or would after the payment be, unable to pay its liabilities as they become due; or

ii. the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

As at 31 March 2025, no reserve available for distribution to equity shareholders of the Company as the aggregate deficit amounted to US$3,376,000 (2024: US$739,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. CAPITAL AND RESERVES *(Continued)*

(e) Dividends

The directors do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

(f) Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as including all components of equity. On this basis the amount of capital employed at 31 March 2025 was US$4,599,000 (2024: US$6,958,000).

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group reviews the capital structure on a regular basis and considers the cost of capital and the associated risks. Based on recommendations of the board of directors, the Group will balance its overall capital structure through adjusting the amount of dividends paid to shareholders, new share issues or new debt financing. No changes were made in the objectives, policies or processes during the years ended 31 March 2025 and 2024.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and bills receivables. The Group's exposure to credit risk arising from cash and bank balances are limited because the counterparties are banks with a high credit rating, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk and impairment assessment *(Continued)*

Trade and receivables

For trade receivables, management assesses the collectability of the trade receivables regularly and on a case-by-case basis for the determination of any loss allowance for the trade receivables by taking into account the customers' and supplier's financial condition, current creditworthiness, past settlement history, business relationship with the Group, and other factors such as current market conditions.

The Group is exposed to significant concentration of credit risk as 100% of its trade receivables as at 31 March 2025, amounting to approximately US$3,317,000, is due from a single end customer, which was assessed for allowance for credit losses individually. The management assessed the allowance for credit losses for lifetime by estimating default rates taking into account the financial position of the counterparty and forward-looking information. As at 31 March 2025, an impairment allowance of US$850,000 (2024: nil) was made on the trade receivables.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings. The 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 March 2025 and 2024, the Group assessed the ECL for other receivables are insignificant and thus no loss allowance is recognised.

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk and impairment assessment *(Continued)*

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL — not credit-impaired 12m ECL	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk and impairment assessment *(Continued)*

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

Financial assets at amortised cost	*Notes*	Internal credit rating	12m or lifetime ECL	**2025 Gross carrying amount** ***US$'000***	2024 Gross carrying amount *US$'000*
Trade and bills receivables	*15*	Note	Lifetime ECL	**3,317**	–
Other receivables and deposits	*15*	Low risk	12m ECL	**90**	351
Bank balances	*16(a)*	Low risk	12m ECL	**1,900**	6,258
				5,307	6,609

Note: The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance for trade receivables on life time ECL basis.

The following table provides information about the exposure to credit risk for the trade receivable, assessed individually under the lifetime ECL model:

	Gross carrying amount *US$'000*	*(Note)* **Expected credit loss allowance** *US$'000*	**Net carrying amount** *US$'000*
Past due for more than 6 months	3,317	(850)	2,467

Note: The expected credit loss allowance and net carrying amount are subject to the ongoing arbitration outcome and professional valuation.

The loss rate applied for this assessment was approximately 26.2%, derived from historical default rates observed over the expected life of the receivables, adjusted for forward-looking information including macroeconomic factors and customer-specific financial indicators. This loss rate reflects the heightened credit risk associated with the single customer's financial condition as at the reporting date.

The Group continues to monitor the arbitration proceedings and the financial position of the Supplier and end customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowing exceeds certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The maturity profile of the Group's non-derivatives financial liabilities at the end of the reporting period, based on contractual undiscounted cash flows (including interest payments based on rates at end of the reporting period) are summarised below:

	Weighted average interest rate	On demand or within 1 year	1 to 2 years	Total contractual undiscounted payments	Total carrying amount
	%	*US$'000*	*US$'000*	*US$'000*	*US$'000*
As at 31 March 2025					
Other payables	**–**	**309**	**–**	**309**	**309**
Lease liabilities	**5**	**185**	**43**	**228**	**221**
		494	**43**	**537**	**530**
As at 31 March 2024					
Other payables	–	672	–	672	672
Lease liabilities	5	140	–	140	139
		812	–	812	811

21. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors disclosed in Note 9 to the consolidated financial statements is as follows:

	2025 *US$'000*	2024 *US$'000*
Salaries and other short-term employee benefits	273	269
Retirement scheme contributions	2	2
	275	271

Total remuneration is disclosed in "staff costs" (see Note 7(b)).

(b) Transaction with a fellow subsidiary

	2025 *US$'000*	2024 *US$'000*
Repayment of lease liabilities and interest on lease liabilities	253	210
Building management fee and utility charges	10	29

For the year ended 31 March 2025, the Group committed to repay lease liabilities and interest on lease liabilities of US$267,000 (2024: US$297,000), of which US$14,000 (2024: US$87,000) have not been paid.

(c) Connected transaction

The related party transaction in respect of Note 21(b) to the consolidated financial statements constitutes continuing connected transaction as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section headed "Continuing connected transaction" of the Reports of the directors.

22. PLEDGE OF ASSETS

No bills receivable discounted with full recourse as at 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. 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 USD 3,833,500, 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 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.

24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 US$'000	2024 US$'000
Non-current assets			
Investments in subsidiaries		–	–
Amounts due from subsidiaries		5,214	7,559
		5,214	7,559
Current assets			
Prepayments and other receivables		13	15
Cash and cash equivalents		27	27
		40	42
Current liabilities			
Other payables and accrued expenses		117	202
Amounts due to subsidiaries		1,074	765
		1,191	967
Net current liabilities		(1,151)	(925)
Net assets		4,063	6,634
Capital and reserves			
Share capital	*19(b)*	662	662
Reserves	*19(a)*	3,401	5,972
Total equity		4,063	6,634

This statement of financial position was approved and authorised for issue by the Board of Directors on 26 June 2025 and signed on its behalf by

LAI Yi-Chun
Director

LUO Xiao
Director

FINANCIAL SUMMARY

For the year ended 31 March 2025

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, is set out below:

RESULTS

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue	**3,317**	70,382	52,594	101,556	117,506
Loss before taxation	**(2,389)**	(1,265)	(775)	(2,128)	(2,262)
Income tax	**30**	–	(54)	–	–
Loss for the year attributable to shareholders	**(2,359)**	(1,265)	(829)	(2,128)	(2,262)

ASSETS AND LIABILITIES

	At 31 March				
	2025	2024	2023	2022	2021
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Total assets	**5,129**	7,823	19,169	24,620	47,598
Total liabilities	**(530)**	(865)	(10,946)	(15,568)	(36,418)
	4,599	6,958	8,223	9,052	11,180