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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ares Asia Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

**PROPOSALS FOR RE-ELECTION OF
RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF
AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO
HAS SERVED MORE THAN NINE YEARS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

PRECAUTIONARY MEASURES FOR THE 2020 ANNUAL GENERAL MEETING

In view of the Prevention and Control of Disease (Prohibition on Group Gathering) (Amendment) (No. 2) Regulation 2020 that came into operation on 8 May 2020 (the “Regulation”), group gatherings of more than 50 persons for shareholders’ meetings are required to be accommodated in separate rooms or partitioned areas of not more than 50 persons each. To comply with the Regulation and to safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the 2020 Annual General Meeting of the Company (“2020 AGM”):

- (1) Compulsory temperature screening/checks
- (2) Submission of Health Declaration Form
- (3) Wearing of surgical face mask
- (4) Assigning a designated seat
- (5) No provision of gifts, refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) to (4) above or cooperate with Company’s staff may be denied entry to the 2020 AGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, Shareholders are strongly encouraged to cast their votes by submitting a form of proxy appointing the Chairman of the 2020 AGM as their proxy, and to return their form of proxy by the time specified below, instead of attending the 2020 AGM in person. The Company would like to further remind the shareholders that they should carefully consider the risks of attending the 2020 AGM, taking into account of their own personal circumstances.

A notice convening the annual general meeting of the Company to be held at Level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Wednesday, 9 September 2020 at 4:30 p.m. is set out on pages 16 to 19 of this circular. A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the annual general meeting or any adjourned meeting should you so wish.

17 July 2020

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PRECAUTIONARY MEASURES FOR THE 2020 ANNUAL GENERAL MEETING

With the outbreak and spreading of the COVID-19 pandemic and the heightened requirements for the prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the 2020 Annual General Meeting (“2020 AGM”) in person, the Company will implement the following precautionary measures at the 2020 AGM.

Voting by proxy in advance of the 2020 AGM: The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of Shareholders, the Company reiterates that Shareholders are strongly encouraged to exercise their right to vote at the 2020 AGM by appointing the Chairman of the 2020 AGM as their proxy instead of attending the 2020 AGM in person. **Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the 2020 AGM or any adjournment thereof should they subsequently so wish.**

The deadline to submit completed form of proxy is Monday, 7 September 2020 at 4:30 p.m. Completed form of proxy must be returned to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Shareholders are reminded that physical attendance is not necessary for the purpose of exercising Shareholders’ rights. They are strongly encouraged to cast their votes by submitting a form of proxy appointing the Chairman of the 2020 AGM as their proxy. The Company would like to further remind the shareholders that they should carefully consider the risks of attending the 2020 AGM, taking into account of their own personal circumstances.

In view of the Prevention and Control of Disease (Prohibition on Group Gathering) (Amendment) (No. 2) Regulation 2020 that came into operation on 8 May 2020 (the “Regulation”), group gatherings of more than 50 persons for shareholders’ meetings are required to be accommodated in separate rooms or partitioned areas of not more than 50 persons each. To comply with the Regulation and to safeguard the health and safety of Shareholders who might be attending the 2020 AGM in person, the Company will also implement the following measures at the 2020 AGM:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the entrance of Level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong (“AGM venue”). Any person with a body temperature of over 37.3 degrees Celsius or is exhibiting flu-like symptoms may be denied entry into the AGM venue and be requested to leave the AGM venue. Please note that any person who has travelled outside Hong Kong within 14 days immediately before the 2020 AGM (“recent travel history”), or is subject to health quarantine prescribed by the HKSAR Government or self-quarantine in relation to COVID-19, or has close contact with any person under quarantine or with recent travel history will not be admitted to the AGM venue.

PRECAUTIONARY MEASURES FOR THE 2020 ANNUAL GENERAL MEETING

- (2) Every attendee will be required to submit a completed Health Declaration Form prior to entry into the AGM venue. Please note that the Health Declaration Form will be available for your completion and signing at the entrance of the AGM venue.
- (3) Every attendee will be required to wear a surgical face mask throughout the 2020 AGM and sit at a distance from other attendees. Please note that no masks will be provided at the AGM venue and the attendees should wear their own masks.
- (4) Every attendee will be assigned a designated seat at the time of registration to ensure appropriate social distancing. The number of seats in the meeting room of AGM venue will be reduced to not more than 50 persons in each room to ensure social distancing. In view of this, there is a possibility that some Shareholders will be directed to be seated at another room(s) with video and audio link facilities. In order to comply with the Regulation, the Company may limit the number of attendees at the 2020 AGM as may be necessary to avoid over-crowding and possibly not all attendees could be accommodated.
- (5) Any attendee who declines any of the abovementioned measures or cooperate with Company's staff will be refused admission to the AGM venue.
- (6) No gifts, refreshments or drinks will be provided to attendees at the 2020 AGM.**

Please note that voting boxes will be arranged outside and inside the AGM venue. Shareholders are encouraged to place their completed voting papers into the voting boxes.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue so as to ensure the health and safety of the attendees at the 2020 AGM.

Appointment of proxy by Non-registered Shareholders: Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited are strongly encouraged to consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

If Shareholders have any questions relating to the 2020 AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990
Email: hkinfo@computershare.com.hk

PRECAUTIONARY MEASURES FOR THE 2020 ANNUAL GENERAL MEETING

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may implement additional measures which will be announced closer to the date of the 2020 AGM. Shareholders should check the Company's website at www.aresiasia.com or www.irasia.com/listco/hk/aresasia or the website of the Stock Exchange at www.hkexnews.hk for further announcements and updates on the 2020 AGM arrangements.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2020 AGM”	the annual general meeting of the Company to be held on Wednesday, 9 September 2020 at 4:30 p.m. at Level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or any adjournment thereof
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“close associates”	as defined in the Listing Rules
“Company”	Ares Asia Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 July 2020, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to the notice of 2020 AGM
“Remuneration Committee”	the remuneration committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company

DEFINITIONS

“Share Repurchase Rules”	the applicable provisions under the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	any person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

Executive Directors:

RUAYRUNGRUANG Woraphanit
(Chairlady and Chief Executive Officer)
LAI Yi-Chun

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

CHANG, Jesse
NGAN Hing Hon
YEUNG Kin Bond, Sydney

*Head Office and Principal Place of
Business in Hong Kong:*

Level 96, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

17 July 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF
RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF
AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO
HAS SERVED MORE THAN NINE YEARS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with information in relation to the proposed resolutions at the 2020 AGM so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions in relation thereto.

The resolutions include (i) the re-election of the retiring Directors and continuous appointment of an independent non-executive Director who has served more than nine years; and (ii) the granting to the Directors of general mandates for the issue and repurchase of Shares up to 20% and 10% respectively of the total number of the issued Shares as at the date of passing of the resolutions.

LETTER FROM THE BOARD

II. RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED MORE THAN NINE YEARS

In accordance with Bye-law 87 of the Bye-laws, Ms. RUAYRUNGRUANG Woraphanit (“Ms. RUAYRUNGRUANG”) and Mr. NGAN Hing Hon (“Mr. NGAN”), will retire as Directors by rotation and, being eligible, offer themselves for re-election at the 2020 AGM.

The re-election of Directors had been reviewed by the Nomination Committee which made recommendation to the Board that the re-election of Ms. RUAYRUNGRUANG and Mr. NGAN be proposed for the Shareholders’ approval at the 2020 AGM. The recommendations were made in accordance with the nomination policy and the board diversity policy of the Company including but not limited to gender, age, cultural and educational background, skills, knowledge, industry and professional experience, independence, length of service and time commitment to the Company’s business.

Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 of the Listing Rules, it is recommended that serving more than nine years could be relevant to the determination of a non-executive director’s independence. Any further appointment of independent non-executive Director serving more than nine years should be subject to a separate resolution to be approved by the Shareholders.

Mr. NGAN is an independent non-executive Director serving the Company since 2011. The Board believes that Mr. NGAN is considered as independent and continues to be independent because he has the required elements, character, integrity and experience to continue fulfilling the role of an independent non-executive Director by taking into account the factors set out in Rule 3.13 of the Listing Rules. Notwithstanding that Mr. NGAN has served on the Board for more than nine years, the Nomination Committee and the Board are of the view that this does not and would not affect the exercise of his independent judgement as he has been providing objective views and independent opinions to the Company over the years. Mr. NGAN has not engaged in the daily or executive management of the Group nor in any relationships or circumstances which would interfere with the exercise of his independent judgement. In addition, the Company has received from Mr. NGAN a confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

Taking into consideration of Mr. NGAN’s independent scope of work and valuable contributions given to the Company in the past years, the Board considers Mr. NGAN is able to provide independent, balanced and objective views to the Company’s affairs and continue to independently fulfill his role as an independent non-executive Director despite the fact that he has served the Company for more than nine years. The Nomination Committee also considers that Mr. NGAN could continue to contribute to the diversity of the Board with his professional experience in the auditing and accounting profession. Accordingly, the Board and the Nomination Committee recommend him to be re-elected as independent non-executive Director at the 2020 AGM. A separate resolution will be proposed for his re-election.

LETTER FROM THE BOARD

The Board accepted the nomination from the Nomination Committee and recommended Ms. RUAYRUNGRUANG and Mr. NGAN to stand for re-election by Shareholders at the 2020 AGM. The Board considers that the re-election of each of Ms. RUAYRUNGRUANG and Mr. NGAN as Director is in the interest of the Company and the Shareholders as a whole. Each of Ms. RUAYRUNGRUANG and Mr. NGAN has indicated his/her willingness to offer himself/herself for re-election at the 2020 AGM.

The biographical details of Ms. RUAYRUNGRUANG and Mr. NGAN are set out in Appendix I to this circular.

III. GENERAL MANDATES

(a) General Mandate to Repurchase Shares

Ordinary Resolution no. 4 will be proposed at the 2020 AGM to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to repurchase the Shares not exceeding 10% of the total number of the issued Shares as at the date of passing such resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the “Repurchase Mandate”).

An explanatory statement required under the Share Repurchase Rules providing the requisite information in respect of the Repurchase Mandate is set out in Appendix II to this circular.

(b) General Mandate to Issue Shares

It will also be proposed as the Ordinary Resolution no. 5 to grant to the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares, not exceeding 20% of the total number of the issued Shares as at the date of passing such resolution (as adjusted in accordance with the resolution), for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the “Issue Mandate”). As at the Latest Practicable Date, there were an aggregate of 513,175,401 Shares in issue. Exercise in full of the Issue Mandate on the basis that no further Shares are issued or repurchased prior to the date of 2020 AGM, could accordingly result in up to 102,635,080 Shares being issued by the Company.

Conditional upon the passing of the Ordinary Resolutions nos. 4 and 5 to grant to the Directors the Repurchase Mandate and the Issue Mandate, Ordinary Resolution no. 6 will be further proposed at the 2020 AGM granting authorisation to the Directors to exercise all powers to allot, issue, grant, distribute and otherwise deal with additional Shares under the Issue Mandate in respect of the total number of Shares repurchased by the Company.

LETTER FROM THE BOARD

IV. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Friday, 4 September 2020 to Wednesday, 9 September 2020, 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 2020 AGM, all transfer forms 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 Thursday, 3 September 2020.

V. 2020 AGM AND PROXY ARRANGEMENT

A notice convening the 2020 AGM is set out on pages 16 to 19 to this circular. In addition to the ordinary business of the meeting, ordinary resolutions in respect of the Issue Mandate and the Repurchase Mandate will be proposed at the 2020 AGM.

A form of proxy is enclosed for use by Shareholders at the 2020 AGM. Shareholders are requested to complete and return the form of proxy to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any event not less than 48 hours before the scheduled time of the 2020 AGM. The lodging of the form of proxy will not preclude the Shareholders from attending the 2020 AGM and voting in person should he/she so wish.

VI. VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions proposed at the 2020 AGM will also be taken by poll. A poll results announcement will be made by the Company after the 2020 AGM in accordance with Rule 13.39(5) of the Listing Rules.

VII. RECOMMENDATION

The Directors believe that the Ordinary Resolutions in relation to the re-election of retiring Directors and continuous appointment of an independent non-executive Director who has served more than nine years and the proposals for the Repurchase Mandate and the Issue Mandate are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the Ordinary Resolutions to be proposed at the 2020 AGM.

LETTER FROM THE BOARD

VIII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this circular misleading.

IX. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
On behalf of the Board of
Ares Asia Limited
RUAYRUNGRUANG Woraphanit
Chairlady and Chief Executive Officer

Ms. RUAYRUNGRUANG Woraphanit (“**Ms. RUAYRUNGRUANG**”), aged 30, obtained her Bachelor’s Degree in Advertisement from Peking University in the People’s Republic of China (the “**PRC**”) in 2013. Ms. RUAYRUNGRUANG is the daughter of Dr. Chanchai Ruayrungruang, the beneficial owner of Reignwood International Holdings Company Limited (“**Reignwood**”) which is the controlling shareholder of the Company, interested in approximately 65.76% of the total issued share capital of the Company as of the Latest Practicable Date. Ms. RUAYRUNGRUANG, who is currently a director of several subsidiaries of Reignwood and companies owned by her family, was responsible for handling refinancing issues, maintaining relationships with banking partners, delivery of Reignwood’s strategic vision outside of the PRC, and managing European investment portfolio during the past six years. She joined the Company as an executive Director, the Chairlady, the Chief Executive Officer, an authorised representative of the Company (the “**Authorised Representative**”) under the Listing Rules and also the authorised representative of the Company for accepting service of process and notices on behalf of the Company in Hong Kong (the “**Process Agent**”) as required under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on 5 January 2018. She is also currently a director of several subsidiaries of the Company.

Ms. RUAYRUNGRUANG has entered into a service agreement with the Company pursuant to which the appointment of Ms. RUAYRUNGRUANG as executive Director is for a term of three years commencing on 5 January 2018 unless earlier terminated by either party giving to the other not less than one calendar month’s prior notice in writing. Ms. RUAYRUNGRUANG is subject to retirement by rotation and re-election in accordance with the Bye-laws. Ms. RUAYRUNGRUANG is entitled to a basic remuneration of HK\$576,000 and with a discretionary year-end bonus. Ms. RUAYRUNGRUANG is also entitled a quarterly performance bonus of HK\$36,000 which will be paid on conditional only if the Company achieving the key performance indicators set by the Board and confirmation of such achievement being decided by the Board. Both said bonuses are covered by the service agreement. The remuneration package of Ms. RUAYRUNGRUANG is determined by the Board with reference to her duties and contribution, the Company’s performance and remuneration policy and prevailing market condition and will be reviewed annually by the Board.

Save as disclosed above, as at the Latest Practicable Date, (a) Ms. RUAYRUNGRUANG does not hold any position with the Company or its subsidiaries; (b) Ms. RUAYRUNGRUANG did not hold any directorship in any listed public companies in Hong Kong or overseas in last three years; (c) Ms. RUAYRUNGRUANG does not have any other relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (d) Ms. RUAYRUNGRUANG does not have or deemed to have any interest in the Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO; and (e) there are no other matters about Ms. RUAYRUNGRUANG that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Mr. NGAN Hing Hon (“Mr. NGAN”), aged 63, is currently the audit partner of ZHONGHUI ANDA CPA Limited. Mr. NGAN graduated from the Chinese University of Hong Kong with a bachelor of business administration. He is an associate and practising member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Mr. NGAN had worked in two international audit firms for approximately 4 years, and was then employed by several listed and private companies in Hong Kong as financial controller. Mr. NGAN has extensive experience in auditing, accounting and corporate finance. He joined the Company as an independent non-executive Director on 16 February 2011. He is also the chairman and member of Audit Committee and member of each of Nomination Committee and Remuneration Committee.

Mr. NGAN has entered into a letter of appointment with the Company for a term of two years commencing on 16 February 2019 unless earlier terminated by either party giving to the other not less than seven days’ prior notice in writing. Mr. NGAN is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. NGAN is entitled to an annual director’s fee of HK\$180,000, which is covered by his appointment letter, and without any discretionary bonus. The remuneration package of Mr. NGAN is recommended by the Remuneration Committee and approved by the Board with reference to his duties and contribution, the Company’s performance and remuneration policy and prevailing market condition.

Save as disclosed above, as at the Latest Practicable Date, (a) Mr. NGAN does not hold any position with the Company or its subsidiaries; (b) Mr. NGAN did not hold any directorship in any listed public companies in Hong Kong or overseas in last three years; (c) Mr. NGAN does not have any other relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (d) Mr. NGAN does not have or deemed to have any interest in the Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO; and (e) there are no other matters about Mr. NGAN that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders to make an informed decision on whether to vote for or against the Ordinary Resolution to be proposed at the 2020 AGM in relation to the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were in issue an aggregate of 513,175,401 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased prior to the date of the 2020 AGM, could accordingly result in up to 51,317,540 Shares being repurchased by the Company. The Repurchase Mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of the date of its next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied.

2. REASON FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such purchase in circumstances where they consider them to be in the best interests of the Company.

3. FUNDING OF REPURCHASE

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its Bye-laws and the laws of Hong Kong and the applicable laws of Bermuda, including profits otherwise available for distribution.

Under Bermuda law, repurchases may only be effected out of the capital paid up on the repurchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

On the basis of the consolidated financial position of the Company as at 31 March 2020 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position or the gearing position of the Company in the

event that purchases of all the Shares, being the subject of the Repurchase Mandate, were to be carried out in full during the Repurchase Mandate period. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements).

4. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates have any present intention to sell Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, the Company has not been notified by any of its core connected person that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, the laws of Hong Kong and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws.

5. EFFECT OF THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If on the exercise of the power under the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, the Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Reignwood International Holdings Company Limited ("Reignwood") held 337,465,038 Shares, representing approximately 65.76% of the issued share capital of the Company. Reignwood is wholly owned by Mr. Chanchai RUAYRUNGRUANG. On the basis that no further Shares are issued or bought back prior to the 2020 AGM, in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding of Reignwood in the Company would be increased to approximately 73.07% of the issued share capital of the Company. On the basis of the current shareholding of Reignwood as at the Latest Practicable Date, Reignwood may be obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate is exercised in full.

The Directors have no present intention to exercise the Repurchase Mandate to such extent as to result in takeover obligation or the public holding of Shares would be reduced below 25% of the issued share capital of the Company.

6. SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange from the previous twelve months up to the Latest Practicable Date were as follows:

Month	Shares	
	Highest Traded price <i>HK\$</i>	Lowest Traded price <i>HK\$</i>
2019		
July	0.650	0.650
August	0.660	0.495
September	0.630	0.445
October	0.435	0.355
November	0.700	0.365
December	0.510	0.465
2020		
January	0.630	0.405
February	0.428	0.340
March	0.415	0.290
April	0.400	0.300
May	0.345	0.305
June	0.400	0.270
July (up to the Latest Practicable Date)	0.360	0.290

7. SHARES REPURCHASED MADE BY THE COMPANY

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

NOTICE OF ANNUAL GENERAL MEETING



ARES ASIA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “2020 AGM”) of Ares Asia Limited (the “Company”) will be held on Wednesday, 9 September 2020 at 4:30 p.m. at Level 96, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong for the following purposes:

1. to receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditor for the year ended 31 March 2020;
2. to consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (i) to re-elect Ms. RUAYRUNGRUANG Woraphanit as an executive director of the Company;
 - (ii) to re-elect, approve and confirm the continuous appointment of Mr. NGAN Hing Hon as independent non-executive Director who has served the Company for more than nine years as an independent non-executive Director; and
 - (iii) to authorise the board of directors of the Company to fix the directors’ remuneration;
3. to re-appoint Mazars CPA Limited as independent auditor of the Company and to authorise the board of directors of the Company to fix their remuneration;
4. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of hereunder the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase shares of the Company, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares of the Company which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the total number of the shares of the Company in issue as at the date of passing of this resolution, and the said approval be limited accordingly; and
 - (c) For the purposes of this resolution:
 - “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting;
5. to consider as special business and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraphs (b) and (c) hereunder, the granting of an unconditional general mandate to the board of directors (the “Board”), during the Relevant Period (as defined in paragraph (d) below) to issue, allot and deal with additional shares of the Company, and to make or grant offers, agreements and options which would or might require shares of the Company, to be issued, allotted or dealt with, be and is hereby generally and unconditionally approved;
- (b) the unconditional general mandate under paragraph (a) above shall not extend beyond the Relevant Period save the Board may during the Relevant Period make or grant offers, agreement and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below);
 - (ii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant of issue of shares or rights to acquire shares of the Company to officers and/or employees of the Company and/or any of its subsidiaries; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) any scrip dividend or similar arrangement providing for the allotment of shares of the Company implemented in accordance with the bye-laws of the Company,

shall not exceed 20 per cent. of the total number of the shares of the Company in issue on the date of this resolution; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company’s bye-laws or any applicable laws to be held; and
- (iii) the date on which the authority set out under this resolution is revoked or varied by an ordinary resolution of the Company’s shareholders in general meeting.

“Rights Issue” means the allotment, issue or grant of shares of the Company pursuant to an offer of shares open for a period fixed by the Board made to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory applicable to the Company); and

6. to consider as special business and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the aggregate number of shares of the Company which shall have been repurchased by the Company subsequent and pursuant to the passing of resolution no. 4 above (up to a maximum of 10 per cent. of the issued shares at the date of passing resolution no. 5 above) shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 5 above.”

By Order of the Board
RUAYRUNGRUANG Woraphanit
Chairlady and Chief Executive Officer

Hong Kong, 17 July 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is enclosed herewith.
- (3) The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
- (4) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (5) For determining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Friday, 4 September 2020 to Wednesday, 9 September 2020, 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 2020 AGM, all transfer forms 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 Thursday, 3 September 2020.
- (6) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting and in such event, the form of proxy will be deemed to be revoked.
- (7) Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joints holding.
- (8) In relation to the re-election of retiring directors of the Company, the Board proposes that the retiring directors (the names set out in resolution no. 2 above) be re-elected as directors of the Company. Details of the retiring directors eligible for re-election are set out in Appendix I to this circular.
- (9) In relation to resolution no. 4 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase the shares in the Company in circumstances which they deem appropriate for the benefits of the shareholders. The Explanatory Statement containing the information necessary to enable shareholders to make an informed decision to vote on this resolution as required by the Listing Rules is set out in Appendix II to this circular.
- (10) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at <http://www.aresiasia.com> and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
- (11) Shareholders are strongly encouraged to note the COVID-19 precautionary measures and special arrangements to be implemented at the 2020 AGM which are set out in the cover page and the section headed under "Precautionary Measures for the 2020 AGM" in the Company's circular dated 17 July 2020 and that NO gifts, refreshments or drinks will be provided. Shareholders are strongly encouraged to appoint the Chairman of the 2020 AGM as their proxy and submit their form of proxy as early as possible.