



Asia-express Logistics Holdings Limited 亞洲速運物流控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 8620

**FIRST
QUARTERLY
REPORT
2023/2024**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (collectively the “**Directors**” or individually a “**Director**”) of Asia-express Logistics Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM 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 report 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 this report misleading.*

*Unless otherwise defined herein, capitalised terms used in this report shall have the same meanings as those defined in the prospectus of the Company dated 31 March 2020 (the “**Prospectus**”).*

Contents

- 3 Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 4 Unaudited Condensed Consolidated Statement of Changes in Equity
- 5 Notes to the Consolidated Financial Statements
- 9 Management Discussion and Analysis
- 13 Disclosure of Additional Information

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 30 June 2023

	Notes	Three months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	4	93,717	91,752
Other income		228	719
Other gains and losses		(341)	(361)
Employee benefits expenses		(11,657)	(11,516)
Dispatch labour costs		(30,549)	(31,707)
Transportation costs		(33,883)	(36,774)
Warehousing operating costs		(8,118)	(6,519)
(Provision) reversal of impairment loss on trade receivables, net		(143)	36
Depreciation of property, plant and equipment		(1,570)	(1,841)
Depreciation of right-of-use assets		(3,557)	(3,575)
Other expenses		(2,015)	(2,051)
Finance costs		(924)	(704)
Share of results of an associate		(2)	(9)
Profit/(loss) before tax		1,186	(2,550)
Income tax expense	5	(129)	—
Profit/(loss) for the period	6	1,057	(2,550)
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		173	(592)
Share of other comprehensive (expense) of an associate, net of related income tax		(39)	(37)
Other comprehensive income/(expense) for the period		134	(629)
Total comprehensive income/(expense) for the period		1,191	(3,179)
Profit/(loss) for the period attributable to owners of the Company		1,057	(2,550)
Total comprehensive income/(expense) for the period attributable to owners of the Company		1,191	(3,179)
Profit/(loss) per Share (HK cents)			
Basic	7	0.21	(0.53)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2023

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserve HK\$'000 (Note a)	Retained profits/ (losses) HK\$'000	Total HK\$'000
At 1 April 2022 (audited)	4,800	37,304	1,876	269	2,431	7,980	54,660
Loss for the period	—	—	—	—	—	(2,550)	(2,550)
Other comprehensive expense	—	—	—	(629)	—	—	(629)
Total comprehensive expense for the period	—	—	—	(629)	—	(2,550)	(3,179)
At 30 June 2022 (unaudited)	4,800	37,304	1,876	(360)	2,431	5,430	51,481
At 1 April 2023 (audited)	4,800	37,304	1,876	(780)	2,448	(12,212)	33,436
Profit for the period	—	—	—	—	—	1,057	1,057
Other comprehensive income	—	—	—	134	—	—	134
Total comprehensive income for the period	—	—	—	134	—	1,057	1,191
Shares placing (Note b)	480	7,056	—	—	—	—	7,536
Issuance cost of Shares placing	—	(203)	—	—	—	—	(203)
At 30 June 2023 (unaudited)	5,280	44,157	1,876	(646)	2,448	(11,155)	41,960

Notes:

- (a) Amount represents statutory reserve of the subsidiaries of the Company established in the People's Republic of China (the "PRC"). According to the relevant laws in the PRC, the subsidiaries in the PRC are required to transfer at least 10% of its net profit after taxation, as determined under the relevant accounting principles and financial regulations applicable to enterprises established in the PRC, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.
- (b) On 16 May 2023, placing of new Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the Company's annual general meeting held on 22 August 2022 was completed in accordance with the terms of the placing agreement dated 28 April 2023. An aggregate of 48,000,000 placing shares have been successfully placed to not less than six independent third parties at the placing price of HK\$0.157 per placing share.

Notes to the Consolidated Financial Statements

For the three months ended 30 June 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2018 under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares (the “Shares”) have been listed on GEM of the Stock Exchange on 20 April 2020 (the “Listing”). The addresses of the Company’s registered office and principal place of business in Hong Kong are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 1613–1615, Level 16, Tower 1 Metroplaza, 223 Hing Fong Road, Kwai Fong, Hong Kong, respectively.

The controlling shareholder of the Company is 3C Holding Limited, a company incorporated in the British Virgin Islands, and is owned as to 95% and 5% by Mr. Chan Le Bon (“Mr. LB Chan”) and Mr. Chan Yu, respectively.

The principal activity of the Company is investment holding. The principal activities of the Group are the provision of air cargo terminal operation services, transportation services and warehousing and value-added services in Hong Kong and the PRC.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The quarterly financial information has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The quarterly financial information does not include all the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2023 (the “2023 Financial Statements”). The principal accounting policies applied in preparing this quarterly financial information are set out in note 3 to the 2023 Financial Statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years. The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

Revenue represents the amounts received and receivable for services provided in the normal course of business.

An analysis of the Group’s revenue for the three months ended 30 June 2023 and 2022 is as follows:

	Three months ended 30 June	
	2023 HK\$’000 (unaudited)	2022 HK\$’000 (unaudited)
Air cargo terminal operation services		
– Ground handling	21,293	24,085
– Ancillary delivery	5,936	9,815
Transportation services	22,531	27,492
Warehousing and other value-added services	43,957	30,360
	93,717	91,752

5. INCOME TAX EXPENSE

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
The tax charge comprises:		
Current Period	129	—
Deferred tax	—	—
	129	—

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the Current Period.

No provision for Hong Kong profits tax has been made as there is no assessable profit arising in or derived from Hong Kong during the Last Period.

PRC enterprise income tax (“EIT”) is calculated at 25% of the estimated assessable profits for both periods. Pursuant to the relevant laws and regulations in the PRC, one of the Company’s PRC subsidiaries is entitled to 10% PRC EIT for both periods as the subsidiary is qualified as small entities for a reduced tax rate.

6. PROFIT/(LOSS) FOR THE PERIOD

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit/(loss) for the period has been arrived at after charging:		
Auditor's remuneration	163	163
Directors' remuneration	414	414
Other staff costs:		
Salaries, discretionary bonuses and other benefits	10,482	11,333
Retirement benefits scheme contributions	761	831
Less: Government grants from Employment Support Scheme	—	(1,062)
	11,657	11,516

7. PROFIT/(LOSS) PER SHARE

The calculation of the basic profit/(loss) per Share is based on the following data:

	Three months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit/(loss):		
Profit/(loss) for the period attributable to owners of the Company for the purpose of calculating basic profit/(loss) per Share	1,057	(2,550)
	2023	2022
Number of Shares:		
Weighted average number of ordinary shares for the purpose of calculating basic profit/(loss) per Share	503,736,264	480,000,000

No diluted profit/(loss) per Share for both periods was presented as there were no potential dilutive ordinary Shares in issue.

8. DIVIDENDS

No dividends were paid, declared or proposed during the three months ended 30 June 2023 (2022: Nil). The Directors resolved not to pay an interim dividend for the three months ended 30 June 2023 (2022: Nil).

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECTS

The Group is an established air cargo ground handling services provider in Hong Kong. Our air cargo ground handling services principally cover (i) air cargo terminal operation; (ii) transportation; and (iii) warehousing and other value-added services. We utilise our full suite of services to deliver integrated solutions to global express carriers, air cargo terminal operators, freight forwarders and corporates domestically and regionally. The Group has over 20 years of experience in the air cargo ground handling services industry with our headquarter located in Hong Kong.

During the three months ended 30 June 2023 (the “**Period**” or the “**Current Period**”), the trade statistics for Hong Kong’s external merchandise indicated a significant drawback in economic recovery in Hong Kong. The values of Hong Kong’s total monthly exports and imports of goods both recorded year-on-year decreases, averaging at 13.3% and 13.6% respectively. These figures reflected a challenging trading environment for Hong Kong during the Period. The decline in both Hong Kong’s total monthly exports and imports of goods reflected the impact of various factors such as global economic conditions, trade restrictions, and geopolitical uncertainties.

Given the downward trend in Hong Kong’s import and export business, the Group has urged the need of developing strategic initiatives in order to enhance the profitability and sustain our growing strategies. Despite the overall downturn of the economy, the Group was still able to achieve a modest yet satisfactory increase in revenue generated during the Period. This was driven by a slight uptick in revenue in provision of some new supplementary services to one of our top five customers and the successful operation of two newly established warehouses located in Tuen Mun, Hong Kong, and Shantou, People’s Republic of China (“**PRC**”), which has allowed us to expand our customer base.

Looking forward, we will continue to emphasise our ability to identify and seize growth opportunities from our existing customers by reinforcing our relationship and commitment to delivering exceptional value-added services. We are also optimistic in our ability to capitalise on the opportunities presented by the newly established warehouses. Moreover, we remain committed to implementing stringent cost control measures, which have effectively reduced manpower and transportation costs, thereby enhancing overall operational efficiency.

FINANCIAL REVIEW

Revenue

During the Period, our overall revenue increased by approximately HK\$2.0 million or 2.1% from approximately HK\$91.8 million for the three months ended 30 June 2022 (the “**Corresponding Period**” or the “**Last Period**”) to approximately HK\$93.7 million for the Current Period. Such increase was mainly contributed by the increase in revenue generated from the provision of warehousing and other value added services by approximately HK\$13.6 million or 44.8% to approximately HK\$44.0 million for the Current Period as compared to that of approximately HK\$30.4 million for the Corresponding Period. Such increase was mainly contributed by: (i) the increased revenue generated through the provision of extra warehouse handling services to one of our top five customers; (ii) the revenue generated from two newly established warehouses, located at Tuen Mun, Hong Kong and Shantou, PRC, both commenced their operations during the Period. By offering warehouse handling services alongside a range of value-added services, we were able to generate a modest increase in revenue from these new facilities.

Other income

Other income decreased by approximately HK\$0.5 million or 68.3% from approximately HK\$0.7 million for the Corresponding Period to approximately HK\$0.2 million for the Period. Other income for the Period represented mainly the bank interest income amounted to approximately HK\$0.2 million. Whereas other income for the Corresponding Period mainly comprised of subsidies from the “Pilot Subsidy Scheme for Third-party Logistics Service Providers”, launched by the Hong Kong Government on encouraging the adoption of technology by the logistics sector for enhancing efficiency and productivity, which amounted to approximately HK\$0.5 million for the Corresponding Period.

Other gains and losses

Other gains and losses mainly represented exchange gain and loss and net loss on change in fair value of financial assets at fair value through profit or loss. Our Group recorded other gains and losses of approximately HK\$0.3 million and HK\$0.4 million for the Period and the Corresponding Period, respectively.

Employee benefits expenses

Employee benefits expenses consisted primarily wages and salaries, retirement benefits scheme contributions and other allowances and benefits. The employee benefits expenses slightly increased by approximately HK\$0.1 million or 1.2% from approximately HK\$11.5 million in the Corresponding Period to approximately HK\$11.7 million for the Current Period. During the Corresponding Period, there was government grants received under the Employment Support Scheme of approximately HK\$1.1 million which offsetted the employee benefits expenses, yet such government grants were not presented in the Current Period. Excluding the impact of the government grants received, the employee benefits expenses would decreased by approximately HK\$0.9 million, such reduction in expenses aligns with the Group’s strategic objective of enhancing cost control measures.

Dispatch labour costs

The dispatch labour costs represented the amount paid to our dispatched work agencies for the provision of our air cargo ground handling services, warehousing services and other value-added services. It decreased by approximately HK\$1.2 million or 3.7% to approximately HK\$30.5 million for the Current Period as compared to that of approximately HK\$31.7 million for the Corresponding Period. Such decrease was mainly driven by the Group's implementation of rigorous cost control measures during the Period, especially in the provision of air cargo terminal operation services which required a substantial amount of dispatch labor but experienced a declining trend in business activities. As part of our ongoing business evaluation, the Group will continue to monitor the manpower requirements in response to changing market dynamics. This proactive approach enables us to align the workforce with evolving demands, ensuring optimal resources allocation and operational effectiveness.

Depreciation of property, plant and equipment

During the Period, the depreciation of property, plant and equipment amounted to approximately HK\$1.6 million, representing a decrease of approximately HK\$0.3 million or 14.7% as compared to that of approximately HK\$1.8 million for the Corresponding Period. Such decrease was mainly due to the increase in fully depreciated motor vehicles as compared with the Last Period which led to the decrease in the depreciation expenses in the Current Period.

Depreciation of right-of-use assets

The depreciation of right-of-use assets represented the depreciation of right-of-use of motor vehicles, office premises, warehouse and machinery. During the Period, the depreciation of right-of-use assets remains relatively stable as compared with the Last Period, both amounted to approximately HK\$3.6 million.

Transportation costs

Transportation costs decreased by approximately HK\$2.9 million or 7.9% to approximately HK\$33.9 million for the Period as compared to that of approximately HK\$36.8 million for the Corresponding Period. Such decrease was mainly due to the decrease in service fees paid to external transportation service providers for the provision of the ancillary delivery for air cargo terminal operation services and the transportation services, as the business volume of such business activities has decreased.

Warehousing operating costs

Warehousing operating costs increased by approximately HK\$1.6 million or 24.5% to approximately HK\$8.1 million for the Period as compared to that of approximately HK\$6.5 million for the Corresponding Period. Such increase was mainly contributed by the increased expenses incurred for the two new warehouses and the increased business volume of the warehousing services segment.

Other expenses

Our other expenses mainly included utilities expenses, insurance, professional fees and other miscellaneous operating expenses. It remained relatively stable for both periods, amounted to approximately HK\$2.0 million and HK\$2.1 million for the Current Period and the Last period, respectively.

Finance costs

Our finance costs increased by approximately HK\$0.2 million or 31.3% from approximately HK\$0.7 million in the Corresponding Period to approximately HK\$0.9 million for the Period. Such increase was primarily due to the increased interest rate which resulted in the increased cost of financing.

Income tax expense

For the Current Period, the income tax expense amounted to approximately HK\$0.1 million, where there is no assessable profit for the Corresponding Period.

Profit/(loss) for the period

For the Current Period, our Group recorded a net profit of approximately HK\$1.1 million (Last Period: net loss of approximately HK\$2.6 million). The change from net loss to net profit for the Period was mainly due to the combined effect of : (i) the increase in revenue generated from the provision of warehousing and other value-added services and; (ii) the effectiveness of the Group's comprehensive budget management and effective cost control during the Period.

Disclosure of Additional Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2023, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO")) (i) which were required to be 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 were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in the Company

Long positions in the ordinary Shares

Name of Director/ chief executive	Capacity/Nature of interest	Number of Shares held (Note i)	Approximate percentage of the Company's issued share capital
Mr. LB Chan	Interest in a controlled corporation (Note ii)	330,120,000	62.5%
Mr. Choy Wing Hang, William ("Mr. William Choy")	Interest in a controlled corporation (Note iii)	29,880,000	5.7%

Notes:

- (i) All interests in the Shares are in long position.
- (ii) The Shares are owned by 3C Holding Limited. The entire issued share capital of 3C Holding Limited is owned as to 95% by Mr. LB Chan and as to 5% by Mr. Chan Yu, respectively. Mr. LB Chan is deemed to be interested in such number of Shares held by 3C Holding Limited.
- (iii) Diligent City Limited owns approximately 5.7% of the entire issued share capital of the Company. Mr. William Choy is deemed to be interested in such number of Shares held by Diligent City Limited as Mr. William Choy owns 100% of Diligent City Limited.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, so far as the Directors are aware, the following persons (other than the Director and the chief executive of the Company) had or deemed or taken to have an interest and/or short position in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Long positions in the ordinary Shares

Name of shareholder	Capacity/Nature of interest	Number of Shares held (Note i)	Approximate percentage of the Company's issued share capital
3C Holding Limited	Beneficial owner	330,120,000	62.5%
Diligent City Limited	Beneficial owner	29,880,000	5.7%
Ms. Leung Song	Interest of spouse (Note ii)	29,880,000	5.7%

Notes:

- (i) All interests in the Shares are in long position.
- (ii) Ms. Leung Song is the spouse of Mr. William Choy. Ms. Leung Song is deemed to be interested in the same number of Shares in which Mr. William Choy is deemed to be interested in under the SFO.

Save as disclosed above, as at 30 June 2023, the Company has not been notified of any other persons (other than the Director or the chief executive of the Company) or entities who had or deemed or taken to have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the “Share Option Scheme”) on 27 March 2020. For the principal terms of the Share Option Scheme, please refer to the paragraph headed “Other Information — 15. Share Option Scheme” in Appendix IV to the Prospectus. Up to the date of this report, no share option has been granted, lapsed, exercised or cancelled by the Company pursuant to the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Current Period.

DIRECTORS' INTERESTS IN CONTRACTS

For the Current Period, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' COMPETING INTERESTS

For the Current Period, save as disclosed in the annual report 2023, none of the Directors or substantial shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) has interest or engaged in any business that compete or may compete with the business of the Group, or have any other conflict of interests with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules (the **"Model Code"**). The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the Current Period.

CORPORATE GOVERNANCE

The Directors consider that during the Current Period, the Company has applied the principles and complied with all the applicable code provisions set out in Part 2 of Appendix 15 – Corporate Governance Code to the GEM Listing Rules.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the **"Audit Committee"**) with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Fu Lui (Chairman), Mr. Chan Chi Ho and Ms. Chui Sin Heng, all of whom are independent non-executive Directors. The Audit Committee had reviewed the accounting principles and practices adopted by the Group and are of the view that the unaudited first quarterly report has been prepared in compliance with the applicable accounting standard, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made. The condensed consolidated financial results of the Group for the Current Period are unaudited, but have been reviewed by the Audit Committee.

DIVIDEND

No dividend has been paid or declared by the Company, or by any of the companies now comprising the Group during the Current Period.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisition or disposal of subsidiaries or associates during the Current Period.

EVENT AFTER REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place after the Current Period and up to the date of this report.

PUBLICATION OF FIRST QUARTERLY REPORT

This first quarterly report is published on the Company's website (www.asia-expresslogs.com) and the website of the Stock Exchange (www.hkexnews.hk). The 2023/2024 first quarterly report of the Company containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company pursuant to Rule 18.03 of the GEM Listing Rules.

On behalf of the Board

Mr. Chan Le Bon

Chairman

Hong Kong, 14 August 2023

As at the date of this report, the executive Directors are Mr. Chan Le Bon and Mr. Chan Yu; the non-executive Director is Mr. Choy Wing Hang William; and the independent non-executive Directors are Mr. Fu Lui, Mr. Chan Chi Ho and Ms. Chui Sin Heng.