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

ANNUAL REPORT
2026

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*This annual 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 annual 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 annual report misleading.*

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

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BOARD OF DIRECTORS

Executive Directors

Mr. Chan Le Bon *(Chairman)*
Mr. Chan Yu *(Chief executive officer)*
Mr. Liao Changlin *(appointed on 6 March 2026)*
Ms. Fu Ning *(appointed on 6 March 2026)*

Non-executive Director

Mr. Choy Wing Hang, William *(resigned on 6 March 2026)*

Independent Non-executive Directors

Mr. Fu Lui
Mr. Chan Chi Ho
Ms. Chui Sin Heng *(resigned on 6 March 2026)*
Mr. Lin Peigan *(appointed on 6 March 2026)*

COMPANY SECRETARY

Mr. Yip Chun Ming, Alex, *FCPA*
(resigned on 31 March 2026)
Mr. Kwan Hung Chun Curtus
(appointed on 31 March 2026)

AUTHORISED REPRESENTATIVES

Mr. Chan Yu
Mr. Yip Chun Ming, Alex *(resigned on 31 March 2026)*
Mr. Kwan Hung Chun Curtus
(appointed on 31 March 2026)

BOARD COMMITTEES

Audit Committee

Mr. Fu Lui *(Chairman)*
Mr. Chan Chi Ho
Ms. Chui Sin Heng *(resigned on 6 March 2026)*
Mr. Lin Peigan *(appointed on 6 March 2026)*

Remuneration Committee

Mr. Chan Chi Ho *(Chairman)*
Mr. Fu Lui
Ms. Chui Sin Heng *(resigned on 6 March 2026)*
Mr. Lin Peigan *(appointed on 6 March 2026)*

Nomination Committee

Mr. Lin Peigan *(Chairman) (appointed on 6 March 2026)*
Ms. Chui Sin Heng *(resigned on 6 March 2026)*
Mr. Chan Chi Ho
Mr. Fu Lui
Ms. Fu Ning *(appointed on 6 March 2026)*

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, Magnet Place Tower 2
38–42 Kwai Fung Crescent
Kwai Chung
New Territories, Hong Kong

HONG KONG LEGAL ADVISER

DeHeng Law Offices (Hong Kong) LLP
28/F, Henley Building
5 Queen's Road Central
Hong Kong

AUDITOR

Wilson & Partners CPA Limited
(appointed on 17 December 2025)
Registered Public Interest Entity Auditors

Moore CPA Limited *(resigned on 17 December 2025)*
Registered Public Interest Entity Auditors

COMPANY'S WEBSITE

www.asia-expresslogs.com

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
Suites 3301–04, 33/F.
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
21/F, Crocodile Centre
79 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

STOCK CODE

8620

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of the Company, I am pleased to announce the Group's annual results for the year ended 31 March 2026 (the "**Financial Year**", "**current year**", "**this year**" or "**during the year**") together with the comparative figures for the year ended 31 March 2025 (the "**last year**" or "**prior year**").

During the year, the global logistics industry continued to operate under a challenging and fast-changing environment. Geopolitical tensions, regional conflicts and disruptions to major international trade routes continued to affect global supply chains, resulting in longer transit times, higher logistics costs and greater volatility in freight planning. At the same time, changes in trade policies and tariffs, particularly those affecting cross-border trade flows, created additional uncertainty for customers and logistics operators. These factors continued to weigh on global trade sentiment and posed challenges to the logistics industry. Despite these headwinds, demand for efficient and reliable logistics solutions remained resilient, supported by the continued development of e-commerce, time-sensitive deliveries and regional supply chain realignment. Hong Kong also maintained its position as one of the world's leading air cargo hubs, while the continued development of the Greater Bay Area and cross-boundary logistics infrastructure provided further opportunities for logistics service providers with strong execution capability and established customer relationships.

In response to these challenges and opportunities, the Group remained focused on operational excellence, customer satisfaction and cost discipline. We continued to enhance our operating efficiency, optimise manpower and transportation arrangements, and maintain close communication with our customers and service providers. By leveraging our experience in air cargo ground handling, transportation, warehousing and value-added services, the Group endeavoured to strengthen its competitiveness and mitigate the adverse impact of the uncertain market environment.

FORWARD PROSPECT

Looking ahead, the Board remains cautiously optimistic about the long-term prospects of the logistics industry. While global trade is expected to remain affected by uncertainties arising from tariffs, geopolitical tensions and supply chain disruptions, the continued growth of e-commerce, cross-border fulfilment and time-sensitive cargo is expected to create new business opportunities for the Group.

During the year, the Group entered into the Lease Agreement in respect of a warehouse located at Cainiao Smart Gateway at Hong Kong International Airport. The Board considers that the entering into the Lease Agreement will strengthen and support the Group's capability in providing air cargo terminal-related services, as the Premises will enhance the Group's warehousing capacity and is consistent with the Group's overall business development. In particular, the Group specialises in air cargo ground handling services, securing warehouse premises adjacent to Hong Kong International Airport is expected to improve the Group's operational efficiency, facilitate smoother coordination with air cargo operations, and better support the Group's long- term business needs.

The Group will continue to identify and capture growth opportunities within its existing customer base by strengthening relationships with major customers and business partners, and maintaining its commitment to delivering reliable and value-added logistics services. We will also continue to implement stringent cost control measures and optimise our manpower, transportation and warehousing arrangements to enhance overall operational efficiency.

In addition, the Group will actively explore business opportunities in the PRC market, particularly in the Greater Bay Area region, in areas relating to cross-border logistics, e-commerce fulfilment, warehousing, transportation and value-added logistics services. Leveraging Hong Kong's strategic position as an international air cargo hub and its close connectivity with the Greater Bay Area, the Group will seek to broaden its service coverage and customer base where commercially viable opportunities arise.

The Group will remain prudent and disciplined when evaluating new business opportunities, taking into account market demand, expected return, operational capability and associated risks. By leveraging technology, enhancing operational efficiency and focusing on sustainable development, we aim to strengthen the Group's competitiveness, achieve long-term growth and create value for our stakeholders.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our shareholders, business partners and customers for their great and continuous support, and I also wish to express my appreciation to all employees of the Group for their hard work and contributions over the years. We will strive to achieve a better future through our joint efforts.

Chan Le Bon
Chairman

Hong Kong, 29 June 2026

BUSINESS REVIEW

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 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 25 years of experience in the air cargo ground handling services industry with our headquarters located in Hong Kong.

During the year, the Group has experienced a decrease in the overall revenue. This was primarily attributable to the reduced demand for warehousing and other value-added services, driven by the continued impact of the US-China trade tensions on the logistics industry and our customers. While this has presented a temporary challenge to the Group, the Group has taken proactive measures to diversify its customer base and strengthen its relationship with other stakeholders such as its service providers. The impact of this temporary setback was partially offset by the increased sales in the provision of transportation services to new customers, including a leading express delivery and integrated logistics service provider in China, which became one of the top five customers of the Group during the year. This diversification strategy has not only alleviated some of the adverse effects of the current economic conditions but also positioned the Group for future growth as we reinforce our position in the logistics sector. We remain committed to adapting to market changes and leveraging our capabilities to ensure resilience and sustainable success going forward.

Looking ahead, while recent US-China trade discussions have pointed to a temporary easing of trade tensions, the global trading environment remains uncertain and subject to rapid changes. The pace and sustainability of any recovery in the logistics sector will continue to depend on a number of factors, including global economic conditions, tariff policies, supply chain adjustments and international trade flows. Such uncertainties may continue to affect investor confidence, supply chain strategies and overall market demand. Despite the volatile operating environment, the Group remains cautiously optimistic and well-positioned to navigate market challenges. The Group will continue to pursue its strategy of customer diversification and operational enhancement. In particular, the successful onboarding of a major new customer during the year demonstrates the Group's ability to expand its customer base and capture new business opportunities. Leveraging its established experience in air cargo ground handling services, warehousing and logistics operations, the Group will remain focused on enhancing operational efficiency, strengthening customer relationships and adapting to changing market dynamics in order to support its long-term development and create sustainable value for shareholders.

FINANCIAL REVIEW

Our Group's revenue was principally generated from (i) air cargo terminal operation services; (ii) transportation services; and (iii) warehousing and value-added services. We provide our services to (i) express carriers; (ii) air cargo terminal operators; (iii) freight forwarders; and (iv) direct customers comprising corporate and individual customers. Our revenue represents the amounts received and receivables for services provided in the normal course of our business.

The table below sets forth the breakdown of our revenue by service segments for the years indicated:

	For the year ended 31 March			
	2026		2025	
	HK$'000	% of revenue	HK$'000	% of revenue
Air cargo terminal operation services				
— Ground handling	94,657	28.9	95,548	27.5
— Ancillary delivery	36,997	11.3	30,718	8.8
	131,654	40.2	126,266	36.3
Transportation services	131,505	40.1	96,554	27.7
Warehousing and value-added services	64,524	19.7	125,195	36.0
Total	327,683	100.0	348,015	100.0

Our overall revenue experienced a decline of approximately HK$20.3 million or 5.8% from approximately HK$348.0 million for the year ended 31 March 2025 to approximately HK$327.7 million for the year ended 31 March 2026.

Such decrease was primarily attributed to the diminished sales from one of the Group's top five customers, which decreased its revenue contribution by approximately HK$23.6 million or 25.9% from approximately HK$91.2 million in last year to approximately HK$67.6 million in this year. Notwithstanding the decrease in sales from one of the Group's top five customers, revenue generated from the provision of air cargo terminal operation services, and transportation services, witnessed an increase of approximately HK$5.4 million and HK$35.0 million or 4.3% and 36.2% during the year. These increases partially offset the decline in revenue from warehousing and value-added services.

Other income

Other income increased by approximately HK$1.2 million or 37.1% to approximately HK$4.4 million for the year ended 31 March 2026 as compared to that of approximately HK$3.2 million for the year ended 31 March 2025. Other income for this year mainly represented the government subsidies received upon disposal of qualified commercial motor vehicles, which amounted to approximately HK$2.5 million and income from insurance claims amounted to approximately HK$1.1 million.

Other gains and losses

Other gains and losses mainly comprised the loss on disposal of property, plant and equipment and loss (gain) on change in fair value of financial assets at FVTPL. Our Group recorded a net loss in other gains and losses of approximately HK$1.8 million for the year ended 31 March 2026 in contrast to a net gain of approximately HK$0.5 million for the year ended 31 March 2025. The change from net gain to net loss was primarily attributable to (i) a loss of approximately HK$0.6 million recognised from the change in value of a life insurance contract purchased during the year from an authorised insurer in Hong Kong to insure an executive Director of the Company; and (ii) a loss of approximately HK$1.3 million on the disposal of motor vehicles during the year. In contrast, the other gains recorded in the prior year was mainly contributed by the net foreign exchange gains and changes in the fair value of financial assets at FVTPL.

Employee benefits expenses

Employee benefits expenses consisted primarily of wages and salaries, retirement benefits scheme contributions and other allowances and benefits. The employee benefits expenses decreased by approximately HK$1.1 million or 2.3% from approximately HK$47.9 million for the year ended 31 March 2025 to approximately HK$46.9 million for the year ended 31 March 2026. Such reduction in employee benefits expenses aligns with the Group's strategic objective of enhancing its 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 and warehousing services. It decreased by approximately HK$19.7 million or 15.8% to approximately HK$105.1 million for the year ended 31 March 2026 as compared to that of approximately HK$124.8 million for the year ended 31 March 2025. As part of our continuous business assessment, the Group will continue to monitor the manpower requirements in response to the changing market dynamics. This proactive approach enables us to align the workforce with evolving demands, ensuring optimal resource allocation and operational effectiveness.

Transportation costs

Transportation costs slightly decreased by approximately HK$0.1 million or 0.1% to approximately HK$133.9 million for the year ended 31 March 2026 as compared to that of approximately HK$134.0 million for the year ended 31 March 2025. Such slight decrease was primarily attributable to the tight control on the service fees paid to external transportation service providers.

Warehousing operating costs

Warehousing operating costs decreased by approximately HK$6.0 million or 21.4% to approximately HK$22.1 million for the year ended 31 March 2026 as compared to that of approximately HK$28.1 million for the year ended 31 March 2025. Such decrease was primarily driven by the lower business volume in the warehousing and value-added services segment, as well as our ongoing enhancement in operational efficiency and the effective implementation of cost control measures over the year.

Depreciation of property, plant and equipment

For the year ended 31 March 2026, the depreciation of property, plant and equipment amounted to approximately HK$5.3 million, decreased by approximately HK$0.8 million or 13.3% as compared to that of approximately HK$6.1 million for the year ended 31 March 2025. Such decrease was mainly due to the decrease in the depreciation expenses of motor vehicles after the disposal of certain motor vehicles during the year.

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, warehouses and machinery. During the year, the depreciation of right-of-use assets increased by approximately 26.6% or HK$1.9 million to approximately HK$9.1 million as compared to that of approximately HK$7.2 million for last year. Such increase was primarily due to the new lease agreement for a warehouse entered into during the year.

Other expenses

Other expenses mainly included utilities expenses, insurance premiums, legal and other professional fees and other miscellaneous operating expenses. It increased by approximately HK$0.8 million or 14.1% to approximately HK$6.3 million for the year ended 31 March 2026 as compared to that of approximately HK$5.5 million for the year ended 31 March 2025, which was mainly due to the increase in the insurance premiums and other miscellaneous operating expenses.

Finance costs

Our finance costs increased by approximately HK$90,000 or 4.4% to approximately HK$2.2 million for the year ended 31 March 2026 as compared to that of approximately HK$2.1 million for the year ended 31 March 2025. The Group will continue to monitor its finance costs and manage its funding requirements prudently.

Income tax expense/credit

The Group recorded an income tax expense of approximately HK$0.5 million for the year ended 31 March 2026, as compared to an income tax credit of approximately HK$0.6 million for the year ended 31 March 2025, the change was mainly due to the increase in deferred tax liabilities recognised during the year.

Loss for the year

For the year ended 31 March 2026, our Group recorded a loss of approximately HK$1.1 million (2025: approximately HK$3.5 million). Such decrease in loss was mainly due to the combined effect of (i) the increase in revenue generated from the provision of air cargo terminal operation services and transportation services; and (ii) the effectiveness of the Group's comprehensive budget management and cost control measures implemented during the year.

Trade receivables and trade payables turnover cycle

The turnover days for trade receivables for the year ended 31 March 2026 were approximately 46 days (2025: approximately 40 days). Such increase was mainly due to the increase in trade receivables with longer outstanding during the year.

The turnover days for trade payables for both years were approximately 36 days.

Bank and other borrowings

As at 31 March 2026, the Group's bank and other borrowings balance amounted to approximately HK$17.7 million (2025: approximately HK$14.2 million) with variable and fixed interest rates and denominated in HK$. The effective interest rate of the Group was approximately 4.0% for the year ended 31 March 2026 (2025: approximately 5.4%).

The Group's adjusted gearing ratio is calculated by dividing total bank and other borrowings and lease liabilities by total equity excludes the loan from a shareholder. As at 31 March 2026, the Group's gearing ratio was approximately 211.3% (2025: approximately 86.9%). Such increase was primarily attributable to the increase in lease liabilities for the newly entering of lease agreement in respect of a warehouse located at Cainiao Smart Gateway during the year.

Pledged bank deposits

Pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group. The pledged bank deposits will be released upon the settlement of relevant bank borrowings. Deposits amounting to approximately HK$5.0 million and HK$5.0 million as at 31 March 2026 and 2025, respectively, have been pledged to secure short-term bank loans and undrawn facilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed 175 (as at 31 March 2025: 189) full time employees. Staff costs (excluding Directors' emoluments) amounted to approximately HK$45.0 million for the year ended 31 March 2026 (2025: approximately HK$46.2 million) and the Directors' emoluments were approximately HK$1.9 million (2025: approximately HK$1.8 million) included in the employee benefits expenses. We determine the employee's remuneration based on factors such as their performance, qualification, position, duty, contributions, years of experience and local market conditions. The Group has also provided various training programmes to educate and remind the employees of the importance of and correct practices for health and safety in the workplace.

LIQUIDITY AND FINANCIAL RESOURCES

The current ratio of the Group as at 31 March 2026 was approximately 1.0 times, which remained relatively stable as compared to that as at 31 March 2025. As at 31 March 2026, the Group had total cash and cash equivalents of approximately HK$17.3 million (as at 31 March 2025: approximately HK$9.1 million). The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in deposits mostly denominated in RMB and HK$. The Group's liquidity and financing requirements are reviewed regularly. Up to the date of this report, with available bank balances, cash, bank credit facilities and other alternative financing and bank and other borrowings, the Group has sufficient liquidity to satisfy its funding requirements.

COMMITMENT

As at 31 March 2026, the Group had not incurred any capital commitment (as at 31 March 2025: Nil).

CAPITAL STRUCTURE

The capital structure of the Company consists of equity attributable to owners of the Company which comprises of issued share capital and reserves.

The Directors will review the Group's capital structure regularly. As part of such review, the Directors will consider the cost of capital and the risks associated with each class of capital. The Group will adjust its overall capital structure through the payment of dividends, issuance of new Shares as well as the repayment of borrowings.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in note 5 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 March 2026 and 31 March 2025, the Group did not have any contingent liabilities.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL

The Group did not hold any significant investment nor did the Group carry out any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 March 2026. As at the date of this report, the Group did not have any other future plans for material investments or acquisition of capital assets.

DIVIDEND

No final dividend for the year ended 31 March 2026 was proposed by the Board (2025: Nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

As the Group's revenue generating operations are mainly transacted in HK$ and RMB, the Directors consider the impact of foreign exchange exposure to the Group is minimal. The management will consider hedging significant currency exposure should the need arise.

EXECUTIVE DIRECTORS

Mr. Chan Le Bon (陳烈邦), aged 37, is our Controlling Shareholder, chairman of our Board and executive Director. He joined our Group in April 2014 as an assistant director, during which he was mainly responsible for overseeing our business operations. Since June 2017, Mr. Chan Le Bon was appointed as a director of Kwai Bon Transportation Limited ("**Kwai Bon (HK)**"). He is mainly responsible for the overall management, business development and strategic planning of our Group.

Mr. Chan Le Bon obtained a bachelor's degree in multimedia from the Swinburne University of Technology in Australia in December 2013.

Mr. Chan Yu (陳宇), aged 45, is our Controlling Shareholder, chief executive officer and executive Director. He joined our Group in May 2006 and is primarily responsible for the overall day-to-day management, business development and administration of our Group.

He is also a director of Kwai Bon (HK), Kwai Bon Transportation (Guangzhou) Company Limited, Kwai Bon (Shenzhen) Transportation Limited and Kwai Bon Transportation (Shanghai) Company Limited, being our operating subsidiaries.

Mr. Chan Yu has over 20 years of experience in the air cargo ground handling industry. He worked as a finance and administration manager in our Group in May 2006 and became a finance and administration controller in our Group in April 2010, during which he was mainly responsible for evaluating and monitoring different logistics projects, engaging in business development as well as investment management of our Group. In addition, since 2013, Mr. Chan has been the key person acting in the capacity as an acting chief executive officer of the Group, responsible for making major planning and decisions in respect of Kwai Bon (HK), the Group's headquarters, and giving and channeling directions and instructions on behalf of Kwai Bon (HK) to relevant local management and staff of our PRC subsidiaries with respect to their day-to-day business operations. He has been formally appointed as a chief executive officer of the Group in May 2018.

Mr. Chan Yu obtained a bachelor's degree in business administration (major in finance) from the Chinese University of Hong Kong in December 2002.

Mr. Liao Changlin (廖常林), aged 40, was appointed as executive director on 6 March 2026, he has over 15 years of experience in senior management within the information technology sector. As an executive Director, Mr. Liao is responsible for managing the daily operations of the Group, formulating business plans and resource allocation, overseeing business processes, and determining the Group's strategic development direction. Mr. Liao has served as the chairman of Guangdong Changlin Investment Holding Co., Ltd.* (廣東常林投資控股股份有限公司) since October 2014, where he was primarily responsible for operational management, strategic implementation and corporate governance. Leveraging his extensive business network, it is expected that Mr. Liao will contribute significantly to the Group's financial planning and business expansion.

Ms. Fu Ning (付宁), aged 44, was appointed as executive director on 6 March 2026. She is also a member of our nomination committee. She has over 15 years of international experience specializing in big data management and analysis, economics, and quantitative analysis. Ms. Fu is a strategic professional with extensive experience in policy analysis, consulting, and scientific research. Prior to joining the Group, Ms. Fu served as an assistant researcher at the School of Economics, Shanghai University of Finance and Economics from June 2018 to September 2022, where she led research on international economic and trade policies and taught advanced econometrics and economic data analysis. From April 2017 to April 2018, she was a postdoctoral researcher at the Leonard D. Schaeffer Center for Health Policy & Economics at the University of Southern California, focusing on economic modeling and policy evaluation. She also served as a senior economic consultant at Econ One Research in Los Angeles from June 2016 to January 2017, where she was responsible for economic modeling and data analysis in antitrust and healthcare cases. Ms. Fu holds a Doctor of Philosophy (Ph.D.) in Policy Analysis (specializing in Economics and Quantitative Analysis) and a Master of Philosophy (M.Phil.) in Policy Analysis from the Pardee RAND Graduate School in California, USA. She also holds a Master of International Public Policy and Management from the University of Southern California and a Bachelor's degree in Marketing from the Beijing Institute of Technology, People's Republic of China.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fu Lui (府磊), aged 46, was appointed as an independent non-executive Director on 23 March 2020. He is also the chairman of our audit committee and a member of each of our remuneration committee and nomination committee.

Mr. Fu has over 22 years of experience in accounting and financial management. From September 2002 to September 2006, he served as an accountant in the audit department at Deloitte Touche Tohmatsu, where he was mainly responsible for accounting matters. From September 2006 to June 2010, he worked as the finance manager of CSPC Pharmaceutical Group Limited (formerly known as China Pharmaceutical Group Limited) (stock code: 1093), which is engaged in the development, manufacture, marketing and sales of medicines and pharmaceutical related products in the PRC. He was mainly responsible for the financial reporting, reviewing the internal control system and handling compliance matters of the company. From July 2010 to February 2022, he had been the financial controller and company secretary of China Uptown Group Company Limited (stock code: 2330), which is engaged in (i) property development; and (ii) trading of raw sugar, where he was mainly responsible for financial and company secretarial matters. Mr. Fu was an independent non-executive director of CSMall Group Limited (stock code: 1815) from March 2018 to November 2021.

Mr. Fu obtained a bachelor's degree in accountancy from The Hong Kong Polytechnic University in November 2002 and a master of business administration from The Chinese University of Hong Kong in December 2009. He has been a member of the Hong Kong Institute of Certified Public Accountants since July 2007 and advanced to a fellow since May 2016. He has also been a member of the Association of Chartered Certified Accountants since August 2006 and advanced to a fellow since August 2011.

Mr. Chan Chi Ho (陳志豪), aged 50, was appointed as an independent non-executive Director on 23 March 2020. He is also the chairman of our remuneration committee and a member of each of our audit committee and nomination committee.

Mr. Chan has over 26 years of experience in the industry of planning, design and project management of infrastructure facilities. In July 1998, he worked as a project engineer at Maunsell AECOM, being mainly responsible for different construction and infrastructure projects. In March 2006, Mr. Chan worked as a project director and became the managing director of EDM Construction Ltd., being mainly responsible for the management and coordination of the fitting out works for different residential, commercial and institutional construction projects.

Mr. Chan obtained a bachelor's degree in engineering from the University of Hong Kong in December 1998. He has been a member of the Hong Kong Institution of Engineers since March 2003.

Mr. Lin Peigan (林培干), aged 55, was appointed as an independent non-executive director on 6 March 2026. He is also the chairman of our nomination committee and a member of each of our audit committee and remuneration committee. He has over 15 years of experience in accounting and corporate management in Guangxi. Mr. Lin is currently an independent non-executive director of Maiyue Technology Limited (Stock Code: 2501). From 2007 to 2019, Mr. Lin served for various positions under Guangxi Beibu Gulf Investment Group* (廣西北部灣投資集團). From 2019 to 2023, Mr. Lin was the executive director, the general manager and the accountant in chief of Guangxi Kegui Certified Public Accountants Co., Ltd.* (廣西科桂會計師事務所有限公司). From November 2023 to September 2025, Mr. Lin was the certified public accountant of the Guangxi office of Zhongruicheng Certified Public Accountants Co., Ltd. (Special General Partnership)* (中瑞誠會計師事務所(特殊普通合夥)). Since September 2025, Mr. Lin has been the vice president of the Guangxi branch of Zhongxi Certified Public Accountants (Special General Partner)* (中喜會計師事務所(特殊普通合夥)). Mr. Lin graduated with a postgraduate qualification of business and administration from Guangxi University (廣西大學) in October 2012. Mr. Lin is a member of Chinese Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. Yip Chun Ming, Alex (葉峻銘), aged 41, is the chief financial officer of the Group. He joined our Group as the company secretary in January 2018 and became the chief financial officer in May 2018. Mr. Yip is mainly responsible for overseeing the financial matters and the company secretarial affairs of our Group.

Mr. Yip has over 17 years of experience in the finance and accounting field. He was an accounting manager from January 2016 to July 2017 and a deputy finance manager from February 2015 to December 2015 (being mainly responsible for supervising and handling accounting and financial matters) at Janco Global Logistics Limited, a subsidiary of Janco Holdings Limited, a company listed on the Stock Exchange (stock code: 8035), which is principally engaged in freight forwarding and logistics one-stop services in Hong Kong. Mr. Yip also worked at Deloitte Touche Tohmatsu in Hong Kong with his last position as a senior associate (being mainly responsible for advising on financial management, corporate management and auditing) from September 2008 to October 2014.

Mr. Yip obtained a bachelor of commerce in September 2006 and a master of commerce in April 2008 from the University of New South Wales in Australia. He has been a member of CPA Australia since February 2012 and a certified public accountant in Hong Kong since May 2015. He is currently a fellow member of both institutes.

Mr. Ma Ka Wing (馬嘉榮), aged 51, was appointed as the senior manager of our Group in April 2018. He is primarily responsible for overseeing the daily operation and liaising with customers of our Group. Mr. Ma has over 23 years of experience in the air cargo ground handling industry in Hong Kong. In August 2001, Mr. Ma joined Kwai Bon (HK) as an air cargo ground handling operation staff and in June 2004, he was promoted to be an operation manager, during which he was primarily responsible for overseeing the air cargo ground handling arrangement. Mr. Ma has been appointed as a director of Kwai Bon (HK) since January 2016 and has also been appointed as a senior manager of our Group since April 2018, being mainly responsible for the overall daily operations and customers' liaison.

Mr. Ma completed his secondary education in 1992 at Hong Kong Rennie's Mill Middle School (香港調景嶺中學), which has been closed down since 1993.

Mr. Yeung Kam Sing (楊金城), aged 73, was appointed as the senior manager of our Group in August 2012. He is primarily responsible for overseeing daily business operations and training of employees of our Group. Mr. Yeung has over 39 years of experience in the logistics industry in Hong Kong. In August 2012, Mr. Yeung joined our Group as a senior manager, being mainly responsible for overseeing the day-to-day operations by providing supervision and trainings for our employees, and implementing internal policies of our Group. Prior to joining Kwai Bon (HK), Mr. Yeung worked as a sales and marketing manager (being mainly responsible for sales administration and liaising with customers) and was promoted to the position of distribution division manager (being mainly responsible for overseeing the operations of warehouses) at Crown Pacific Ltd. from 1986 to 1992. From January 1993 to July 2008, he worked as an operation manager and a senior operation manager as his last position (being mainly responsible for overseeing the logistics arrangements with customers and implementing employees' training programme) at FedEx HK Ltd. From October 2008 to September 2011, he was an operations director (being mainly responsible for overseeing the overall daily operations) of Ming Kee Cargo Company Limited.

Mr. Yeung completed his secondary education in 1973 at Hong Kong Christian College (基教書院) which has now been closed down.

Ms. Chen Yuli (陳玉梨), aged 47, was appointed as the senior manager of our Group in July 2014. She is primarily responsible for overseeing business operations and logistics arrangements of our Group in both the PRC and Hong Kong and liaising with our customers. Ms. Chen has over 18 years of experience in the logistics industry in the PRC and Hong Kong. In June 2008, Ms. Chen joined Kwai Bon (Shenzhen) Transportation Limited as an operation staff and in February 2013, she was promoted to be an operation manager, during which she was primarily responsible for overseeing the logistics arrangements and services between Hong Kong and the PRC. Ms. Chen has been appointed as a senior manager of our Group since July 2014 being mainly responsible for the overall daily operations in the PRC and liaising with our customers.

Ms. Chen obtained a bachelor of public administration and computer studies in February 1999 from South China Normal University (華南師範大學) in the PRC.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interests of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the GEM Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner in accordance with the requirements of the GEM Listing Rules. The Board has established an audit committee (the "**Audit Committee**"), a nomination committee (the "**Nomination Committee**") and a remuneration committee (the "**Remuneration Committee**") with specific written terms of reference. During the year ended 31 March 2026 and up to the date of this report (the "**Reporting Period**"), the Company has complied with all the code provisions of the CG Code.

The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

SECURITIES TRANSACTIONS BY DIRECTORS

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 5.46 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 Reporting Period.

Pursuant to rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in the securities of the Company when he would be prohibited from dealing by the Model Code as if he was a Director.

THE BOARD OF DIRECTORS

(i) Board Composition

The business and affairs of the Group is governed by the Board which has the responsibility of leading and monitoring the business and affairs of the Group. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's business and affairs. As at the date of this report, the Board comprises seven Directors including four executive Directors and three independent non-executive Directors. The Board's composition during the Reporting Period and up to the date of this report is as follows:

Executive Directors

Mr. Chan Le Bon *(Chairman)*
Mr. Chan Yu *(Chief executive officer)*
Mr. Liao Changlin *(appointed on 6 March 2026)*
Ms. Fu Ning *(appointed on 6 March 2026)*

Non-executive Director

Mr. Choy Wing Hang, William *(resigned on 6 March 2026)*

Independent non-executive Directors

Mr. Fu Lui
Mr. Chan Chi Ho
Ms. Chui Sin Heng *(resigned on 6 March 2026)*
Mr. Lin Peigan *(appointed on 6 March 2026)*

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

In compliance with rules 5.05(1), (2) and 5.05A of the GEM Listing Rules, during the Reporting Period, the Company has appointed at least three independent non-executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers them to be independent in accordance with the various guidelines set out in rule 5.09 of the GEM Listing Rules.

There are mechanisms established to ensure independent views and input are available to the Board, which has covered the following aspects:

— independent non-executive Director's recruitment process;

— minimum number of independent non-executive Directors and their time commitment;

— assessment or evaluation of independent non-executive Director's contribution; and

— other channels where independent views are available.

The Board will review the implementation and effectiveness of the abovementioned mechanisms on an annual basis.

With the various experience of both the executive Directors, non-executive Director and the independent non-executive Directors, the Board considers that the Directors have a balance of skills and experience for the business of the Group.

Save as disclosed in the section headed "Directors and Senior Management" of this annual report, there is no financial, business, family or other material or relevant relationships between members of the Board and senior management.

(ii) Board/Board Committee Meetings

During the year ended 31 March 2026, there were 8 Board meetings held.

Prior notices convening the Board meetings were despatched to the Directors before the Board meetings setting out the matters to be discussed. At the Board meetings, the Directors were provided with the relevant documents to be discussed and approved to enable the Directors to make informed decisions. The company secretary of the Company (the "**Company Secretary**") had been responsible for ensuring the procedures of the Board meetings were observed and keeping minutes for the Board meetings which were sent to the Directors for records and are open for inspection at any reasonable time by any Director on reasonable notice. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed at the Board meeting would not be counted in the quorum of the meeting and should abstain from voting on the relevant resolution.

An annual general meeting was held during the year ended 31 March 2026. The following is the attendance record of the Directors at Board meetings, annual general meeting and Board committees' meetings during the year ended 31 March 2026:

(iii) Attendance Record

Name of Directors	Attendance/Number of meetings Board Meetings	Annual general meeting	Audit Committee	Remuneration Committee	Nomination Committee
Executive Directors					
Mr. Chan Le Bon *(Chairman)*	8/8	1/1	N/A	N/A	N/A
Mr. Chan Yu *(Chief executive officer)*	8/8	1/1	N/A	N/A	N/A
Mr. Liao Changlin *(appointed on 6 March 2026)*	2/2	N/A	N/A	N/A	N/A
Ms. Fu Ning *(appointed on 6 March 2026)*	2/2	N/A	N/A	N/A	N/A
Non-executive Director					
Mr. Choy Wing Hang, William *(resigned on 6 March 2026)*	5/5	1/1	N/A	N/A	N/A
Independent non-executive Directors					
Mr. Fu Lui	8/8	1/1	3/3	2/2	2/2
Mr. Chan Chi Ho	8/8	1/1	3/3	2/2	2/2
Ms. Chui Sin Heng *(resigned on 6 March 2026)*	5/5	1/1	3/3	1/1	1/1
Mr. Lin Peigan *(appointed on 6 March 2026)*	2/2	N/A	N/A	N/A	N/A

(iv) Corporate Governance Functions

The Board is responsible for performing the corporate governance functions as set out in code provision A.2.1 of the CG Code, such as (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; and (iv) reviewing the Company's compliance with the CG Code and disclosures in the corporate governance report, etc. The Board will hold meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings will be given to all the Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that the Directors are supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable them to discharge their duties.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that the Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

During the Reporting Period, the Chairman held a meeting with the independent non-executive Directors without the presence of the other executive Director and non-executive Director to discuss, among other matters, the operation of the Board, corporate governance matters and the performance and development of the Group.

The Board and individual Director also have separate and independent access to the Company's senior management.

(v) Functions of the Board

The principal functions of the Board include:

— reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;

— approving major acquisitions or disposals, corporate or financial restructuring, issuance of the Shares and other equity or debt instruments, considering payment of dividends and other distribution to the Shareholders;

— assessing the risks facing the Group and reviewing and implementing appropriate measures to manage such risks;

— selecting and evaluating the performance and compensation of key management executives;

— approving nominations to the Board;

— reviewing and endorsing the recommended framework of remuneration of the Directors and key management executives by the Remuneration Committee; and

— assuming overall responsibility for corporate governance.

According to code provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the Reporting Period, the management has provided to all the Directors with monthly updates on the financial position and prospects of the Group, which are considered to be sufficient to allow them to have a balanced and understandable assessment of the Group's financial and operating performance, position and prospects to serve the purposes required by code provision D.1.2 of the CG Code.

(vi) Terms of Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years and subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the articles of association of the Company (the "**Articles**").

The non-executive Director has entered into a letter of appointment with the Company for an initial term of three years and subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the Articles.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years and subject to renewal and termination by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the Articles.

Article 84 of the Articles provides that at each annual general meeting, 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 and that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

(vii) Directors' Remuneration

The Remuneration Committee makes recommendations to the Board on the remuneration packages of the Directors and senior management personnel. It is the Company's policy that the remuneration package of each Director and senior management shall be determined by taking reference to, inter alia, their duties, responsibilities, experiences and qualifications. In formulating its remuneration proposals for the executive Directors, the Remuneration Committee consulted the Chairman and/or the Chief Executive Officer, where appropriate. The Remuneration Committee is authorised to obtain independent professional advice at the Company's expense where necessary to discharge its responsibilities.

(viii) Continuous Professional Development

According to the code provision C.1.4 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the Reporting Period, all Directors have participated in continuous professional development and the relevant details are set out below:

Name of Directors	Attending seminar(s)/ Reading relevant materials in relation to the business or directors' duties Yes/No
Executive Directors	
Mr. Chan Le Bon *(Chairman)*	Yes
Mr. Chan Yu *(Chief executive officer)*	Yes
Mr. Liao Changlin *(appointed on 6 March 2026)*	Yes
Ms. Fu Ning *(appointed on 6 March 2026)*	Yes
Non-executive Director	
Mr. Choy Wing Hang, William *(resigned on 6 March 2026)*	Yes
Independent non-executive Directors	
Mr. Fu Lui	Yes
Mr. Chan Chi Ho	Yes
Ms. Chui Sin Heng *(resigned on 6 March 2026)*	Yes
Mr. Lin Peigan *(appointed on 6 March 2026)*	Yes

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs. The Board, directly and indirectly, through its Board committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations. All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company. The Directors shall disclose to the Company details of other offices held by them. The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

BOARD COMMITTEES

During the Reporting Period, the Board was assisted by three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, which are sufficiently resourced to fulfil their roles. Their respective terms of reference have been approved by the Board and are available for review on the Company's website (www.asia-expresslogs.com) and the Stock Exchange's website (www.hkexnews.hk).

Audit Committee

The Company has established the Audit Committee on 23 March 2020 in compliance with rule 5.28 of the GEM Listing Rules. As at the date of this report, the Audit Committee comprises all the independent non-executive Directors, namely Mr. Fu Lui, Mr. Chan Chi Ho and Mr. Lin Peigan. Mr. Fu Lui is the chairman of the Audit Committee. Written terms of reference in compliance with code provision D.3.3 of the CG Code have been adopted. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor and to review and supervise the financial reporting process and internal control and risk management systems of the Group. A summary of the work performed by the Audit Committee during the year ended 31 March 2026 was as follows:

(i) review of the audit plan, terms of engagement, independence and qualification of the external auditor and the remuneration paid to the external auditor;

(ii) review of the financial information of the Group including the annual and interim financial statements and related documents before submission to the Board for approval;

(iii) review of the management letters and reports issued by the external auditor;

(iv) review of accounting principles and practices adopted by the Group and the potential impacts of the changes in accounting standards to the Group's financial statements;

(v) review of the effectiveness of the risk management and internal control systems of the Group; and

(vi) review of the internal audit reports in respect of the effectiveness of the financial, operational and compliance controls and risk management of the Group.

During the year ended 31 March 2026, the Audit Committee held three meetings.

Remuneration Committee

The Company established the Remuneration Committee on 23 March 2020 with written terms of reference. As at the date of this report, the Remuneration Committee comprises Mr. Chan Chi Ho, Mr. Fu Lui and Mr. Lin Peigan with Mr. Chan Chi Ho being the chairman. Written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision E.1.2 of the CG Code have been adopted. The primary duties of the Remuneration Committee are, among other things, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management and make recommendations to the Board on the remuneration of non-executive Director and independent non-executive Directors. A summary of the work performed by the Remuneration Committee during the year ended 31 March 2026 was as follows:

(i) reviewed the remuneration of the executive Directors and senior management of the Company;

(ii) assessed the performance of the executive Directors and approved the terms of executive Directors' service contracts;

(iii) approved performance-based remuneration with reference to the corporate goals and objectives resolved by the Board and/or the senior management from time to time;

(iv) ensured that no Director or senior management or any of his/her associates was involved in deciding his/her own remuneration; and

(v) reviewing and/or approving matters relating to the share schemes under Chapter 23 of the GEM Listing Rules.

During the year ended 31 March 2026, two Remuneration Committee meetings were held.

Nomination Committee

The Company has established the Nomination Committee on 23 March 2020 with written terms of reference. As at the date of this report, the Nomination Committee comprises Mr. Lin Peigan, Mr. Chan Chi Ho, Mr. Fu Lui and Ms. Fu Ning, with Mr. Lin Peigan being the chairman. Written terms of reference in compliance with code provision B.3.1 of the CG Code have been adopted. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for our Directors, and to assess the independence of the independent non-executive Directors. A summary of the work performed by the Nomination Committee during the year ended 31 March 2026 was as follows:

(i) reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;

(ii) assessed the independence of the independent non-executive Directors;

(iii) assessed each Director's time commitment and contribution to the Board as well as each Director's ability to discharge his/her responsibilities effectively;

(iv) made recommendations to the Board on the proposed re-election of the retiring Directors at the forthcoming annual general meeting; and

(v) reviewed the diversity of the Board's composition.

During the year ended 31 March 2026, two Nomination Committee meetings held.

Board Nomination Policy

The Company adopted a nomination policy on 23 March 2020 in compliance with the CG Code with effect from the Listing Date, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

Selection criteria

In assessing and selecting candidates for Directors, the Nomination Committee shall consider the following non-exhaustive list of factors:

- the candidate's character and integrity, professional skills and experience;
- the potential contributions that a candidate can bring to the Board in terms of diversity of gender, age, culture and educational background etc.;
- whether the candidate meets the required independence criteria as set out in the GEM Listing Rules;
- whether the candidate is willing and able to devote sufficient time to fulfill the duties of being a Director; and
- such other perspectives appropriate to the Company's business.

Nomination procedures

The evaluation, recommendation, nomination, selection and appointment or re-appointment of each proposed Director shall be assessed and considered by the Nomination Committee and the Board against the selection criteria and the Board Diversity Policy (as defined below).

In the context of appointment of any proposed candidate to the Board, after the Nomination Committee receives the proposal to appoint a new Director or the nomination from a shareholder, the Nomination Committee shall evaluate the candidate's eligibility to serve as a Director based on the above criteria in combination with his or her personal profile. If multiple candidates are involved, the Nomination Committee shall prioritise them according to the Company's needs and candidates' respective qualification.

In the case of the re-appointment of a Director at the forthcoming annual general meeting of the Company, the Nomination Committee shall review the overall contribution of the Directors and their services, their participation and performance within the Board and whether such Director still meets the above selection criteria.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

Board Diversity Policy

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision-making and effective functioning. The Company adopted its own board diversity policy (the "**Board Diversity Policy**") and recognises the benefits of having diversity in the composition of the Board.

The Company noted that people from different backgrounds and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse backgrounds will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group. In determining the Board's composition and selection of candidates to the Board, the Nomination Committee will consider factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having due regard for the benefits of diversity on the Board, the business model and specific needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board currently has one female Director and as such has achieved gender diversity in respect of the Board. We will strive to enhance female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successor to the Board in the near future. As at 31 March 2026, 1 out of 4 senior management (other than the senior management who were also Directors) of the Group was female, representing 25% of the senior management.

The Nomination Committee is satisfied that the current composition of the Board is sufficiently diverse.

The Group also continues to adopt employee diversity measures to promote diversity at all levels of its workforce. As at 31 March 2026, approximately 23% of the total workforce of the Group (excluding senior management) were female. During the year ended 31 March 2026, the Group was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. The Group will continue to take steps to promote diversity, including gender diversity, at all levels of its workforce.

Based on recommendations from the Nomination Committee, the Board will set measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time. During the year ended 31 March 2026, the Board reviewed the Board Diversity Policy and considered that the implementation of the policy was effective.

Remuneration of Senior Management

The remuneration payable to all the senior management, other than those who are also Directors, fell within the band of nil to HK$1,000,000 for the year ended 31 March 2026 and 31 March 2025.

Dividend Policy

The Company has adopted a dividend policy (the "**Dividend Policy**") that aims to provide the guidelines for the Board to determine whether dividends are to be declared and paid to the Shareholders and the level of dividend to be paid. Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among others,

- the Group's actual and expected financial performance;
- the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- retained earnings and distributable reserves of the Company and each member of the Group;
- the Group's liquidity position;
- the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- any other factors that the Board deems appropriate.

The declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and is also subject to any restrictions under the Companies Act of the Cayman Islands, the GEM Listing Rules, the laws of Hong Kong and the Company's articles of association and any other applicable laws and regulations. All dividend decisions made by the Board during the year ended 31 March 2026 were made in accordance with the Dividend Policy. The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The Company will constantly review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

ACCOUNTABILITY AND AUDIT

Directors' and auditor's responsibilities for the consolidated financial statements

All the Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 March 2026, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements of the Group on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The responsibilities of the external auditor, Wilson & Partners CPA Limited, with respect to financial reporting are set out in the section headed "Independent Auditor's Report" of this annual report.

Auditor's remuneration

The remuneration payable to the external auditors, Wilson & Partners CPA Limited, in respect of their audit services for the year ended 31 March 2026 was approximately HK$370,000. No non-audit services were provided by the auditors for the year ended 31 March 2026.

Internal Control and Risk Management

The Board acknowledges its responsibility to maintain effective risk management and internal control systems in order to safeguard the Group's assets and investments and the Shareholders' interest. The Board conducts a review on such systems on an annual basis. Such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. During the Reporting Period, the Board had conducted a review on the effectiveness and adequacy of the risk management and internal control systems of the Company in respect of the Group's financial, operational, compliance controls and risk management functions through the effort of the Audit Committee. The Board has the overall responsibility to maintain the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function and the Board had reached the conclusion that the Group's risk management and internal control systems were in place and effective and adequate. The Group has an internal audit function which conducts review on adequacy and effectiveness of the risk management and internal control systems of the Group. Such review is conducted annually and cycles reviewed are under rotation basis. Through the risk identification and assessment processes, risks are identified, assessed, prioritised and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management — Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Group has set up a risk management mechanism which includes an internal control environment and proper segregation of duties among the senior management executives. Through regular management meetings with the participation of the executives of various departments, management of the Group are able to perform risk identification, risk assessment, and risk management. The Board also receives regular reports through the Audit Committee that oversees risk management and internal audit functions. During the year ended 31 March 2026, the Board has reviewed and considered the internal control and risk management systems to be appropriate and effective for the purposes set out in Principle D2 of the CG Code, and in compliance with the other code provisions as set out in the CG code. The Board will continue to monitor and review the Group's risk management and internal control systems from time to time such that they are adequate and effective.

Whistleblowing Policy

The Company has in place the whistleblowing policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

Anti-corruption and Anti-bribery Policy

The Company has in place the anti-corruption and anti-bribery policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company and stakeholders to report any suspected corruption and bribery.

Company secretary

Mr. Yip Chun Ming, Alex resigned as the company secretary on 31 March 2026, and Mr. Kwan Hung Chun Curtus was appointed as the company secretary of the Company on 31 March 2026. Mr. Yip and Mr. Kwan have taken no less than 15 hours of relevant professional training during the year ended 31 March 2026.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard Shareholders' interests and rights, the Shareholders are encouraged to participate at the general meetings of the Company and to vote thereat. All resolutions put forward at Shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands, and the poll voting results will be posted on the websites of the Stock Exchange and the Company after the relevant Shareholders' meeting.

PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETING

The following procedures for Shareholders to convene an extraordinary general meeting are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

(a) any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the voting rights at general meetings of the Company, on a one vote per Share basis in the Share capital of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting ("**EGM**") to be called by the Board for the transaction of any business specified in such requisition;

(b) eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at 3/F, Magnet Place Tower 2, 38–42 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong, or the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for the attention of the Board and/or the Company Secretary. Such meeting shall be held within 2 months after the deposit of such requisition;

(c) if within 21 days of the deposit of the Requisition the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing the Shareholders to move new resolutions at the general meetings under the Companies Act of Cayman Islands. However, pursuant to the Articles, the Shareholders who wish to move a resolution may by means of the Requisition convene an EGM following the procedures set out above.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

The provisions for a Shareholder to propose a person for election as a Director are laid down in Article 85 of the Articles. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the Hong Kong Branch Share Registrar. The period for lodgment of the notices required under the Articles will commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

PROCEDURES FOR RAISING ENQUIRIES

Shareholders could direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong branch share registrar (details of which are set out in the section headed "Corporate Information" of this annual report).

Should there be any enquiries and concerns from the Shareholders, they may send written enquiries addressed to the headquarters and principal place of business of the Company in Hong Kong at 3/F, Magnet Place Tower 2, 38–42 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong for the attention of the Board and/or the Company Secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

INVESTORS RELATIONS

To foster effective communication with the shareholders and potential investors of the Company, the Company has developed and maintained a Shareholders' communication policy, which is available on the Company's website. In accordance with such policy, the Company has established a range of communication channels among itself, the Shareholders and investors. These include answering questions through the general meetings, the publication of annual and interim reports, notices, announcements and circulars on the Company's website at www.asia-expresslogs.com and meetings with investors and the Shareholders. News update of the Group's business development and operation are also available on the Company's website. Based on our review of the initiatives taken by the Group and that the policy has been able to facilitate an open and ongoing communication with the Shareholders on a fair disclosure basis, the Company is of the view that the implementation of the Shareholders' communication policy is satisfactory and effective during the year ended 31 March 2026.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company has amended its Articles, details of which are set out in the circular of the Company dated 28 July 2025. The Shareholders have approved the amendments to the Articles at the annual general meeting of the Company held on 25 August 2025. The latest version of the Articles is available at the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.asia-expresslogs.com.

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2026.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its headquarters and principal place of business in Hong Kong is 3/F, Magnet Place Tower 2, 38–42 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong. The Shares were listed on GEM of the Stock Exchange on 20 April 2020.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2026.

BUSINESS REVIEW

Detailed business review is set out in the section headed "Management Discussion and Analysis" ("**MD&A**") of this annual report from pages 7 to 12. Future development of the Company's business is set out in the section headed "Chairman's Statement" in this annual report on pages 5 to 6.

KEY RISKS AND UNCERTAINTIES

The Group believes that the risk management practices are important and uses its best effort to ensure it is sufficient to mitigate the risks present in our operations and financial position as efficiently and effectively as possible. Operational risks may arise when the Group loses its major customers or senior management which may adversely affect the Group's operations. In the event that the Group fails to secure new contracts from other major customers or identify suitable replacements for senior management in a timely manner and at reasonable cost, the Group's competitiveness may be impaired and performance could be adversely affected. To retain our customers, we are trying to maintain excellence and integrated services to our customers in timely manner, so that we can create extra value to our customers.

An analysis of the Group's financial risk management (including interest rate risk, credit risk, and liquidity risk), objectives and policies are provided in note 30 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A fundamental task of the senior management of the Group have always been leading the management to concern about environmental protection, performing social responsibility as an enterprise citizen, strengthening corporate governance, promoting healthy and orderly development of the Group, and creating more economic value and social utility for stakeholders such as consumers, upstream suppliers, downstream distributors, shareholders, potential investors, management, employees, communities and even the environment.

More disclosures regarding our environmental policies and performance are set out in the Group's environmental, social and governance report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 March 2026.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2026, the Group has maintained good relationships with its stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

KEY PERFORMANCE INDICATORS ("KPIS") WITH THE STRATEGY OF THE GROUP

The key financial performance indicators of the Group for the year ended 31 March 2026 are set out below:

Strategy	KPIs
Maximise value for the Shareholders	Net profit margin approximately –0.3% (2025: approximately –1.0%)
	Return on equity approximately –3.5% (2025: approximately –10.7%)
Improve the Group's liquidity	Net cash generated from operating activities approximately HK$11.3 million (2025: approximately HK$9.7 million)
	Cash and cash equivalents approximately HK$17.3 million (2025: approximately HK$9.1 million)

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 March 2026 are set out in the consolidated statement of profit or loss and other comprehensive income on page 55 of this annual report.

No final dividend for the year ended 31 March 2026 was recommended by the Board (2025: Nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**2026 AGM**") of the Company is scheduled to be held on Tuesday, 25 August 2026. A notice convening the 2026 AGM will be issued and despatched to the Shareholders.

The register of members of the Company will be closed from Thursday, 20 August 2026 to Tuesday, 25 August 2026 (both days inclusive), during which period no transfer of Shares will be registered. The record date will be Tuesday, 25 August 2026 and in order to be eligible to attend and vote at the 2026 AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 19 August 2026.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 March 2026 are set out in the consolidated statement of changes in equity on page 58 of this annual report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 130.

DONATIONS

Charitable donations made by the Group during the Financial Year amounted to HK$10,000 (2025: nil).

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer contributed approximately 47.7% (2025: approximately 44.1%) of the Group's total revenue for the year ended 31 March 2026, while the Group's five largest customers accounted for approximately 84.1% (2025: approximately 84.4%) of the Group's total revenue for the year ended 31 March 2026.

Since the Group has a very wide base of suppliers, the aggregate purchase attributable to the Group's five largest suppliers were approximately 34.5% (2025: approximately 36.2%) of the Group's total purchases for the year ended 31 March 2026, with the largest supplier accounted for approximately 10.6% (2025: approximately 11.9%) of the Group's total purchases for the year ended 31 March 2026.

To the best of the knowledge of the Directors, none of the Directors, their respective close associates (as defined in the GEM Listing Rules) or any Shareholders (which to the best knowledge of the Directors owns more than 5% of the number of issued Shares of the Company (excluding treasury Shares, if any)) had any interests in any of the Group's five largest customers or suppliers referred to above.

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

During the Financial Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined under the GEM Listing Rules)).

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital have been held by the public at all times for the year ended 31 March 2026 and up to the date of this report. The Directors confirm that the Company has maintained the prescribed minimum amount of public float as required under the GEM Listing Rules.

PRE-EMPTIVE RIGHTS AND TAX RELIEF OR EXEMPTION

There are no provisions for pre-emptive rights under the Company's Articles, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

The Board is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

SHARE CAPITAL

Details of the Company's share capital are set out in note 27 to the consolidated financial statements.

SHARE OPTION SCHEME

The share option scheme of the Company (the "**Scheme**") is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules and is established to recognise and acknowledge the contribution of the Directors and other employees and other eligible parties who have made valuable contribution to the Group. The Scheme was adopted on 27 March 2020 (the "**Adoption Date**"). The outstanding share options of the Company available for grant under the Scheme as at 1 April 2025 and 31 March 2026 were 48,000,000 shares. As at the date of this report, the remaining life of the Scheme is about 4 years. There were no share options granted, agreed to be granted, exercised, lapsed or cancelled under the Scheme during the year ended 31 March 2026.

The following is a summary of the principal terms of the Scheme but it does not form part of, nor was it intended to be part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme:

(a) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

(b) The Participants of the Scheme

Our Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants ("**Eligible Participants**"), to take up options to subscribe for Shares:

(i) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director and independent non-executive director) of the Company, its subsidiaries or any entity ("**Invested Entity**") in which our Group holds an equity interest ("**Eligible Employee**");

(ii) any non-executive director (including independent non-executive director) of the Company, any subsidiary or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of any member of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more Eligible Participants.

(c) Maximum number of Shares available for issuance

(i) The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share scheme(s) adopted by the Group shall not exceed 30% of the Shares in issue from time to time.

(ii) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share scheme(s) of the Group must not in aggregate exceed 10% of the Shares in issue on the day on which dealings in the Shares first commence on the Stock Exchange (i.e. not exceeding 48,000,000 Shares), representing approximately 9.1% of the issued share capital of the Company (excluding treasury Shares, if any) as at the date of this annual report (the "**General Scheme Limit**"), provided that:

(a) Subject to paragraph (i) above and without prejudice to paragraph (b) below, the Company may issue a circular to its Shareholders and seek approval of its Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group must not exceed 10% of the Shares in issue as at the date of approval of the limit, and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share scheme(s) of our Group will not be counted.

(b) Subject to paragraph (i) above and without prejudice to paragraph (a) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in paragraph (a) above to Eligible Participants specifically identified by the Company before such approval is sought.

(d) Maximum number of options to any one individual

The total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share scheme(s) of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

(e) Price of Shares

The subscription price per Share under the Share Option Scheme shall be determined at the absolute discretion of our Directors, provided that it shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the offer for the grant of option is made, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date on which the offer for the grant of option is made; and (iii) the nominal value of the Shares.

(f) Time of exercise of option and duration of the share option scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date on which the offer for the grant of option is made but shall end in any event not later than 10 years from the date on which the offer for the grant of option is made subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The Share Option Scheme will remain in force for a period of 10 years commencing on the date which is six months after the Listing Date.

(g) Acceptance and payment on acceptance

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

A nominal consideration of HK$1.00 is payable on acceptance of the grant of an option.

DISTRIBUTABLE RESERVES OF THE COMPANY

Share premium and retained profit of the Company may be available for distribution to ordinary Shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. The Company's reserves available for distribution to Shareholders as at 31 March 2026 amounted to approximately HK$17.3 million (2025: approximately HK$17.7 million).

DIRECTORS

During the year ended 31 March 2026 and up to the date of this annual report, the Board's composition is as follows:

Executive Directors

Mr. Chan Le Bon *(Chairman)*
Mr. Chan Yu *(Chief executive officer)*
Mr. Liao Changlin *(appointed on 6 March 2026)*
Ms. Fu Ning *(appointed on 6 March 2026)*

Non-executive Director

Mr. Choy Wing Hang, William *(resigned on 6 March 2026)*

Independent non-executive Directors

Mr. Fu Lui
Mr. Chan Chi Ho
Ms. Chui Sin Heng *(resigned on 6 March 2026)*
Mr. Lin Peigan *(appointed on 6 March 2026)*

Changes in Directors

Name	Positions held	Changes	Reason
Liao Changlin	Executive Director	Appointed with effect from 6 March 2026	Appointment by the Board
Fu Ning	Executive Director and member of the Nomination Committee	Appointed with effect from 6 March 2026	Appointment by the Board
Choy Wing Hang, William	Former Non-executive Director	Resigned with effect from 6 March 2026	Other business commitments
Lin Peigan	Independent Non-executive Director; Chairman of the Nomination Committee; and member of the Audit Committee and Remuneration Committee	Appointed with effect from 6 March 2026	Appointment by the Board
Chui Sin Heng	Former Independent Non-executive Director; former Chairlady of the Nomination Committee; and former member of the Audit Committee and Remuneration Committee	Resigned with effect from 6 March 2026	Other business commitments

Mr. Liao Changlin, Ms. Fu Ning and Mr. Lin Peigan obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law on the date of appointment in relation to the requirements under the GEM Listing Rules applicable to them as directors of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Each of them has confirmed that he or she understood his or her obligations as a director of a listed issuer.

Retirement and re-election of Directors

In accordance with article 84 of the Articles, 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 at each annual general meeting of the Company, provided that every Director shall be subject to retirement by rotation at least once every three 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 every year shall include (as far as necessary to ascertain the number of the 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 by the Board pursuant to article 83(3) of the Articles shall not be taken into account in determining which particular Directors or the number of the Directors who are to retire by rotation.

According to article 83(3) of the Articles, 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 as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Mr. Chan Chi Ho, Mr. Fu Lui and Mr. Chan Le Bon will retire and, being eligible, offer themselves for re-election at the 2026 AGM pursuant to article 84 of the Articles. Mr. Chan Chi Ho and Mr. Fu Lui have advised the Company that they will not offer themselves for re-election and will retire from the Board with effect from the conclusion of the AGM. The Company will appoint two new independent non-executive Directors in substitute of Mr. Chan Chi Ho and Mr. Fu Lui in due course to comply with the GEM Listing Rules.

DIRECTORS' SERVICE AGREEMENTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from their respective date of appointment and subject to renewal and termination by either party in accordance with the terms thereof, and retirement and re-election provisions in the Articles.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from their respective date of appointment and subject to renewal and termination by either party in accordance with the terms thereof, and retirement and re-election provisions in the Articles.

None of the Directors proposed for re-election at the 2026 AGM has a service agreement with an unexpired period which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence to the Company. The Nomination Committee has assessed the independence of the independent non-executive Directors and affirmed that all independent non-executive Directors remained independent under rule 5.09 of the GEM Listing Rules.

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

As at 31 March 2026, 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. Chan Le Bon	Interest in a controlled corporation *(Note ii)*	235,080,000	44.50%
Ms. Fu Ning	Beneficial owner	50,600,000	9.58%
Mr. Liao Changlin	Beneficial owner	42,240,000	8.00%

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. Chan Le Bon and as to 5% by Mr. Chan Yu, respectively. Mr. Chan Le Bon is deemed to be interested in such number of Shares held by 3C Holding Limited.

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

As at 31 March 2026, 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	235,080,000	44.50%

Notes:

(i) All interests in the Shares are in long position.

Save as disclosed above, as at 31 March 2026, 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save and except for the Scheme, at no time during the Financial Year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries or its parent company was a party and in which a Director of the Company or an entity connected with any of them had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Financial Year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

During the Financial Year, there had been no contract of significance between the Company or any of its subsidiaries and a controlling Shareholder (as defined in the GEM Listing Rules) or any of its subsidiaries, nor any 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.

COMPETING INTEREST

During the Financial Year, the Directors were not aware of any business or interest of the Directors, the controlling Shareholders, and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition (the "**Deed of Non-competition**") dated 23 March 2020 was executed in favour of the Company (for itself and as trustee for each of its subsidiaries) by 3C Holding Limited, Mr. Chan Le Bon and Mr. Chan Yu (collectively the "**Controlling Shareholders**") regarding certain non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with Controlling Shareholders".

Each of the Controlling Shareholders has confirmed to the Company that he/it has complied with the non-competition undertaking under the Deed of Non-competition during the year ended 31 March 2026. Each of them has also confirmed in the annual declaration that none of them had any interest in a business, other than the business of the Group, which competes or is likely to compete either directly or indirectly with the business of the Group during the year ended 31 March 2026.

The independent non-executive Directors have reviewed the status of compliance of the Deed of Non-competition and confirmed that nothing has come to their attention that the Controlling Shareholders have breached any undertaking or provision under the Deed of Non-competition during the year ended 31 March 2026.

MANAGEMENT CONTRACTS

During the Financial Year, there was no contract entered into by the Company relating to the management and administration of the entire or any substantial part of the business of the Group.

EMOLUMENT POLICY

The remuneration policy of the Group is to reward its employees and executives based on, among other things, their performance, qualification, competence displayed and market comparables. Remuneration package typically comprises of salaries, contribution to pension schemes and discretionary bonuses.

The Remuneration Committee will review annually the remuneration of all the Directors to ensure that it is attractive enough to attract and retain a competent team of executive members. The Director's fee for each of the Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of the Remuneration Committee. The remuneration package of each of the Directors is determined by reference to market terms, seniority, experiences, duties and responsibilities of that Director within the Group.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

Related party transactions entered into by the Group during the year ended 31 March 2026 are set out in note 31 to the consolidated financial statements.

The Directors consider that these related party transactions disclosed in note 31 to the consolidated financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) under Chapter 20 of the GEM Listing Rules requiring compliance with any of the reporting, announcement or independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established the Audit Committee on 23 March 2020, with written terms of reference in compliance with rules 5.28 and 5.33 of the GEM Listing Rules. Details of the role and work performed by the Audit Committee are set out in the section headed "Corporate Governance Report" of this annual report. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2026 and is of the view that the preparation of such statements complied with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

PERMITTED INDEMNITY PROVISIONS

At no time during the Financial Year and up to the date of this Directors' Report was there any permitted indemnity provision being in force for the benefit of any of the Directors (whether made by the Company or otherwise), or an associated company (if made by the Company).

An associated company is defined in Section 2(1) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Company has taken out and maintained appropriate directors' and officers' liability insurance coverage for the directors and officers of the Company throughout the year ended 31 March 2026.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and the five highest paid individuals for the Financial Year are set out in note 13 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company has complied with all code provisions as set out in the CG Code throughout the Financial Year.

Further information on the Company's corporate governance practices is set out in the section headed "Corporate Governance Report" of this annual report from pages 18 to 34.

ENVIRONMENTAL, SOCIETY AND CORPORATE RESPONSIBILITY

The Group is committed to support environmental protection to ensure business development and sustainability. We implement green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

AUDITOR

Moore CPA Limited has resigned as the auditor of the Company on 17 December 2025 and Wilson & Partners CPA Limited was appointed as the auditor on 17 December 2025.

The consolidated financial statements of the Group for the year ended 31 March 2026 have been audited by Wilson & Partners CPA Limited, which will retire and, being eligible, offer themselves for re-appointment at the 2026 AGM. A resolution for their re-appointment as auditors of the Company will be proposed at the 2026 AGM.

Save for the aforesaid changes, there was no any other changes in the auditor of the Company in any of the preceding three years.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in note 35, the Board is not aware of any other significant event requiring disclosure that has been taken place after 31 March 2026 and up to the date of this annual report.

On behalf of the Board

Mr. Chan Le Bon
Chairman

Hong Kong, 29 June 2026

Wilson & Partners CPA Limited 國誠會計師事務所有限公司
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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Asia-express Logistics Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Asia-express Logistics Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 55 to 129, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other 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 and other explanatory 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 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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") as 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"), as applicable to audits of financial statements of public interest entities. We have also 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 judgement, were of most significance in our audit of the consolidated financial statements of 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 matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables	
We identified the impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated statement of financial position and the involvement of significant management judgements in determining the impairment loss under the expected credit loss ("ECL") model for the Group's trade receivables. As disclosed in Note 20 to the consolidated financial statements, the Group's net trade receivables amounted to HK$42,422,000 and the Group recognised an allowance for ECL amounted to HK$456,000 as at 31 March 2026. As disclosed in Note 30 to the consolidated financial statements, trade receivables with significant balances and credit-impaired are assessed for ECL individually. ECL on remaining trade receivables are assessed by using provision matrix through groupings of various debtors after taking into consideration the Group's internal credit rating of trade debtors, aging and/or past due status of respective trade receivables, historical default rates and forward-looking information that is reasonable and supportable available without undue cost or effort.	Our procedures in relation to impairment assessment of trade receivables included: • Obtaining an understanding of the key controls on how the management estimates the ECL allowance for trade receivables; • Testing the integrity of information used by management to develop the grouping in collective basis, including trade receivables aging analysis as at 31 March 2026, on a sample basis, by comparing individual items in the analysis with the relevant supporting documents in relation to the determination of credit rating of the trade debtors; • Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 31 March 2026, including their identification of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade receivables into different categories using the collective basis, and the basis of estimated loss rates applied in each category in the provision matrix with reference to historical default rates and forward-looking information; • Performing test of the information used and mathematical calculation in determining loss allowance for trade receivables; • Performing retrospective review on management estimates; • Performing test of details on the settlement of a sample of trade receivables subsequent to the end of the reporting period; and • Evaluating the disclosures regarding the impairment assessment of trade receivables to the consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment and right-of-use assets	
We identified the impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter due to the significant management judgements and estimation involved in determining the recoverable amounts of property, plant and equipment and right-of-use assets. As at 31 March 2026, management of the Group performed an impairment assessment for property, plant and equipment and right-of-use assets due to the indication of impairment as disclosed in Notes 4, 16 and 17 to the consolidated financial statements. As at 31 March 2026, the aggregated carrying amount of the property, plant and equipment and right-of-use assets were HK$21,066,000 and HK$53,538,000, respectively, as set out in Notes 16 and 17 to the consolidated financial statements. For the purpose of assessing the impairment of the property, plant and equipment and right-of-use assets, management of the Group engaged an independent qualified professional valuer to assist them to determine the recoverable amount based on the value in use by using cash flow projection and the key assumptions used included the discount rate, budgeted income and growth rate. Based on management's assessment, no impairment loss on property, plant and equipment and right-of-use assets were recognised in profit or loss during the year ended 31 March 2026.	Our procedures in relation to impairment assessment of property, plant and equipment and right-of-use assets included: • Obtaining an understanding of the key controls on how the management performs the impairment assessment of property, plant and equipment and right-of-use assets; • Evaluating the competence, capabilities and objectivity of the independent qualified professional valuer who determined the recoverable amount of the property, plant and equipment and right-of-use assets based on the value in use and obtaining an understanding of their scope of work and terms of engagement; • Evaluating and challenging the appropriateness of the valuation methodology used by the independent qualified professional valuer to calculate the recoverable amount; • Performing retrospective review on management estimates and assessing how management perform impairment assessment including the estimation of cash flow projection and key assumptions used to measure the value in use; • Assessing and challenging management's key assumptions and estimates applied in the present value of the future cash flow projections, which include the budgeted income growth rate and discount rate, comparing to historical results and in light of current and expected future market conditions; and • Assessing the appropriateness of the related disclosures included in Notes 4, 16 and 17 to the consolidated financial statements.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 27 June 2025.

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 as 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 our agreed terms of engagement, 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 judgement 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.

- 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.

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

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.

The engagement director on the audit resulting in this independent auditor's report is Lau Chi Kin, Kinson.

Wilson & Partners CPA Limited
Certified Public Accountants
Lau Chi Kin, Kinson
Practising Certificate Number: P05613
Hong Kong

29 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	5	**327,683**	348,015
Other income	7	**4,350**	3,172
Other gains and losses	8	**(1,821)**	517
Employee benefits expenses	11	**(46,861)**	(47,948)
Dispatch labour costs		**(105,072)**	(124,778)
Transportation costs		**(133,883)**	(134,012)
Warehousing operating costs		**(22,092)**	(28,113)
Impairment losses under expected credit loss model, net		**(3)**	(45)
Depreciation of property, plant and equipment	16	**(5,314)**	(6,127)
Depreciation of right-of-use assets	17	**(9,127)**	(7,211)
Other expenses		**(6,266)**	(5,493)
Finance costs	9	**(2,154)**	(2,064)
Share of results of an associate		**(6)**	(13)
Loss before tax		**(566)**	(4,100)
Income tax (expense) credit	10	**(544)**	557
Loss for the year attributable to equity holders of the Company	11	**(1,110)**	(3,543)
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(37)**	52
Share of other comprehensive income (expense) of an associate, net of related income tax		**49**	(5)
Other comprehensive income for the year		**12**	47
Total comprehensive expense for the year attributable to equity holders of the Company		**(1,098)**	(3,496)
Loss per share (HK cents)	15		
Basic		**(0.21)**	(0.67)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*16*	**21,066**	26,039
Right-of-use assets	*17*	**53,538**	15,035
Interest in an associate	*18*	**663**	631
Financial assets at fair value through profit or loss	*19*	**1,938**	—
Rental and other deposits	*20*	**6,222**	637
		83,427	42,342
CURRENT ASSETS			
Trade and other receivables	*20*	**47,116**	44,827
Financial assets at fair value through profit or loss	*19*	**55**	45
Tax recoverable		**177**	168
Pledged bank deposits	*21*	**5,004**	5,004
Cash and cash equivalents	*21*	**17,268**	9,123
		69,620	59,167
CURRENT LIABILITIES			
Trade and other payables	*22*	**36,089**	35,850
Amount due to an associate	*18*	**—**	749
Bank and other borrowings	*23*	**17,694**	14,215
Lease liabilities	*24*	**15,981**	6,627
Tax payable		**752**	709
		70,516	58,150
NET CURRENT (LIABILITIES) ASSETS		**(896)**	1,017
TOTAL ASSETS LESS CURRENT LIABILITIES		**82,531**	43,359

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities	*24*	**33,669**	7,821
Loan from a shareholder	*25*	**12,045**	—
Amount due to an associate	*18*	**737**	—
Other payables	*22*	**1,635**	539
Deferred tax liabilities	*26*	**2,572**	2,028
		50,658	10,388
NET ASSETS		**31,873**	32,971
CAPITAL AND RESERVES			
Share capital	*27*	**5,280**	5,280
Reserves		**26,593**	27,691
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**31,873**	32,971

The consolidated financial statements on pages 55 to 129 were approved and authorised for issue by the board of directors on 29 June 2026 and are signed on its behalf by:

Chan Le Bon
Executive Director

Chan Yu
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000	Translation reserve HK$'000	Statutory reserve HK$'000 *(Note)*	Accumulated losses HK$'000	Total HK$'000
At 1 April 2024	5,280	44,157	1,876	(625)	2,448	(16,669)	36,467
Loss for the year	—	—	—	—	—	(3,543)	(3,543)
Other comprehensive income for the year	—	—	—	47	—	—	47
Total comprehensive income (expense) for the year	—	—	—	47	—	(3,543)	(3,496)
At 31 March 2025	5,280	44,157	1,876	(578)	2,448	(20,212)	32,971
Loss for the year	**—**	**—**	**—**	**—**	**—**	**(1,110)**	**(1,110)**
Other comprehensive income for the year	**—**	**—**	**—**	**12**	**—**	**—**	**12**
Total comprehensive income (expense) for the year	**—**	**—**	**—**	**12**	**—**	**(1,110)**	**(1,098)**
At 31 March 2026	**5,280**	**44,157**	**1,876**	**(566)**	**2,448**	**(21,322)**	**31,873**

Note: 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
OPERATING ACTIVITIES		
Loss before tax	**(566)**	(4,100)
Adjustments for:		
Bank interest income	**(98)**	(178)
Interest income from rental deposits	**(119)**	(82)
Depreciation of property, plant and equipment	**5,314**	6,127
Depreciation of right-of-use assets	**9,127**	7,211
Finance costs	**2,154**	2,064
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	**—**	(29)
Impairment loss under expected credit loss model, net	**3**	45
Loss (gain) on change in fair value of financial assets at FVTPL, net	**552**	(356)
Loss on disposal of property, plant and equipment	**1,271**	179
Net gain on termination of lease	**—**	(23)
Share of results of an associate	**6**	13
Operating cash flows before movements in working capital	**17,644**	10,871
Increase in trade and other receivables	**(7,815)**	(1,183)
Increase in trade and other payables	**1,424**	25
NET CASH FROM OPERATING ACTIVITIES	**11,253**	9,713
INVESTING ACTIVITIES		
Purchase of financial assets at FVTPL	**(2,500)**	—
Purchase of property, plant and equipment	**(997)**	(1,754)
Proceeds from disposal of property, plant and equipment	**351**	315
Interest received	**98**	178
Placement of pledged bank deposits	**—**	(2,005)
Withdrawal of pledged bank deposits	**—**	2,001
Proceeds from disposal of financial assets at FVTPL	**—**	1,770
Dividend received from financial assets at FVTPL	**—**	29
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(3,048)**	534

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
FINANCING ACTIVITIES		
Repayment of lease liabilities	**(13,331)**	(10,471)
Repayment of bank and other borrowings	**(4,896)**	(13,490)
Interest paid	**(1,227)**	(2,049)
Repayment to an associate	**(54)**	(324)
Loan from a shareholder	**12,000**	—
New bank and other borrowings raised	**7,500**	14,205
NET CASH USED IN FINANCING ACTIVITIES	**(8)**	(12,129)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**8,197**	(1,882)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**9,123**	10,969
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(52)**	36
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	**17,268**	9,123

1. GENERAL INFORMATION

Asia-express Logistics Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 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 of Hong Kong Limited (the "Stock Exchange"). The addresses of the Company's registered office and principal place of business are disclosed in the section headed "Corporate Information" of this annual report.

The ultimate holding company and immediate holding company of the Company is 3C Holding Limited ("3C Holding"), a company incorporated in the British Virgin Islands, and ultimately controlled by Mr. Chan Le Bon ("Mr. LB Chan") and Mr. Chan Yu.

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 other value-added services in Hong Kong and the People's Republic of China (the "PRC").

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to this HKFRS Accounting Standard 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.

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 HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
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[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures[3]

[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 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements 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 (MPMs) 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 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) 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. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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 GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The Group's consolidated financial statements have been prepared on a going concern basis. During the year ended 31 March 2026, the Group recorded a loss for the year of HK$1,110,000. As at 31 March 2026, the Group reported net current liabilities of HK$896,000. Management has considered the Group's liquidity position and future funding requirements (please refer to Note 30b for details). The directors have evaluated cash flow forecasts, available banking facilities, support from shareholders and new source of funding by placing of new shares. Based on these considerations, the directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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.

Control is achieved when the Company:

— has power over the investee;

— is exposed, or has rights, to variable returns from its involvement with the investee; and

— has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

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

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

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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

3.2 Material accounting policy information (Continued)

Investment in an associate (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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

3.2 Material accounting policy information (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand- alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, 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.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

3.2 Material accounting policy information (Continued)

The Group as a lessee (Continued)

Short-term leases and leases of low-value assets (Continued)

Right-of-use assets (Continued)

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets (other than a commercial unit for own use which is included in the Group's property, plant and equipment) as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

3.2 Material accounting policy information (Continued)

The Group as a lessee (Continued)

Short-term leases and leases of low-value assets (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases 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.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the subsidies will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such subsidies are presented under "other income".

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

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans, including government-managed retirement benefit scheme and the Mandatory Provident Fund ("MPF") Scheme (the "MPF Scheme"), are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans including the Long Service Payment ("LSP") under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until

(b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

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

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest on the net defined benefit liability or asset; and
- remeasurement of the net defined benefit liability or asset in other comprehensive income.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by HKAS 19.70 for the gross benefits (i.e. either using the plan's contribution formula or on a straight-line basis). For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered.

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

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

For LSP obligation, the Group accounts for the employer Mandatory Provident Fund ("MPF") contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Group's MPF contributions that have been vested with employees and would be used to offset the employee's LSP benefits, which are deemed to be contributions from the relevant employees.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in a subsidiary and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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 tangible assets that are held for use in the supply of services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment and right-of-use assets (Continued)

Recoverable amount is the higher of 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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

3.2 Material accounting policy information (Continued)

Cash and cash equivalents (Continued)

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 21. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the consolidated statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest rate

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, rental and other deposits, pledged bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances or collectively using a provision matrix with appropriate groupings based on shared credit risk characteristics of customers.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Nature of financial instruments (i.e. the Group's non-significant trade receivables are assessed as a separate group. Significant trade receivables, other receivables, pledged bank deposits, bank balances and amount due from a subsidiary are assessed for ECL on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income 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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (Note 8) as part of the net foreign exchange gains;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (Note 8);

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amount due to an associate, bank and other borrowings, lease liabilities and loan from a shareholder are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (Note 8) as part of net foreign exchange gains for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Group are required to make 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.

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 each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing whether an event has occurred or any indicators that may affect the recoverable amount of the assets.

During the year ended 31 March 2026, the Group incurred net loss during the year and management of the Group concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of the property, plant and equipment and right-of-use assets with carrying amounts of HK$21,066,000 and HK$53,538,000, as set out in Notes 16 and 17, respectively (2025: HK$26,039,000 and HK$15,035,000).

The recoverable amounts of the property, plant and equipment and right-of-use assets are determined based on the value in use calculation of the cash-generating unit to which the assets belong. The recoverable amounts of the cash-generating unit have been determined based on value in use calculations as it is not possible to measure fair value less costs of disposal because there is no basis to make a reliable estimation of the amount obtainable from the sales of the assets in an orderly transaction between market participants at the measurement date. In estimating the amount of value in use, the net present values of future cash flows are estimated based upon the continued use of the asset as key assumptions applied in discounted future pre-tax cash flow projections, use of appropriate discount rate, growth rate and budgeted income. Such estimation is based on the unit's past performance and management's expectations for the market development.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of property, plant and equipment and right-of-use assets (Continued)

For the year ended 31 March 2026, the calculation uses the expected cash flow approach, which involves multiple cash flow projections covering the following 5 years with annual growth rates estimated based on the historical records, and taking into consideration of assumed probabilities to different future events in each scenario. The calculation was prepared and approved by management of the Group, with the assistance of Norton Appraisals Holdings Limited, an independent qualified professional valuer. The cash flows beyond the five-year period are extrapolated using growth rate of 2.5% (2025: 2.5%). The pre-tax discount rate used in measuring the amount of value in use was 16.5% (2025: 13.7%). Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 March 2026, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were HK$21,066,000 and HK$53,538,000 (2025: HK$26,039,000 and HK$15,035,000) respectively, and there is no impairment loss identified during the year ended 31 March 2026. Details of property, plant and equipment and right-of-use assets are disclosed in Notes 16 and 17, respectively.

Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 30b and 20, respectively.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2026 HK$'000	2025 HK$'000
Type of services		
Air cargo terminal operation services		
— Ground handling	**94,657**	95,548
— Ancillary delivery	**36,997**	30,718
Transportation services	**131,505**	96,554
Warehousing and value-added services	**64,524**	125,195
	327,683	348,015
Geographical markets		
Hong Kong	**317,353**	340,266
The PRC	**10,330**	7,749
	327,683	348,015
Timing of revenue recognition		
Over time	**327,683**	348,015

(ii) Performance obligations for contracts with customers and revenue recognition policies

Income from air cargo terminal operation services, transportation services and warehousing and other value-added services

The Group provides air cargo terminal operation services, transportation services and warehousing and other value-added services to its customers. Contracts are entered into before services begin. Under the terms of the contracts, the customers simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue from air cargo terminal operation services, transportation services and warehousing and relevant value-added services is therefore recognised over time.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has no remaining (unsatisfied or partially unsatisfied) performance obligations as at 31 March 2026 and 2025.

6. OPERATING SEGMENTS

Information reported to the executive directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment focuses on revenue analysis by services. For management purpose, the Group operates in one business unit based on its services and its sole operating segment is the provision of air-cargo terminal operation services, transportation services and warehousing and other value-added services. The CODM monitors the revenue, consolidated results, assets and liabilities of its business unit as a whole and regularly reviews financial information prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards and consistent with those used in the preparation of this report, and without further discrete information.

No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographical information are presented.

Geographical information

The Group's operations are mainly located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is disclosed in Note 5 based on the location of the customers.

Information about the Group's non-current assets (excluding rental and other deposits and financial assets at FVTPL) is presented based on the geographical location of the assets.

	2026	2025
	HK$'000	HK$'000
Hong Kong	**73,743**	39,831
The PRC	**1,524**	1,874
	75,267	41,705

Information about major customers

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

	2026	2025
	HK$'000	HK$'000
Customer A	**156,326**	153,443
Customer B	**67,625**	91,202

7. OTHER INCOME

	2026 HK$'000	2025 HK$'000
Government subsidies received upon disposal of qualified commercial motor vehicles *(Note)*	**2,529**	1,982
Income from insurance claims	**1,131**	855
Interest income from rental deposits	**119**	82
Bank interest income	**98**	178
Dividend income from financial assets at FVTPL	**—**	29
Sundry income	**473**	46
	4,350	3,172

Note: The amount represented the government subsidies for early retirement of certain commercial motor vehicles of the Group which did not comply with latest environmental regulatory requirement, with no unfulfilled conditions attached before recognition. No future related cost is expected to be incurred.

8. OTHER GAINS AND LOSSES

	2026 HK$'000	2025 HK$'000
Loss on disposal of property, plant and equipment	**(1,271)**	(179)
(Loss) gain on change in fair value of financial assets at FVTPL, net	**(552)**	356
Net foreign exchange gains	**2**	317
Net gain on termination of lease	**—**	23
	(1,821)	517

9. FINANCE COSTS

	2026 HK$'000	2025 HK$'000
Interest on bank and other borrowings	875	1,085
Interest on loan from a shareholder	45	—
Interest on lease liabilities	1,227	964
Interest on LSP	7	15
	2,154	2,064

10. INCOME TAX EXPENSE (CREDIT)

	2026 HK$'000	2025 HK$'000
The tax expense (credit) comprises:		
Current year	—	—
Deferred tax expense (credit) *(Note 26)*	544	(557)
	544	(557)

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of 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 years ended 31 March 2026 and 2025.

10. INCOME TAX EXPENSE (CREDIT) (Continued)

PRC Enterprise Income Tax ("PRC EIT") is calculated at 25% of the estimated assessable profits for both years. 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 years as the subsidiary is qualified as small entities for a reduced tax rate.

The tax expense (credit) for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 HK$'000	2025 HK$'000
Loss before tax	**(566)**	(4,100)
Tax at Hong Kong Profits Tax rate of 16.5% (2025: 16.5%)	**(93)**	(677)
Tax effect of income not taxable for tax purpose	**(37)**	(545)
Tax effect of expenses not deductible for tax purpose	**430**	198
Tax effect of tax losses not recognised	**335**	590
Effect of different tax rates in the PRC	**(91)**	(123)
Income tax expense (credit) for the year	**544**	(557)

11. LOSS FOR THE YEAR

	2026 HK$'000	2025 HK$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration	**370**	500
Directors' remuneration *(Note 12)*	**1,868**	1,797
Other staff costs:		
Salaries, discretionary bonuses and other benefits	**41,980**	43,288
Retirement benefits scheme contributions	**3,013**	2,863
	46,861	47,948

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of emoluments paid or payable by the Group to the directors and the chief executive of the Company are as follows:

For the year ended 31 March 2026

	Directors' fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonuses HK$'000 *(Note (viii))*	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors *(Note (vi))*:					
Mr. LB Chan	—	675	—	18	693
Mr. Chan Yu	—	743	—	18	761
Mr. Liao Changlin *(Note (i))*	—	27	—	—	27
Ms. Fu Ning *(Note (ii))*	—	27	—	—	27
Non-executive director *(Note (vii))*:					
Mr. Choy Wing Hang, William *(Note (iii))*	—	—	—	—	—
	—	1,472	—	36	1,508
Independent non-executive directors *(Note (vii))*:					
Mr. Fu Lui	120	—	—	—	120
Mr. Chan Chi Ho	120	—	—	—	120
Ms. Chui Sin Heng *(Note (iv))*	112	—	—	—	112
Mr. Lin Peigan *(Note (v))*	8	—	—	—	8
	360	—	—	—	360
Directors' remuneration	360	1,472	—	36	1,868

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

For the year ended 31 March 2025

	Directors' fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonuses HK$'000 *(Note (viii))*	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors *(Note (vi))*:					
Mr. LB Chan	—	621	40	18	679
Mr. Chan Yu	—	696	44	18	758
Non-executive director *(Note (vii))*:					
Mr. Choy Wing Hang, William *(Note (iii))*	—	—	—	—	—
	—	1,317	84	36	1,437
Independent non-executive directors *(Note (vii))*:					
Mr. Fu Lui	120	—	—	—	120
Mr. Chan Chi Ho	120	—	—	—	120
Ms. Chui Sin Heng *(Note (iv))*	120	—	—	—	120
	360	—	—	—	360
Directors' remuneration	360	1,317	84	36	1,797

Notes:

(i) Mr. Liao Changlin was appointed as an executive director of the Company with effect from 6 March 2026.

(ii) Ms. Fu Ning was appointed as an executive director of the Company with effect from 6 March 2026.

(iii) Mr. Choy Wing Hang, William resigned as non-executive director of the Company with effect from 6 March 2026.

(iv) Ms. Chui Sin Heng resigned as independent non-executive director of the Company with effect from 6 March 2026.

(v) Mr. Lin Peigan was appointed as an independent non-executive director of the Company with effect from 6 March 2026.

(vi) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

(vii) The emoluments of non-executive director and independent non-executive directors shown above were for their services as a director of the Company.

(viii) Discretionary bonuses are determined by the management of the Group by reference to the individual performance and contribution to the Group.

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

During the years ended 31 March 2026 and 2025, no remuneration was paid by the Group to the directors, as an inducement to join or upon joining the Group as compensation for loss of office.

There was no arrangement under which a director or chief executive waived or agreed to waive any remuneration during the year.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group for the year ended 31 March 2026 include 2 (2025: 2) individuals who are directors of the Company. The emoluments of the remaining 3 (2025: 3) individuals are as follows:

	2026 HK$'000	2025 HK$'000
Salaries and other benefits	**2,107**	2,084
Discretionary bonuses	**125**	142
Retirement benefits scheme contributions	**54**	54
	2,286	2,280

The number of the highest paid employees (who are not the directors of the Company) whose remuneration fell within the following band is as follows:

	2026 Number of employees	2025 Number of employees
Nil to HK$1,000,000	**3**	3

During the years ended 31 March 2026 and 2025, no emoluments were paid by the Group to any of the five highest paid individuals (including the directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company waived or agreed to waive any emoluments during the years ended 31 March 2026 and 2025.

14. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of each reporting period.

15. LOSS PER SHARE

The calculation of the basic loss per share attributable to equity holders of the Company is based on the following data:

	2026 HK$'000	2025 HK$'000
Loss:		
Loss for the year attributable to equity holders of the Company for the purpose of calculating basic loss per share	**(1,110)**	(3,543)

	2026 '000	2025 '000
Number of shares:		
Number of ordinary shares for the purpose of calculating basic loss per share	**528,000**	528,000

No diluted loss per share for the both 2026 and 2025 were presented as there were no potential ordinary shares in issue for both 2026 and 2025.

16. PROPERTY, PLANT AND EQUIPMENT

	Commercial unit in the PRC HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Machinery HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Total HK$'000
COSTS							
At 1 April 2024	1,825	5,360	66,853	5,397	5,043	1,980	86,458
Additions	—	93	1,610	—	22	29	1,754
Disposals	—	—	(4,750)	(761)	—	—	(5,511)
Transfer from right-of-use assets *(Note 17)*	—	—	11,059	—	—	—	11,059
Exchange difference	(14)	—	(6)	—	(5)	(3)	(28)
At 31 March 2025	1,811	5,453	74,766	4,636	5,060	2,006	93,732
Additions	**—**	**—**	**799**	**24**	**174**	**—**	**997**
Disposals	**—**	**—**	**(8,412)**	**—**	**—**	**(60)**	**(8,472)**
Transfer from right-of-use assets *(Note 17)*	**—**	**—**	**7,565**	**—**	**—**	**—**	**7,565**
Exchange difference	**109**	**—**	**51**	**—**	**39**	**1**	**200**
At 31 March 2026	**1,920**	**5,453**	**74,769**	**4,660**	**5,273**	**1,947**	**94,022**
DEPRECIATION							
At 1 April 2024	1,148	3,065	48,173	3,074	4,503	1,764	61,727
Provided for the year	91	981	4,127	585	263	80	6,127
Eliminated on disposals	—	—	(4,291)	(726)	—	—	(5,017)
Transfer from right-of-use assets *(Note 17)*	—	—	4,880	—	—	—	4,880
Exchange difference	(13)	—	(5)	—	(4)	(2)	(24)
At 31 March 2025	1,226	4,046	52,884	2,933	4,762	1,842	67,693
Provided for the year	**93**	**763**	**3,703**	**536**	**157**	**62**	**5,314**
Eliminated on disposals	**—**	**—**	**(6,795)**	**—**	**—**	**(55)**	**(6,850)**
Transfer from right-of-use assets *(Note 17)*	**—**	**—**	**6,642**	**—**	**—**	**—**	**6,642**
Exchange difference	**81**	**—**	**38**	**—**	**38**	**—**	**157**
At 31 March 2026	**1,400**	**4,809**	**56,472**	**3,469**	**4,957**	**1,849**	**72,956**
CARRYING VALUES							
At 31 March 2026	**520**	**644**	**18,297**	**1,191**	**316**	**98**	**21,066**
At 31 March 2025	585	1,407	21,882	1,703	298	164	26,039

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is provided to write off the cost of items of property, plant and equipment less their residual values, over their estimated useful lives, using the straight-line method at the following rates per annum:

Commercial unit in the PRC	5%
Leasehold improvements	20%
Motor vehicles	10% to 12.5%
Machinery	20%
Office equipment	20%
Furniture and fixtures	20%

The commercial unit is held under a medium-term land use right.

As at 31 March 2026, the Group has pledged owned motor vehicles with carrying amounts of HK$2,511,000 (2025: HK$4,185,000) to secure certain bank and other borrowings of HK$1,142,000 (2025: HK$2,715,000).

Impairment assessment of property, plant and equipment and right-of-use assets

Due to the economic sentiment in Hong Kong during the year ended 31 March 2026, the Group incurred net loss during the year. The management of the Group concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of the property, plant and equipment and right-of-use assets with carrying amounts of HK$21,066,000 and HK$53,538,000 (Note 17), respectively (2025: HK$26,039,000 and HK$15,035,000).

The recoverable amounts of the property, plant and equipment and right-of-use assets are determined based on the value in use calculation of the cash-generating unit to which the assets belong. The recoverable amounts of the cash-generating unit have been determined based on value in use calculations as it is not possible to measure fair value less costs of disposal because there is no basis to make a reliable estimation of the amount obtainable from the sales of the assets in an orderly transaction between market participants at the measurement date. In estimating the amount of value in use, the net present values of future cash flows are estimated based upon the continued use of the asset as key assumptions applied in discounted future pre-tax cash flow projections, use of appropriate discount rate, growth rate and budgeted income. Such estimation is based on the unit's past performance and management's expectations for the market development.

For the year ended 31 March 2026, the calculation uses the expected cash flow approach, which involves multiple cash flow projections covering the following 5 years with annual growth rates estimated based on the historical records, and taking into consideration of assumed probabilities to different future events in each scenario. The calculation was prepared and approved by management of the Group, with the assistance of Norton Appraisals Holdings Limited, an independent qualified professional valuer. The cash flows beyond the five-year period are extrapolated using growth rate of 2.5% (2025: 2.5%). The pre-tax discount rate used in measuring the amount of value in use was 16.5% (2025: 13.7%).

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment of property, plant and equipment and right-of-use assets (Continued)

Based on the result of the assessment, management of the Group determined that the recoverable amounts of the cash-generating unit are higher than its carrying amounts. No impairment losses have been recognised for both years.

If there is a significant adverse change in the key assumptions, it may be necessary to have an impairment charge to the consolidated statement of profit or loss and other comprehensive income. With all other variables held constant, if the revenue derived is 1.5% (2025: 1.5%) less than management's expectation throughout the operating period, the related recoverable amount would be higher than the carrying amount (2025: recoverable amount would be higher than the carrying amount) and impairment loss of nil (2025: nil) on property, plant and equipment and right-of-use assets is required. Similarly, with all other variables held constant, if the discount rate has been 100 basis points (2025: 100 basis points) higher than management's expectation throughout the operating period, the related recoverable amount would be still higher than its carrying value and no impairment loss on property, plant and equipment and right-of-use assets is required.

17. RIGHT-OF-USE ASSETS

The Group leases certain motor vehicles, machinery and properties as office premises and warehouses for its operations. The Group's obligations are secured by the lessor's title to the lease assets for motor vehicles and rental deposits for machinery, office premises and warehouses. Lease terms are negotiated on an individual basis and contain various different terms and conditions.

Property leases are typically made for fixed periods of two to six years at fixed rentals without renewal option. A number of the Group's property leases includes termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The Group assesses at lease commencement date whether it is reasonably certain not to exercise the termination options. In addition, the Group reassesses whether it is reasonably certain not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances. At the commencement dates of the Group's property leases, the Group assessed and concluded that it is reasonably certain not to exercise the termination options. During the year ended 31 March 2025, management of the Group revisited the operational efficiency and its internal demand for office premises and warehouses, and decided to early terminate certain lease contracts of office premises and warehouses. Other than those lease contracts, there is no such triggering event and the Group remains to be reasonably certain not to exercise the termination options for the remaining lease contracts.

17. RIGHT-OF-USE ASSETS (Continued)

Leases contracts for the motor vehicles are typically entered into for fixed periods of two to five years. The Group has the option to purchase the motor vehicle for a nominal amount at the end of the relevant lease terms. At lease commencement dates, the Group assessed and concluded that it is reasonably certain to exercise the purchase options. During the years ended 31 March 2026 and 2025, the Group remains to be reasonably certain to exercise the purchase options. As the purchase options are considered to be exercised at the end of the lease terms, the Group depreciates the right-of-use assets from the commencement date to the end of the useful life of the motor vehicles, which is estimated to be ten years based on the experience of the Group with similar assets.

Particulars regarding impairment testing of right-of-use assets are set out in Note 16.

	Motor vehicles HK$'000	**Office premises** HK$'000	**Warehouses** HK$'000	**Machinery** HK$'000	**Total** HK$'000
As at 31 March 2026					
Carrying amount	**8,501**	**3,171**	**41,866**	**—**	**53,538**
As at 31 March 2025					
Carrying amount	8,908	4,967	1,160	—	15,035
For the year ended 31 March 2026					
Depreciation charge	**1,249**	**1,828**	**6,050**	**—**	**9,127**
For the year ended 31 March 2025					
Depreciation charge	1,728	1,885	3,476	122	7,211

17. RIGHT-OF-USE ASSETS (Continued)

	2026 HK$'000	2025 HK$'000
Expense relating to short-term leases	276	303
Total cash outflow of lease	14,834	11,738
Additions to right-of-use assets	48,553	4,658
Transfer to property, plant and equipment	923	6,179

The above right-of-use assets are depreciated on a straight-line basis over their estimated useful life or lease term as follows:

Motor vehicles	8 to 10 years
Office premises and warehouses	Over the lease terms of 2 to 6 years
Machinery	Over the lease terms of nineteen months to 2 years

Restrictions or covenants on leases

In addition, lease liabilities of HK$49,650,000 (2025: HK$14,448,000) were recognised with related right-of-use assets of HK$53,538,000 (2025: HK$15,035,000) as at 31 March 2026. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. INTEREST IN AN ASSOCIATE/AMOUNT DUE TO AN ASSOCIATE

	2026 HK$'000	2025 HK$'000
Cost of unlisted investment in an associate	900	900
Share of post-acquisition losses and other comprehensive expense	(237)	(269)
	663	631

As at 31 March 2026, the amount of HK$737,000 (2025: HK$749,000, non-trade related, unsecured, interest-free and repayable on demand) due to an associate is non-trade related, unsecured, interest-free and repayable on 31 March 2028.

As at 31 March 2026 and 2025, the Group had interest in the following associate:

Name of associate	Form of business structure	Place of establishment/ operations	Registered capital	Proportion of registered paid up capital held by the Group		Proportion of voting rights held by the Group		Principal activities
				2026	2025	2026	2025	
Chengdu Kwai Bon Transportation Company Limited* 成都市桂邦運輸有限公司("Chengdu Kwai Bon")	Limited liability	The PRC	RMB3,000,000	25%	25%	25%	25%	Provision of domestic transportation services

* *The English name is for identification purpose only.*

18. INTEREST IN AN ASSOCIATE/AMOUNT DUE TO AN ASSOCIATE (Continued)

The summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards:

Chengdu Kwai Bon

	2026 HK$'000	2025 HK$'000
Current assets	3,499	3,225
Non-current assets	2	2
Current liabilities	(846)	(702)

	2026 HK$'000	2025 HK$'000
Revenue	1,572	1,024
Loss for the year	(22)	(51)
Other comprehensive income (expense) for the year	196	(20)
Total comprehensive income (expense) for the year	174	(71)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Chengdu Kwai Bon recognised in the consolidated financial statements:

	2026 HK$'000	2025 HK$'000
Net assets of Chengdu Kwai Bon	2,655	2,525
Proportion of the Group's ownership in Chengdu Kwai Bon	25%	25%
Carrying amount of the Group's interest in Chengdu Kwai Bon	663	631

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 HK$'000	2025 HK$'000
Financial assets mandatorily measured at FVTPL:		
Equity securities listed in Hong Kong *(Note a)*	55	45
Key management personnel life insurance policy *(Note b)*	1,938	—
	1,993	45
Analysed for reporting purpose as:		
Current	55	45
Non-current	1,938	—
	1,993	45

Notes:

(a) The listed securities held for trading are classified as current as the management expects to realise these financial assets within twelve months after the reporting period.

(b) The Group entered into a life insurance policy with an insurance company to insure against the death and permanent disability of an executive director. Under the policy, the beneficiary and policy holder are Kwai Bon Transportation Limited ("Kwai Bon (HK)"), a subsidiary of the Company, and the total insured sum is the higher of (i) HK$2,525,000; or (ii) guaranteed cash value and special bonus (if any); and the accumulated annual dividends and interest (if any). The contracts will be terminated on the occurrence of the earliest of the death of the key management personnel insured or other terms pursuant to the contracts. The Group has paid out the total insurance premium with an amount of HK$2,500,000 at the inception of the policy. The Group may request a surrender of the contracts at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated annual dividends and interest (if any) and minus insurance charges. The fair value is based on redemption value quoted by the insurance company.

As at 31 March 2026, the Group has pledged the life insurance policy with carrying amount of HK$1,938,000 (2025: nil) to secure certain bank and other borrowings of HK$7,500,000 (2025: nil).

The directors of the Company have no intention to terminate the Insurance Policy within 12 months after the end of the reporting period and, therefore, the amount was classified as a non-current asset.

20. TRADE AND OTHER RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables	**42,878**	39,765
Less: Allowance for credit losses	**(456)**	(483)
	42,422	39,282
Rental and other deposits	**8,262**	3,314
Other receivables and other prepayments *(Notes a and b)*	**2,843**	3,057
Prepayments to suppliers	**11**	11
Less: allowance for credit losses *(Note a)*	**(200)**	(200)
	53,338	45,464
Analysed for reporting purpose as:		
Current	**47,116**	44,827
Non-current	**6,222**	637
	53,338	45,464

Notes:

(a) As of 31 March 2026, included in the amount was an other receivable due from a sub-contractor of HK$397,000 (2025: HK$409,000), of which the Group paid on behalf of this sub-contractor for a personal injury claim involved in August 2019. The Group's management has assessed the recoverability and recognised an allowance for ECL of HK$200,000 (2025: HK$200,000) as at 31 March 2026.

(b) As at 31 March 2026, included in the amount was a government subsidy receivable upon disposal of qualified commercial motor vehicles of nil (2025: HK$973,000).

As at 1 April 2024, trade receivables from contracts with customers, net of credit losses, amounted to HK$37,044,000.

The Group generally allows a credit period ranging from 30 days to 60 days to its customers. For certain customers, the Group requests advance payments before its rendering of express delivery services and no credit period is granted by the Group.

20. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates.

	2026 HK$'000	2025 HK$'000
Within 30 days	**27,836**	28,825
31 to 60 days	**13,344**	10,333
61 to 90 days	**986**	57
More than 90 days	**256**	67
	42,422	39,282

As at 31 March 2026, included in the Group's accounts receivable balance were debtors with aggregate carrying amounts of approximately HK$3,218,000 (2025: HK$2,793,000) which were neither past due nor impaired.

Out of the past due balances, HK$55,000 (2025: HK$40,000) has been past due 90 days or more and is not considered as in default.

Details of impairment assessment of trade and other receivables are set out in Note 30b.

21. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

Cash and cash equivalents comprise cash on hand and bank balances that are interest-bearing at the market interest rates ranging from 0.001% to 0.30% (2025: 0.001% to 0.30%) per annum as at 31 March 2026.

The pledged bank deposits carry market interest rates, ranging from 0.01% to 3.65% (2025: 0.01% to 3.26%) per annum as at 31 March 2026. The pledged bank deposits will be released upon the settlement of relevant bank borrowings. Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to HK$5,004,000 (2025: HK$5,004,000) as at 31 March 2026 have been pledged to secure short-term bank loans and undrawn facilities and are therefore classified as current assets.

Details of impairment assessment of bank balances and pledged bank deposits are set out in Note 30b.

22. TRADE AND OTHER PAYABLES

	2026 HK$'000	2025 HK$'000
Trade payables	**24,536**	27,355
Accruals	**11,098**	8,033
Provision for reinstatement costs	**1,296**	—
Provision for LSP	**339**	539
Refundable deposits received from customers	**100**	100
Other payables	**313**	334
Other taxes payables	**42**	28
	37,724	36,389
Analysed for reporting purpose as:		
Current liabilities	**36,089**	35,850
Non-current liabilities	**1,635**	539
	37,724	36,389

The following is an aged analysis of trade payables presented based on the invoice date.

	2026 HK$'000	2025 HK$'000
0–30 days	**8,244**	9,654
31–60 days	**9,876**	10,443
61–90 days	**4,232**	4,795
Over 90 days	**2,184**	2,463
	24,536	27,355

The general credit period on trade payables is 15 to 60 days. Certain suppliers request upfront payment before delivery of services and no credit period has been granted to the Group.

23. BANK AND OTHER BORROWINGS

	2026 HK$'000	2025 HK$'000
Secured bank borrowings:		
Variable interest rate	**14,000**	11,500
Fixed interest rate	**873**	1,295
	14,873	12,795
Secured other borrowings:		
Fixed interest rate	**2,821**	1,420
	17,694	14,215
The carrying amounts of bank borrowings that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	**14,460**	11,922
Within a period of more than one year but not exceeding two years	**413**	460
Within a period of more than two years but not exceeding five years	**—**	413
	14,873	12,795
The carrying amounts of other borrowings that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	**1,228**	1,026
Within a period of more than one year but not exceeding two years	**1,041**	394
Within a period of more than two years but not exceeding five years	**552**	—
	2,821	1,420
	17,694	14,215

23. BANK AND OTHER BORROWINGS (Continued)

The bank and other borrowings as at 31 March 2026 carry variable interest rate ranged from 1.80% to 2.20% (2025: 1.80% to 2.20%) above Hong Kong Interbank Offered Rate ("HIBOR") per annum and carry a fixed interest rate from 3.50% to 4.25% (2025: 3.50% to 3.75%) per annum. The effective interest rate of the Group was 3.95% (2025: 5.43%) per annum as at 31 March 2026. The bank and other borrowings as at 31 March 2026 and 2025 were secured by the pledged bank deposits, key management personnel insurance policy included in financial assets of FVTPL and certain motor vehicles included in property, plant and equipment as disclosed in Notes 21, 19 and 16, respectively, and the corporate guarantee provided by the Company.

24. LEASE LIABILITIES

The exposure of the Group's lease liabilities is as follows:

	2026	2025
	HK$'000	HK$'000
Within one year	**15,981**	6,627
Within a period of more than one year but not exceeding two years	**16,757**	4,387
Within a period of more than two years but not exceeding five years	**16,912**	3,434
	49,650	14,448
Less: amounts due for settlement within twelve months (shown under current liabilities)	**(15,981)**	(6,627)
Amounts due for settlement after twelve months (shown under non-current liabilities)	**33,669**	7,821

The Group leases properties, machinery and motor vehicles for operations and these lease liabilities were measured at the present value of the lease payments that are not yet paid. All leases are entered at fixed prices.

Lease liabilities as at 31 March 2026 of HK$629,000 (2025: HK$1,264,000) are secured by the title of the motor vehicles and a director of the Company, Mr. Chan Yu, has provided personal guarantee for the leases.

The lease obligations are all denominated in the functional currencies of the relevant group entities.

The weighted average incremental borrowing rate applied to lease liabilities is 3.43% (2025: 3.48%) per annum.

25. LOAN FROM A SHAREHOLDER

	2026 HK$'000	2025 HK$'000
HK$12,000,000 repayable on 13/02/2028, unsecured and interest bearing of 3% per annum	12,045	—

On 13 February 2026, the Company entered into a loan agreement with Mr. Liao Changlin, the director and shareholder of the Company, to provide a loan of HK$12,000,000 to the Company to support its business operations. The loan is unsecured, interest bearing at 3% per annum and repayable on 13 February 2027.

On 31 March 2026, the Company entered into a supplemental loan agreement with Mr. Liao Changlin to extend the repayment term from 13 February 2027 to 13 February 2028. The loan from a shareholder is classified as non-current liabilities.

26. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2026 HK$'000	2025 HK$'000
Deferred tax liabilities	2,572	2,028

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Deferred tax assets			Deferred tax liabilities		
	Tax loss HK$'000	Impairment loss allowance on trade receivables HK$'000	Lease liabilities HK$'000	Accelerated tax depreciation HK$'000	Right-of-use assets HK$'000	Total HK$'000
At 1 April 2024	2,049	123	3,195	(4,757)	(3,195)	(2,585)
(Charged) credited to profit or loss	—	(25)	(787)	582	787	557
At 31 March 2025	2,049	98	2,408	(4,175)	(2,408)	(2,028)
(Charged) credited to profit or loss	**(931)**	**(32)**	**6,387**	**419**	**(6,387)**	**(544)**
At 31 March 2026	**1,118**	**66**	**8,795**	**(3,756)**	**(8,795)**	**(2,572)**

26. DEFERRED TAXATION (Continued)

Deferred tax liabilities related to accelerated tax depreciation are mainly arisen from the initial and annual depreciation allowance for the Group's motor vehicles, the amount of which, in aggregate, are higher than the accounting depreciation charges.

As at 31 March 2026, the Group has unused tax losses arising in Hong Kong of HK$39,188,000 (2025: HK$44,417,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$6,778,000 (2025: HK$12,420,000) of such loss, which was offset against deferred tax liabilities. No deferred tax asset has been recognised in respect of the remaining HK$32,410,000 (2025: HK$31,997,000) due to the unpredictability of future profit streams, all losses may be carried forward indefinitely.

As at 31 March 2026, no deferred tax asset (2025: none) has been recognised in respect of the unused tax losses of RMB7,716,000 (equivalent to approximately HK$8,752,000) (2025: RMB7,042,000 (equivalent to approximately HK$7,535,000)) attributable to the Group's PRC subsidiaries due to the unpredictability of future assessable profit streams. Such tax losses may be carried forward for up to five years for EIT purpose.

27. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2024, 31 March 2025 and 31 March 2026	**10,000,000**	**100,000**
Issued and fully paid:		
At 1 April 2024, 31 March 2025 and 31 March 2026	528,000	5,280

28. RETIREMENT BENEFIT SCHEMES

The Group participates in a defined contribution scheme in Hong Kong which is registered under the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes at the lower of HK$1,500 or 5% of relevant payroll costs per person each month to the MPF Scheme, which contribution is matched by the employees.

The employees of the Group in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The Company's subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits.

The only obligation of the Group with respect to these retirement benefit schemes is to make the specified contributions. During the years ended 31 March 2026 and 2025, the total amounts contributed by the Group to the schemes and costs charged to the profit or loss represent contributions paid or payable to the schemes by the Group. The retirement benefit scheme contributions made by the Group amounted to HK$3,049,000 for the year ended 31 March 2026 (2025: HK$2,899,000). There are no forfeited contributions for the MPF Scheme (i.e. contributions processed by the employer on behalf of the employees who leave the MPF Scheme prior to vesting fully in such contributions) as the contributions are fully vested to the employees upon payments to the MPF Scheme. Accordingly, as at 31 March 2026 and 2025, the Group had no forfeited contributions from the MPF Scheme which may be used to reduce its existing level of contributions or contributions payable in the future years.

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) × 2/3 × Years of service

Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a postemployment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

28. RETIREMENT BENEFIT SCHEMES (Continued)

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57) (Continued)

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has no material impact on the Group's LSP liability with respect to employees that participate in MPF Scheme and the Group has accounted for the offsetting mechanism and its abolition as disclosed in Note 3.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes bank and other borrowings as disclosed in Note 23, lease liabilities as disclosed in Note 24 and loan from a shareholder as disclosed in Note 25, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital, accumulated losses and other reserves.

The management reviews the capital structure on a regular basis by considering the cost of capital and the risks associated with each class of capital. Based on recommendation of management, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt and the redemption of existing debt.

30. FINANCIAL INSTRUMENTS

30a. Categories of financial instruments

	2026 HK$'000	2025 HK$'000
Financial assets		
Mandatorily measured at FVTPL:		
Financial assets at FVTPL	**1,993**	45
Amortised cost	**74,537**	59,044
Financial liabilities		
Amortised cost	**105,075**	57,201

30b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, financial assets at FVTPL, rental and other deposits, pledged bank deposits, cash and cash equivalents, trade and other payables, lease liabilities, amount due to an associate, bank and other borrowings and loan from a shareholder. Details of the financial instruments are disclosed in respective notes to the consolidated financial statements.

The risks associated with these financial instruments include market risk (i.e. currency risk, interest rate risk and other price risk), credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits (see Note 21), fixed-rate bank borrowings (see Note 23 for details of these borrowings), lease liabilities (see Note 24 for details) and loan from a shareholder (see Note 25 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 21 for details) and variable-rate bank borrowings (see Note 23 for details). The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and variable rates and ensure they are within reasonable range.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable rate bank and other borrowings. The analysis is prepared assuming that the amount of assets and liabilities outstanding at the end of each reporting period were outstanding for the whole year. A 50 (2025: 50) basis points increase or decrease in variable-rate bank and other borrowings is used as it represents management's assessment of the reasonably possible change in interest rate.

If the interest rates had been 50 (2025: 50) basis points higher/lower and all other variables were held constant, the potential effect on the Group's post-tax loss for the year ended 31 March 2026 would decrease/increase by approximately HK$13,000 (2025: increase/decrease by approximately HK$13,000).

(iii) Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective equity instruments had been 10% (2025: 10%) higher/lower, the post-tax loss for the year ended 31 March 2026 would decrease/increase by HK$5,000 (2025: HK$4,000) as a result of the changes in fair value of investments at FVTPL.

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that Group's counterparties default on their contractual obligations resulting in a financial loss to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables and deposits, loan receivables, pledged bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables arising from contracts with customers

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 36% (2025: 38%) of the total trade receivables was due from the Group's largest customer. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade receivables with significant balances and credit-impaired individually and/or collectively. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on shared credit risk characteristics by reference to the Group's aging of outstanding balances. Impairment of HK$3,000 is recognised (2025: HK$155,000 is reversed) during the year. Details of the quantitative disclosures are set out below in this note.

Pledged bank deposits/bank balances

Credit risk on pledged bank deposits and bank balances are limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the12m ECL on pledged bank deposits and bank balances are considered to be insignificant and therefore no loss allowance was recognised/to specify the amount of impairment made.

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits 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 2026, the Group assessed the ECL for other receivables and deposits and impairment of nil (2025: HK$200,000) is recognised during the year.

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

Internal credit rating	Description	Trade receivables	Other financial assets
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
Doubtful	Amount is >30 days past due or 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	Amount is >90 days past due or 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

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

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

	Notes	External credit rating	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount 2026 HK$'000	Gross carrying amount 2025 HK$'000
Financial assets at amortised cost						
Trade receivables	*20*	N/A	Low	Lifetime ECL — not credit-impaired	**39,193**	36,896
		N/A	Watch list	Lifetime ECL — not credit-impaired	**2,494**	2,287
		N/A	Doubtful	Lifetime ECL — not credit-impaired	**1,038**	432
		N/A	Loss	Lifetime ECL — credit-impaired	**153**	150
Other receivables	*20*	N/A	Low	12m ECL	**1,781**	2,521
Rental and other deposits	*20*	N/A	Low	12m ECL	**8,262**	3,314
Pledged bank deposits	*21*	Aa1	N/A	12m ECL	**5,004**	5,004
Bank balances	*21*	Aa1–Aa3	N/A	12m ECL	**17,045**	8,406

Notes:

(i) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL for individually significant trade debtors and collectively using a provision matrix with appropriate groupings based on shared credit risk characteristics of customers as at 31 March 2026 and 2025 and historical settlement pattern with no history of default in the past, and the forward-looking information (such as gross domestic product growth in Hong Kong and the PRC and increment in demands of worldwide transportation services).

(ii) For the purposes of internal credit risk management, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at 12m ECL as there is no significant increase in credit risk since initial recognition. The Group determines the ECL for pledged bank deposits and bank balances by assessment of probability of default. As at 31 March 2026 and 2025, in view of the nature of these balances and good reputations of the banks, the Group considers the provision of impairment allowance for pledged bank deposits and bank balances is insignificant.

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The impairment allowance on trade receivables which are assessed individually for debtors with significant balances under ECL model was HK$155,000 as at 31 March 2026 (2025: HK$126,000) which was determined based on an aggregate gross carrying amount of HK$34,093,000 (2025: HK$31,284,000) at average loss rates ranging from 0.20% to 0.78% (2025: 0.28% to 0.56%). Debtors with credit-impaired with gross carrying amounts of HK$153,000 as at 31 March 2026 (2025: HK$150,000) were assessed individually, which was determined based on an aggregate gross carrying amount of HK$153,000 (2025: HK$150,000) at average loss rate of 100% (2025: 100%).

The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis within lifetime ECL (not credit-impaired).

Gross carrying amount

	As at 31 March			
	2026		2025	
	Average loss rate %	**Trade receivables HK$'000**	Average loss rate %	Trade receivables HK$'000
Internal credit rating				
Low risk	**1.00**	**5,100**	1.76	5,612
Watch list	**1.91**	**2,494**	2.27	2,287
Doubtful	**4.77**	**1,038**	12.96	432
		8,632		8,331

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
As at 1 April 2024	448	464	912
Changes due to financial instruments recognise as at 1 April 2024			
— Transfer to credit-impaired	(3)	3	—
— Impairment losses reversed	(445)	(150)	(595)
— Write-offs	—	(274)	(274)
New financial assets originated or purchased	333	107	440
As at 31 March 2025	333	150	483
Changes due to financial instruments recognise as at 1 April 2025			
— Transfer to credit-impaired	(30)	30	—
— Impairment losses reversed	(303)	—	(303)
— Write-offs	—	(30)	(30)
New financial assets originated or purchased	303	3	306
As at 31 March 2026	**303**	**153**	**456**

The following table shows the movement in 12-month ECL that has been recognised for deposits and other receivables under the 12m ECL.

	12-month ECL HK$'000
As at 1 April 2024	—
— Impairment losses recognised, net	200
As at 31 March 2025 and 31 March 2026	200

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Liquidity risk and the basis of preparation on a going concern basis

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major lenders to meet its liquidity requirements in the short and longer term.

During the year ended 31 March 2026, the Group recorded a loss for the year of HK$1,110,000. As at 31 March 2026, the Group had net current liabilities of HK$896,000 and the Group's pledged bank deposits and cash and cash equivalents amounted to approximately HK$5,004,000 and HK$17,268,000, respectively, as compared to the Group's bank and other borrowings of approximately HK$17,694,000, of which are repayable within the next twelve months from the end of the reporting period.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity, operating performance of the Group and its available sources of financing, and are of the opinion that the cash flow generated from operating activities and certain appropriate financing-activities of the Group will be able to meet the funding needs of operations and repay the outstanding interest bearing borrowings. In order to improve the Group's financial position, the directors of the Company have been implementing various measures as follows:

(i) the substantial shareholders of the Company have agreed to provide financial support and adequate funds to enable the Group to meet in full its financial obligations as they fall due for a period of up to twelve months from the end of the reporting period, if required;

(ii) complete the placement of new shares, of which the Company entered into a placing agreement for the placing of up to 105,600,000 new shares on 25 June 2026 and the net proceeds of approximately HK$8,620,000 will be raised in July 2026 subject to the satisfaction of the condition precedent as set out in the placing agreement. Details of which are set out in the Note 35;

(iii) renewing and extending the bank borrowings facilities. In the opinion of the directors of the Company, the relevant banking facilities are expected to be renewed upon its maturity without significant difficulties;

(iv) implementing active cost-saving measures to control administrative costs and other expenses through various ways to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group; and

(v) continuing to seek other alternative financing and bank and other borrowings to increase the Group's equity and liquidity when necessary.

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Liquidity risk and the basis of preparation on a going concern basis (Continued)

The directors of the Company have carried out detailed reviews on the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. In preparing the cash flow forecast, the directors of the Company have considered historical cash requirements of the Group as well as other key factors, including the availability of loan finance which may have an impact on the operations of the Group during the next twelve-month period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period.

The following table details the remaining contractual maturity of the Group and the Company for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group or the Company can be required to pay. Specifically, bank and other borrowings with a repayment on demand clause are included in the earliest time band regardless of probability of the banks choosing to exercise their rights. The table includes both interest and principal cash flows.

Liquidity table

	Weighted average interest rate %	On demand or less than 1 month HK$'000	1 month to 3 months HK$'000	3 months to 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.3.2026 HK$'000
31 March 2026							
Non-derivative financial liabilities							
Trade and other payables	—	24,949	—	—	—	24,949	24,949
Bank and other borrowings							
— fixed rate	4.01	4,549	—	—	—	4,549	3,694
— variable rate	4.12	14,050	—	—	—	14,050	14,000
Loan from a shareholder	3.00	—	—	—	12,675	12,675	12,045
Amount due to an associate	—	—	—	—	737	737	737
Lease liabilities	3.43	1,095	2,354	14,984	35,441	53,874	49,650
		44,643	2,354	14,984	48,853	110,834	105,075

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Liquidity risk and the basis of preparation on a going concern basis (Continued)
Liquidity table (Continued)

	Weighted average interest rate %	On demand or less than 1 month HK$'000	1 month to 3 months HK$'000	3 months to 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.3.2025 HK$'000
31 March 2025							
Non-derivative financial liabilities							
Trade and other payables	—	27,789	—	—	—	27,789	27,789
Bank and other borrowings							
— fixed rate	3.57	2,969	—	—	—	2,969	2,715
— variable rate	5.87	11,556	—	—	—	11,556	11,500
Amount due to an associate	—	749	—	—	—	749	749
Lease liabilities	3.48	875	2,462	3,837	8,190	15,364	14,448
		43,938	2,462	3,837	8,190	58,427	57,201

30. FINANCIAL INSTRUMENTS (Continued)

30b. Financial risk management objectives and policies (Continued)

Liquidity risk and the basis of preparation on a going concern basis (Continued)

The Group has the right to roll over revolving loans amounted to HK$14,000,000 (2025: HK$9,500,000) for at least 12 months after reporting period and such amounts are included in the "on demand or less than 1 month" time band in the above maturity analysis based on the due date of the loans. The management intends to roll over the bank loans after the due dates and such bank loans will be repaid after 12 months after the reporting period.

Bank and other borrowings with a repayment on demand clause are included in the "on demand or within 1 year" time band in the above maturity analysis. As at 31 March 2026, the aggregate carrying amount of these bank and other borrowings amounted to HK$17,694,000 (2025: HK$14,215,000). Such bank borrowings of the Group are expected to be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

Taking into account the Group's financial position, the management of the Group did not believe that it was probable that the banks would exercise their discretionary rights to demand immediate repayment.

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of the Group's bank borrowings based on the scheduled repayment dates set out in the loan agreements as set out in the table below:

	Maturity analysis — Bank and other borrowings with a repayment on demand clause based on scheduled repayments				
	Less than 1 year HK$'000	**1 to 2 years** HK$'000	**2 to 5 years** HK$'000	**Total undiscounted cash flows** HK$'000	**Carrying amount** HK$'000
At 31 March 2026	**16,480**	**1,555**	**564**	**18,599**	**17,694**
At 31 March 2025	13,174	923	428	14,525	14,215

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

30. FINANCIAL INSTRUMENTS (Continued)

30c. Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 — fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 — fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation Technique and key input	Significant unobservable input
	31.3.2026 HK$'000	31.3.2025 HK$'000			
Equity securities listed in Hong Kong	**55**	45	Level 1	Quoted bid prices in an active market	N/A
Key management personnel life insurance policy	**1,938**	—	Level 2	Redemption value quoted by the insurance company	N/A

There were no transfers between Levels 1, 2 and 3 in both years.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements approximate their fair values.

31. RELATED PARTY DISCLOSURES

(a) Related party transactions

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

Relationships	Nature of transactions	2026 HK$'000	2025 HK$'000
Shareholder	Finance costs	45	—

(b) Compensation of key management personnel of the Company

	2026 HK$'000	2025 HK$'000
Fees	360	360
Salaries, discretionary bonuses and other benefits	1,472	1,401
Retirement benefits scheme contributions	36	36
Total	1,868	1,797

(c) Guarantees provided by a related party

As at 31 March 2026 and 2025, certain leased motor vehicles of the Group are guaranteed by Mr. Chan Yu, director of the Company as set out in Note 24.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those 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 HK$'000	Bank and other borrowings HK$'000	Amount due to an associate HK$'000	Loan from a shareholder HK$'000	Total HK$'000
At 1 April 2024	19,727	13,500	1,079	—	34,306
Financing cash flows	(11,435)	(370)	(324)	—	(12,129)
New leases entered	6,070	—	—	—	6,070
Termination of lease	(867)	—	—	—	(867)
Finance costs	964	1,085	—	—	2,049
Exchange difference	(11)	—	(6)	—	(17)
At 31 March 2025	14,448	14,215	749	—	29,412
Financing cash flows	**(14,558)**	**2,604**	**(54)**	**12,000**	**(8)**
New leases entered	**48,533**	**—**	**—**	**—**	**48,533**
Finance costs	**1,227**	**875**	**—**	**45**	**2,147**
Exchange difference	**—**	**—**	**42**	**—**	**42**
At 31 March 2026	**49,650**	**17,694**	**737**	**12,045**	**80,126**

33. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The Company had investments in the following subsidiaries:

Name of subsidiary	Form of business structure	Place of establishment/ incorporation/ operations	Issued and fully paid share capital/ registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities
				2026 %	2025 %	
Directly owned						
Asia-express Logistics Group (BVI) Limited	Limited liability	The BVI	US$1	100	100	Investment holding
Indirectly owned						
Kwai Bon HK	Limited liability	Hong Kong	HK$10,000	100	100	Provision of air cargo ground handling, transportation services and warehousing and other value-added services in Hong Kong
Kwai Bon (Shenzhen) Transportation Limited* 深圳市桂邦運輸有限公司	Limited liability	The PRC	RMB3,000,000	100	100	Provision of air cargo ground handling services and domestic transportation services in Shenzhen, the PRC
Kwai Bon Transportation (Guangzhou) Company Limited* 桂邦運輸(廣州)有限公司	Limited liability	The PRC	RMB5,000,000	100	100	Provision of domestic transportation services in Guangzhou, the PRC
Kwai Bon Transportation (Shanghai) Company Limited* 桂邦運輸(上海)有限公司	Limited liability	The PRC	RMB5,000,000	100	100	Provision of domestic transportation services in Shanghai, the PRC
Brilliant Logistics Limited	Limited liability	Hong Kong	HK$10,000	100	100	Provision of domestic transportation services in Hong Kong

None of the subsidiaries had issued any debt securities at the end of the reporting period or any time during both years.

* *The English names are for identification purpose only.*

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Note	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Interest in a subsidiary		—*	—*
Amounts due from subsidiaries		12,289	12,289
		12,289	12,289
CURRENT ASSETS			
Amounts due from subsidiaries		24,115	12,475
Cash and cash equivalents		3	7
		24,118	12,482
CURRENT LIABILITIES			
Other payables		232	232
Amounts due to subsidiaries		1,587	1,587
		1,819	1,819
NET CURRENT ASSETS		22,299	10,663
TOTAL ASSETS LESS CURRENT LIABILITIES		34,588	22,952
NON-CURRENT LIABILITY			
Loan from a shareholder		12,045	—
NET ASSETS		22,543	22,952
CAPITAL AND RESERVE			
Share capital	*27*	5,280	5,280
Reserve		17,263	17,672
TOTAL EQUITY		22,543	22,952

* *Less than HK$1,000*

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserve

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2024	44,157	(23,517)	20,640
Loss for the year	—	(2,968)	(2,968)
At 31 March 2025	44,157	(26,485)	17,672
Loss for the year	**—**	**(409)**	**(409)**
At 31 March 2026	**44,157**	**(26,894)**	**17,263**

35. EVENT AFTER THE REPORTING PERIOD

Placing of new shares under general mandate

On 25 June 2026, the Company entered into a placing agreement for the placing of up to 105,600,000 new shares at a placing price of HK$0.084 per placing share. Assuming 105,600,000 new shares are fully placed, the gross proceeds from the said placing is approximately HK$8,870,000. Completion of the said placing agreement is subject to the satisfaction of the condition precedent as set out in the placing agreement, the said placing may or may not proceed. Please refer to the announcement of the Company dated 25 June 2026 for further details.

36. COMPARATIVE FIGURES

Certain comparative figures of the consolidated financial statements were reclassified to conform with the current year's presentation.

FIVE YEARS' FINANCIAL SUMMARY

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

RESULTS

	2022 HK$'000	2023 HK$'000	2024 HK$'000	2025 HK$'000	**2026 HK$'000**
Revenue	412,898	327,736	356,161	348,015	**327,683**
Loss before tax	(18,563)	(20,362)	(4,772)	(4,100)	**(566)**
Income tax credit (expense)	260	187	315	557	**(544)**
Loss for the year	(18,303)	(20,175)	(4,457)	(3,543)	**(1,110)**

ASSETS AND LIABILITIES

	2022 HK$'000	2023 HK$'000	2024 HK$'000	2025 HK$'000	**2026 HK$'000**
Net current assets (liabilities)	3,050	(14,500)	(2,203)	1,017	**(896)**
Total assets less current liabilities	74,628	45,995	49,382	43,359	**82,531**
Net assets	54,660	33,436	36,467	32,971	**31,873**
Total equity	54,660	33,436	36,467	32,971	**31,873**