A & S Group (Holdings) Limited

亞洲實業集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1737

ANNUAL REPORT

2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Law Kwok Leung Alex *(Chairman)*
Mr. Law Kwok Ho Simon
Mr. Chiu Tat Ting Albert *(Chief Executive Officer)*

Independent non-executive Directors

Mr. Ho Chun Chung Patrick
Mr. Iu Tak Meng Teddy
Mr. Kwan Ngai Kit
Ms. Pau Yee Ling (Appointed on 1 April 2024)

BOARD COMMITTEES

Audit Committee

Mr. Kwan Ngai Kit *(Chairman)*
Mr. Ho Chun Chung Patrick
Mr. Iu Tak Meng Teddy
Ms. Pau Yee Ling (Appointed on 1 April 2024)

Remuneration Committee

Mr. Ho Chun Chung Patrick *(Chairman)*
Mr. Iu Tak Meng Teddy
Mr. Kwan Ngai Kit
Mr. Law Kwok Leung Alex
Ms. Pau Yee Ling (Appointed on 1 April 2024)

Nomination Committee

Mr. Iu Tak Meng Teddy *(Chairman)*
Mr. Ho Chun Chung Patrick
Mr. Kwan Ngai Kit
Mr. Law Kwok Leung Alex
Ms. Pau Yee Ling (Appointed on 1 April 2024)

COMPANY SECRETARY

Ms. Ng Hoi Ying *(CPA)*

AUTHORISED REPRESENTATIVES

Mr. Law Kwok Leung Alex
Ms. Ng Hoi Ying *(CPA)*

COMPLIANCE OFFICER

Mr. Law Kwok Leung Alex

COMPLIANCE ADVISER

Frontpage Capital Limited
26th Floor, Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

AUDITOR

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAWS

CFN Lawyers
Units 4101-04, 41st Floor
Sun Hung Kai Centre
30 Harbour Road
Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

L2 Office
Cainiao Smart Gateway
8 Chun Yue Road
Chek Lap Kok
Hong Kong

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

STOCK CODE

1737

COMPANY'S WEBSITE

www.asl.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of A & S Group (Holdings) Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I hereby present the annual results of the Group for the year ended 31 March 2025 (the "**Review Year**" or "**FY2025**").

OVERVIEW

In FY2025, the global logistics industry continued to face challenges from economic uncertainty and changes in the trade landscape.

For the year ended 31 March 2025, the Group recorded an approximately 14.8% decrease in revenue to approximately HK$553.6 million from approximately HK$649.6 million for the year ended 31 March 2024 (the "**Previous Year**" or "**FY2024**"). Such decrease was primarily attributable to (i) the reduction in the overall cargo volume processed for the air freight forwarding ground handling services and (ii) periodic fluctuations in international logistics demand influenced by prevailing global economic conditions.

During the Review Year, the Group's gross profit was approximately HK$39.2 million (FY2024: approximately HK$74.1 million), and gross profit margin decreased from approximately 11.4% to approximately 7.1%, mainly attributable to (i) transitional expenditures associated with the optimization of warehouse facilities; (ii) phased adjustments in business scale and operational scope; and (iii) the inability to reduce overall labour costs in proportion to the decrease in overall revenue and handling volume, as the Group had to maintain a stable workforce to sustain its daily operations under the uncertain trading environment. The Group recorded an operating loss of approximately HK$16.6 million (FY2024: operating profit of approximately HK$22.5 million) and a net loss of approximately HK$19.8 million (FY2024: net profit of approximately HK$17.6 million).

FORWARD

Stepping into 2026, the global logistics market is expected to remain competitive in the context of the continuous evolution of the international trade landscape. Notably, the adjustments to U.S. foreign trade policies announced in April 2025 are reshaping global trade rules and the geopolitical economic landscape, presenting new challenges across industries—particularly for the logistics sector, which serves as a critical hub for international trade.

In a challenging market environment, the Group will maintain a prudent approach, focus on its long-term development, and pursue the following development strategies: 1) Customer Retention and Expansion: While stabilising the existing customer base, the Group continue to enhance its service quality and actively develop a broader clientele among small and medium-sized enterprises; 2) Cost Optimisation: Operating costs will be optimised through warehouse consolidation, manpower re-allocation, salary adjustments and lease renegotiations; and 3) Financial Management: The Group will maintain a healthy level of cash reserves and keep its gearing ratio within a reasonable range.

The Group believes the above measures can strategically navigate global economic changes, ensure the Group's continuous operation and actively explore new business opportunities in order to maximise the return to its shareholders.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude to our shareholders, customers, suppliers and business partners who trust and maintain faithful to the Group. I would also like to extend our sincere thanks to our management and staff for their diligence, dedication and contribution throughout the years.

Law Kwok Leung Alex
Chairman and Executive Director
Hong Kong, 27 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

As an established air freight forwarding ground handling services provider and air cargo terminal operating services provider in Hong Kong, the Group continued to provide services to its customers including global logistics companies and major freight forwarding agents in the FY2025.

During FY2025, heightened geopolitical tensions and fluctuating trade patterns introduced additional uncertainty into the global economy. Despite proactive business strategies and cost-control measures, the Group's performance was inevitably impacted.

Given the persistent turbulence in global trade, the management of the Company remains cautious about demand for transportation services (including air freight, ground logistics, and warehousing) in the second half of 2025. Meanwhile, the Group will strengthen relationships with existing clients by upgrading facilities and maintaining competitiveness in order to attract new clients and offset economic challenges.

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by approximately 14.8% from approximately HK$649.6 million for the FY2024 to approximately HK$553.6 million for the FY2025. Such decrease was primarily attributable to the reduction in the overall cargo volume processed for the air freight forwarding ground handling services, alongside periodic fluctuations in international logistics demand influenced by prevailing global economic conditions.

Gross profit and gross profit margin

Gross profit decreased by approximately 47.1% from approximately HK$74.1 million for the FY2024 to approximately HK$39.2 million for the FY2025. The Group's gross profit margin for the FY2025 was approximately 7.1%, as compared to approximately 11.4% for the FY2024. Such changes were mainly attributable to (i) transitional expenditures associated with the optimization of warehouse facilities; (ii) phased adjustments in business scale and operational scope; and (iii) the inability to reduce overall labour costs in proportion to the decrease in overall revenue and handling volume, as the Group had to maintain a stable workforce to sustain its daily operations under the uncertain trading environment.

Other income and gains, net

Other income and gains, net mainly comprised of bank interest income, management fee income, government grants, reversal of loss allowance on trade receivables, net, reversal of reinstatement costs and other miscellaneous income. The Group recognised reversal of reinstatement costs of approximately HK$2.0 million for the FY2025. As a result, other income and gains, net increased from approximately HK$2.1 million for the FY2024 to approximately HK$4.0 million for the FY2025.

Administrative and other operating expenses

Administrative and other operating expenses increased by approximately 11.4% from approximately HK$53.7 million for the FY2024 to approximately HK$59.8 million for the FY2025, which was mainly attributable to an increase in depreciation of property, plant and equipment.

Finance costs

Finance costs increased from approximately HK$1.1 million for the FY2024 to approximately HK$3.1 million for the FY2025 mainly due to an increase in interest on lease liabilities for the FY2025.

(Loss)/profit and total comprehensive (expense)/income for the year

As a result of the foregoing, the Group recorded a loss and total comprehensive expense attributable to owners of the Company of approximately HK$19.8 million for the FY2025 as compared to a profit and total comprehensive income of approximately HK$17.6 million for the FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations and investments were financed principally by cash generated from its business operations. As at 31 March 2025, the Group had net current assets of approximately HK$132.6 million (31 March 2024: approximately HK$204.0 million), cash balances of approximately HK$79.2 million (31 March 2024: approximately HK$85.0 million), and pledged deposits of approximately HK$3.1 million (31 March 2024: approximately HK$3.0 million). As at 31 March 2025, the Group's total equity attributable to owners of the Company amounted to approximately HK$184.3 million (31 March 2024: approximately HK$224.1 million), and the Group's total debt, comprising lease liabilities amounted to approximately HK$71.5 million (31 March 2024: approximately HK$11.0 million). The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

CAPITAL STRUCTURE

The Group's shares were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 14 March 2018 (the "**Listing Date**"). There has been no change in the capital structure of the Group since then. The capital of the Group only comprised of ordinary shares.

GEARING RATIO

As at 31 March 2025, the gearing ratio (calculated as total lease liabilities divided by total equity of the Group) was approximately 38.8% (31 March 2024: approximately 4.9%). Such increase in gearing ratio was mainly due to the increase in lease liabilities for the FY2025.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have any material capital commitments (31 March 2024: Nil).

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any material contingent liability (31 March 2024: Nil).

INFORMATION ON EMPLOYEES

As at 31 March 2025, the Group employed 352 employees (31 March 2024: 383 employees). Remuneration packages are generally structured based on market terms, individual qualifications and experience. Salaries and wages of the Group's employees are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Various types of trainings were provided to the employees. The total staff cost (including remuneration of Directors, Mandatory Provident Fund contributions and long service payments) for the FY2025 amounted to approximately HK$136.8 million (31 March 2024: approximately HK$142.1 million).

CHARGE ON GROUP ASSETS

Certain cash deposits of the Group of approximately HK$3.1 million (31 March 2024: approximately HK$3.0 million) are charged to the bank to secure general banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE RISK

The Group is currently not exposed to any material foreign exchange risks as most of the monetary assets and liabilities are denominated in Hong Kong dollars. The management of the Company will consider suitable hedging instruments against significant currency exposure should the need arises.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and robust liquidity position to ensure that the Group is ready to seize any future growth opportunities.

SEGMENT INFORMATION

Segment information is presented for the Group as disclosed in Note 5 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures for the FY2025. The Group did not have other plan for material investments or capital assets as at 31 March 2025.

FINAL DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company (the "**Shareholders**") during the FY2025 (2024: HK2.0 cents per ordinary share), nor has any dividend been proposed since the end of the reporting period.

CLOSURE OF REGISTER OF MEMBER

The forthcoming annual general meeting is scheduled to be held on Monday, 15 September 2025 (the "**2025 AGM**"). For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 10 September 2025 to Monday, 15 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all duly completed share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 9 September 2025. The record date for the attending and voting at the 2025 AGM is Monday, 15 September 2025.

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus of the Company dated 28 February 2018 (the "**Prospectus**") with the Group's actual business progress for the period from the Listing Date to 31 March 2025 is set out below:

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2025 as stated in the Prospectus	Actual business progress up to 31 March 2025
Setting up of new warehouse premises	– Rental deposit of new warehouse premises in Tuen Mun of around 130,000 sq. ft. – Fitting out and renovation of new warehouse premises – Installation of CCTV system, access control system and burglar alarm system – Installation of cargo storage and forklift operation systems in the new warehouse premises – Installation of RFID applications in the various storage locations in the new warehouses premises for cargo in and out segregation – Installation of measurement and control systems such as automatic measurement and weight check systems for pallet – Acquire mobile devices for scanning applications – Commence operations of the new warehouse premises – Working capital for the initial operation of new warehouse premises	The Group has set up new warehouse premises in the Cainiao Smart Gateway. For details, please refer to the announcements of the Company dated 9 May 2023, 15 March 2024 and 30 September 2024 and the circulars of the Company dated 3 May 2024 and 13 November 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2025 as stated in the Prospectus	Actual business progress up to 31 March 2025
Upgrading existing facilities and acquiring additional trucks and equipment	– Acquire two additional 5.5 ton trucks, three additional 9 ton trucks and ten additional 16 ton trucks	The Group has acquired thirteen additional 16 ton trucks and one unit of 5.5 ton truck
	– Upgrade other existing facilities in the Group's warehouses and offices, such as shelving and racking, CCTV surveillance and fire equipment and RFID applications	The Group has upgraded the CCTV surveillance equipment and security system of the warehouses
	– Install two automatic measurement and weight check systems for cargo pallets in cargo receiving areas in the existing warehouses	The Group has installed one unit of automatic measurement and weight check system
	– Install security X-ray inspection systems for cargo pallets to applicable standard of the Transportation Security Administration of the United States for cargo screening process areas in our existing warehouses	The Group has installed six units of X-ray machines and two units of explosive trace detection equipment to upgrade the air cargo security screening facilities
	– Maintenance for the upgraded and new facilities or other existing facilities	A portion of the net proceeds were used to maintain the upgraded and new facilities or other existing facilities but not fully utilised due to delay in the schedule

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2025 as stated in the Prospectus	Actual business progress up to 31 March 2025
Implementing new information technology system	– Plan for upgrading the existing warehouse management system and accounting system – Implement and evaluate the performance of the upgraded warehouse management system and accounting system	Warehouse management system has been upgraded in extension to scanning package IDs across HAWB to get more information. The warehouse management system data became available to traffic management system. This makes the shipment data more accurate and transparent
	– Recruit two experienced personnel responsible for the planning and implementation of the information system upgrade and maintain the cost of additional personnel for information system upgrade	The Group has recruited one experienced personnel responsible for the information system upgrade
	– Upgrade the existing hardwares, acquiring new computer facilities, implementing and engage specialised service providers to develop the new human resources management system	The Group is working with its information technology consultant to study the hardwares and computer facilities upgrade
	– Implement and evaluate the performance of the new human resources management system	The new human resources management system has been launched. The Group is working with the human resources vendor to explore the enhancement of add-in additional modules to improve the overall efficiency

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM THE SHARE OFFER

The net proceeds from the listing of the shares of the Company on the Stock Exchange on the Listing Date (the "**Listing**") (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK$92.8 million (the "**Net Proceeds**"). After the Listing, a part of these proceeds have been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus.

On 9 May 2023, the Board resolved to change the use of the unutilised Net Proceeds. For further details of the change in use of Net Proceeds, please refer to the announcement of the Company dated 9 May 2023. An analysis of the utilisation of the net proceeds from the Listing as at 31 March 2025 is set out below:

Business objective and strategy	Planned use of Net Proceeds up to 31 March 2025 HK$ million	Unutilised Net Proceeds as at 1 April 2024 HK$ million	Actual use of Net Proceeds during the year ended 31 March 2025 HK$ million	Unutilised use of Net Proceeds up to 31 March 2025 HK$ million	Expected timeline for utilising the unutilised Net Proceeds
Setting up of new warehouse premises in Chek Lap Kok	36.4	31.8	31.6	0.2	31 December 2025
Upgrading existing facilities and acquiring additional trucks and equipment	36.4	2.5	0.2	2.3	31 December 2025
Implementing new information technology system	14.5	7.7	0.3	7.4	31 December 2025
General working capital	5.5	—	—	—	—
Total	92.8	42.0	32.1	9.9	

The Group finances the capital expenditure for setting up new warehouse premises in Cainiao Smart Gateway using the Net Proceeds. During the Review Period, the Group has paid up the set up cost of the warehouse premises includes the capital expenditure for warehouse facilities, such as installation of cargo storage and forklift operating systems, measurement and control systems, and RFID and scanning applications in the warehouse premises, of approximately HK$17.7 million, rental payment of the warehouse premises for the first year of approximately HK$8.9 million and working capital for the warehouse premises of approximately HK$5.0 million.

The unutilised Net Proceeds are expected to be fully utilised within 5 months from the date of this report. Such expected timeline is based on the estimation made by the Group which might be subject to changes in accordance with the change in market conditions from time to time.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The Group is exposed to credit risk primarily arising from trade receivables and bank deposits. Trade receivables are substantially from the customers with good collection track records with the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history in order to mitigate credit risks. The Group is subject to concentration of credit risk with respect to trade receivables. No provision for doubtful debts was recognised during the FY2025 because there were subsequent settlements or no historical default of payments by the respective customers and the amounts are still considered recoverable.

Bank deposits are mainly deposits with banks with good credit ratings assigned by international credit-rating agencies or with good reputation. For bank deposits, the Group adopts the policy of dealing only with high credit quality counterparties.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of the end of each reporting period in relation to each class of recognised financial assets was the carrying amounts of those assets as stated on the consolidated statements of financial position.

Liquidity risk

The Group has policy in place to regularly monitor the Group's liquidity requirements, both existing and expected, in order to maintain sufficient reserves of cash from short term to long term.

The Directors are of the view that the liquidity risk management policy enables the Group to have sufficient resources to meet the debt obligations of the Group and working capital needs.

Interest rate risk

The interest rate risk of the Group relates primarily to the bank deposits. The Group currently has not entered into interest rate swaps to hedge against the exposure to the changes in fair values of the borrowings. It is the policy of the Group to maintain an appropriate level between the deposits and borrowings so as to balance the fair value and cash flow interest rate risk. In addition, to the extent that the Group may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debts. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of the debt obligations. The Group currently does not use any derivative instruments to manage the interest rate risk. To the extent the Group decides to do so in the future, there can be no assurance that any future hedging activities will protect the Group from fluctuations in interest rates.

Concentration risk

The Group's revenue and profitability are highly dependent on the business performance of a limited number of major customers and its ability to renew service agreements for air freight forwarding ground handling and air cargo terminal operations. A significant decrease in or loss of business from key customers would materially and adversely affect the Group's operational results and financial condition.

Human resource risk

The Group's success relies on the expertise and experience of its key management personnel. Given the labour intensive nature of the industry in which the Group operates, securing a stable and skilled workforce is vital to operational continuity. In the long term, Hong Kong's ageing population may lead to labour shortages for both the Group and its subcontractors. To secure and retain qualified logistics professionals amid intense market competition, the Group must offer competitive remuneration packages. Events such as the resignation of highly skilled staff or labour shortage can drive up labour costs and negatively impact the Group's profitability and the Group's financial position.

Geopolitical risk

The Group principally engage in the provision of air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong, and its major customers include global logistics companies, cargo terminal operators, freight forwarders and logistics companies. The Group is indirectly and largely dependent on its customers' business performance and developments in their markets and industries, of which rely heavily on international trade. The current international trade tensions and political tensions, and any escalation of such tensions, may have a material negative impact the global logistics market. Government policies restricting international trade may affect the demand for the Group's services. If any new tariffs, legislation, or regulations are implemented or if existing trade agreements are renegotiated, such changes could adversely affect the Group's business.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Due to the nature of the business of the Group, the Group's operations do not directly generate industrial pollutants, and as such the Group did not incur direct costs of compliance with applicable environmental protection rules and regulations during the reporting period. The Directors expected that the Group will not directly incur significant costs for compliance with applicable environmental protection rules and regulations in the future. As at 31 March 2025, the Group had not come across any material non-compliance issues in respect of any applicable laws and regulations on environmental protection.

For details of environmental, social and governance performance of the Group, please refer to the Environmental, Social and Governance Report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied with the relevant laws and regulations that may cause a significant impact on the business and operation of the Group in the event of a material breach or non-compliance. During the Review Year, there was no material breach or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders in order to meet its immediate and long-term goals. During the Review Year, there was no material or significant dispute between the Group and its suppliers, customers and other stakeholders.

EVENTS AFTER THE REPORTING PERIOD

On 19 March 2025, A & S (HK) Logistics Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement (the "**JV Agreement**") with Mr. Fei Yajun and Ms. Fu Caihong, two independent third parties, in relation to the formation of a joint venture company (the "**JV Company**") and the grant of call option and put option of the JV Company. On 12 May 2025, both parties entered into a supplemental deed (the "**Supplemental Deed**", together with the JV Agreement, the "**JV Agreements**") to the JV Agreement, amending the formula used to determine the put price and the call price. Upon its formation under the JV Agreements, the JV Company will remain as a subsidiary of the Company. For details of the JV Agreements, please refer to the announcements of the Company dated 19 March 2025 and 12 May 2025 and the circular of the Company dated 30 May 2025.

Reference is made to the announcements of the Company dated 3 April 2025 and 17 April 2025 (the "**Announcements**"). On 3 April 2025, A & S (HK) Logistics Limited entered into the security service framework agreement with Parkston Limited ("**Parkston**") to renew the existing security service framework agreement, pursuant to which Parkston agreed to provide security services to the Group from time to time from 1 April 2025 to 31 March 2028 (both days inclusive). For details, please refer to the Announcements.

Save as disclosed in this report, the Board is not aware of any significant events since 31 March 2025 and up to the date of this report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Law Kwok Leung Alex (羅國樑)

Mr. Law Kwok Leung Alex ("**Mr. Alex Law**"), aged 45, is the chairman of the Board (the "**Chairman**") and an executive Director. Mr. Alex Law is responsible for the overall strategic management and development of the Group's business operations. He was appointed as a Director on 7 July 2016 and re-designated as the Chairman and an executive Director on 3 July 2017. Mr. Alex Law is also a member of each of the nomination committee (the "**Nomination Committee**") and the remuneration committee (the "**Remuneration Committee**") of the Company. He has been a director of A & S (HK) Logistics Limited since 9 October 2002.

Mr. Alex Law has over 21 years of experience in warehouse management and transportation and logistics industry. He founded the Group in October 2002 and expanded his business over the years. In September 2014, Mr. Alex Law received the Outstanding Entrepreneurship Award from Asia Pacific Entrepreneurship Awards 2014 organised by Enterprise Asia.

Mr. Alex Law obtained a Diploma in Management Studies awarded jointly by Lingnan University and The Hong Kong Management Association in September 2012. He was conferred an Honorary Doctorate of Management of Lincoln University in April 2016. He received a fellowship from Canadian Chartered Institute of Business Administration in April 2016. He further obtained a Master of Business Administration from The University of Wales in August 2017.

Mr. Alex Law is the brother of Mr. Law Kwok Ho Simon and Mr. Law Kwok Pan.

Mr. Law Kwok Ho Simon (羅國豪)

Mr. Law Kwok Ho Simon ("**Mr. Simon Law**"), aged 50, is an executive Director. Mr. Simon Law was appointed as a Director on 7 July 2016 and re-designated as an executive Director on 3 July 2017. Mr. Simon Law is responsible for overseeing the Group's operation, business development, finance and administration. He became a director of A & S (HK) Logistics Limited in December 2012.

Mr. Simon Law completed secondary education in England. Subsequent to his completion of secondary education, he joined Bouygues Construction Group and worked as a foreman. Mr. Simon Law then joined the Group as a general manager in October 2002 where he gathered experience in logistics industry and he has been responsible for supervision of business operation, human resources, finance and administrative functions of the Group.

Mr. Simon Law is the brother of Mr. Alex Law and Mr. Law Kwok Pan.

Mr. Chiu Tat Ting Albert (趙達庭)

Mr. Chiu Tat Ting Albert ("**Mr. Albert Chiu**"), aged 62, is the chief executive officer (the "**Chief Executive Officer**") and an executive Director of the Company. Mr. Albert Chiu first joined the Company in August 2010 and he was appointed as a Director on 7 July 2016 and re-designated as the Chief Executive Officer and an Executive Director on 3 July 2017. Mr. Albert Chiu is responsible for overseeing the Group's operation, business development, finance and administration.

Mr. Albert Chiu has over 36 years of experience in cargo hub operations, quality assurance, terminals and traffic operations and warehouse management. Prior to joining the Group, he worked at Cathay Pacific Airways Limited from 1986 to 1999 and his last position was cargo services coordinator. He then served in DHL Global Forwarding (Hong Kong) Limited from 1999 to 2008 and his last position was assistant general manager – warehouse. He worked for CEVA Logistics (Hong Kong) Limited from 2008 to 2010 with his last position as director – warehouse and transportation.

Mr. Albert Chiu was appointed as Sector/Subject Specialist by Hong Kong Council for Accreditation of Academic and Vocational Qualifications (formerly known as Hong Kong Council for Academic Accreditation) from June 2006 to June 2012. Mr. Albert Chiu completed a Professional Diploma in Electronic Commerce from the Hong Kong Management Association in February 2002. He also obtained a Bachelor of Commerce Management and Marketing from Curtin University of Technology in September 2004. He further obtained a Master of Science in Global Supply Chain Management from The Hong Kong Polytechnic University in December 2007.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Chun Chung Patrick (何振琮)

Mr. Ho Chun Chung Patrick ("**Mr. Ho**"), aged 61, was appointed as an independent non-executive Director on 21 February 2018. He is the chairman of the Remuneration Committee and a member of each of the audit Committee of the Company (the "**Audit Committee**") and the Nomination Committee. Mr. Ho is responsible for providing independent judgment on the issues of operation strategy, performance, resources and standard of conduct of the Group.

Mr. Ho worked in PricewaterhouseCoopers from 1987 to 1991 and Gold Peak Industries (Holdings) Limited (stock code: 40) from 1992 to 2000 with his last position as financial controller and Chen Hsong Holdings Limited (stock code: 57) from 2002 to 2005 as financial controller. Mr. Ho was an independent non-executive director of Tesson Holdings Limited (stock code: 1201) from 2014 to 2016 and Asia Investment Finance Group Limited (currently known as China Cloud Copper Company Limited) (stock code: 33) from 2015 to 2018 respectively. He has been the independent non-executive director of Ling Yui Holdings Limited (stock code: 784) and Realord Group Holdings Limited (stock code: 1196) since December 2017 and March 2022, respectively.

Mr. Ho obtained a professional diploma in accountancy from the Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1987 and a master degree in finance from the City University of Hong Kong in December 1996. Mr. Ho is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants since February 1991 and October 1995, respectively.

Mr. Iu Tak Meng Teddy (余德鳴)

Mr. Iu Tak Meng Teddy ("**Mr. Iu**"), aged 62, was appointed as an independent non-executive Director on 21 February 2018. He is the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Mr. Iu is responsible for providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Group.

Mr. Iu obtained a Diploma in Management Studies from the Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1990 and then obtained a Master of Science in Information Systems and a Master of Science in Accountancy from The Hong Kong Polytechnic University in October 1995 and November 2002 respectively. He received a Master of Science from The University of Hong Kong in December 2015.

Mr. Iu became a member of the Canadian Institute of Mining, Metallurgy and Petroleum in 2012, the Australasian Institute of Mining and Metallurgy in 2013, the Society of Economic Geologists in 2013, and the Institute of Electrical and Electronics Engineers, Incorporated in 2017. He also became a professional member of each of the Geological Society of America and the Royal Institution of Chartered Surveyors since 2015.

Mr. Iu has been a fellow of the Chartered Institute of Management Accountants, the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants), the Hong Kong Institute of Directors and the Geological Society of London since March 1995, June 1997, October 2012, and November 2013, respectively. The Chartered Institute of Management Accountants granted Mr. Iu the designation of chartered global management accountant in January 2012.

Mr. Iu was a Hong Kong divisional council member of the Chartered Institute of Management Accountants for the year term 1994 to 2003 and 2007 to 2009, and was elected as the divisional president from 2001 to 2002. He was also a lay member of the Solicitors Disciplinary Tribunal Panel from July 2003 to July 2009.

Mr. Iu worked as the North Asia financial controller of Regional Container Lines (HK) Limited from January 1996 to April 1997, after which he has been an independent and project based consultant since 1997. Additionally, he worked as the EDP manager for Asia Pacific Operations of Moulinex Far East Limited from April 2001 to January 2002. Besides his full time commitments, Mr. Iu also worked as a visiting lecturer (part-time) at the Department of Accountancy of The Hong Kong Polytechnic University from February 2000 to May 2001, a part-time instructor at the School of Continuing and Professional Education at the City University of Hong Kong from September 2001 to June 2010, a part-time lecturer at the Centennial College from January to June 2018 and has been a part-time instructor at the School of Continuing and Professional Studies at The Chinese University of Hong Kong since September 2007. He was an independent non-executive director of Gameone Holdings Limited (stock code: 8282) from December 2015 to January 2022 and Basetrophy Group Holdings Limited (stock code: 8460) from June 2017 to February 2022, respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Kwan Ngai Kit (關毅傑)

Mr. Kwan Ngai Kit ("**Mr. Kwan**"), aged 45, was appointed as an independent non-executive Director on 21 February 2018. He is the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Kwan is responsible for providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Group.

Mr. Kwan has been the chief financial officer, authorised representative and the company secretary of Modern Dental Group Limited (stock code: 3600) since 26 October 2016. Mr. Kwan, has over 16 years of experience in auditing, accounting and corporate management and was responsible for corporate finance, mergers and acquisitions matters, financial and accounting management, investors relations, corporate governance as well as compliance affairs. Prior to March 2014, he worked as a senior manager in both the assurance department and the technical department of Ernst & Young during which he acquired intensive capital market transactions experience. He is currently an independent non-executive director of Vobile Group Limited (stock code: 3738) since June 2021.

Mr. Kwan is currently a fellow member of the Association of Chartered Certified Accountants since September 2013 and a member of the Hong Kong Institute of Certified Public Accountants since February 2010.

Mr. Kwan has been a reviewer for reviewing and judging the Best Corporate Governance Awards of the Hong Kong Institute of Certified Public Accountants since June 2020.

Mr. Kwan obtained a master's degree in business administration from The Chinese University of Hong Kong in November 2014 and a bachelor's degree in accountancy from The Hong Kong Polytechnic University in November 2002.

Ms. Pau Yee Ling (鮑依寧)

Ms. Pau Yee Ling ("**Ms. Pau**"), aged 46, was appointed as an independent non-executive Director on 1 April 2024. She is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Ms. Pau is responsible for providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Group.

Ms. Pau has over 21 years of experience in several multinational corporations and international accounting firms, with expertise in Hong Kong, the PRC, and overseas tax advisory, group restructuring, and mergers and acquisitions. She has served as an independent non-executive director of Man Sang International Limited, a company listed on the Stock Exchange (stock code: 938), since November 2018.

Ms. Pau received her Bachelor of Business Administration in Accounting from the Hong Kong University of Science and Technology in 2001 and subsequently pursued her Master of Science in China Business Studies from The Hong Kong Polytechnic University in 2012. She is a Fellow Member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, and the Taxation Institute of Hong Kong, and a member of Chartered Accountants Australia and New Zealand. Furthermore, Ms. Pau has been accredited as a Chartered Tax Adviser by the Taxation Institute of Hong Kong since 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Cheung Tai Lung (張泰隆)

Mr. Cheung Tai Lung ("**Mr. Cheung**"), aged 40, currently serves as the director of A & S (HK) Logistics Limited. He assumed the role of director on 1 April 2024, where he is primarily responsible for devising and executing strategic initiatives.

With a remarkable career spanning over 14 years in the logistics industry, Mr. Cheung brings a wealth of expertise to his position. He graduated from The Hong Kong Polytechnic University in June 2006, earning a Higher Diploma in International Transport Logistics. Subsequently, in October 2008, he completed his Bachelor of Business Administration in International Shipping and Transport Logistics, also from The Hong Kong Polytechnic University.

In recognition of his outstanding achievements and contributions to the field, Mr. Cheung was honored with the Young Career Award by The Hong Kong Polytechnic University in 2018. This prestigious accolade not only acknowledges the remarkable career milestones of PolyU alumni but also celebrates their significant contributions to the university and society as a whole.

Mr. Law Kwok Pan (羅國斌)

Mr. Law Kwok Pan ("**Mr. Anthony Law**"), aged 43, assumed the role of Procurement Manager on 1 May 2008. In his current position, he is entrusted with the responsibility of formulating and implementing effective procurement and sourcing strategies.

Prior to joining the Group, Mr. Anthony Law pursued his secondary education in Canada from September 1997 to July 2002. From October 2002 to April 2008, he served as a salesman and marketing manager at Mars Computer, where he gained valuable experience and knowledge in sales and marketing techniques, as well as personnel management.

It is noteworthy that Mr. Anthony Law shares a familial bond with Mr. Alex Law and Mr. Simon Law, as they are his brothers.

COMPANY SECRETARY

Ms. Ng Hoi Ying (吳愷盈)

Ms. Ng Hoi Ying ("**Ms. Ng**"), aged 38, was appointed as the company secretary (the "**Company Secretary**") of the Company on 1 March 2019.

She obtained a degree of Bachelor of Business Administration (Honours) in Accountancy from The Hong Kong Polytechnic University. She is a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Ng has over 16 years of experience in auditing, accounting and financial reporting. She worked as senior auditor of Deloitte Touche Tohmatsu from September 2008 to November 2011. From November 2011 to October 2014, Ms. Ng worked as a senior accountant in Asia Maritime Pacific (Hong Kong) Limited, a privately-owned shipping company. From October 2014 to October 2018, Ms. Ng worked as finance manager of Ngai Shun Construction & Drilling Company Limited, a subsidiary of Boill Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited) (stock code: 1246), a company listed on the Main Board of the Stock Exchange. She is currently a company secretarial manager at Blooming (HK) Business Limited, a company primarily engaged in corporate advisory and company secretarial services.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Group is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving a high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. The Company has adopted the principles and code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). During the FY2025, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

In December 2021, the Hong Kong Stock Exchange published the conclusions to its consultation on Review of Corporate Governance Code, Appendix C1 to the Listing Rules and the associated Listing Rules. Most of the amendments are applicable for financial year commencing on or after 1 January 2022. A good part of the new requirements under the amended CG Code have long been adopted by the Group as our corporate governance practices over the years. These are highlighted in the following table:

New Requirements	**Group's practices**
Align the company's culture with its purpose, values and strategy (Code Provision A.1.1)	A healthy corporate culture across the Group is vital for the Group to achieve its vision and mission towards sustainable growth. It is the Board's role to foster a corporate culture with two core principles to guide the behaviours of its employees, and ensure that the Company's vision, values and business strategies are aligned to it. For details, please refer to "Cultures and Values" section of this Corporate Governance Report.
Establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations (Code Provision D.2.7)	The Group's Anti-corruption Policy (as defined below) was introduced in September 2022. The policy covers aspects such as anti-corruption, code of conduct, guidance on gifts, entertainment and gratuities, the Group's expectations and requirements of business ethics, as well as investigation and reporting mechanism of suspected corruption practices. Any convicted cases will be reported to the chairman of the Audit Committee. For details, please refer to "Risk Management and Internal Control – Anti-corruption Policy" section of this Corporate Governance Report.
Establish whistleblowing policy and system (Code Provision D.2.6)	The Group's Whistleblowing Policy (as defined below) was introduced in September 2022. Any convicted cases will be reported to the chairman of the Audit Committee. For details, please refer to "Risk Management and Internal Control – Whistleblowing Policy" section of this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

New Requirements	Group's practices
Communications with shareholders and annual review (Paragraph L of the Mandatory Disclosure Requirement)	The Group's shareholders' communication policy (the "**Shareholders' Communication Policy**") sets out the Group's commitment of maintaining an effective ongoing dialogue with shareholders. The Shareholders' Communication Policy is reviewed by the Audit Committee on a regular basis. For details, please refer to "Communication with shareholders and investor relations" section of this Corporate Governance Report.
Equity-based remuneration (e.g. share options or grants) with performance related elements should not be granted to independent non-executive directors (Recommended Best Practice E.1.9)	The Group has a benchmarked approach in determining its non-executive Directors' remunerations, which does not involve equity-based remuneration with performance-related elements. The level of remunerations payable to non-executive Directors (including independent non-executive Directors) is also subject to shareholders' approval.
(i) Annually review the implementation and effectiveness of the board diversity policy; and (ii) disclose the mechanism(s) to ensure independent views and input are available to the board, and annually review of the implementation and effectiveness of such mechanism(s) (Code Provisions B.1.3 and B.1.4)	The Group's Board diversity policy (the "**Board Diversity Policy**") was adopted by the Board in December 2018 and is subject to annual review by the Nomination Committee. The Board Diversity Policy formally recognises the practice of ensuring that independent views and input are made available to the Board; details of which are explained in the section "Independent non-executive Directors" in this Corporate Governance Report. The Board is committed to assessing the independence of the independent non-executive Directors annually and ensuring that independent views and input are made available to the Board.
Gender diversity targets at board level and across workforce (Listing Rule 13.92) Board level – to set and disclose numerical targets and timelines for achieving gender diversity Workforce level – to disclose and explain the gender ratio (including senior management), any plans or measurable objectives the company has set for achieving gender diversity (Paragraph J of the Mandatory Disclosure Requirement)	Gender diversity at Board and workforce levels (including the Group's senior management) is disclosed in the "Board Diversity Policy" and "Gender Ratio in workforce" sections of this Corporate Governance Report and "SOCIAL – Employment" section of 2025 ESG Report. The Board Diversity Policy formally recognises the practice of ensuring that independent views and input are made available to the Board; details of which are explained in the "Independent non-executive Directors" section of this Corporate Governance Report. Current female representation at Board level is approximately 14.3%.

New Requirements	Group's practices
Establish a nomination committee chaired by the chairman of the board or an independent non-executive director and comprising a majority of independent non-executive directors (Listing Rule 3.27A)	The Nomination Committee, which comprises a majority of independent non-executive Directors, is chaired by an independent non-executive Director. For details, please refer to "Nomination Committee" section of this Corporate Governance Report.
Elaborate the linkage between corporate governance and ESG (Introductory paragraph in the CG Code, Principle D.2, Code Provisions D.2.2 and D.2.3)	The linkage is shown in "ESG Governance" section of 2025 ESG Report.
Publish ESG reports at the same time as publication of annual reports (Listing Rule 13.91(5)(d) and paragraph 4(2)(d) of the ESG Reporting Guide)	The ESG Report is published at the same time as this annual report for the year ended 31 March 2025.

CULTURES AND VALUES

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. Integrity and code of conduct

The Group strives to maintain high standards of business ethics and corporate governance across all its activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee handbook (including therein the Group's code of conduct), the Anti-corruption Policy and the Whistleblowing Policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by the Directors of Listed Companies (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry with the Directors, all Directors confirmed that they had fully complied with the required standards of dealing set out in the Model Code and there was no event of non-compliance during the FY2025.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES

The Board takes the responsibility to oversee all major matters of the Company, including but not limited to formulating and approving the overall strategies and business performance of the Company, monitoring the financial performance and internal control as well as overseeing the risk management system of the Company and monitoring the performance of senior executives. The Board is also responsible for performing the corporate governance duties including the development and reviewing the Company's policies and practices on corporate governance.

Liability insurance for Directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

DELEGATION BY THE BOARD

Daily operation and management of the business of the Group, *inter alia*, the implementation of strategies are delegated to the executive Directors along with other senior executives. Executions of operational matters and the powers thereof are delegated to the management by the Board with clear directions. They report periodically their work and business decisions to the Board.

Board Composition

The composition of the Board as at the date of this annual report is set out as follows:

Executive Directors

Mr. Law Kwok Leung Alex *(Chairman)*
Mr. Law Kwok Ho Simon
Mr. Chiu Tat Ting Albert *(Chief Executive Officer)*

Independent Non-executive Directors

Mr. Ho Chun Chung Patrick
Mr. Iu Tak Meng Teddy
Mr. Kwan Ngai Kit
Ms. Pau Yee Ling (Appointed on 1 April 2024)

Biographical details of the Directors are set out in "Biographical Details of Directors and Senior Management" on pages 13 to 16 of this annual report. Save as disclosed in the aforesaid, there are no financial, business, family or other material/relevant relationships among the members of the Board.

The current proportion of independent non-executive Directors is higher than what is required by Rule 3.10A, 3.10(1) and (2) of the Listing Rules whereby independent non-executive Directors of a listed issuer represent at least one-third of the Board. The four independent non-executive Directors represent more than one-third of the Board and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise. With the various experience of both the executive Directors and the independent non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

On 1 April 2024, Ms. Pau was appointed as an independent non-executive director. After obtaining the legal advice referred to Rule 3.09D of the Listing Rules on 22 March 2024, Ms. Pau confirmed she understood her obligations as a Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Company's strategies, performance and control, as well as ensuring that the interests of all shareholders of the Company are taken into account. The requirement regarding representation of independent non-executive Directors is that, there must be more than one-third of the members of the Board and at least one of them has appropriate professional qualifications or accounting or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of other Directors.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers such Directors to be independent in accordance with the criteria set out in Rule 3.13 of the Listing Rules.

As at 31 March 2025, no independent non-executive Director had served more than nine years on the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each executive Director has entered into a service contract with the Company on 3 July 2017. The letters of appointment of Mr. Ho, Mr. Iu and Mr. Kwan are for an initial term of three years commencing from 21 February 2018. The service contracts and letters of appointment were renewed and signed on 18 March 2024. The letter of appointment of Ms. Pau is for an initial term of three years commencing from 1 April 2024. The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts and letters of appointment may be renewed in accordance with the memorandum and articles of association of the Company and the applicable Listing Rules.

According to article 108 of the Company's memorandum and articles of association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and are subject to re-election at annual general meeting at least once every three years. Article 112 of the memorandum and articles of association of the Company provides that any Directors appointed by the Board to fill casual vacancies shall hold office only until the first general meeting of the Company after their appointment. Any Directors appointed by the Board as an addition to the existing Board shall hold office only until the first following annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such annual general meeting.

Mr. Simon Law, Mr. Albert Chiu and Mr. Iu will retire from office as Directors at the forthcoming annual general meeting of the Company to be held on 15 September 2025. Each of them, both being eligible, will offer themselves for re-election.

At the forthcoming annual general meeting of the Company, separate ordinary resolutions will be put forward to the shareholders of the Company in relation to proposed re-election of Mr. Simon Law and Mr. Albert Chiu as the executive Directors and Mr. Iu as an independent non-executive Director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and not performed by the same individual in order to balance the distribution of power. Mr. Alex Law was the Chairman and Mr. Albert Chiu is the Chief Executive Officer throughout the FY2025.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Group acknowledges the importance of adequate and ample continuing professional development for the Directors for a sound and effective internal control system and corporate governance. In this regard, the Group always encourages the Directors to attend relevant training courses to receive the latest news and knowledge regarding corporate governance.

During the FY2025, the Company has provided and all Directors have attended at least one training course on the updates of the Listing Rules concerning good corporate governance practices. The Company will, if necessary, provide timely and regular trainings to the Directors to ensure that they keep abreast with the current requirements under the Listing Rules.

BOARD COMMITTEES

The Board has established three Board committees, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.asl.hk. All the Board committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board committees follow in line with, so far as practicable, those of the Board meetings set out above.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the CG Code which include developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this annual report.

Remuneration Committee

The Remuneration Committee was established on 21 February 2018. The chairman of the Remuneration Committee is Mr. Ho, the independent non-executive Director, and other members include Mr. Alex Law, the Chairman and the executive Director, Mr. Iu, Mr. Kwan and Ms. Pau, the independent non-executive Directors. The written terms of reference of the Remuneration Committee has been amended on 13 January 2023 and are posted on the Stock Exchange's website and the Company's website.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the appropriate policy and structures for all aspects of Directors' and senior management's remuneration. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee also reviews and/or approves matters relating to share schemes under Chapter 17 of the Listing Rules. The model code under code provision E.1.2(c)(ii) of the CG Code has been adopted.

During the FY2025, the Remuneration Committee held two meetings to review the remuneration packages and emoluments of Directors and considered that they are fair and reasonable. During the year ended 31 March 2025, there were no material matters relating to the share option scheme of the Company which required review or approval by the Remuneration Committee. No Director nor any of his/her associates is involved in deciding his/her own remuneration.

Nomination Committee

The Nomination Committee was established on 21 February 2018. The chairman of the Nomination Committee is Mr. Iu, the independent non-executive Director, and other members include Mr. Alex Law, the Chairman and the executive Director, Mr. Ho, Mr. Kwan and Ms. Pau, the independent non-executive Directors. The written terms of reference of the Nomination Committee has been amended on 27 June 2025 and are posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board and assess the independence of the independent non-executive Directors and make recommendations to the Board on appointment or re-appointment of Directors. In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against an objective criteria and with due regards to the benefits of diversity on the Board.

Pursuant to the Board Diversity Policy, a number of perspectives are taken into account when designing the composition of the Board including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

During the FY2025, the Nomination Committee held one meeting to review and recommend the re-election of Directors.

Audit Committee

The Audit Committee was established on 21 February 2018. The chairman of the Audit Committee is Mr. Kwan, the independent non-executive Director, and other members include Mr. Ho, Mr. Iu and Ms. Pau, the independent non-executive Directors. The written terms of reference of the Audit Committee has been amended on 28 December 2018 and are posted on the Stock Exchange's website and on the Company's website.

The Company has complied with Rule 3.21 of the Listing Rules which requires the Audit Committee to comprise a minimum of three members, comprising non-executive Directors only, the majority of the members of the Audit Committee must be independent non-executive Directors and must be chaired by an independent non-executive director. At least one of the members of the Audit Committee is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information and oversee the financial reporting system, risk management and internal control systems and relationship with the external auditors, and review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the FY2025, the Audit Committee held three meetings to review and comment on the Company's 2024 annual results, 2024 interim results and the relevant arrangements for the annual audit 2025 as well as the Company's internal control procedures and risk management system.

The Group's consolidated financial statements for the FY2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the FY2025 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

ATTENDANCE RECORDS OF MEETINGS

The Board meets regularly for considering, reviewing and/or approving matters relating to, among others, the financial and operating performance, as well as, the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved. During the FY2025, the Chairman held at least one meeting with the independent non-executive Directors without presence of other Directors.

Details of all Directors' attendance at the Board meeting and Board committees' meeting held during the FY2025 are as follows:

	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	2024 Annual General Meeting
	Number of Meetings Attended/Held				
Executive Directors					
Mr. Law Kwok Leung Alex	4/4	–	2/2	1/1	1/1
Mr. Law Kwok Ho Simon	4/4	–	–	–	1/1
Mr. Chiu Tat Ting Albert	4/4	–	–	–	1/1
Independent non-executive Directors					
Mr. Ho Chun Chung Patrick	4/4	3/3	2/2	1/1	1/1
Mr. Iu Tak Meng Teddy	4/4	3/3	2/2	1/1	1/1
Mr. Kwan Ngai Kit	4/4	3/3	2/2	1/1	1/1
Ms. Pau Yee Ling (appointed on 1 April 2024)	4/4	3/3	2/2	1/1	1/1

COMPANY SECRETARY

The Company Secretary assists the Board by ensuring the Board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on corporate governance matters.

The Company engages an external service provider, which assigned Ms. Ng as the Company Secretary. Ms. Ng possesses the necessary qualification and experience, and is capable of performing the functions of the Company Secretary. Mr. Alex Law, the Chairman and the executive Director, is the primary contact person who Ms. Ng contacts.

For the FY2025, Ms. Ng had taken no less than 15 hours of relevant professional training to develop her skills and knowledge. The biographical details of Ms. Ng is set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

BOARD DIVERSITY POLICY

The Board adopted the Board Diversity Policy on 28 December 2018. The Company embraced the benefits of having a diverse Board, as such, the Board Diversity Policy aimed to set out the approach to maintain diversity of the Board. A summary of the Board Diversity Policy, together with the measurable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Board Diversity Policy

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will adhere to the Board Diversity Policy to ensure that there is at least one female Director in the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified. The Nomination Committee will deploy multiple channels to identify suitable candidates as Directors, including referral from Directors, shareholders, management, advisors of the Company and external agents as and when appropriate such that a robust pipeline of female successors to the Board can be established in the near future. The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the corporate governance report annually.

Monitoring and Reporting

The composition of the Board will be disclosed annually in the corporate governance report and the Nomination Committee will monitor the implementation of the Board Diversity Policy. The Board currently has one female Director (i.e. Ms. Pau), in which case the Board considered gender diversity has been achieved on the Board level. The Nomination Committee will report annually, in the corporate governance report, on the Board's composition under diversified perspectives, and monitor the implementation of this Board Diversity Policy including but not limited to the progress towards meeting the measurable objectives of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

GENDER RATIO IN WORKFORCE

The Group is dedicated to achieving a balance between growth and diversity in its business and governance practices. The Group is committed to ensuring that recruitment at all levels, including the Board, adheres to stringent diversity criteria in order to consider an expensive pool of talented individuals. The Group firmly believes that diversity is an asset to the Group. The Group will continue to take gender diversity into consideration during recruitment. The Group will continue to take opportunities to increase the proportion of female workforce over time as and when suitable candidates are identified. For details of the gender ratio in the workforce, please refer to the section headed "SOCIAL – Employment" in the ESG Report.

NOMINATION POLICY

The Board adopted a nomination policy (the "**Nomination Policy**") on 28 December 2018. A summary of the Nomination Policy, together with the measurable objectives set for implementing the Nomination Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Nomination Policy

The Nomination Policy aims to set out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of Directors. This also ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business.

Measurable Objectives

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria including but not limited to (collectively, the "**Criteria**"):

(a) Diversity in aspects including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how;

(b) Sufficient time to effectively carry out their duties; their services on other listed and non-listed companies should be limited to reasonable numbers;

(c) Qualifications, including accomplishment and experience in the relevant industries the Company's business is involved in;

(d) Independence;

(e) Reputation for integrity;

(f) Potential contributions that the individual(s) can bring to the Board; and

(g) Commitment to enhance and maximise shareholders' value.

Re-election of Director at General Meeting

The Nomination Committee will evaluate and recommend retiring Director(s) to the Board for re-appointment by giving due consideration to the Criteria including but not limited to:

(a) the overall contribution and service to the Company of the retiring Director including his attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board; and

(b) whether the retiring Director(s) continue(s) to satisfy the Criteria.

The Nomination Committee and/or the Board shall then make recommendation to shareholders in respect of the proposed re-election of Director at the general meeting.

Nomination Process

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

(a) The Nomination Committee will giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;

(b) The Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from shareholders of the Company with due consideration given to the Criteria;

(c) The Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;

(d) Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

(e) The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

(f) The Board will have the final authority on determining the selection of nominees and all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Companies Registry of Hong Kong.

Monitoring and Reporting

The Nomination Committee will assess and report annually, in the corporate governance report, on the composition of the Board, and launch a formal process to monitor the implementation of the Nomination Policy as appropriate.

Review of Nomination Policy

The Nomination Committee will launch a formal process to review the Nomination Policy periodically to ensure that it is transparent and fair, remains relevant to the Company's needs and reflects the current regulatory requirements and good corporate governance practice. The Nomination Committee will discuss any revisions to the Nomination Policy that may be required and recommend any such revisions to the Board for consideration and approval.

Disclosure of Nomination Policy

A summary of the Nomination Policy including the nomination procedures and the process and Criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year will be disclosed in the annual corporate governance report.

In the circular to shareholders for proposing a candidate as an independent non-executive Director, it should also set out:

- the process used for identifying the candidate and why the Board believes the candidate should be elected and the reason why it considers the candidate to be independent;
- the perspectives, skills and experience that the candidate can bring to the Board; and
- how the candidate can contribute to the diversity of the Board.

INDEPENDENT AUDITOR'S REMUNERATION

The Group's independent auditor is HLB Hodgson Impey Cheng Limited ("**HLB**"). The financial reporting responsibilities of the independent auditors are set out on pages 68 to 71 in this annual report.

During the FY2025, remuneration of approximately HK$860,000 was paid to HLB for the provision of audit services. HLB did not perform any non-audit services during the FY2025.

SHAREHOLDERS' RIGHT

One of the measures adopted to safeguard the shareholders' interest and rights is to separate resolutions proposed at the shareholders' meeting on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. All resolutions put forward at the shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the Stock Exchange's website and the Company's website after the relevant shareholders' meeting.

Extraordinary general meeting may be convened by the Board on requisition of shareholders holding not less than one-tenth of the paid up capital of the Company or by such shareholders who made the requisition (the "**Requisitionists**") (as the case maybe) pursuant to article 64 of the memorandum and articles of association of the Company. The Requisitionists shall be able to add resolutions to the meeting agenda. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such articles for convening an extraordinary general meeting. Shareholders may put forward proposals at general meetings by sending the same to the Company at the principal office of the Company in Hong Kong.

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests in respect of their rights to the Company's principal place of business in Hong Kong at L2 Office, Cainiao Smart Gateway, 8 Chun Yue Road, Chek Lap Kok, Hong Kong or by email at enquiry@asl.hk.

DISCLOSURE OF INSIDE INFORMATION

The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information.

The policy provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- defining requirements of periodic financial and operational reporting to the Board and the Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;
- controlling access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and
- implementing procedures of communication with the Group's stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Stock Exchange's website and the Company's website.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group maintains an effective internal control and risk management systems. It consists, in part, of organisational arrangements with defined lines of responsibility and delegation of authority, and comprehensive systems and control procedures in order to safeguard the investment of the Company's shareholders and the Group's asset at all times.

The Directors acknowledge that they have overall responsibility for overseeing the Company's internal control, financial control and risk management system and shall monitor its effectiveness on an ongoing basis. A review of the effectiveness of the risk management and internal control systems has been conducted by the Board at least annually.

Aiming at providing reasonable assurance against material errors, losses or fraud, the Company has established a risk management procedure which comprise the following steps:

– Identify risks: Identify major and significant risks that could affect the achievement of goals of the Group;

– Risk assessment: Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence; and

– Risk mitigation: Develop effective control activities to mitigate the risks.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each function or operation are documented in the Risk Registry to communicate to the Board and management for reviews.

The Group's risk management and internal control systems are, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

A review on the internal control systems of the Company, including financial, operational and compliance controls and risk management functions has been carried out by an independent consultancy company with staff in possession of relevant expertise to conduct an independent review.

The Audit Committee reviewed the internal control review report issued by the independent consultancy company and the Company's risk management and internal control systems in respect of the FY2025 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same.

The Group has yet to establish its internal audit function during the FY2025 as required under code provision D.2.5 of CG Code. The Audit Committee and the Board, have considered the internal control review report prepared by an independent consultancy company and communications with the Company's external auditor in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "**Whistleblowing Policy**") in September 2022. The purpose of the Whistleblowing Policy is to increase the awareness of maintaining internal corporate justice and regard this as a kind of internal control mechanism. It provides the employees of the Group with reporting channels and guidance on whistleblowing. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 March 2025 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-corruption policy (the "**Anti-corruption Policy**") in September 2022. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group. The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted shareholders communication policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with its shareholders as follows:

(i) Corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.asl.hk;

(ii) Periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) Corporate information is made available on the Company's website;

(iv) Annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange view with the Directors and senior management; and

(v) The Company's branch share registrar and transfer office in Hong Kong serves the shareholders in respect of share registration, dividend payment and related matters.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company has reviewed the implementation and effectiveness of its Shareholders' Communication Policy for the year ended 31 March 2025. Having considered that effective shareholders communication channels are in place and shareholders are provided with regular updates of the Group's financial performance, strategic direction and material business development, the Board is of the view that the Company has established an effective communication channel with its shareholders and considers that the Company's Shareholders' Communication Policy and its implementation are effective.

During the year ended 31 March 2025, there was no change in the Company's memorandum and articles of association.

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements for the FY2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the provision of (i) air freight forwarding ground handling services and (ii) air cargo terminal operating services in Hong Kong. Utilising the Group's leased warehouse properties at the Airport Freight Forwarding Centre, the Group provides air freight forwarding ground handling services to its customers, who are generally global logistics companies and major freight forwarding agents.

There were no significant changes in the nature of the Group's principal activities during the year.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 116 of this annual report. Such summary does not form part of the audited consolidated financial statements of the Group.

DIVIDEND POLICY

The Board adopted a dividend policy (the "**Dividend Policy**") on 28 December 2018. According to the Dividend Policy, in deciding whether to propose any dividend payout, the Board shall also take into account, inter alia:

- the Group's actual and expected financial performance;
- shareholders' interests;
- retained earnings and distributable reserves of the Company and each of the other members of the Group;
- the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- possible effects on the Group's creditworthiness;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the Group's expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- general business conditions and strategies;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

Pursuant to the Dividend Policy, the Company does not have any pre-determined dividend payout ratio. The declaration and payment of dividends shall remain to be determined at the discretion of the Board and subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the memorandum and articles of association of the Company. Except for interim dividend, any dividends declared by the Company must be approved by an ordinary resolution of shareholders at the general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the shareholders such interim dividends as appear to the directors to be justified by the profits of the Company available for distribution.

The Company will continually 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.

RESULTS

The results of the Group for the FY2025 and the financial position of the Company and of the Group at the FY2025 are set out in the consolidated financial statements on pages 72 to 73 of this annual report.

FINAL DIVIDENDS

No dividend was paid or proposed for the Shareholders during the FY2025 (2024: HK 2.0 cents per ordinary share), nor has any dividend been proposed since the end of the reporting period.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on Monday, 15 September 2025 (the "**2025 AGM**"). For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 10 September 2025 to Monday, 15 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the 2025 AGM, all duly completed share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 September 2025. The record date for the attending and voting at the 2025 AGM is Monday, 15 September 2025.

BUSINESS REVIEW

The review of the business of the Group during the year and the discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis", and the description of principal risks and uncertainties facing the Group and key financial performance indicators are set out in the section headed, "Management Discussion and Analysis". The financial risk management objectives and policies of the Group are set out in Note 3 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in the property, plant and equipment of the Group during the FY2025 are set out in Note 15 to the consolidated financial statements.

DONATION

Charitable donations made by the Group during the FY2025 amounted to approximately HK$3,000 (FY2024: approximately HK$10,000).

SHARE CAPITAL

Details of the Company's share capital are set out in Note 23 to the consolidated financial statements.

SHARE OPTION SCHEME

The share option scheme of the Company (the "**Share Option Scheme**") was conditionally adopted pursuant to the written resolution of the then sole shareholder of the Company passed on 21 February 2018.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of the Group.

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or services provider of the Group, options to subscribe for shares of the Company. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

The maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the adoption date (excluding, for this purpose, the shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 100,000,000 shares, representing 10% of all the shares in issue as at the Listing Date. Therefore, it is expected that the Company may grant options in respect of up to 100,000,000 shares (or such numbers of shares as shall result from a sub-division or a consolidation of such 100,000,000 shares from time to time) to the participants under the Share Option Scheme.

The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the shareholders in general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to the shareholders containing the information as required under the Listing Rules in this regard.

The Company may seek separate approval of the shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, such other information required under the Listing Rules.

The aggregate number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such 30% limit being exceeded.

The total number of shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option scheme of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue. Any further grant of options in excess of such limit must be separately approved by shareholders in general meeting with such grantee and his associates abstaining from voting. In such event, the Company must send a circular to the shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of the shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The vesting period and vesting conditions (if any) of each grants shall be determined by the Board in its absolute discretion.

The Share Option Scheme will remain in force for a period of ten years commencing on 21 February 2018 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders of the Company in general meeting.

The total number of options available for grant under the scheme mandate of the Share Option Scheme as at 1 April 2024 and 31 March 2025 were 100,000,000. As at 31 March 2025, 100,000,000 Shares were available for issue under the Share Option Scheme, represented approximately 10.0% of the issued Shares as at the date of the annual report (31 March 2024: 100,000,000 Shares). The Share Option Scheme is valid and effective for a period of ten years from 21 February 2018, after which no further options will be granted or offered. As at the date of the annual report, the Share Option Scheme had a remaining life of approximately 2 years and 8 months.

For the FY2025, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

RESERVES

Details of movements in the reserves of the Company and the Group are set out in Note 31 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's memorandum and articles of association or the laws of Cayman Islands which could oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Gobo Trade Framework Agreement

As disclosed in the announcement dated 29 March 2023, A & S (HK) Logistics Limited ("**A & S (HK)**"), an indirect wholly-owned subsidiary of the Company, and Gobo Trade Limited ("**Gobo Trade**") entered into the Gobo Trade framework agreement (the "**Gobo Trade Framework Agreement**"), to replace the previous Gobo Trade framework agreement pursuant to which Gobo Trade agreed to provide packaging materials to the Group from time to time upon request during 1 April 2023 to 31 March 2026.

Gobo Trade is a company owned as to 51%, 19% and 30% by Mr. Alex Law, Mr. Simon Law and Mr. Anthony Law, respectively. Gobo Trade is therefore a connected person of the Company under the Listing Rules. The principal business of Gobo Trade is trading of commercial packaging materials.

The annual cap for the years ending 31 March 2024, 2025 and 2026 were approximately HK$9,500,000, HK$9,700,000 and HK$9,900,000, respectively. The actual amount of the total cost of the packaging materials for the year ended 31 March 2025 was approximately HK$4,376,000.

The proposed annual caps for the Gobo Trade Framework Agreement have been determined after taking into consideration (i) the historical transaction amount of packaging materials purchased by the Group from Gobo Trade; (ii) the prevailing average market price of different types of packaging materials being offered by Gobo Trade to independent third parties having regard to the quantity, quality, specifications, time frame and/or other conditions of the packaging materials similar to those purchased by the Group; and (iii) the expected demand of the Group for packaging materials for each of the years ending 31 March 2024, 2025 and 2026.

The Group has established a good and long-standing relationship with Gobo Trade and has purchased packaging materials from Gobo Trade since 2012. Packaging materials that the Group purchased from Gobo Trade mainly include paper corner, foam board, plastic sheets and tape which are consumed by the Group to pack customers' products for transportation, distribution and storage. The packaging materials purchased from Gobo Trade in the past satisfied the Group's quality requirement and was delivered in accordance with the Group's specified time frame without major delay. Taking into account that the services provided to the Group are under normal commercial terms and are reached after arm's length negotiations and are being carried out in the usual and ordinary course of business of each of the parties, the Board (including the independent non-executive Directors) is of the view that the terms of the Gobo Trade Framework Agreement (including the proposed annual caps) are entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Existing Security Service Framework Agreement

On 10 February 2023, A & S (HK) entered into the security service framework agreement (the "**Existing Security Service Framework Agreement**") with Parkston Limited ("**Parkston**") to replace the previous security service framework agreement pursuant to which Parkston agreed to provide security services to the Group from time to time.

The Group has established good relationship with Parkston and has requested security services from Parkston since May 2021. Security services that Parkston provided to the Group mainly include security guard services for the Group's warehouses in Airport Freight Forwarding Centre and Hutchison Logistics Centre. The security services provided from Parkston in the past satisfied the Group's quality requirement and were able to fulfill the Group's specified time frame requirement. The Board considers that the security services provided to the Group by Parkston will not be affected by Mr. Alex Law's appointment as a director of Parkston and the acquisition of 70% equity interest in Parkston by Mr. Alex Law.

Taking into account that the services provided to the Group are under normal commercial terms and are reached after arm's length negotiations and are being carried out in the usual and ordinary course of business of each of the parties, the Board (including the independent non-executive Directors) is of the view that the terms of the Existing Security Service Framework Agreement (including the proposed annual caps) are entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

For the years ending 31 March 2023, 2024 and 2025, the annual cap for the Existing Security Service Framework Agreement is determined to be approximately HK$9,000,000, respectively. The actual amount of the total cost of the security services for the year ended 31 March 2025 was approximately HK$6,524,000.

The proposed annual caps for the Existing Security Service Framework Agreement have been determined after taking into consideration (i) the historical transaction amount of security services provided to the Group from Parkston; (ii) the prevailing average market price of different types of security services being offered by Parkston to independent third parties having regard to the service standards, quantity, quality, specifications, time frame and/or other conditions of the security services similar to those offered to the Group; and (iii) the expected demand of the Group for security services taking into account the increased demand of our air freight forwarding ground handling services following the leasing of the Group's new warehouses in Kwai Chung terminal district in April 2022.

The price payable for the security services under the Existing Security Service Framework Agreement by the Group to Parkston shall be determined after arm's length negotiation between the parties with regard to the prevailing market rates of similar providers. In order to ensure that the price offered by Parkston is fair and reasonable and in line with prevailing market rates, the Group will obtain quotations of security services which are of similar nature, service standards, quantity and time frame from not fewer than two independent third parties security services providers, at a frequency not less than on a quarterly basis. The Group will only accept Parkston's quotation when the price and terms offered by Parkston are no less favourable than those offered to the Group by the independent third parties security services providers.

Security Service Framework Agreement

On 3 April 2025, A & S (HK) entered into the security service framework agreement (the "**Security Service Framework Agreement**") with Parkson to renew the Existing Security Service Framework Agreement, pursuant to which Parkston agreed to provide security service to the Group from time to time from 1 April 2025 to 31 March 2028 (both days inclusive).

The Group has established good relationship with Parkston and has requested security services from Parkston since May 2021. Security services that Parkston provided to the Group mainly include security guard services for the Group's warehouses in the Cainiao Smart Gateway. The security services provided from Parkston in the past satisfied the Group's quality requirement and were able to fulfill the Group's specified time frame requirement.

Taking into account that the services provided to the Group are under normal commercial terms and are reached after arm's length negotiations and are being carried out in the usual and ordinary course of business of each of the parties, the Board (including the independent non-executive Directors) is of the view that the terms of the Security Service Framework Agreement (including the proposed annual caps) are entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

For the years ending 31 March 2026, 2027 and 2028, the proposed annual caps for the Security Service Framework Agreement are determined to be approximately HK$8,000,000, HK$8,500,000 and HK$9,000,000, respectively.

The proposed annual caps for the Security Service Framework Agreement have been determined after taking into consideration (i) the historical transaction amount of security services provided to the Group from Parkston; (ii) the prevailing average market price of different types of security services being offered by Parkston to Independent Third Parties having regard to the service standards, quantity, quality, specifications, time frame and/or other conditions of the security services similar to those offered to the Group; and (iii) the expected demand of the Group for security services taking into account the demand of our air freight forwarding ground handling services following the leasing of our warehouses in the Cainiao Smart Gateway in 2024.

The price payable for the security services under the Security Service Framework Agreement by the Group to Parkston shall be determined after arm's length negotiation between the parties with regard to the prevailing market rates of similar providers. In order to ensure that the terms under the Security Service Framework Agreement for the Continuing Connected Transactions are fair and reasonable, and the transactions are carried out based on normal or better commercial terms, the Group has adopted the following internal control measures:

(i) the operation manager of the Group will obtain and review all the fee quotations relation to the Security Service Framework Agreement and ensure that service fees are determined in accordance with the pricing policies mentioned in the Announcement to ensure that the service fees are fair and reasonable, and the service fees offered by Parkston to the Group are no less favourable than those offered by independent third parties. The Group would negotiate with Parkston for lower service fees if its quoted fees are higher than the most favourable price offered by independent third parties. In the case Parkston is not able to provide better price or terms offered by independent third parties, the Group would not procure service from Parkston;

(ii) the general manager of the Group has been designated to conduct final review on and approve the service fees;

(iii) the finance manager of the Group will (a) monitor the transaction amounts and review the management accounts on a monthly basis to ensure that the actual transaction amounts under the Security Service Framework Agreement do not exceed the relevant annual caps; and (b) report to the Board for consideration and approval, to determine whether revision of annual caps is necessary to comply with the Listing Rules if the transaction amount is expected to exceed the relevant annual caps;

(iv) the Company's auditors and the independent non-executive Directors will conduct annual review on the pricing basis and the annual caps of the Continuing Connected Transactions under the Security Service Framework Agreement and report their findings and conclusions to the Board; and

(v) the Board will continue to review annually the Company's internal control systems and its effectiveness.

The Directors, including the independent non-executive Directors, consider that the continuing connected transactions above and their respective annual caps are fair and reasonable, and such transactions have been and will be entered into in the ordinary and usual course of the business of the Group, on normal commercial terms, are fair and reasonable, and in the interests of the Group and the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, details of all the fully exempted and non-exempted continuing connected transactions set out in Note 29 to the consolidated financial statements that falls under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DISTRIBUTABLE RESERVE

The Company's distributable reserve as at 31 March 2025 is set out in the consolidated statement of changes in equity.

MAJOR CUSTOMERS AND SUPPLIERS

During the FY2025, the percentage of the Group's aggregate turnover attributable to the Group's largest customer was approximately 30%, while the percentage of the Group's total turnover attributable to the five largest customers in aggregate was approximately 85%.

During the FY2025, the percentage of the Group's largest subcontractor was approximately 49% of the total direct costs for the period, while the percentage of the Group's five largest suppliers and subcontractors accounted for approximately 63% of the total direct costs.

None of the Directors, or any of their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS' REPORT

DIRECTORS

The Directors during the year and up to the date of this annual report were as follows:

Executive Directors

Mr. Law Kwok Leung Alex *(Chairman)*
Mr. Law Kwok Ho Simon
Mr. Chiu Tat Ting Albert *(Chief Executive Officer)*

Independent Non-executive Directors

Mr. Ho Chun Chung Patrick
Mr. Iu Tak Meng Teddy
Mr. Kwan Ngai Kit
Ms. Pau Yee Ling (Appointed on 1 April 2024)

In accordance with the Company's memorandum and articles of association, at each annual general meeting, one third of the Directors for the time being, or, if their number is not three or a multiple of three, than the number nearest to but not less than one third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first general meeting of the Company after their appointment and shall be eligible for re-election at such annual general meeting.

By virtue of article 108 of the memorandum and articles of association of the Company. Mr. Simon Law, Mr. Albert Chiu, and Mr. Iu will retire at the 2025 AGM and, all being eligible, will offer themselves for re-election at the said meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 13 to 16 of this annual report.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he/she is acquitted.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2025 AGM has an unexpired service contract with the Company and/or any of its subsidiaries which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in the Prospectus and in this annual report, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders (the "**Controlling Shareholders**") or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's Controlling Shareholders or their subsidiaries during the year.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in Notes 8 and 9 to the consolidated financial statements.

The remuneration of the senior management of the Group for the FY2025 falls within the following band:

Remuneration band	Number of senior management
HK$1,000,001 to HK$2,000,000	2

EMOLUMENT POLICY

The Company's remuneration policy comprises primarily a fixed component (in the form of a base salary) and variable component (which include discretionary bonus and other merit payments), taking into account other factors such as their experience, level of responsibility, individual performance, the profit performance of the Group and general market conditions.

The Remuneration Committee will meet at least once every year to discuss remuneration related matters (including the remuneration of Directors and senior management) and review the remuneration policy of the Group. It has been decided that Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

RETIREMENT BENEFITS PLANS

Particulars of retirement benefits plans of the Group as at 31 March 2025 are set out in Note 8 to the consolidated financial statements of this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as the related party transactions disclosed in Note 29 to the consolidated financial statements, no Directors or a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

During the FY2025, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors' and chief executives' interests and short positions in shares, underlying shares or debentures of the Company" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of the Company's subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

As at 31 March 2025, the interests and short positions of each of the Directors and chief executives 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 Securities and Future Ordinance (the "**SFO**")) which are required to be notified to the Company and the Stock Exchange pursuant to Division 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), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary share and underlying shares of the Company

Name	Capacity/Nature of interest	Number of shares of the Company held/ interested	Percentage of shareholding
Mr. Alex Law Note 1	Interest of a controlled corporation	750,000,000	75.0%
Mr. Simon Law Note 2	Interest of a controlled corporation	750,000,000	75.0%

Notes:

1. Mr. Alex Law beneficially owns 65% of the issued share capital of Dynamic Victor Limited ("**Dynamic Victor**"). Therefore, Mr. Alex Law is deemed, or taken to be, interested in 750,000,000 shares of the Company held by Dynamic Victor for the purpose of the SFO.

2. Mr. Simon Law beneficially owns 35% of the issued share capital of Dynamic Victor. Therefore, Mr. Simon Law is deemed, or taken to be, interested in 750,000,000 shares of the Company held by Dynamic Victor for the purpose of the SFO.

Save as disclosed above, as at 31 March 2025, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

So far as known to the Directors or chief executives of the Company, as at 31 March 2025, the following person/entity (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in ordinary share and underlying shares of the Company

Name	Capacity/Nature of interest	Number of shares of the Company held/ interested	Percentage of shareholding
Dynamic Victor	Beneficial owner	750,000,000	75.0%
Ms. Lau Lai Ha Sunshine Note 1	Interest of spouse	750,000,000	75.0%

Note:

1. Ms. Lau Lai Ha Sunshine is the spouse of Mr. Alex Law. Therefore, Ms. Lau Lai Ha Sunshine is deemed, or taken to be, interested in the same number of shares of the Company in which Mr. Alex Law is interested for the purpose of the SFO.

Save as disclosed above, as at 31 March 2025, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executive's interest and short positions in shares, underlying shares and debenture of the Company" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the FY2025.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or the Controlling Shareholders or their respective close associates has been engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has or may have any other conflict of interests with the Group which would be required to be disclosed under Rule 8.10 of Listing Rules during the FY2025.

Non-Competition Undertakings

In order to avoid any possible future competition between the Group and the Controlling Shareholders, Mr. Alex Law, Mr. Simon Law, Mr. Albert Chiu and Dynamic Victor mentioned on page 40 (each a "**Covenantor**" and collectively the "**Covenantors**") have entered into the deed of non-competition (the "**Deed of Non-competition**") with the Company (for itself and as trustee of its subsidiaries) on 21 February 2018. Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and as trustee of its subsidiaries) that, during the period that the Deed of Non-competition remains effective, he/it shall not, and shall procure that his/its close associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Each of the Covenantors further undertakes that if any of he/it or his/its close associates other than any member of the Group is offered or becomes aware of any business opportunity which may compete with the business of the Group, he/it shall (and he/it shall procure his/its close associates to) notify the Group in writing and the Group shall have a right of first refusal to take up such business opportunity. The Group shall, within 6 months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal or not.

According to the Company's announcement dated 18 March 2021, Mr. Alex Law, Mr. Simon Law and Mr. Albert Chiu has entered into the sale and purchase agreement, pursuant to which Mr. Albert Chiu agreed to sell his shares in Dynamic Victor (the "**Sale Shares**"), representing 10% of the issued share capital of Dynamic Victor, and each of Mr. Alex Law and Mr. Simon Law agreed to purchase half of the Sale Shares on 18 March 2021. Upon the completion of such acquisition, Dynamic Victor is beneficially owned as to 65% by Mr. Alex Law and 35% by Mr. Simon Law. The undertakings given by Mr. Albert Chiu pursuant to the Deed of Non-competition have lapsed upon completion of the transfer of the Sale Shares.

The Group shall only exercise the right of first refusal upon the approval of all the independent non-executive Directors (who do not have any interest in such opportunity). The relevant Covenantor(s) and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted as quorum at all meetings of the Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of the independent non-executive Directors for considering whether or not to exercise the right of first refusal.

During the FY2025, the Company had not received any information in writing from any of the Controlling Shareholders in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to be the knowledge of the Controlling Shareholders or their associates (other than any member of the Group), and the Company has received an annual written confirmation from each Covenantors in respect of him/it and his/its associates in compliance with the Deed of Non-competition. The independent non-executive Directors have also reviewed and were satisfied that each of the Covenantors had complied with the Deed of Non-competition.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the corporate governance report on pages 17 to 30 of this annual report.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, there were no equity-linked agreements entered into by the Company during the FY2025.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information available to the Company, the Directors confirm that the Company maintained a sufficient public float of at least 25% in the Company's issued share capital as required under the Listing Rules throughout the FY2025 and as at the latest practicable date prior to the issue of this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all the independent non-executive Directors to be independent.

INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the FY2025 were audited by HLB.

HLB will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting. The Company has not changed its external auditor in any of the preceding three years.

ON BEHALF OF THE BOARD
Law Kwok Leung Alex
Chairman and Executive Director

Hong Kong, 27 June 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

A & S Group (Holdings) Limited and its subsidiaries (collectively the "**Group**") are engaged in the provision of air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong.

The Group provides air freight forwarding ground handling services to the customers, who are generally global logistics companies and major freight forwarding agents, with the facilities at the Group's rented warehouse premises in the Airport Freight Forwarding Centre and Hutchison Logistics Centre. During the financial year ended 31 March 2025, the Group replaced its warehouse at the Airport Freight Forwarding Centre and Hutchison Logistics Centre with a new facility located in Chek Lap Kok, Cainiao Smart Gateway. This new warehouse continues to support the Group's air freight forwarding ground handling services for global logistics companies and major freight forwarding agents. Also, the Group provides air cargo terminal operating services at the Cathay Pacific Cargo Terminal, operating in Hong Kong, by utilizing its built-in multi-category computerised handling systems.

While striving for performance, the Group pursues business sustainability by being a responsible corporate citizen and is committed to maintaining high standards of business practices in relation to environmental protection, social responsibility and corporate governance.

ABOUT THE REPORT

This report is the "Environmental, Social and Governance Report" (collectively the "**ESG Report**") published by the Group, which discloses the Group's measures and performance on sustainable development topics in a transparent and open manner, in order to increase stakeholders' confidence and understanding on the Group.

REPORTING YEAR

All information in the ESG Report reflects the performance of the Group in environmental management and social responsibility from 1 April 2024 to 31 March 2025 (the "**Reporting Period**"). The ESG Report is released annually by the Group for public review to improve the transparency and responsibility of information disclosure.

REPORTING SCOPE

Based on the principle of materiality for disclosure and reporting, this ESG Report focuses primarily on the Group's air freight forwarding and air cargo terminal operations in Hong Kong, as well as the headquarter office. After the Group's data collection system is more developed and the Group environmental, social and governance ("**ESG**") efforts are strengthened, the Group will be able to disclose various environmental and health and safety Key Performance Indicators (hereinafter collectively referred to as the "**KPIs**") for all of its operations during the Reporting Period.

REPORTING STANDARDS

The ESG Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" ("**ESG Guide**") of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") set out in Appendix C2 to the Listing Rules. The ESG Report provides a simplified overview on the ESG performance of the Group. The information in the ESG Report is derived from the Group's official documents and statistics, as well as the integration and summary of monitoring, management and operational information provided by the subsidiaries of the Group.

ESG GOVERNANCE

The Group has developed its internal strategies and policies with aims to create sustainable values to its stakeholders, thereby to large extent minimising to a large extent the Group's undue impact on the environment. In order to carry out the Group's sustainability strategy from top to bottom, the Board has ultimate responsibilities for ensuring the effectiveness of the Group's ESG policies. The Board is also responsible for overseeing risk management which includes risks related to ESG issues.

The Group has established dedicated teams to manage ESG issues within each business division of the Group and kept monitoring and overseeing the progress against corporate goals and targets for addressing climate change. Dedicated teams with designated staff for management of ESG issues has been assigned to enforce and supervise the implementation of the relevant ESG policies cascading through the Group. The dedicated team would report on ESG issue to the Board annually.

With the forward-looking guidance and well-designed plans of action to address underlying ESG matters, the management and responsible teams will keep reviewing and adjusting the Group's sustainability policies to satisfy the ever-changing needs of its stakeholders on a regular basis. For instance, through the assignment of the responsibility of progress tracking to different management-level positions, the Group is committed to achieving an excellent performance in ESG management while also remaining competitive compared with its peers. Details of the Group's management approaches in both the environmental and social aspects are elaborated in different sections of this ESG report.

STAKEHOLDER ENGAGEMENT

The Stock Exchange has set four principles for reporting in the ESG Guide: Materiality, Quantitative, Balance and Consistency, which should form the basis for preparing the ESG Report. As the Stock Exchange emphasises, stakeholder engagement is the method by which materiality is assessed. Through stakeholder engagement, companies can understand wide-ranging views and identify material environmental and social issues.

The Group believes that effective feedback from stakeholders not only contributes to comprehensive and impartial evaluation of the its ESG performance, but also enables it to improve the performance based on their feedback. Therefore, the Group has engaged in open and regular communication with its stakeholder groups including shareholders and investors, clients, employees, sub-contractors, suppliers and government. Over the years, the Group has continued to fine-tune its sustainability focus, in order to address pressing issues. The table below shows the Group communicates with key stakeholder groups and their respective concerns.

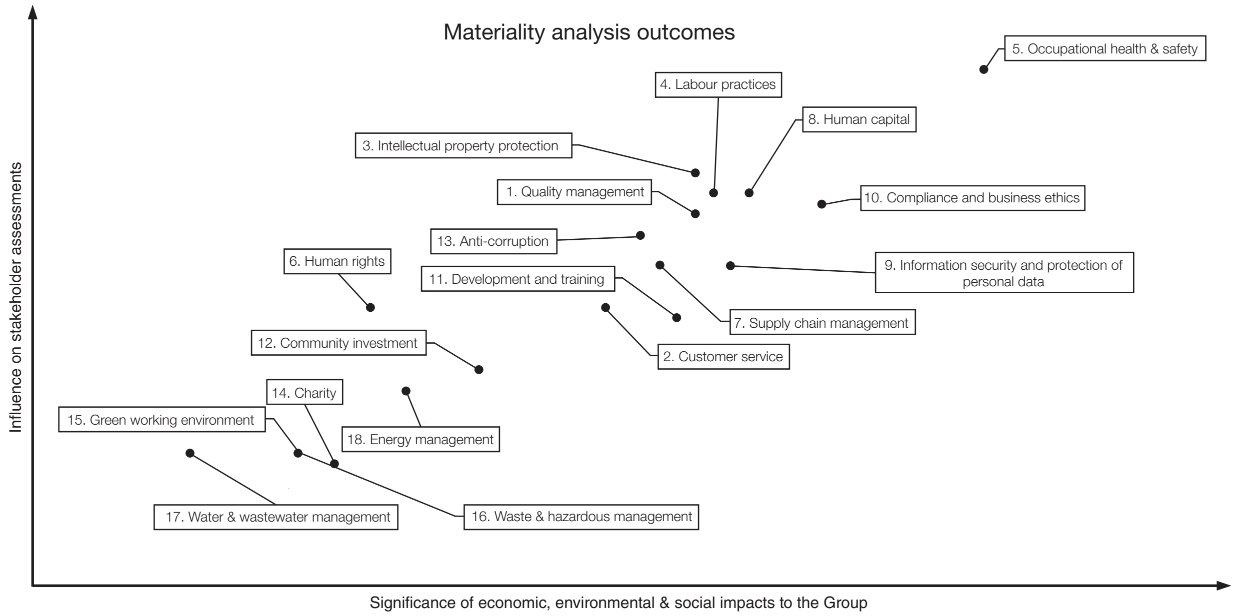
Stakeholders and Engagement Methods

Stakeholders	Interests and concerns	Engagement channels
Shareholders and investors	• Return on investment • Corporate strategy and governance • Risk mitigation and management	• Annual General Meeting • Interim and annual reports, corporate websites • Announcements, notices of meetings, circulars
Clients	• Robust logistic service management • Full compliance with laws and regulations • Sustainability performance of operations	• Interim and annual reports, corporate websites • Regular meetings and communication
Employees	• Remuneration, compensation and benefits • Occupational health and safety • Career development opportunities • Corporate culture and wellbeing	• Provide leisure activities and increase cohesion • In-house training programmes • Performance reviews and appraisals • Promote career development and enhance competence at all levels
Sub-contractors	• Occupational health and safety • Ethical business practices • Sub-contractors assessment criteria	• Annual health, safety and environment seminars • Training sessions • Regular progress meetings • Audits and assessments
Suppliers	• Long-term partnership • Ethical business practices • Supplier assessment criteria	• Procurement processes • Audits and assessments
Government	• Laws and regulation compliance	• Review the latest laws and regulations regularly • Inspection

The business of the Group affects different stakeholders, and stakeholders have different expectations on the Group. The Group will maintain communication with stakeholders continuously, collect opinions of stakeholders through different forms and more extensively, and make substantive analysis more comprehensively. At the same time, the Group will enhance the reporting principles of materiality, quantification, balance and consistency, in order to define content of the ESG Report and presentation of the information that is more in line with the expectations of stakeholders.

MATERIALITY ANALYSIS

By reviewing the Group's operations, the Group identifies key ESG issues and assesses the importance of related matters to the Group's businesses and stakeholders. Based on the 18 material ESG issues identified, feedback is collected from the relevant internal and external stakeholders of the Group. The result of the assessment is as below:



Issues

Economic

1. Quality management
2. Customer Service
3. Intellectual property protection

Society

4. Labour practices
5. Occupational health & safety
6. Human rights
7. Supply chain management
8. Human capital
9. Information security and protection of personal data
10. Compliance and business ethics
11. Development and training
12. Community investment
13. Anti-corruption
14. Charity

Environment

15. Green working environment
16. Waste & hazardous management
17. Waste & wastewater management
18. Energy management

The results of the materiality assessment for the Reporting Period are consistent with the previous period. The Group has identified several material issues such as occupational health & safety; labour practices; human capital & compliance and business ethics that were deemed as the most important by the stakeholders. The Group will continue to manage these critical issues by adopting policies and guidelines to further enhance the Group's ESG performance.

CLIMATE CHANGE

Climate change is one of the most significant ESG risks faced by global corporations and society. Global warming gives rise to more frequent extreme weather conditions including changes in precipitation mode, droughts, floods and bushfires. Rise in sea level will make tens of thousands of people in densely populated coastal areas and island countries homeless. Faced with all sorts of problems, individuals, corporations and governments must take immediate actions to tackle climate change.

In response to the climate change related risks and opportunities that brings to the operation of the Group, the Board at least annually holds meeting to oversee climate-related strategies, policies, actions and disclosure, and develops the related measures responding to the identified risks, in order to mitigate the negative impact. The measures will be reviewed regularly to assess their effectiveness.

Over-emission of greenhouse gases is the main factor in causing global climate change. To achieving a low carbon economy, the Group is committed to reducing its greenhouse gas emissions through the approaches of mitigation and adaptation. For example, the Group has strived to mitigate the risks brought by climate change through the adoption of various environmental policies and measures; and promoting energy saving measures and habits in office. The Group has also considered potential physical risks of climate change to the daily operations such as storms, fires or heatwaves and implemented the relevant protection measures to minimise the risks.

Under extreme weather events, public transportation systems may be damaged and the safety of our employees may be threatened, which may cause interruption to the Group's normal business operation. The Group has considered potential physical risks of climate change to its daily operation such as storms, fires or heatwaves and through implementation of the relevant protection measures such as formulating emergency response plans and adopting flexible working arrangement to minimise the risks.

The Group focuses on reducing emissions in its operations, engaging suppliers to reduce emissions in supply chains, strengthening the resilience of its business and using its voice to advocate for collective action.

The Group has identified the following significant climate related issues which have impacted and/or may impact on its operations:

Risk	Impact on the Group	Response
Physical Risk		
Acute risk: Extreme weather such as typhoons and torrential rains	• Weather-related events such as storms, floods, fires or heatwaves that cause damage to warehouses and operations • Under the extreme weather conditions, the supply chain will be affected due to transportation interruption and damage to power grids and communication infrastructure. Production delay will occur due to suspension of operations	• Formulate emergency response plans for natural disasters • Identify possible asset damage and purchase necessary insurance • Adopt flexible working arrangements in case of adverse weather conditions if necessary
Chronic risk: Continuous high temperature, drought, etc	• High temperature will badly affect the working environment and production efficiency; and cause possible health issues such as heat stroke. • Power and water shortage may interrupt operation. • High temperature will lower the lifespan of production materials; and equipment, and eventually increase the operating cost	• Apply more energy efficient cooling equipment and measures • Provide periodic health check to labour • Maintain comprehensive insurance coverage on assets. • Perform periodic equipment inspection and maintenance
Transition risks		
Policy and legal risks: Changes in environmental-related regulations	• The energy price may increase due to energy efficiency requirements • The government may introduce stricter policies and regulations to mitigate climate change, which would increase our compliance workload or subject us to litigation or claims • Mandates on and regulation of existing products and services as of the tightened environmental and safety laws and standards	• Use of more energy efficient modes of vehicles • Closely monitor changes in environmental laws, regulations and policies, and respond to them in a timely manner • Scientifically arrange production plans and improve operational efficiency
Market risk: Consumers demand for green and low carbon products	• Failure to effectively meet consumer demand for green low-carbon products	• Promote resources saving • Priorities the climate change as a high concern in the market decisions to show the Group is concerned about the issues of climate change • In-house training programs

ENVIRONMENTAL PROTECTION

The Group is committed to sustainable development and preservation of resources. The Group recognises that the long-term viability of the Group's business is closely linked with the well-being of the society. The Group strives to minimise the potential impacts of the business on the environment and society in the operation.

EMISSIONS

Emissions from vehicle usage

During the Group's business operation, the usage of private cars, light goods vehicles and medium & heavy goods vehicles generated the emissions of nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**"). Also, the use of electricity in the headquarter office and warehouses generate carbon dioxides ("**CO_2**"). The approximate amount of NO_x, SO_x and PM produced from the operations in Hong Kong are shown in the table below:

Air pollutants from vehicles usage

Types of key air pollutants	2025	2024
NO_X emissions (tonnes)	8.249	9.561
SO_X emissions (tonnes)	0.007	0.009
PM emissions (tonnes)	0.591	0.669

In respect of reducing NO_x, SO_x and PM emissions, the Group is committed to reducing and implementing the efficient usage of private cars, light goods vehicles and medium & heavy goods vehicles for operation. The Group has implemented the following measures so as to achieve the environmental objectives:

i) Avoid scheduling vehicle operations during peak traffic hours to minimise emissions.

ii) Encourage employees to utilise public transportation for commuting and business travel.

iii) Optimise vehicle utilisation by coordinating carpool arrangements among staff.

iv) Plan logistics routes by grouping client locations to ensure the shortest possible travel distance.

The Group has an electric vehicles and targets to further introduce such vehicle into its business in the near future.

During the Reporting Period, the Group was not aware of any material non-compliance with the environmental laws and regulations in respect of both emissions from the course of operations and vehicle usage that have a significant impact on the Group including, but not limited to, the Air Pollution Control Ordinance.

GREENHOUSE GAS ("GHG") EMISSIONS

During the air freight forwarding and air cargo terminal operations, due to the intense usage of goods vehicles to perform the logistics services, a certain amount of greenhouse gases are produced. The Group manages to minimise the GHG emissions by adopting policies and procedures on reducing air emission and energy saving mentioned in the section headed "Emissions" and "The Environment and Nature Resources" respectively.

Scope 1 – Direct emissions

The Group strictly controls the emissions of GHG through the establishment of a comprehensive data collection system. Additionally, the Group has also equipped all goods vehicles with GPS system so that the driving routes can be recorded and traced easily. These measures help the Group to monitor the monthly usage of all goods vehicles to maintain the efficiency at a prominent level.

Scope 2 – Energy indirect emissions

Apart from the direct emissions of GHG, the Group has also incurred energy indirect GHG emissions Scope 2, principally resulting from electricity consumed at the rented warehouse premises and the headquarter office.

The summary of GHG emissions from the operations are shown in the following table:

Summary of GHG emissions

Types of GHG	**2025 CO_2 equivalent emission**	2024 CO_2 equivalent emission
Scope 1 – Direct emissions (tonnes)	**1,266.50**	1,407.96
Scope 2 – Energy indirect emissions (tonnes)	**350.72**	623.44
Total	**1,617.22**	2,031.40
Intensity of GHG emission per number of employee (tonnes)	**4.59**	5.42

Overall GHG emissions decreased during the Reporting Period as vehicles traveled shorter distances following the relocation of the principal place of business, along with the Group's ongoing environmental initiatives. The Group has initiated a target of 2% emission reduction in terms of intensity by 2027, compared with the baseline year of 2022.

HAZARDOUS AND NON-HAZARDOUS WASTE

Due to the business nature, the Group's operations do not directly generate any hazardous waste.

During the Reporting Period, the Group generated the minimal non-hazardous waste such as printing paper from its operation. The Group is committed to managing and disposing the non-hazardous waste properly and encourages waste segregation and recycling.

USE OF RESOURCES

The Group adheres to the concept of energy conservation and emission reduction for green production. The major resources used by the Group is principally attributed to electricity and water consumed in warehouses and the headquarter office. The Group aims to improve energy utilisation efficiency to achieve low-carbon practices and emission reduction throughout its operation and strives to save resources.

During the Reporting Period, the Group has no difficulty in sourcing water that is fit for purpose. The Group strives to promote water conservation by implementing measures such as posting water-saving reminders and guiding employees to consume water reasonably both in the office and in work sites.

The Group strives to maximise energy conservation in its office by promoting efficient use of power and adopting green technologies. For instance, the Group continues to upgrade equipment such as purchasing electrical appliances with high efficient energy label, lighting and air-conditioning systems in order to increase energy efficiency. Air-conditioning systems can be adjusted to a specific temperature, which allows the users to set at a comfortable temperature and avoid power waste. Unused lightings, electrical appliances, as well as electronic devices (including but not limited to computers, printers, photocopiers and air conditioners) are switched off to conserve energy. Moreover, the Group uses LED lighting in various areas of the Group's rented premises.

ENERGY CONSUMPTION

The main energy consumptions by the Group are non-renewable fuel ("**NRF**") (direct) including diesel and purchased electricity.

The Group strives to maximise energy conservation in its office, rented warehouse premises and Cathay Pacific Cargo Terminal by promoting efficient use of power and adopting green technologies. For instance, the Group continues to upgrade equipment with high efficient energy label to increase energy efficiency.

To identify energy saving opportunities, the Group measures and records the energy consumption level from time to time. The total energy consumption in kilowatt hour (kWh) and intensity are shown in table below:

Energy Consumption	2025	2024
Purchase of energy (kWh)	701,441	1,246,874
NRF consumed (kWh)	5,113,706	5,828,022
Total energy consumption (kWh)	5,815,147	7,074,896
Intensity of total energy consumption per number of employees (kWh)	16,520	18,866

Purchase of energy and NRF consumption decreased during the Reporting Period, mainly due to changes in operational scale and ongoing efforts to improve efficiency. These developments support the Group's sustainability goals while aligning with current market conditions. The Group believes that the energy conservation norm will be developed among all staff through internal training. The Group has initiated a target of 2% emission reduction in terms of intensity by 2027, compared with the baseline year of 2022.

THE ENVIRONMENT AND NATURAL RESOURCES

To develop a green approach at the warehouses and headquarter office, the Group has developed the following measures for its daily operation so as to minimise the impact brought to the environmental and to reduce natural resource consumption:

Office equipment

- Switch off computers, printers, machines and other electronic devices after office hours or when leaving the workplace to reduce power consumption
- Used toner cartridges are returned to respective suppliers for recycling
- All windows and doors must be closed when the air-conditioners are turned on
- Affix save energy posters near the main switches in order to remind employees of energy saving
- The last-man-out is responsible to check and turn off all machines and equipment

Lighting

- Switch off non-essential lighting if there are only few people working in the office or forward centre
- The last-man-out is responsible to check and turn off all lighting of the forward centre and office
- Maximise the use of natural light and energy-saving lighting systems

Other practice

- Encourage duplex printing, reuse of single-side used paper
- Refill instead of purchasing new pen when ink is used up

PACKAGING MATERIAL

The Group does not produce any finished products. Therefore, the Group does not consume significant amount of package materials for product packaging.

SOCIAL

Employment

The Group reckons that employees are the most valuable assets of an enterprise and also the cornerstone for sustaining corporate development. It is always the Group's initiative to provide a fair and competitive compensation package to attract and retain quality talents, in the form of a basic salary, incentives bonus, mandatory provident fund, and other fringe benefits. Remuneration packages are reviewed periodically. The Group also has a set of comprehensive human resources management policy to support human resources function. The policies include compensation and dismissal, recruitment and promotion, working hours, appraisal, training and benefits.

The Group has always strictly observed the relevant legislations in Hong Kong regarding equal employment opportunities, child labour and forced labour. The Group abides by the employment regulations, relevant policies and guidance of the relevant jurisdictions where it operates, including the "Employment Ordinance" and the "Employees' Compensation Ordinance" through the implementation of human resources management policy.

The Group has its internal procedure to report employees' information regularly in order to review employment practices so as to avoid any non-compliance. Furthermore, the Group strictly complies with the internal recruitment process to ensure no employment of child labour and forced labour in any form. The Group also strives to establish harmonious labour relationships. Therefore, the percentage of new recruits to total number of employees and ratio of employee turnover to total number of employees are maintained at a low level generally.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant standards, rules and regulations regarding operations and activities, and labour practices that have a significant impact on the Group.

During the Reporting Period, all staffs are full-time employee and work in Hong Kong.

Employment Key Performance Indicators (Employee)

Workforce structure as at 31 March 2025

Gender	Age below 30	Age 30-50	Age over 50	Number of employees by gender	Total number of employees	2025 Ratio of number of male to female employees	2024 Ratio of number of male to female employees
Male	12	138	101	251	352	2.5:1	2.3:1
Female	7	59	35	101			
Total	**19**	**197**	**136**	**352**			

Employee turnover rate in the Reporting Period

	2025	2024
Employee total turnover rate	**25.0%**[1]	1.3%[1]
By age group		
Age below 30	**47.4%**[2]	6.7%[2]
Age 30-50	**24.4%**[2]	0.5%[2]
Age over 50	**22.8%**[2]	1.9%[2]
By gender		
Male	**23.9%**[2]	1.1%[2]
Female	**27.7%**[2]	1.7%[2]

Note 1: Employee total turnover rate = Total number of employees leaving employment during the year/Total number of employees as of 31 March 2025*100%.

Note 2: Employee turnover rate by category = Total number of employees leaving employment during the year by category/Total number of employees as of 31 March 2025 by category*100%.

Health and Safety

The Group is an investment holding company located in Hong Kong and the nature of the daily operation is mainly office-based where the safety risk is limited. The Group has equipped its office with suitable fire-fighting facilities like fire extinguishers.

The Group's subsidiaries in Hong Kong engage in the provision of air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong. The Group strongly believes that providing a safe working environment for its employees is the most important social responsibility to its shareholders, employees and the community where it situates. Therefore, the Group has always regarded that as one of the priorities in corporate management. Sound management systems have been established in occupational health and safety. The Group has acquired the certification of ISO 45001 Occupational Health and Safety Management System Standard, which recognised the Group's dedication to improve employee's health and safety, and create safe working environment.

Daily operations are inspected by relevant department assigned by the Group, against the established risk assessment program that consists of a number of sequential steps such as risk identification, analysis, evaluation, treatment, monitoring and reviewing based on the existing controls and recommendations to reduce those risks which are not deemed to be under acceptable limits. Any non-compliance will also be identified and rectified on a timely basis.

The above proves that the Group has established a healthy, safe and stable working environment effectively.

Every case of injury (if any) is required to be reported to the Group and be assessed individually under the internal guideline procedures. Subsequently, the Group follows the procedures in accordance with the "Employees' Compensation Ordinance" (Chapter 282 of the Laws of Hong Kong). The Group is pleased to report that the rate of accidents and injuries during the Reporting Period was extremely low with zero fatal accident (2024: Nil).

During the Reporting Period, the Company achieved a reduction of approximately 50% in the number of loss days. This significant improvement reflects the health and safety team's ongoing efforts to monitor and enhance both site and office safety. For outdoor workers, the health and safety management team proactively monitors weather conditions and promptly issues reminders whenever a Very Hot Weather Warning is in effect.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant health and safety laws and regulations that have a significant impact on the Group.

Health and Safety Key Performance Indicators (Employee)

	2025	2024	2023
Number of work injuries	**8**	7	8
Rate of work injury (per hundred employees)	**2.27**	1.83	2.07
Number of loss days due to work injuries	**260**	505	829

DEVELOPMENT AND TRAININGS

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. Therefore, the Group encourages them to participate in job-related training and courses. The Group has formulated quality management and environment management training programs to update its staff with the most updated standard of ISO 9001, in order to maintain the highest standard of professionalism of its employees. This program includes quality assurance training for operational process, assurance of services provided by sub-contractors, health and safety precautions in using operation equipment and machinery as well as customer relationship management.

In its daily operation, the Group provides comprehensive on-the-job training and clear career paths to the employees. In addition, induction coaching is provided to all the new staff members and experienced employees act as mentors to guide newcomers. The Group believes such arrangement will be the best way to facilitate communication and team spirit, also improve technical skills and management capability and encourage the learning and further development of employees at all levels.

The Group will continue to intensify its efforts to promote staff training programs. The Group believes that by offering comprehensive training opportunities, it could help provide the necessary protection for talent reserves for corporate development. The Group annually evaluates the training needs of its employees to ensure that employees are offered with suitable and appropriate training according to their job nature and position.

Development and Training Key Performance Indicators (Employee)

Trained staff	Senior managerial level	Managerial level	General staff	Percentage of employees receiving training by gender	2025 Overall percentage of employees receiving training	2024 Overall percentage of employees receiving training
Male	100%	100%	100%	100%	100%	100%
Female	100%	100%	100%	100%		
Overall	100%	100%	100%	100%		

Average training hours completed	Senior managerial level	Managerial level	General staff	Average training hours completed by gender	2025 Overall average completed training hour	2024 Overall average completed training hour
Male	8 hours	10 hours	15 hours	14 hours	14 hours	11 hours
Female	4 hours	4 hours	13 hours	12 hours		
Overall	7 hours	9 hours	14 hours	14 hours		

LABOUR STANDARDS

The Group always respects and strictly complies with all applicable national laws and local regulations as well as relevant labour laws and regulations in the place where it operates, including the Policy of Employment of Children under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The Group also has developed rigorous and systematic measures for approval and selection, to prevent the Group from illegally hiring child labour and ensure that the employment is in compliance with relevant laws and regulations. If violations are involved, the Group will take necessary actions, including termination of contracts and reporting to authorities, to ensure compliance with labour laws and regulations.

The Group arranges the employees' working hours based on the statutory working hour standards and allows them to entitle paid leaves and sick leaves in accordance with labour laws.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in respect of the prevention of child labour and forced labour that would result in material impact to the Group.

SUPPLY CHAIN MANAGEMENT

The Group implements supplier/sub-contractor management in accordance with internal guidance which governs the engagement of suppliers/sub-contractors. Suppliers/sub-contractors are chosen subject to screening and evaluation procedures based on quality and price. Also, to ensure supplier capability in quality assurance, safety and environmental responsibility, field visit and investigation is conducted, which includes the adoption of a quality management system with ISO 9001 standards. The investigation reviews the quality assurance capabilities and supply capacity of the suppliers/contractors based on actual needs. Only high quality suppliers/sub-contractors that comply with regulatory requirements are eligible for selection by the Group. The Group also carries out regular assessment on suppliers'/sub-contractors' overall capabilities, assets position, nature of business, reputation in the industry, quality of products and services and compliance with law and regulations.

As customers are becoming more concerned about environmental issues, and stress the importance of using environmentally friendly materials and services, the Group will continue to act as a corporate citizen in communicating and stressing the importance of such environmental issues to the suppliers/sub-contractors. The Group aims at strengthening the cooperation with suppliers/sub-contractors, coordinating with them in product trials, and work with them to produce socially responsible services.

Each supplier/sub-contractor is reviewed at least once every year or after completion of their contracts. In cases of major non-performance of an approved supplier or sub-contractor, the Group will review their suitability to remain on the approved list.

Number of critical suppliers cooperated with the Group during the Reporting Period

Region	2025	2024
Hong Kong	1	5

PRODUCT RESPONSIBILITY

The Group is committed to providing high-quality services and guarantees that the quality is in line with quality standards and sustainability requirements. The Group also strives to achieve higher standards.

The Group has focused on quality control in logistic services since its incorporation. In respect of human resources, the Group has a team of managers with rich experience in logistics industry. In respect of systems, the Group has a quality management system that complies with the ISO 9001 standard, with procedures in place to manage the non-conformity detected during the process to provide logistics services. When non-conforming work is identified, the Group will review the situation and prevent these below standard works from continuing or re-occurring. If the defect is likely to recur, the Group will implement remedial action and shall closely supervise the work whenever practicable. The Group also carries out trainings and establishes a management system covering various aspects including management of quality of logistic staff, management of the Group's crane truck team and quality management system, so as to ensure the timely and efficient completion of its services.

During the Reporting Period, due to the business nature of the Group, there were no recalls concerning the provision and use of products for safety and health reasons within the Group. Additionally, there were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on the Group's operations.

PROTECTION OF INTELLECTUAL PROPERTY RIGHT AND CONSUMER PRIVACY

The Group recognise the importance of the protection over intellectual property right and consumer privacy. Proper licences for software and information are obtained and used by the Group in its business operation.

Meanwhile, the Group handles all information provided by clients, employees and business partner in accordance with Personal Data (Privacy) Ordinance and related laws and regulations to ensure those information are under proper protection.

ANTI-CORRUPTION

The Group is committed to maintaining the integrity of its corporate culture. Staff members are not allowed to solicit or accept any advantages. The Group sets out the relevant policies in the employee handbook and guides the employees to abide by the code of conduct. The code of conduct provides a clear definition of the provision and acceptance of interests, such as gifts and souvenirs, and ways to deal with conflicts of interest.

Directors and employees are required to make a declaration to the management through the reporting channels when actual or potential conflict of interest arises. Employees cannot receive any gifts from any external parties (i.e. customers, suppliers, contractors, etc.) unless approval is obtained from the management.

The Group has whistle-blowing procedures in effect, encouraging the employees to report directly to the Group's senior management on any misconduct and dishonest behaviour, such as bribery, fraud and other offences. Furthermore, the Group has specified in the employees' handbook that the Group is entitled to terminate the employment contract with any employee who is bribed with money, gifts or commission, etc., and reserves the right to take further legal actions against such person.

During the Reporting Period, the Group has complied with the relevant laws and regulations regarding anti-corruption and money-laundering including but not limited to Prevention of Bribery Ordinance and the Anti-Money Laundering and Counter Terrorist Finance Ordinance, that would have a significant impact on the Group, and had no concluded legal case regarding corrupt practices brought against the Group or its employees (2024: Nil).

COMMUNITY INVESTMENT

The Group is committed to creating sustainable prosperity that brings long-term social and economic benefits for all stakeholders, particularly to maintain the relationship with interest groups which are relevant to business operation. The Group has been actively involved in charitable activities in the communities where the Group's offices are operating, and encourages the employees to participate in in-house or external community activities.

During the Reporting Period, the Group made a charitable donation to a local charity centre, supporting its ongoing community initiatives and services. This contribution reflects our commitment to social responsibility and our dedication to making a positive impact in the communities where we operate. The Group will continue to seek opportunities to support charitable organizations and further strengthen community engagement. (see figure 1).

Figure 1: Certificate from Methodist Epworth Village Community Centre Social Welfare

循道愛華村服務中心
社會福利部
Methodist Epworth Village Community Centre
Social Welfare

香港柴灣柴灣道100號502室 Room 502, 100 Chai Wan Road, Chai Wan, H.K.
香港筲箕灣郵箱44050號 P.O. Box 44050, Shaukiwan Post Office, H.K.
sw@mevcc.org.hk https://www.mevcc.org.hk
(852) 2558 0108 (852) 2558 0025

敬啟者：

感謝支持
循道愛華村服務中心社會福利部

循道愛華村服務中心社會福利部自 1963 年成立及發展至今，已紮根東區逾 60 年，中心早期主要從事救急扶貧工作，並為社區內居民提供幼兒服務及職業訓練課程。八十年代至今，機構因應社區上不同的需要，不斷擴展服務範疇，至今已成為東區一所多元化之社會服務機構，服務對象包括兒童、青少年、成人、長者及家庭。

承蒙 貴公司熱心公益，捐款支持本機構之**非津助服務**，並支持**「媽媽牌—婦女手作計劃」**，認購產品以支援基層婦女就業，貴公司的支持得以讓各個社群獲得適切的援助。

特此奉函敬致謝忱，並隨函附上捐款收據，敬希查收。本機構會持續秉承「基督博愛精神」服務社群，讓區內各年齡及階層人士受惠，還望閣下未來仍能繼續支持我們的工作，攜手為弱勢社群提供適切的援助，發揮互助互愛之情。

機構網站

如欲了解更多資訊及服務詳情，歡迎瀏覽本機構網站。

此致
A & S (HK) Logistics Limited

循道愛華村服務中心社會福利部
二零二五年一月

The Group will continue to explore other means to contribute more to the environment and strive to facilitate the building of a healthy and sustainable society in the future.

Environmental and social performance indicators have been summarised in the following tables.

Environmental performance indicators

Aspect A1: Emissions

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Emission	Total NO_x emissions (tonnes)	**8.249**	9.561	KPI A1.1
	Total SO_x emissions (tonnes)	**0.007**	0.009	KPI A1.1
	Total PM emissions (tonnes)	**0.591**	0.669	KPI A1.1
	Total GHG emissions- scope 1 (tonnes)	**1,266.50**	1,407.96	KPI A1.2
	Total GHG emissions- scope 2 (tonnes)	**350.72**	623.44	KPI A1.2
	Intensity of total GHG emissions per number of employees (kWh)	**4.59**	5.42	KPI A1.2

Aspect A2: Use of resources

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Energy	Total energy consumption (kWh)	**5,815,147**	7,074,896	KPI A2.1
	Intensity of total energy consumption per number of employees (kWh)	**16,520**	18,866	KPI A2.1

Social performance indicators

Aspect B1: Employment

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Number of employees	By gender			KPI B1.1
	- Male	**251**	267	
	- Female	**101**	116	
	By age group			KPI B1.1
	- Age below 30	**19**	15	
	- Age 30-50	**197**	208	
	- Age over 50	**136**	160	
Employee turnover rate	By gender			KPI B1.2
	- Male (%)	**23.9**	1.1	
	- Female (%)	**27.7**	1.7	
	By age group			KPI B1.2
	- Age below 30 (%)	**47.4**	6.7	
	- Age 30-50 (%)	**24.4**	0.5	
	- Age over 50 (%)	**22.8**	1.9	

Aspect B2: Health and safety

Performance indicator	2025 Data	2024 Data	2023 Data	The Stock Exchange ESG Reporting Guide KPI
Number of work injuries	**8**	7	8	KPI B2.1
Rate of work injury (per hundred employees)	**2.27**	1.83	2.07	KPI B2.1
Number of loss days due to work injuries	**260**	505	829	KPI B2.2

Aspect B3: Development and training

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
The percentage of employees receiving training	By gender			KPI B3.1
	- Male (%)	**100**	100	
	- Female (%)	**100**	100	
	By employee category			KPI B3.1
	- Senior managerial level (%)	**100**	100	
	- Managerial level (%)	**100**	100	
	- General staff (%)	**100**	100	
Average training hours completed per employee	By gender			KPI B3.2
	- Male (hours)	**14**	11	
	- Female (hours)	**12**	11	
	By employee category			KPI B3.2
	- Senior managerial level (hours)	**7**	9	
	- Managerial level (hours)	**9**	20	
	- General staff (hours)	**14**	22	

Aspect B5: Supply chain management

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Number of Supplier by geographical region	By region			KPI B5.1
	- Hong Kong	**1**	5	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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

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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social – Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social – Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social – Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social – Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social – Health and Safety
KPI B2.2	Lost days due to work injury.	Social – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social – Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social – Development and Training

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social – Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social – Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social – Employment
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Social – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Social – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social – Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social – Product Responsibility; Protection of Intellectual Property Right And Consumer Privacy
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social – Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social – Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social – Protection of Intellectual Property Right And Consumer Privacy
KPI B6.4	Description of quality assurance process and recall procedures.	Social – Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social – Protection of Intellectual Property Right And Consumer Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Social – Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Social – Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Social – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social – Anti-corruption

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social – Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social – Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social – Community Investment

INDEPENDENT AUDITORS' REPORT

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF A & S GROUP (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of A & S Group (Holdings) Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 72 to 115, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTER

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 this matter.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on property, plant and equipment and right-of-use assets	
Refer to Notes 4, 15 and 16 of the consolidated financial statements. As at 31 March 2025, the Group had property, plant and equipment and right-of-use assets of approximately HK$22,137,000 and HK$72,554,000 respectively. The management performed an impairment assessment with reference to valuations performed by an independent professional valuer. We focused on this area because the balances of property, plant and equipment and right-of-use assets were significant to the total assets of the Group and the assessment process is complex and highly subjective which based on the selection of appropriate comparable and assumptions.	Our procedures in relation to management's impairment assessment included but not limited to: • Evaluated the independent valuer's competence, capabilities and objectivity; • Assessed the methodologies used and the appropriateness of the key assumption based on our knowledge of the relevant industry and used our valuation experts; and • Checked the accuracy and relevance of the input data used. We found that the assumptions made by management for impairment assessment were supported by the available evidence.

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 auditors' 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 HKFRSs 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.

AUDITORS’ 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 auditors’ report that includes our opinion, solely to you, as a body, 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 scepticism 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 auditors’ 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 auditors’ 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report is Mr. Kwok Kin Leung .

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Kin Leung
Practising Certificate Number: P05769

Hong Kong, 27 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	*5*	**553,594**	649,570
Direct costs		**(514,380)**	(575,439)
Gross profit		**39,214**	74,131
Other income and gains, net	*6*	**3,961**	2,062
Administrative and other operating expenses		**(59,770)**	(53,666)
Operating (loss)/profit		**(16,595)**	22,527
Finance costs	*10*	**(3,113)**	(1,055)
(Loss)/profit before tax	*7*	**(19,708)**	21,472
Income tax expense	*11*	**(93)**	(3,841)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		**(19,801)**	17,631
Basic and diluted (loss)/earnings per share	*12*	**HK(1.98) cents**	HK1.76 cents

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*15*	**22,137**	10,910
Right-of-use assets	*16*	**72,554**	11,049
Club membership	*17*	**869**	869
		95,560	22,828
Current assets			
Trade receivables	*19*	**116,533**	166,390
Other receivables, deposits and prepayments	*20*	**22,938**	31,460
Amount due from a related company	*21*	**35**	35
Tax recoverable		**2,628**	1,607
Pledged deposit	*22*	**3,062**	3,039
Cash and bank balances	*22*	**79,225**	84,988
		224,421	287,519
Total assets		**319,981**	310,347
EQUITY			
Capital and reserves			
Share capital	*23*	**10,000**	10,000
Reserves		**174,324**	214,125
Total equity		**184,324**	224,125
LIABILITIES			
Non-current liabilities			
Retirement benefits liabilities		**1,778**	2,684
Lease liabilities	*16*	**42,011**	–
Deferred tax liabilities	*26*	**–**	37
		43,789	2,721
Current liabilities			
Trade payables	*27*	**24,661**	36,530
Accruals and other payables	*27*	**37,715**	35,950
Lease liabilities	*16*	**29,492**	11,021
		91,868	83,501
Total liabilities		**135,657**	86,222
Total equity and liabilities		**319,981**	310,347
Net current assets		**132,553**	204,018
Total assets less current liabilities		**228,113**	226,846

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 June 2025 and signed on its behalf by:

Mr. Law Kwok Leung Alex	**Mr. Law Kwok Ho Simon**
Director	*Director*

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company				
	Share capital HK$'000 *(Note 23)*	**Share premium HK$'000** *(Note a)*	**Merger reserve HK$'000** *(Note b)*	**Retained earnings HK$'000**	**Total equity HK$'000**
Balance at 1 April 2023	10,000	98,122	(1)	98,373	206,494
Profit and total comprehensive income for the year	–	–	–	17,631	17,631
Balance at 31 March 2024	10,000	98,122	(1)	116,004	224,125
Balance at 1 April 2024	**10,000**	**98,122**	**(1)**	**116,004**	**224,125**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(19,801)**	**(19,801)**
Final dividend relating to year ended 31 March 2024	**–**	**–**	**–**	**(20,000)**	**(20,000)**
Balance at 31 March 2025	**10,000**	**98,122**	**(1)**	**76,203**	**184,324**

Notes:

a. Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

b. The merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation in prior years.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Cash generated from operations	*28(a)*	**74,030**	54,812
Income tax paid, net		**(1,151)**	–
Net cash generated from operating activities		**72,879**	54,812
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**174**	–
Purchase of property, plant and equipment		**(20,574)**	(2,731)
Increase in pledged deposit		**(23)**	(23)
Interest received		**286**	413
Net cash used in investing activities		**(20,137)**	(2,341)
Cash flows from financing activities			
Dividends paid		**(20,000)**	–
Principal element on lease liabilities		**(35,392)**	(49,122)
Interest element on lease liabilities		**(3,113)**	(1,055)
Net cash used in financing activities		**(58,505)**	(50,177)
Net (decrease)/increase in cash and cash equivalents		**(5,763)**	2,294
Cash and cash equivalents at beginning of the year		**84,988**	82,694
Cash and cash equivalents at end of the year		**79,225**	84,988

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

A & S Group (Holdings) Limited (the "**Company**") was incorporated in the Cayman Islands on 7 July 2016 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 14 March 2018 (the "**Listing Date**"). Its parent and ultimate holding company is Dynamic Victor Limited, a company incorporated in the Republic of Seychelles (the "**Seychelles**") and owned as to 65% by Mr. Law Kwok Leung Alex ("**Mr. Alex Law**") and 35% by Mr. Law Kwok Ho Simon ("**Mr. Simon Law**") (collectively referred to as the "**Controlling Shareholders**").

The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and the Company's principal place of business is L2 Office, Cainiao Smart Gateway, 8 Chun Yue Road, Chek Lap Kok, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") is principally engaged in provision of air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company. All values are rounded to nearest thousand (**HK$'000**) except when otherwise indicated.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policy information adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the"**Listing Rules**") on the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2.1.1 Changes in accounting policies

(a) Amended standards adopted by the Group

The Group has applied the following amendments to accounting standards for the first time for their annual reporting period commencing 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of presentation (continued)

2.1.1 Changes in accounting policies (continued)

(a) Amended standards adopted by the Group (continued)

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Group.

		Effective for the accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

The above new and amended standards are not expected to have a material impact on the consolidated financial statements of the Group in the foreseeable future.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(b) Changes in ownership interests in subsidiaries without change of control

Transaction with non-controlling interests that do not result in loss of control are accounted for as equity transaction – that is, as transactions with the owner of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Subsidiaries (continued)

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.4 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non- monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Foreign currency translation (continued)

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or lease term, where applicable, as follows:

– Leasehold improvements	Shorter of the unexpired term of lease and their estimated useful lives
– Warehouse operating equipment	30%
– Furniture, fixtures and office equipment	20% - 33 $^1/_3$%
– Trucks, pallet trucks and motor vehicles	20% - 33 $^1/_3$%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Club membership

Club membership with indefinite useful life that is acquired separately is carried at cost less accumulated impairment losses.

Club membership is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of club membership, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

2.7 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 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.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. 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.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based 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 that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security etc.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial assets

(a) Classification

There is one measurement category which the Group classifies its financial assets:

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

Except for trade receivables, at initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss and presented in "other income and gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

(d) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on other receivables and deposits are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities of the Group are classified, at initial recognition, at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

(b) Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

2.12 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

– the amount determined in accordance with the expected credit loss model under HKFRS 9; and

– the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and banks, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Current and deferred income tax (CONTINUED)

Deferred income tax (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, ultimate costs incurred for provisions for decommissioning and restoration. The Group applies HKAS 12 requirements to the lease liabilities, the provisions for decommissioning and restoration 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.

2.17 Employee benefits

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 requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deduction of any amount already paid.

Retirement benefit costs

Payment to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered services entitling them to the contributions.

For Long Service Payments (“LSP”) obligation, the Group accounts for the employer 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 measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

2.18 Share-based payments

Employee options

Share-based compensation benefits are provided to employees via the Group’s employee option scheme, the executive short-term incentive scheme and share appreciation.

The fair value of options granted under the employee option scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity’s share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amounts have been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of services in the ordinary course of the Group's activities.

Revenues are recognised when or as the control of the service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the services.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.

Revenue from the provision of logistics services, including air freight forwarding ground handling services and air cargo terminal operating services, is recognised in the accounting period in which the services rendered.

Revenue is recognised over time when the Group transfers control of the services over time, based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 (Loss)/earnings per share

Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing:

- the (loss)/profit attributable to equity owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share adjusts the figures used in the determination of basic (loss)/earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.22 Interest income

Interest income is presented as other income where it is earned from financial assets that are held for cash management purposes.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's combined financial statements in the period in which the dividends are approved by the Group's shareholders or directors, where appropriate.

2.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influenced by, that person in their dealings with entity.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: interest rate risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. 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.

As at 31 March 2025 and 2024, the Group assesses the exposure to cash flow interest rate risk is insignificant and thus no sensitivity analysis is presented.

(ii) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In respect of trade and other receivables, credit evaluations are performed on all customers and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on its financial assets. In this regard, management considers that the Group's credit risk is significantly reduced.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

Impairment of financial assets

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

Internal credit rating	**Description**	**Bank balances /pledged deposit/other receivables and deposits/ amount due from a related company**
Low risk	The counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settles after due date	12-month ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit impaired
Loss	There is evidence indicating the asset is 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

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

Impairment of financial assets (continued)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment as at 31 March 2025 and 2024:

	Notes	12-month ECL or lifetime ECL	Gross carrying amounts 2025 HK$'000	Gross carrying amounts 2024 HK$'000
Financial assets at amortised cost				
Trade receivables	*(i)*	Lifetime ECL	**119,221**	169,079
Other receivables and deposits	*(ii)*	12-month ECL	**13,592**	22,099
Amount due from a related company	*(ii)*	12-month ECL	**35**	35
Pledged deposit	*(iii)*	12-month ECL	**3,062**	3,039
Cash and bank balances	*(iii)*	12-month ECL	**79,225**	84,988

Notes:

(i) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The ECL on these assets are assessed individually and/or collectively with appropriate groupings based on same risk characteristics.

(ii) For the purposes of internal credit risk management, the management consider that the credit risk has not significant increased since initial recognition. The Group assessed and concluded that the expected credit loss rate for these financial assets are insignificant under 12-month ECL.

(iii) All bank balances and pledged deposit were placed in banks with sound credit ratings assigned by international credit-rating agencies or with good reputation. In the opinion of the directors of the Company, credit risk is insignificant.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

Impairment of financial assets (continued)

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, these trade receivables have been based on past due status, historical credit loss experience based on the past default experience of the Group and are adjusted with forward-looking information.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

The loss allowance for trade receivables was determined as follows:

	2025		2024	
	Average loss rate	**Trade receivables HK$'000**	Average loss rate	Trade receivables HK$'000
Current (not past due)	**0.25%**	**80,970**	0.16%	111,511
0 - 30 days past due	**0.26%**	**27,287**	0.17%	42,488
31 - 60 days past due	**0.65%**	**5,956**	0.38%	6,636
61 - 90 days past due	**4.01%**	**2,724**	3.19%	3,218
91 - 180 days past due	**13.04%**	**18**	9.46%	3,462
Over 180 days	**100.00%**	**2,266**	100.00%	1,764
		119,221		169,079

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.

The credit risk on other receivables is limited because the counterparties have no historical default record and the directors expect that the risk of default by the counterparties of other receivables is not significant.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or with good reputation. The Group is also subject to concentration of credit risk arising from its trade receivables. As at 31 March 2025, there were three (2024: four) customers which individually contributed over 10% of the Group's trade receivables. The aggregate amounts of trade receivables from these customers amounted to 83% (2024: 77%) of the Group's total trade receivables as at 31 March 2025.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(iii) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet their liquidity requirements in the short and long term. Management believes there is no significant liquidity risk as the Group has sufficient committed facilities to fund their operations.

The following table details the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current rates at the end of each reporting period) and the earliest date the Group may be required to pay.

	On demand or within one year HK$'000	**More than one but less than two years HK$'000**	**More than two but less than five years HK$'000**	**Total undiscounted cash flows HK$'000**	**Total carrying amounts HK$'000**
At 31 March 2025					
Trade payables	**24,661**	**–**	**–**	**24,661**	**24,661**
Accruals and other payables	**37,715**	**–**	**–**	**37,715**	**37,715**
Lease liabilities	**32,060**	**32,416**	**10,806**	**75,282**	**71,503**
	94,436	**32,416**	**10,806**	**137,658**	**133,879**

	On demand or within one year HK$'000	More than one but less than two years HK$'000	More than two but less than five years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts HK$'000
At 31 March 2024					
Trade payables	36,530	–	–	36,530	36,530
Accruals and other payables	35,950	–	–	35,950	35,950
Lease liabilities	11,071	–	–	11,071	11,021
	83,551	–	–	83,551	83,501

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total interest-bearing liabilities and lease liabilities divided by total equity.

The gearing ratios of the Group are as follows:

	2025 HK$'000	2024 HK$'000
Total interest-bearing liabilities and lease liabilities	71,503	11,021
Total equity	184,324	224,125
Gearing ratio	39%	5%

3.3 Fair value estimation

The management considers that the carrying amounts of the Group's financial assets and financial liabilities approximate their fair value.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of trade receivables

The loss allowance for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset including right-of-use assets, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. 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 2025, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were approximately HK$22,137,000 and HK$72,554,000 in Notes 15 and 16 respectively.

5 REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

	2025 HK$'000	2024 HK$'000
Revenue from customers and recognised over time:		
Air freight forwarding ground handling services	352,597	452,094
Air cargo terminal operating services	200,997	197,476
	553,594	649,570

Transaction price allocated to remaining performance obligations

The Group's contracts include promises to perform an undefined quantity of tasks at a fixed contractual rate per unit, with no contractual minimums that would make some or all of the consideration fixed. As a result, the possible transaction prices and the ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer usage. In light of this, the analysis of the transaction price that is allocated to remaining performance obligations is not disclosed.

Segment information

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors regard the Group's business as a single operating segment and review consolidated financial statements accordingly. Also, all of the Group's revenue during the years ended 31 March 2025 and 2024 are derived from Hong Kong, the place of domicile of the Group's operating subsidiary. The Group primarily operates in Hong Kong. The Group's non-current assets are principally located in Hong Kong. Therefore, no segment information is presented.

Information about major customers

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

	2025 HK$'000	2024 HK$'000
Customer A[1]	163,083	159,183
Customer B[1]	163,970	197,862
Customer C	80,919	83,793

[1] The above customer represents a collective of companies within a group.

6 OTHER INCOME AND GAINS, NET

Other income and gains, net recognised during the year are as follows:

	2025 HK$'000	2024 HK$'000
Bank interest income	286	413
Gain on disposal of property, plant and equipment	174	–
Reversal of provision for reinstatement costs	2,008	–
Management fee income	332	1,329
Government grants *(Note)*	967	255
Reversal of/(provision for) loss allowance on trade receivables, net *(Note 19)*	1	(1,137)
Others	193	1,202
	3,961	2,062

Note: During the year ended 31 March 2025, the Group recognised approximately HK$967,000 (2024: approximately HK$255,000) related to one-off ex-gratia payment scheme for phasing out Euro IV diesel commercial vehicles from the Transport Department of the Hong Kong Government. There are no unfilled conditions or other contingencies attaching to the grant.

7 (LOSS)/PROFIT BEFORE TAX

	2025 HK$'000	2024 HK$'000
(Loss)/profit before tax has been arrived at after charging:		
Included in direct costs:		
Direct labour costs	118,683	123,043
Dispatched labour costs	269,034	299,979
Costs of packaging materials	13,484	12,577
Depreciation of property, plant and equipment	4,064	4,464
Depreciation of right-of-use assets	39,772	49,983
Expense relating to short-term leases not included in the measurement of lease liabilities		
– Car parking spaces	1,971	2,257
– Forklifts	6,412	7,143
Included in administrative and other operating expenses:		
Auditors' remuneration		
– Audit services	860	850
Depreciation of property, plant and equipment	5,283	1,974
Expense relating to short-term leases not included in the measurement of lease liabilities		
– Office premises	582	360
Staff costs, including directors' and chief executive officer's emoluments	18,125	19,064

8 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2025 **HK$'000**	2024 HK$'000
Salaries and allowances and other benefits	**132,699**	134,271
Retirement scheme contributions	**5,015**	5,152
(Reversal of)/provision for long service payments	**(906)**	2,684
Total employee benefit expenses	**136,808**	142,107

The Group operates a defined contribution scheme in Hong Kong which complies with the requirements under the Mandatory Provident Fund ("MPF") Schemes Ordinance. All assets under the scheme are held separately from the Group under independently administered funds. Contributions to the MPF scheme follow the MPF Schemes Ordinance.

During the years ended 31 March 2025 and 2024, the Group had no forfeited contributions under the MPF Scheme and there were no forfeited contributions available for the Group to reduce its existing level of contributions to the MPF Scheme as at 31 March 2025 and 2024.

9 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the years ended 31 March 2025 and 2024 is set out below:

	Fees HK$'000	**Salaries and other benefits in kind HK$'000**	**Discretionary bonuses HK$'000**	**Contributions to retirement benefit scheme HK$'000**	**Total HK$'000**
Year ended 31 March 2025					
Executive directors					
Mr. Alex Law	**–**	**5,032**	**415**	**18**	**5,465**
Mr. Simon Law	**–**	**2,540**	**210**	**18**	**2,768**
Mr. Chiu Tat Ting Albert ("**Mr. Albert Chiu**") *(Note (i))*	**–**	**1,906**	**150**	**18**	**2,074**
Independent non-executive directors					
Mr. Iu Tak Meng Teddy ("**Mr. Iu**")	**137**	**–**	**–**	**–**	**137**
Mr. Kwan Ngai Kit ("**Mr. Kwan**")	**137**	**–**	**–**	**–**	**137**
Mr. Ho Chun Chung Patrick ("**Mr. Ho**")	**137**	**–**	**–**	**–**	**137**
Ms. Pau Yee Ling ("**Ms. Pau**") *(Note (ii))*	**132**	**–**	**–**	**–**	**132**
	543	**9,478**	**775**	**54**	**10,850**

9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive's emoluments (continued)

	Fees HK\$'000	Salaries and other benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Contributions to retirement benefit scheme HK\$'000	Total HK\$'000
Year ended 31 March 2024					
Executive directors					
Mr. Alex Law	–	4,842	1,709	18	6,569
Mr. Simon Law	–	2,445	863	18	3,326
Mr. Albert Chiu *(Note (i))*	–	1,894	275	18	2,187
Independent non-executive directors					
Mr. Iu	132	–	–	–	132
Mr. Kwan	132	–	–	–	132
Mr. Ho	132	–	–	–	132
	396	9,181	2,847	54	12,478

Note:

(i) Mr. Albert Chiu is the chief executive officer of the Company and his emoluments disclosed above included these services rendered by him as the chief executive officer.

(ii) Ms. Pau was appointed as an independent non-executive director from 1 April 2024.

Neither the chief executive nor any of the directors waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: Nil).

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, three (2024: three) of them are directors whose emoluments are disclosed above. Details of the emoluments in respect of the remaining two (2024: two) highest paid individual are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	**2,308**	2,206
Discretionary bonuses	**187**	442
Retirement scheme contributions	**36**	36
	2,531	2,684

9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Five highest paid individuals (continued)

The number of the highest paid individuals who are not the directors of the Company whose emoluments fell within the following band:

	Number of individuals	
	2025	2024
HK$1,000,001 – HK$1,500,000	**2**	2

During the year ended 31 March 2025, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

10 FINANCE COSTS

	2025 **HK$'000**	2024 HK$'000
Interest on leases liabilities *(Note 16)*	**3,113**	1,055

11 INCOME TAX EXPENSE

	2025 **HK$'000**	2024 HK$'000
Hong Kong profits tax:		
– Current income tax	**126**	4,393
– Under-provision in prior years	**4**	–
Deferred income tax *(Note 26)*	**(37)**	(552)
Income tax expense	**93**	3,841

11 INCOME TAX EXPENSE (CONTINUED)

Under the two-tiered profits tax rates regime of Hong Kong profits tax, 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.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for taxation in PRC has been made as the Group did not generate any assessable profits from the PRC for both years.

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

	2025 **HK$'000**	2024 HK$'000
(Loss)/profit before tax	**(19,708)**	21,472
Tax at Hong Kong Profits Tax rate of 16.5%	**(3,252)**	3,543
Income not subject to tax	**(225)**	(68)
Expenses not deductible for tax purposes	**537**	846
Different tax rates of the entities operating in other jurisdictions	**(41)**	(7)
Utilisation of previously unrecognised tax losses	**–**	(302)
Tax losses not recognised	**3,199**	–
Under-provision in prior years	**4**	–
Income tax at concessionary rate	**(127)**	(165)
Tax concession	**(2)**	(6)
Income tax expense	**93**	3,841

12 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

	2025	2024
(Loss)/profit attributable to owners of the Company (HK$'000)	**(19,801)**	17,631
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share (in thousands)	**1,000,000**	1,000,000
Basic (loss)/earnings per share (HK cents)	**(1.98)**	1.76

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary share in issue during the years ended 31 March 2025 and 2024.

13 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2025 and 2024:

Name of entities	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Percentage of interest held
Metro Talent Limited ("**Metro Talent**")	Seychelles, limited liability company	Investment holding	Ordinary share US$100	100% (direct)
A & S (HK) Logistics Limited ("**A & S (HK) Logistics**")	Hong Kong, limited liability company	Engaging in air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong	Ordinary share HK$10	100% (indirect)
Victory Logistics Service Limited	Hong Kong, limited liability company	Engaging in air freight forwarding ground handling services in Hong Kong	Ordinary share HK$100	100% (indirect)

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, results in particulars of excessive length.

14 DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during the year ended 2025 (2024: HK2.0 cents per ordinary share), nor has any dividend been proposed since the end of the reporting period.

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improve-ments HK$'000	Warehouse operating equipment HK$'000	Furniture, fixtures and office equipment HK$'000	Trucks, pallet trucks and motor vehicles HK$'000	Total HK$'000
Cost					
At 1 April 2024	**7,177**	**8,671**	**8,339**	**48,923**	**73,110**
Additions	**12,331**	**311**	**4,463**	**3,469**	**20,574**
Disposal	**(7,177)**	**–**	**–**	**(3,170)**	**(10,347)**
At 31 March 2025	**12,331**	**8,982**	**12,802**	**49,222**	**83,337**
Accumulated depreciation					
At 1 April 2024	**7,110**	**7,131**	**7,818**	**40,141**	**62,200**
Charge for the year	**3,807**	**923**	**988**	**3,629**	**9,347**
Disposal	**(7,177)**	**–**	**–**	**(3,170)**	**(10,347)**
At 31 March 2025	**3,740**	**8,054**	**8,806**	**40,600**	**61,200**
Net book value					
At 31 March 2025	**8,591**	**928**	**3,996**	**8,622**	**22,137**
Cost					
At 1 April 2023	7,177	8,571	8,297	46,334	70,379
Additions	–	100	42	2,589	2,731
At 31 March 2024	7,177	8,671	8,339	48,923	73,110
Accumulated depreciation					
At 1 April 2023	6,307	5,321	7,045	37,089	55,762
Charge for the year	803	1,810	773	3,052	6,438
At 31 March 2024	7,110	7,131	7,818	40,141	62,200
Net book value					
At 31 March 2024	67	1,540	521	8,782	10,910

Impairment assessment

As the Group recorded an operating loss for the year ended 31 March 2025, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment and right-of-use assets with carrying amounts of approximately HK$22,137,000 and HK$72,554,000 respectively.

The Group estimates the recoverable amounts of the property, plant and equipment and right-of-use assets based on higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on value in use and no impairment has been recognised.

16 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 HK$'000	2024 HK$'000
Right-of-use assets		
Warehouses and loading bay	72,554	11,049
Lease liabilities		
Within one year	29,492	11,021
Within a period of more than one year but not exceeding two years	31,291	–
Within a period of more than two years but not exceeding five years	10,720	–
	71,503	11,021
Less: Amount due for settlement within 12 months shown under current liabilities	(29,492)	(11,021)
Amount due for settlement after 12 months shown under non-current abilities	42,011	–

Additions to the right-of-use assets for the year ended 31 March 2025 were approximately HK$101,277,000.

The incremental borrowing rates applied to leases ranged from 4.72% to 4.80% (2024: 1.76% to 2.90%).

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2025 HK$'000	2024 HK$'000
Depreciation charge of right-of-use assets		
Warehouses and loading bay	39,772	49,983
Interest expense (included in finance costs – Note 10)	3,113	1,055
Expense relating to short-term leases (included in direct costs, and administrative and other operating expenses)	8,965	9,760

The total cash outflow for leases for the year ended 31 March 2025 were approximately HK$47,470,000 (2024: HK$59,937,000).

As at 31 March 2025, the Group entered into various new leases for warehouse and forklifts, with non cancellable period of 1 year, the total future undiscounted cash flows over the non-cancellable period amounted to approximately HK$3,920,000 (2024: HK$3,991,000).

16 LEASES (CONTINUED)

(c) The Group's leasing activities

The Group leases various warehouses and loading bay. Rental contracts are typically made for fixed periods of 2 to 3 years except for short-term leases.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

17 CLUB MEMBERSHIP

The club membership with indefinite useful lives is stated at cost less impairment loss and is tested for impairment annually or whenever there is an indication of impairment. The directors are of the opinion that no impairment loss was recognised with reference to market value.

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at amortised cost		
Trade receivables	116,533	166,390
Other receivables and deposits	13,592	22,099
Amount due from a related company	35	35
Pledged deposit	3,062	3,039
Cash and bank balances	79,225	84,988
	212,447	276,551
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables	24,661	36,530
Accruals and other payables	37,715	35,950
Lease liabilities	71,503	11,021
	133,879	83,501

19 TRADE RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	119,221	169,079
Less: Loss allowance	(2,688)	(2,689)
	116,533	166,390

The credit period granted to customers is 30 to 90 days from invoice date generally. As at 31 March 2025 and 2024, the Group does not hold any collateral as security.

At 31 March, the ageing analysis of the trade receivables, net of loss allowance, presented based on invoice date is as follows:

	2025 HK$'000	2024 HK$'000
0–30 days	40,371	60,276
31–60 days	57,378	63,098
61–90 days	5,998	22,835
Over 90 days	15,474	22,870
	119,221	169,079
Less: Loss allowance	(2,688)	(2,689)
	116,533	166,390

Movements on the loss allowance of trade receivables are as follows:

	2025			2024		
	Life-time ECL (not credit-impaired) HK$'000	Life-time ECL (credit-impaired) HK$'000	Total HK$'000	Life-time ECL (not credit-impaired) HK$'000	Life-time ECL (credit-impaired) HK$'000	Total HK$'000
At the beginning of the year	925	1,764	2,689	1,550	2	1,552
Changes due to financial instruments recognised as at the beginning of the year:						
Transfer to credit-impaired	(212)	212	–	–	–	–
Loss allowance recognised	–	290	290	–	–	–
Loss allowance reversed	(713)	–	(713)	(1,550)	(2)	(1,552)
New financial assets originated or purchases	422	–	422	925	1,764	2,689
At the end of the year	422	2,266	2,688	925	1,764	2,689

20 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK$'000	2024 HK$'000
Deposits	12,847	21,341
Prepayments	9,346	9,361
Other receivables	745	758
	22,938	31,460

21 AMOUNT DUE FROM A RELATED COMPANY

	2025 HK$'000	2024 HK$'000
Amount due from a related company		
Dynamic Victor Limited *(Note (i))*	35	35

Notes:

(i) Mr. Alex Law and Mr. Simon Law were shareholders and directors of Dynamic Victor Limited, which is the parent and ultimate holding company of the Group.

(ii) The amount was non-trade in nature, unsecured, non-interest bearing and had no fixed terms of repayment.

22 CASH AND BANK BALANCES AND PLEDGED DEPOSIT

	2025 HK$'000	2024 HK$'000
Cash at banks *(Note a)*	78,440	83,960
Cash on hand	785	1,028
Time deposits	3,062	3,039
	82,287	88,027
Less: Pledged deposit *(Note b)*	(3,062)	(3,039)
Cash and bank balances	79,225	84,988

Notes:

(a) Cash at banks earns interest at floating rates based on daily bank deposit rates.

(b) As at 31 March 2025 and 2024, the pledged deposit was placed to secure the Group's bank facilities disclosed in Note 25.

(c) Included in the Group's bank balances, approximately HK$11,000 (2024: approximately HK$271,000) were denominated in Renminbi ("RMB") and deposited in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

23 SHARE CAPITAL

	Number of ordinary shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,000,000,000	10,000

24 SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a written resolution passed on 21 February 2018 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants and to promote the success of the business of the Group under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, substantial shareholders, consultants or advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution to the development and growth of the Group.

The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share options schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by obtaining approval of the Company's shareholders in general meeting provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options to a participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

24 SHARE OPTION SCHEME (CONTINUED)

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approval by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5,000,000 must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of ten years commencing on 21 February 2018, subject to early termination provisions contained in the Scheme.

No share options were granted since the adoption of the Scheme and there were no share option outstanding as at 31 March 2025 (2024: Nil).

25 BANK FACILITIES

As at 31 March 2025, the undrawn banking facilities amounted to approximately HK$23,443,000 (2024: HK$25,494,000).

These banking facilities are secured/guaranteed by:

(i) Certain properties held by Mr. Alex Law and Mr. Simon Law as at 31 March 2025 and 2024;

(ii) Certain cash deposits of the Group of approximately HK$3,062,000 (2024: HK$3,039,000) as at 31 March 2025.

26 DEFERRED INCOME TAX

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Accelerated tax depreciation HK$'000	Loss allowance HK$'000	Tax loss HK$'000	Total HK$'000
At 1 April 2023	845	(256)	–	589
Credited to profit or loss *(Note 11)*	(365)	(187)	–	(552)
At 31 March 2024 and 1 April 2024	480	(443)	–	37
Charged/(Credited) to profit or loss *(Note 11)*	177	–	(214)	(37)
At 31 March 2025	**657**	**(443)**	**(214)**	**–**

As at 31 March 2025, the Group has unused tax losses of approximately HK$20,686,000 (2024: HK$12,000) available for offset against future profits. A deferred tax asset of approximately HK$214,000 (2024: Nil) has been recognised in respect of approximately HK$1,300,000 (2024: Nil) of such losses.

No deferred tax asset has been recognised in respect of the remaining approximately HK$19,386,000 (2024: HK$12,000) of such losses due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

27 TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**24,661**	36,530
Other payables and accruals		
Accruals	**26,562**	24,440
Provision for reinstatement cost	**5,403**	6,360
Deposits received	**5,750**	5,150
	37,715	35,950

The ageing analysis of trade payables based on the invoice date is as follows:

	2025 HK$'000	2024 HK$'000
0 – 30 days	**17,721**	25,560
31 – 60 days	**2,559**	4,146
61 – 90 days	**1,103**	633
Over 90 days	**3,278**	6,191
	24,661	36,530

As at 31 March 2025, included in trade payables was approximately HK$2,143,000 and HK$448,000 (2024: HK$6,072,000 and HK$707,000) payable to related companies, Gobo Trade Limited and Parkston Limited, respectively.

28 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2025 HK$'000	2024 HK$'000
(Loss)/profit before tax	(19,708)	21,472
Adjustments for:		
Depreciation of property, plant and equipment	9,347	6,438
Depreciation of right-of-use assets	39,772	49,983
Gain on disposal of property, plant and equipment	(174)	–
(Reversal of)/provision for loss allowance of trade receivables, net	(1)	1,137
(Reversal of)/provision for long service payments	(906)	2,684
Interest income	(286)	(413)
Interest expense	3,113	1,055
Operating cash flows before working capital changes	31,157	82,356
Changes in working capital:		
Trade receivables	49,858	(23,907)
Other receivables, deposits and prepayments	8,522	(14,143)
Trade payables	(11,869)	15,664
Accruals and other payables	(3,638)	(5,158)
Cash generated from operations	74,030	54,812

(b) Reconciliation of liabilities arising from financing activities

	Lease liabilities HK$'000
At 1 April 2023	60,143
Non-cash changes	
Interest on lease liabilities	1,055
Cash outflows	(50,177)
At 31 March 2024 and 1 April 2024	11,021
Non-cash changes	
New leases entered	95,874
Interest on lease liabilities	3,113
Cash outflows	(38,505)
At 31 March 2025	**71,503**

(c) Major non-cash transactions

During the year ended 31 March 2025, the Group entered into certain leases contracts, and the additions to right-of-use assets and lease liabilities and the provision for reinstatement cost related to these leases contracts are recognised as major non-cash transaction. For more details, please refer to Notes 16 and 27.

29 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

(a) Names and relationship with related parties

The following individuals and companies were related parties that had transactions or balances with the Group as at and during the year:

Name of related parties	Relationship with the Group
Mr. Alex Law and Mr. Simon Law	Directors of the Company
Gobo Trade Limited	Mr. Alex Law and Mr. Simon Law have joint control
Parkston Limited ("**Parkston**")	Mr. Alex Law has control

(b) Transactions with related parties

Name of related party	Nature of transactions	*Notes*	**2025 HK$'000**	2024 HK$'000
Mr. Alex Law and Mr. Simon Law	Office premises rental	*(ii)*	**360**	360
Gobo Trade Limited	Management fee income Limited		**332**	1,329
	Revenue from logistics services		**42**	415
	Purchases of office supplies		**952**	650
	Purchases of packaging materials	*(i)*	**4,376**	8,824
	Purchases of property, plant and equipment		**567**	100
Parkston	Security service	*(i)*	**6,524**	8,292

Notes:

(i) These transactions were disclosable continuing connected transactions (as defined under Chapter 14A of the Listing Rules) of the Company. Details of which have been set out in the paragraph headed "Related Party Transactions and Connected Transactions" of the Directors' Report.

(ii) These transactions were continuing connected transactions which fell under the de minimis provision set forth in Rule 14A.76(1)(c) of the Listing Rules and were fully exempted from reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

(c) Balances with related parties

Details of the outstanding balances with related parties are disclosed in Notes 21 and 27.

(d) Key management compensation

The emoluments of the directors and senior executives (representing the key management personnel) during the year are disclosed in Note 9.

30 CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

31 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	**2025** **HK$'000**	2024 HK$'000
ASSETS			
Non-current asset			
Investments in subsidiaries		**76,185**	76,185
Current assets			
Amounts due from a subsidiary		**105,571**	126,106
Cash and bank balances		**2,431**	2,424
		108,002	128,530
Total assets		**184,187**	204,715
EQUITY			
Share capital		**10,000**	10,000
Reserves	*31(b)*	**174,142**	194,682
Total equity		**184,142**	204,682
LIABILITIES			
Current liability			
Accruals		**45**	33
Total liabilities		**45**	33
Total equity and liabilities		**184,187**	204,715

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 27 June 2025 and signed on its behalf by:

Mr. Law Kwok Leung Alex	**Mr. Law Kwok Ho Simon**
Director	*Director*

31 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserve movement of the Company

	Share premium HK$'000	Other reserve HK$'000	Retained earnings/ (Accumulated loss) HK$'000	Total HK$'000
Balance at 1 April 2023	98,122	76,185	755	175,062
Profit and total comprehensive income for the year	–	–	19,620	19,620
Balance at 31 March 2024 and 1 April 2024	98,122	76,185	20,375	194,682
Loss and total comprehensive expense for the year	–	–	(540)	(540)
Final dividends relating to the year ended 31 March 2024	–	–	(20,000)	(20,000)
Balance at 31 March 2025	**98,122**	**76,185**	**(165)**	**174,142**

Other reserve

Other reserve represents the difference between the fair value of the shares of Metro Talent acquired pursuant to the reorganisation in prior years over the nominal value of the Company's shares issued in exchange therefore.

32 SUBSEQUENT EVENTS

On 19 March 2025, A & S (HK) Logistics Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement (the "**JV Agreement**") with Mr. Fei Yajun and Ms. Fu Caihong, two independent third parties, in relation to the formation of a joint venture company (the "**JV Company**") and the grant of call option and put option of the JV Company. On 12 May 2025, both parties entered into a supplemental deed (the "**Supplemental Deed**", together with the JV Agreement, the "**JV Agreements**") to the JV Agreement, amending the formula used to determine the put price and the call price. Upon its formation under the JV Agreements, the JV Company will remain as a subsidiary of the Company. For details of the JV Agreements, please refer to the announcements of the Company dated 19 March 2025 and 12 May 2025 and the circular of the Company dated 30 May 2025.

Reference is made to the announcements of the Company dated 3 April 2025 and 17 April 2025 (the "**Announcements**"). On 3 April 2025, A & S (HK) Logistics Limited entered into the security service framework agreement with Parkston Limited ("**Parkston**") to renew the existing security service framework Agreement, pursuant to which Parkston agreed to provide security services to the Group from time to time from 1 April 2025 to 31 March 2028 (both days inclusive). For details, please refer to the Announcements.

Except as disclosed elsewhere in these consolidated financial statements, the Group has no other significant event after the end of the reporting period up to the date of this report.

33 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issues by the board of directors on 27 June 2025.

FINANCIAL SUMMARY

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**553,594**	649,570	508,456	520,198	408,500
Direct costs	**(514,380)**	(575,439)	(462,604)	(440,773)	(349,190)
Gross profit	**39,214**	74,131	45,852	79,425	59,310
(Loss)/profit before tax	**(19,708)**	21,472	8,557	39,017	42,159
Income tax (expense)/credit	**(93)**	(3,841)	29	(6,499)	(1,637)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	**(19,801)**	17,631	8,586	32,518	40,522
Total assets	**319,981**	310,347	329,200	316,230	310,123
Total liabilities	**135,657**	86,222	122,706	93,322	89,733