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Asia-express Logistics Holdings Limited

亞洲速運物流控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8620)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

This announcement, for which the directors (collectively, the “Directors” or individually, a “Director”) of Asia-express Logistics Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

Our overall revenue decreased by approximately HK\$8.1 million or 2.3% from approximately HK\$356.2 million for the year ended 31 March 2024 to approximately HK\$348.0 million for the year ended 31 March 2025.

For the year ended 31 March 2025, our Group recorded a loss of approximately HK\$3.5 million (2024: approximately HK\$4.5 million). Such decrease in loss was mainly due to the combined effect of (i) the increase in revenue generated from the provision of air cargo terminal operation services; and (ii) the effectiveness of the Group's comprehensive budget management and cost control measures implemented during the year.

No final dividend for the year ended 31 March 2025 was proposed by the Board.

ANNUAL RESULTS

The board of Directors (the "Board") is pleased to announce the audited consolidated financial results of the Group for the year ended 31 March 2025 (the "current year", "this year" or "during the year"), together with the comparative audited figures for the year ended 31 March 2024 (the "last year" or "prior year").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	4	348,015	356,161
Other income	5	2,464	909
Other gains and losses	5	517	(791)
Employee benefits expenses	8	(47,948)	(48,353)
Dispatch labour costs		(124,778)	(124,394)
Transportation costs		(134,012)	(131,538)
Warehousing operating costs		(28,113)	(29,351)
(Provision for) reversal of impairment loss on trade and other receivables, net		(45)	272
Depreciation of property, plant and equipment		(6,127)	(5,706)
Depreciation of right-of-use assets		(7,211)	(13,028)
Other expenses		(4,785)	(5,983)
Finance costs	6	(2,064)	(2,968)
Share of result of an associate		(13)	(2)
Loss before tax		(4,100)	(4,772)
Income tax credit	7	557	315
Loss for the year	8	(3,543)	(4,457)
Other comprehensive income (expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		52	194
Share of other comprehensive expense of an associate, net of related income tax		(5)	(39)
Other comprehensive income for the year		47	155
Total comprehensive expense for the year		(3,496)	(4,302)
Loss for the year attributable to owners of the Company		(3,543)	(4,457)
Total comprehensive expense for the year attributable to owners of the Company		(3,496)	(4,302)
Loss per share (HK cents)			
Basic	10	(0.67)	(0.85)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*At 31 March 2025*

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		26,039	24,731
Interest in an associate		631	649
Right-of-use assets		15,035	24,616
Rental deposits	<i>11</i>	<u>637</u>	<u>1,589</u>
		<u>42,342</u>	<u>51,585</u>
CURRENT ASSETS			
Trade and other receivables	<i>11</i>	43,755	42,497
Rental deposits	<i>11</i>	1,072	158
Financial assets at fair value through profit or loss		45	1,459
Tax recoverable		168	166
Pledged bank deposits		5,004	5,000
Cash and cash equivalents		<u>9,123</u>	<u>10,969</u>
		<u>59,167</u>	<u>60,249</u>
CURRENT LIABILITIES			
Trade and other payables	<i>12</i>	35,850	37,288
Amount due to an associate		749	1,079
Bank and other borrowings	<i>13</i>	14,215	13,500
Lease liabilities		6,627	9,870
Tax payable		<u>709</u>	<u>715</u>
		<u>58,150</u>	<u>62,452</u>
NET CURRENT ASSETS (LIABILITIES)		<u>1,017</u>	<u>(2,203)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,359</u>	<u>49,382</u>

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		7,821	9,857
Other payables	12	539	473
Deferred tax liabilities		<u>2,028</u>	<u>2,585</u>
		<u>10,388</u>	<u>12,915</u>
NET ASSETS			
		<u>32,971</u>	<u>36,467</u>
CAPITAL AND RESERVES			
Share capital		5,280	5,280
Reserves		<u>27,691</u>	<u>31,187</u>
TOTAL EQUITY			
		<u>32,971</u>	<u>36,467</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Asia-express Logistics Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares (the “Shares”) have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. BOX 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business in Hong Kong is at 3/F, Magnet Place Tower 2, 38–42 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong.

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

The principal activity of the Company is investment holding. The principal activities of the Group are the provision of air cargo terminal operation services, transportation services and warehousing and other value-added services in Hong Kong and the People’s Republic of China (the “PRC”).

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 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

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

Impacts on application of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

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

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

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

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

⁴ Effective for annual periods beginning on or after 1 January 2027.

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

Basis of preparation of consolidated financial statements

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

4. REVENUE AND SEGMENT INFORMATION

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

An analysis of the Group's revenue during the years ended 31 March 2025 and 2024 is as follows:

	2025 HK\$'000	2024 HK\$'000
Air cargo terminal operation services		
— Ground handling	95,548	87,272
— Ancillary delivery	30,718	25,364
Transportation services	96,554	98,025
Warehousing and value-added services	<u>125,195</u>	<u>145,500</u>
	<u><u>348,015</u></u>	<u><u>356,161</u></u>

During both years, the Group derives its revenue from the provision of the air cargo terminal operation services, transportation services and warehousing and value-added services to its customers and the revenue is recognised as a performance obligation satisfied over time as the customers receive and consume the benefits of the Group's performance as it occurs.

As a practical expedient, the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, thus the Group recognises revenue in the amount to which the entity has a right to invoice which approximates the progress of services performed.

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) is nil as at the end of both reporting periods during the years ended 31 March 2025 and 2024.

The Group's operating segment is determined based on information reported to the chief operating decision maker (the "CODM"), being the management of the Group, for the purposes of resource allocation and performance assessment. For management purpose, the Group operates in one business unit based on its services and its sole operating segment is the provision of air-cargo terminal operation services, transportation services and warehousing and other value-added services. The CODM monitors the revenue, consolidated results, assets and liabilities of its business unit as a whole and regularly reviews financial information prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards and consistent with those used in the preparation of this report, and without further discrete information. Accordingly, no analysis of segment information other than entity-wide information is presented.

Geographical information

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

Information about the Group's revenue from external customers is presented based on the location of the operation. For revenue from cross-border transportation services, it is presented based on the location where the contract is negotiated and effected.

For the years ended 31 March 2025 and 2024

	2025 HK\$'000	2024 HK\$'000
Hong Kong	340,266	344,090
The PRC	<u>7,749</u>	<u>12,071</u>
	<u>348,015</u>	<u>356,161</u>

Information about the Group's non-current assets (excluding rental deposits) is presented based on the geographical location of the assets:

As at 31 March 2025 and 2024

	2025 HK\$'000	2024 HK\$'000
Hong Kong	39,831	48,088
The PRC	<u>1,874</u>	<u>1,908</u>
	<u>41,705</u>	<u>49,996</u>

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

	2025 HK\$'000	2024 HK\$'000
Customer A	153,443	131,829
Customer B	<u>91,202</u>	<u>121,855</u>

5. OTHER INCOME/OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Other income:		
Bank interest income	178	412
Interest income from rental deposits	82	304
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	29	88
Government subsidies received upon disposal of qualified commercial motor vehicles (<i>note a</i>)	1,982	—
Others	193	105
	<u>2,464</u>	<u>909</u>
Other gains and losses:		
Gain (loss) on change in fair value of financial assets at FVTPL	356	(725)
Loss on disposal of property, plant and equipment	(179)	(346)
Net gain on termination of lease	23	191
Exchange gain, net	264	89
Others	53	—
	<u>517</u>	<u>(791)</u>

Note:

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

6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank and other borrowings	1,085	1,642
Interest on lease liabilities	964	1,326
Interest on long service payments	15	—
	<u>2,064</u>	<u>2,968</u>

7. INCOME TAX CREDIT

	2025 HK\$'000	2024 HK\$'000
The tax charge comprises:		
Current year	—	—
Deferred tax credit	<u>(557)</u>	<u>(315)</u>
	<u>(557)</u>	<u>(315)</u>

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

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the years ended 31 March 2025 and 2024.

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

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

	2025 HK\$'000	2024 HK\$'000
Loss before tax	<u>(4,100)</u>	<u>(4,772)</u>
Tax at Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	(677)	(787)
Tax effect of income not taxable for tax purpose	(545)	(14)
Tax effect of expenses not deductible for tax purpose	198	207
Tax effect of tax losses not recognised	590	423
Effect of different tax rates in the PRC	<u>(123)</u>	<u>(144)</u>
Income tax credit for the year	<u>(557)</u>	<u>(315)</u>

8. LOSS FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration	500	671
Directors' remuneration	1,797	1,743
Other staff costs:		
Salaries, discretionary bonuses and other benefits	43,222	43,575
Retirement benefits scheme contributions	2,863	2,562
Provision for long service payments	66	473
	<u>47,948</u>	<u>48,353</u>

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of each reporting period.

10. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Loss:		
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(3,543)</u>	<u>(4,457)</u>
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>528,000,000</u>	<u>521,967,213</u>

No diluted loss per share for the both years was presented as there were no potential ordinary shares in issue.

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	39,765	37,956
Less: allowance for expected credit losses (“ECL”)	<u>(483)</u>	<u>(912)</u>
	<u>39,282</u>	<u>37,044</u>
Rental and other deposits	3,314	3,599
Other receivables and other prepayments (<i>notes a and b</i>)	3,057	2,590
Prepayments to suppliers	11	1,011
Less: allowance for ECL (<i>note a</i>)	<u>(200)</u>	<u>—</u>
	<u>6,182</u>	<u>7,200</u>
Total trade and other receivables	45,464	44,244
Less: non-current rental deposits	(637)	(1,589)
Less: current rental deposits	<u>(1,072)</u>	<u>(158)</u>
	<u><u>43,755</u></u>	<u><u>42,497</u></u>

Notes:

- (a) For the year ended 31 March 2025, included in the amount was an other receivable due from a sub-contractor of HK\$409,000 (2024: HK\$559,000), of which the Group paid on behalf of this sub-contractor for a personal injury claim involved in August 2019. The Group’s management has assessed the recoverability and recognised an allowance of ECL of HK\$200,000 (2024: nil) in profit of loss for the year ended 31 March 2025.
- (b) As at 31 March 2025, included in the amount was a government subsidy receivable upon disposal of qualified commercial motor vehicles of HK\$973,000 (2024: nil). The amount was fully received subsequent to 31 March 2025.

As at 1 April 2023, trade receivables from contracts with customers amounted to HK\$45,868,000.

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

The following is an aging analysis of trade receivables, net of allowance for ECL, presented based on the invoice dates, which approximate the revenue recognition dates:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	28,825	25,454
31 to 60 days	10,333	10,689
61 to 90 days	57	576
More than 90 days	67	325
	39,282	37,044

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributed to customers and credit terms granted to customers are reviewed regularly. The majority of the trade receivables that are neither past due nor impaired have no history of default on repayments.

The Group determines the ECL for individually significant trade debtors and collectively using a provision matrix with appropriate groupings based on shared credit risk characteristics of customers as at 31 March 2025 and 2024 and taking into account the financial condition of the customers and historical settlement pattern with no history of default in the past, and the forward-looking information.

The following is an aged analysis of trade receivables which are past due but not impaired at the end of each reporting period:

	2025 HK\$'000	2024 HK\$'000
Overdue by:		
Within 30 days	2,518	1,656
31 to 60 days	194	368
61 to 90 days	44	418
More than 90 days	32	38
Total	2,788	2,480

As at 31 March 2025, HK\$32,000 (2024: HK\$38,000) out of the past due balances has been past due for 90 days or more and is not considered as in default based on the historical settlement and business relationship with the customer, the balance has been settled subsequently after the end of the reporting period.

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	27,355	28,793
Accruals	8,033	8,129
Provision for long service payments	539	473
Refundable deposits received from customers	100	100
Other payables	334	245
Other taxes payables	<u>28</u>	<u>21</u>
	<u>36,389</u>	<u>37,761</u>
Analysed for reporting purpose as:		
Non-current liabilities	539	473
Current liabilities	<u>35,850</u>	<u>37,288</u>
	<u>36,389</u>	<u>37,761</u>

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

The following is an aging analysis of trade payables, presented based on the invoice date, at the end of each reporting period:

	2025 HK\$'000	2024 HK\$'000
0–30 days	9,654	10,494
31–60 days	10,443	11,397
61–90 days	4,795	2,048
Over 90 days	<u>2,463</u>	<u>4,854</u>
	<u>27,355</u>	<u>28,793</u>

13. BANK AND OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Secured bank borrowings:		
Variable interest rate	11,500	13,500
Fixed interest rate	<u>1,295</u>	<u>—</u>
	<u>12,795</u>	<u>13,500</u>
Secured other borrowings:		
Fixed interest rate	<u>1,420</u>	<u>—</u>
	<u>14,215</u>	<u>13,500</u>
The carrying amounts of bank borrowings that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	11,922	13,500
Within a period of more than one year but not exceeding two years	460	—
Within a period of more than two years but not exceeding five years	<u>413</u>	<u>—</u>
	<u>12,795</u>	<u>13,500</u>
The carrying amounts of other borrowings that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	1,026	—
Within a period of more than one year but not exceeding two years	<u>394</u>	<u>—</u>
	<u>1,420</u>	<u>—</u>
	<u>14,215</u>	<u>13,500</u>

The bank and other borrowings as at 31 March 2025 carry variable interest rate ranged from 1.80% to 2.20% (2024: 1.80% to 2.20%) above Hong Kong Interbank Offered Rate (“HIBOR”) per annum and carry a fixed interest rate from 3.50% to 3.75% (2024: N/A) per annum. The effective interest rate of the Group was 5.43% (2024: 6.84%) per annum as at 31 March 2025. The bank and other borrowings as at 31 March 2025 and 2024 were secured by the pledged bank deposits and certain motor vehicles included in property, plant and equipment (2024: secured by pledged bank deposits), and the corporate guarantee provided by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

During the year, the Group has experienced a slight decrease in the overall revenue. This was primarily attributable to the reduced sales in the provision of warehousing and value-added services for one of our top five customers, which underwent a restructuring process during the year. While this has presented a temporary challenge to the Group, the Group has taken proactive measures to diversify its customer base and strengthen its relationship with other stakeholders such as its service providers. The impact of this temporary setback was partially offset by the increased sales in the provision of air cargo terminal operation services, including both ground handling and ancillary delivery services for another top five customer of the Group. The growth with such customer was supported by the favorable terms of a renewed contract, which provided improved pricing and contributed positively to the Group's overall revenue.

FORWARD PROSPECT

Looking ahead, we are thrilled to announce that we have successfully secured a new contract with the largest integrated logistics service provider in China. This partnership marks an important milestone, highlighting the strong relationships we have built and maintained over the years. It also reflects the trust and confidence the market places in our services.

As we move forward, we will continue to focus on identifying and leveraging growth opportunities within our existing client base by strengthening relationships and maintaining our commitment to delivering exceptional value-added services. Additionally, we remain dedicated to implementing stringent cost control measures, which have successfully reduced labour and transportation expenses, thereby improving our overall operational efficiency.

We will also conduct regular reviews on the profitability of our Group's warehouses and carefully evaluate the feasibility of not renewing certain tenancy agreements. These efforts aim to optimize the overall profitability and operational performance of our Group. Additionally, the remarkable growth in e-commerce presents significant opportunities, and we will continue to develop logistics solutions to meet this demand. By leveraging technology, enhancing operational efficiency, and focusing on sustainability, we aim to achieve long-term growth and create value for our stakeholders.

FINANCIAL REVIEW

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

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

	For the year ended 31 March			
	2025		2024	
	HK\$'000	(%)	HK\$'000	(%)
Air cargo terminal operation services				
— Ground handling	95,548	27.5	87,272	24.5
— Ancillary delivery	<u>30,718</u>	<u>8.8</u>	<u>25,364</u>	<u>7.1</u>
	126,266	36.3	112,636	31.6
Transportation services	96,554	27.7	98,025	27.5
Warehousing and value-added services	<u>125,195</u>	<u>36.0</u>	<u>145,500</u>	<u>40.9</u>
Total	<u><u>348,015</u></u>	<u><u>100.0</u></u>	<u><u>356,161</u></u>	<u><u>100.0</u></u>

Our overall revenue experienced a slight decline of approximately HK\$8.1 million or 2.3% from approximately HK\$356.2 million for the year ended 31 March 2024 to approximately HK\$348.0 million for the year ended 31 March 2025.

Such decrease was primarily attributed to the diminished sales from one of the Group's top five customers, which decreased its revenue contribution by approximately HK\$30.7 million or 25.2% from approximately HK\$121.9 million in last year to approximately HK\$91.2 million in this year. Notwithstanding the decrease in sales from one of the Group's top five customers, revenue generated from the provision of air cargo terminal operation services, encompassing both ground handling and ancillary delivery services, witnessed an increase of approximately HK\$13.6 million or 12.1% during the year. This growth has mitigated the decline in sales generated from our transportation services and warehousing and value-added services.

Other income

Other income increased by approximately HK\$1.6 million or 171.1% to approximately HK\$2.5 million for the year ended 31 March 2025 as compared to that of approximately HK\$0.9 million for the year ended 31 March 2024. Other income for this year mainly represented the government subsidies

received upon disposal of qualified commercial motor vehicles, which amounted to approximately HK\$2.0 million and the bank interest income amounted to approximately HK\$0.2 million. Whereas, other income for last year mainly represented bank interest income of approximately HK\$0.4 million.

Other gains and losses

Other gains and losses mainly comprised the loss on disposal of property, plant and equipment and gain (loss) on change in fair value of financial assets at fair value through profit or loss (“FVTPL”). Our Group recorded a net gain in other gains and losses of approximately HK\$0.5 million for the year ended 31 March 2025 in contrast to a net loss of approximately HK\$0.8 million for the year ended 31 March 2024. The change from net loss to net gain was primarily attributable to the net gain on change in fair value of financial assets at FVTPL which amounted to approximately HK\$0.4 million during the year (2024: net loss of approximately HK\$0.7 million).

Employee benefits expenses

Employee benefits expenses consisted primarily of wages and salaries, retirement benefits scheme contributions and other allowances and benefits. The employee benefits expenses slightly decreased during the year, amounted to approximately HK\$47.9 million for the year ended 31 March 2025 and approximately HK\$48.4 million for the year ended 31 March 2024, respectively. Such slight reduction in employee benefits expenses aligns with the Group’s strategic objective of enhancing its cost control measures.

Dispatch labour costs

The dispatch labour costs represented the amount paid to our dispatched work agencies for the provision of our air cargo ground handling and warehousing services. It slightly increased by approximately HK\$0.4 million or 0.3% to approximately HK\$124.8 million for the year ended 31 March 2025 as compared to that of approximately HK\$124.4 million for the year ended 31 March 2024. As part of our continuous business assessment, the Group will continue to monitor the manpower requirements in response to the changing market dynamics. This proactive approach enables us to align the workforce with evolving demands, ensuring optimal resources allocation and operational effectiveness.

Transportation costs

Transportation costs slightly increased by approximately HK\$2.5 million or 1.9% to approximately HK\$134.0 million for the year ended 31 March 2025 as compared to that of approximately HK\$131.5 million for the year ended 31 March 2024. Such increase was primarily attributable to the increase in service fees paid to external transportation service providers for the ancillary delivery of goods under our air cargo terminal operation services, as the business volume of such business segment has increased in this year.

Warehousing operating costs

Warehousing operating costs decreased by approximately HK\$1.2 million or 4.2% to approximately HK\$28.1 million for the year ended 31 March 2025 as compared to that of approximately HK\$29.4 million for the year ended 31 March 2024. Such decrease was primarily driven by the lower business volume in the warehousing and value-added services segment, as well as ongoing enhancements in operational efficiency and the effective implementation of cost management strategies over the year.

Depreciation of property, plant and equipment

For the year ended 31 March 2025, the depreciation of property, plant and equipment amounted to approximately HK\$6.1 million, increased by approximately HK\$0.4 million or 7.4% as compared to that of approximately HK\$5.7 million for the year ended 31 March 2024. Such increase was mainly due to some motor vehicles being transferred from right-of-use assets to property, plant and equipment upon expiration of lease contracts. During the year, the Group acquired several new motor vehicles for operational purposes and also disposed of a number of aged motor vehicles to fulfil environmental standards.

Depreciation of right-of-use assets

The depreciation of right-of-use assets represented the depreciation of right-of-use of motor vehicles, office premises, warehouses and machinery. During the year, the depreciation of right-of-use assets decreased by approximately 44.6% or HK\$5.8 million to approximately HK\$7.2 million as compared to that of approximately HK\$13.0 million for last year. Such decrease was due to the combined effect of (i) the decrease in the depreciation of right-of-use assets of office premises and warehouse, resulting from the expiration of several lease contracts of warehouse and office premises during the second half of the year ended 31 March 2024; (ii) the decrease in the depreciation of motor vehicles as some motor vehicles were transferred from right-of-use assets to property, plant and equipment upon expiration of lease contracts.

Other expenses

Other expenses mainly included utilities expenses, insurance premium, legal and other professional fees and other miscellaneous operating expenses. It decreased by approximately HK\$1.2 million or 20.0% to approximately HK\$4.8 million for the year ended 31 March 2025 as compared to that of approximately HK\$6.0 million for the year ended 31 March 2024, which was mainly due to the successful execution of cost management strategies throughout the year.

Finance costs

Our finance costs decreased by approximately HK\$0.9 million or 30.5% to approximately HK\$2.1 million for the year ended 31 March 2025 as compared to that of approximately HK\$3.0 million for the year ended 31 March 2024, which was primarily due to the decrease in interest expenses for bank borrowings as we have repaid certain bank borrowings during the year and resulted in a lower level of bank borrowings during the year as compared with that in last year. During the year, the Group has

also entered into a few new lease contracts for the motor vehicles which was classified as other borrowings. Taking into account all the finance costs on lease liabilities, bank and other borrowings, the overall finance costs has reduced as compared with last year.

Income tax credit

The income tax credit increased from approximately HK\$0.3 million for the year ended 31 March 2024 to approximately HK\$0.6 million for the year ended 31 March 2025 due to the increase in deferred tax credit recognised.

Loss for the year

For the year ended 31 March 2025, our Group recorded a loss of approximately HK\$3.5 million (2024: approximately HK\$4.5 million). Such decrease in loss was mainly due to the combined effect of (i) the increase in revenue generated from the provision of air cargo terminal operation services; and (ii) the effectiveness of the Group's comprehensive budget management and cost control measures implemented during the year.

Trade receivables and trade payables turnover cycle

The turnover days for trade receivables for the year ended 31 March 2025 were approximately 40 days (2024: approximately 43 days). Such decrease was mainly due to the decrease in trade receivables with longer outstanding during the year.

The turnover days for trade payables for the year ended 31 March 2025 were approximately 36 days (2024: approximately 38 days). Such decrease was mainly due to the decrease in trade payables with longer credit term during the year.

Bank and other borrowings

As at 31 March 2025, the Group's bank and other borrowings balance amounted to approximately HK\$14.2 million (2024: HK\$13.5 million) with variable interest rate and denominated in HK\$. The effective interest rate of the Group was approximately 5.4% for the year ended 31 March 2025 (2024: approximately 6.8%).

The Group's net gearing ratio is calculated by dividing total bank borrowings and lease liabilities by total equity. As at 31 March 2025, the Group's gearing ratio was approximately 86.9% (2024: approximately 91.1%). Such decrease was primarily attributable to the reduction in total bank borrowings and lease liabilities during the year.

Pledged bank deposits

Pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group. The pledged bank deposits will be released upon the settlement of relevant bank borrowings. Deposits amounting to approximately HK\$5.0 million as at 31 March 2025 and 2024, have been pledged to secure short-term bank loans.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 189 (as at 31 March 2024: 190) full time employees. Staff cost (excluding Directors' emoluments) amounted to approximately HK\$46.2 million for the year ended 31 March 2025 (2024: approximately HK\$46.6 million) and the Directors' emoluments was approximately HK\$1.8 million (2024: approximately HK\$1.7 million) included in the employee benefits expenses. We determine the employee's remuneration based on factors such as their performance, qualification, position, duty, contributions, years of experience and local market conditions. The Group has also provided various training programmes to educate and remind the employees of the importance of and correct practices for health and safety in the workplace.

LIQUIDITY AND FINANCIAL RESOURCES

The current ratio of the Group as at 31 March 2025 was approximately 1.0 times, which remain relatively stable as compared to that as at 31 March 2024. As at 31 March 2025, the Group had total cash and cash equivalents of approximately HK\$9.1 million (as at 31 March 2024: approximately HK\$11.0 million). The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in deposits mostly denominated in RMB and HK\$. The Group's liquidity and financing requirements are reviewed regularly. Up to the date of this announcement, with available bank balances, cash, bank credit facilities and other alternative financing and bank borrowings, the Group has sufficient liquidity to satisfy its funding requirements.

COMMITMENT

As at 31 March 2025, the Group had not incurred any capital commitment (as at 31 March 2024: Nil).

CAPITAL STRUCTURE

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

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

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in note 4 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 March 2025 and 31 March 2024, the Group did not have any contingent liabilities.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSAL

The Group did not hold any significant investment nor did the Group carry out any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 March 2025. As at the date of this announcement, the Group did not have any other future plans for material investments or acquisition of capital assets.

DIVIDEND

No final dividend for the year ended 31 March 2025 was proposed by the Board (2024: Nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

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

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

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed minimum amount of public float as required under the GEM Listing Rules.

COMPETING INTEREST

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interests of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the GEM Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner in accordance with the requirements of the GEM Listing Rules. The Board has established an audit committee (the "Audit Committee"), a nomination committee (the "Nomination Committee") and a remuneration committee (the "Remuneration Committee") with specific written terms of reference. During the year ended 31 March 2025 and up to the date of this announcement, the Company has complied with all the code provisions as set out in Part 2 of the CG Code.

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in rules 5.46 to 5.68 of the GEM Listing Rules (the “Model Code”).

The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year.

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

EVENT AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place after 31 March 2025 and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Board (the “Audit Committee”) was established on 23 March 2020 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provisions D.3.3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system, nominate and monitor external auditors and to provide advice and comments to the Board on matters relating to corporate governance. The full terms of reference setting out details of duties of the Audit Committee is available on both the websites of the Stock Exchange and the Company. The Audit Committee currently comprises of three independent non-executive Directors, namely, Mr. Fu Lui, Mr. Chan Chi Ho and Ms. Chui Sin Heng. Mr. Fu Lui is the chairman of the Audit Committee.

During the year, the Audit Committee is satisfied with their review of the auditors’ remuneration, the independence of the auditors, Moore CPA Limited and has recommended the Board to re-appoint Moore CPA Limited as the Company’s auditors for the financial year ending 31 March 2026, which is subject to the approval of Shareholders at the forthcoming annual general meeting of the Company (the “2025 AGM”). The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 March 2025 and this annual results announcement.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been audited by the Group's auditor, Moore CPA Limited. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement.

CLOSURE OF REGISTER OF MEMBERS FOR THE ANNUAL GENERAL MEETING

The 2025 AGM will be held on Monday, 25 August 2025. In order to ascertain the entitlement of shareholders of the Company to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 20 August 2025 to Monday, 25 August 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 19 August 2025.

PUBLICATION OF 2025 ANNUAL REPORT

The annual report of the Group for the year ended 31 March 2025 will be despatched to the Shareholders who requested printed copies and will be available on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Asia-express Logistics Holdings Limited
Chan Le Bon
Executive Director

Hong Kong, 27 June 2025

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

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

This announcement will remain on the website of The Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.asia-expresslogs.com.