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If you have sold or transferred all your shares in **A & S GROUP (HOLDINGS) LIMITED**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION RELATING TO
THE JV AGREEMENTS**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular. A letter from the Board is set out on pages 4 to 14 of this circular. The transaction being the subject matter of this circular have been approved by written shareholder’s approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only. References to time and dates in this circular are to Hong Kong time and dates.

30 May 2025

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DEFINITIONS

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

“A & S (HK) Logistics”	A & S (HK) Logistics Limited (亞洲實業(香港)物流有限公司, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	board of Directors
“Call Option”	the option exercisable at the discretion of A & S (HK) Logistics to require Mr. Fei and Ms. Fu to sell 50% of Mr. Fei’s and/or Ms. Fu’s equity interest in the JV Company at the Call Price
“Call Price”	the amount payable by A & S (HK) Logistics to Mr. Fei and/or Ms. Fu upon the exercise of the Call Option
“Company”	A & S Group (Holdings) Limited (亞洲實業集團(控股)有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange since 14 March 2018
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dynamic Victor”	Dynamic Victor Limited, a company incorporated in Seychelles, which is owned as to 65% by Mr. Law Kwok Leung Alex, an executive Director and 35% by Mr. Law Kwok Ho Simon, an executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the Listing Rules

DEFINITIONS

“JV Agreement”	the agreement dated 19 March 2025 entered into between A & S (HK) Logistics, Mr. Fei and Ms. Fu in relation to, among other matters, the formation of the joint venture in respect of the JV Company and the grant of Call Option and Put Option
“JV Agreements”	JV Agreement as amended and supplemented by the Supplemental Deed
“JV Company”	Alpha Speed Logistics Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“JV Shares”	the shares of the JV Company
“Latest Practicable Date”	27 May 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Fei”	Mr. Fei Yajun, an individual who is an Independent Third Party
“Ms. Fu”	Ms. Fu Caihong, an individual who is an Independent Third Party
“Options”	collectively, the Put Option and the Call Option
“Parties”	A & S (HK) Logistics, Mr. Fei and Ms. Fu
“PRC”	The People’s Republic of China
“Put Option”	the option exercisable at the discretion of Mr. Fei and Ms. Fu to require A & S (HK) Logistics to repurchase 50% of Mr. Fei’s and/or Ms. Fu’s equity interest in the JV Company at the Put Price
“Put Price”	the amount payable by A & S (HK) Logistics to Mr. Fei and/or Ms. Fu upon the exercise of the Put Option
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed”	the supplemental deed dated 12 May 2025 entered into between A & S (HK) Logistics, Mr. Fei and Ms. Fu in relation to the JV Agreement
“Transactions”	the formation of the joint venture in respect of the JV Company and grant of Options under the terms set out in the JV Agreements
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Law Kwok Leung Alex (*Chairman*)

Mr. Law Kwok Ho Simon

Mr. Chiu Tat Ting Albert (*Chief Executive Officer*)

Registered Office:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Independent Non-executive Directors:

Mr. Ho Chun Chung Patrick

Mr. Iu Tak Meng Teddy

Mr. Kwan Ngai Kit

Ms. Pau Yee Ling

Head Office and Principal Place of Business:

L2 Office

Cainiao Smart Gateway

8 Chun Yue Road

Chek Lap Kok

Hong Kong

30 May 2025

To the Shareholders,

Dear Sir/Madam,

MAJOR TRANSACTION RELATING TO THE JV AGREEMENTS

INTRODUCTION

On 19 March 2025, A & S (HK) Logistics entered into the JV Agreement with Mr. Fei and Ms. Fu, of which both are Independent Third Parties, in relation to the formation of the joint venture in respect of the JV Company of which A & S (HK) Logistics, Mr. Fei and Ms. Fu will own as to 51%, 34% and 15% of the JV Shares respectively and the grant of Call Option and Put Option of the JV Company. On 12 May 2025, the Parties entered into the Supplemental Deed to the JV Agreement, amending the formula used to determine the Put Price and the Call Price. The purpose of this circular is to provide you with, among other things, (i) details of the JV Agreements; and (ii) other information required under the Listing Rules.

LETTER FROM THE BOARD

THE JV AGREEMENTS

The principal terms of the JV Agreements are as follows:

Date

19 March 2025 (as amended and supplemented by the Supplemental Deed dated 12 May 2025)

Parties

1. A & S (HK) Logistics;
2. Mr. Fei; and
3. Ms. Fu

Business scope of the JV Company

The major business scope of the JV Company includes (i) warehousing, transportation services and related value added services; or (ii) other businesses with the approval of the Parties.

Conditions Precedents

The JV Agreements are conditional upon:

The Company complying with all its obligations under the Listing Rules including obtaining the approval of its Board, its shareholders and relevant regulators (if necessary) within four months from the date of the JV Agreement.

As at the Latest Practicable Date, the conditions precedents set out above has been fulfilled. For more details, please refer to the paragraph headed “Listing Rules Implications” in the letter from the Board of this circular.

Completion is expected to take place on or before 30 May 2025.

LETTER FROM THE BOARD

Shareholding structure and funding requirements

The Parties shall make a total initial start-up capital contribution of HK\$1.0 million, of which (i) A & S (HK) Logistics shall contribute in cash HK\$ 0.51 million, accounting for 51% of the share capital of the JV Company; (ii) Mr. Fei shall contribute in cash HK\$ 0.34 million, accounting for 34% of the share capital of the JV Company; and (iii) Ms. Fu shall contribute in cash HK\$ 0.15 million, accounting for 15% of the share capital of the JV Company. The Parties' equity percentages in the JV Company shall be proportional to their respective capital contribution.

The amount of initial start-up capital contribution was determined after arm's length negotiations between the Parties with reference to the expected capital requirements and the preliminary business plan of the JV Company. The initial start-up contribution shall be applied towards the working capital of the JV Company. The capital contribution to be made by A & S (HK) Logistics will be funded by internal resources of the Group. The Company does not have further commitment on the funding, but all Parties may further agree to jointly contribute capital to the JV Company in accordance with their respective shareholding proportion based on the actual operating needs of the JV Company.

There is no loss sharing mechanism pursuant to the JV Agreements.

Responsibilities of the parties

A & S (HK) Logistics shall be responsible for the overall supervision, management and operations of the JV Company in accordance with the JV Agreements. A & S (HK) Logistics shall report the operating progress of the JV Company to Mr. Fei and Ms. Fu regularly. Approvals from the Parties shall be obtained for conducting certain major matters of the JV Company as specified in the JV Agreements.

Mr. Fei shall be responsible for introducing new businesses to the JV Company.

Board of directors

The board of directors shall consist of five directors, with three directors to be nominated by A & S (HK) Logistics, and two directors to be nominated by Mr. Fei, who shall be appointed upon election at general meeting. Each director of the JV Company shall have one vote.

Based on the current understanding of the Directors, Mr. Fei and Ms. Fu will be nominated by Mr. Fei, while Mr. Law Kwok Leung Alex and two senior management of the Group will be nominated by A & S (HK) Logistics as directors of the JV Company.

The board of directors of the JV Company shall be responsible for making decisions relating to the business of the JV Company from time to time. All matters to be determined by the board of directors of the JV Company shall be by majority decision.

LETTER FROM THE BOARD

Distribution Policy

To the extent permitted by the applicable law, each shareholder of the JV Company shall be entitled to, on a pro rata basis based on their shareholding, receive dividends and distributions from time to time, subject to the consent from all shareholders of the JV Company and the board of directors of the JV Company.

Transfer Restriction

Unless otherwise permitted in the JV Agreements, no parties shall sell or transfer their shares in the JV Company without the written consent from the other parties. The non-selling parties have the right, but are not obligated to purchase the shares being transferred on the same terms offered by the purchaser, in proportion to the non-selling parties current shareholding.

Termination

The JV Agreements shall be terminated if, (i) the conditions precedent of the JV Agreements has not been met within 4 months from the date of the execution of the JV Agreement; (ii) all parties agreed in writing to terminate the JV Agreements; (iii) A & S (HK) Logistics is no longer a shareholder of the JV Company; (iv) only one shareholder remains in the JV Company; (v) any material breach of the JV Agreements or articles of association of the JV Company which is not remedied by the breaching party within 30 days; (vi) if any party enters into bankruptcy, dissolution, liquidation proceedings, or has its business license revoked; (vii) if the JV Company enters into bankruptcy, dissolution, liquidation proceedings, or has its business license revoked; (viii) any applicable laws, regulations or listing rules which prohibit the parties from performing the JV Agreements prior to the JV Agreements becoming effective; and (ix) if a force majeure event occurs and continues for a period of 6 months or longer which results in the JV Company unable to continue its normal operation.

Licenses

Based on the current business scope of JV Company, no material licenses/permits is required for the JV Company to carry out its intended business.

The Repurchase Options

(i) The Put Option

A Put Option is granted to Mr. Fei and Ms. Fu at nil cost under the JV Agreements, and the exercise of the option is not at the discretion of A & S (HK) Logistics or the Company. Within 10 years from the date when the JV Agreements become unconditional, if the JV Company is able to achieve an annual net profit of HK\$20.0 million for any financial year (the “**Repurchase Condition**”), Mr. Fei and Ms. Fu each has the right to require A & S (HK) Logistics to repurchase 50% of their respective equity interest in the JV Company jointly or separately, at the Put Price in cash. The notice requesting A & S (HK) Logistics to repurchase shall be issued within 3 months after the Repurchase Conditions are satisfied.

LETTER FROM THE BOARD

The Repurchase Condition was determined after arm's-length negotiations between the Parties, with reference to (i) the preliminary business plan of the JV Company; (ii) the Directors' understanding of market conditions; and (iii) the Group's experience in the logistics industry in Hong Kong. The Board considers that the Repurchase Condition was set to motivate Mr. Fei and Ms. Fu to introduce more profitable new businesses to the JV Company.

The Put Price payable by A & S (HK) Logistics upon the exercise of the Put Option by Mr. Fei and Ms. Fu shall be calculated in accordance with the following:

Put Price = Fair value of the equity interests in the JV Company owned by Mr. Fei and/or Ms. Fu x 50%

Note: Fair value of the equity interests in the JV Company owned by Mr. Fei and/or Ms. Fu shall be determined pursuant to a valuation conducted by an independent professional valuer appointed by the mutual consent of the Parties.

The Put Price was arrived at after arm's length negotiations between the Parties on normal commercial terms.

The Directors consider that the grant of the Put Option is closely tied with the formation of the joint venture in respect of the JV Company under the JV Agreements and, at the same time, serves to further motivate Mr. Fei and Ms. Fu to introduce more profitable new business to the JV Company. Having considered that (i) the exercise of the Put Option requires the fulfillment of the Repurchase Condition; (ii) the determination of the Put Price is based on a valuation conducted by an independent professional valuer appointed by the mutual consent of the Parties; and (iii) the grant of the Put Option is tied with the formation of the joint venture in respect of the JV Company, which could potentially bring considerable new business opportunities to the Group with minimal initial capital contribution, the Directors are of the view that the grant of the Put Option is fair and reasonable, and in the interests of the Company and its shareholders as a whole, despite the fact that the exercise of the Put Option is not at the discretion of the Company.

(ii) The Call Option

A Call Option is granted to A & S (HK) Logistics at nil cost under the JV Agreements, and the exercise of the option is at the discretion of A & S (HK) Logistics. Within 10 years from the date when the JV Agreements become unconditional, if the JV Company is able to achieve the Repurchase Condition, A & S (HK) Logistics has the right to require Mr. Fei and Ms. Fu to sell 50% of their equity interest in the JV Company to A & S (HK) Logistics at the Call Price in cash. The notice requesting Mr. Fei and Ms. Fu to sell shall be issued within 3 months after the Repurchase Condition are satisfied.

The Call Price payable by A & S (HK) Logistics upon the exercise of the Call Option by A & S (HK) Logistics shall be calculated in accordance with the following:

Call Price = Fair value of the equity interests in the JV Company owned by Mr. Fei and/or Ms. Fu x 50%

LETTER FROM THE BOARD

Note: Fair value of the equity interests in the JV Company owned by Mr. Fei and/or Ms. Fu shall be determined pursuant to a valuation conducted by an independent professional valuer appointed by the mutual consent of the Parties.

The Call Price was arrived at after arm's length negotiations between the Parties on normal commercial terms.

In the event that either the Put Option or the Call option is exercised, the highest possible monetary value payable by A & S (HK) Logistics shall not exceed HK\$95,000,000. The highest possible monetary value is established to limit the consideration payable upon the exercise of the Put Option and the Call Option, while also providing an incentive for Mr. Fei and Ms. Fu to introduce more profitable new businesses to the JV Company. Within 6 months after the receipt of the repurchase request of either party and the completion of share transfer of the JV Company, A & S (HK) Logistics shall complete the repurchase by paying the Put Price or the Call Price in cash. The share transfer of the JV Company under the Put Option or the Call Option shall only be conducted once. Once the share transfer of the JV Company under the Put Option or the Call Option is completed, any rights under both of the Put Option and the Call Option shall become terminated.

Non-competition

Except with the consent of all parties, all parties (or the enterprises under their respective control) agreed not to involve into any new business of certain agreed segments (including furniture and housewares, personal health and family care products, food and beverage and cold supply chain) which are the same as or similar to that of the business opportunities introduced to the JV Company in Hong Kong.

The non-competition undertaking was determined after arm's length negotiations between the parties, having taken into consideration several factors, including to afford protection of the interests of the JV Company in the business segments of which the JV Company operates in and upcoming projects which shall be introduced to the JV Company. Having considered that (i) the Group is principally engaged in the provision of air freight forwarding ground handling services and air cargo terminal operating services, and currently has no or very limited exposure to the agreed segments; (ii) the Group holds a 51% ownership in the JV Company and may further increase its interest to 75.5% if any of the Options are exercised in the future; and (iii) the non-competition undertaking limits the Group's involvement in the segment to instances where business opportunities have already been introduced to the JV Company, the Directors are of the view that such an arrangement is in the interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

Business model and development

The JV Company intends to leverage on the experience and business networks of Mr. Fei and Ms. Fu, for which they shall be responsible for introducing new projects which includes logistics services for segments including furniture and housewares, personal health and family care products, food and beverage and cold supply chain, and A & S (HK) Logistics shall be primarily responsible for the daily business operations of the JV Company.

Based on the Directors' current understanding, the scope of these new projects includes provision of trucking and delivery services, collection and distribution services, operation management for clients' warehouses, packaging and repackaging services, sorting and labeling services, and other supporting logistics solutions.

Leveraging the Group's extensive experience in air freight forwarding ground handling services, the Directors believe that the Group has developed sufficient expertise in managing labor resources and trucking networks, as well as overseeing warehousing operations and other relevant activities associated with these new projects.

The JV Company intends to carry out the projects that were introduced and continue its development in the aforementioned business segments during the term of the JV Company.

The JV Company may procure suppliers/sub-contractors for its daily business operations. The JV Company shall obtain quotations from at least three suppliers/sub-contractors (A & S (HK) Logistics may also submit its quotation as one of the supplier/sub-contractor) and after evaluation, the JV Company should select the supplier/sub-contractor with the most favourable quotation offered and the written consent of the Parties should be obtained before proceeding.

If no feasible or suitable quotations was obtained, A & S (HK) Logistics may, if all Parties agree, based on its actual costs plus a reasonable profit margin, to proceed to act as the supplier/sub-contractor for the JV Company.

Specific matters that require parties approval

- the liquidation, dissolution, or winding up of the JV Company;
- amendments to the JV Company's constitutional documents;
- creation of any class or series of equity securities of the JV Company, increase, decrease, or cancellation of the authorised share capital of the JV Company, or issuance (or obligation to issue) of any class or series of equity securities of the JV Company;
- any merger or consolidation of the JV Company, or any division, spin-off, reorganization, or other change of control, or any business combination of the JV Company with any entity established by itself or with any third party;
- declaration, distribution, or payment of any dividends or distributions other than cash dividends to all shareholders proportionately;

LETTER FROM THE BOARD

- transfer, repurchase, or redemption of any equity securities of the JV Company;
- approval or any modification of the JV Company's annual business plan and budget;
- any related party transactions between any shareholder or senior executive, director, employee, or shareholder of the JV Company or their respective affiliates or related personnel (as one party) and the JV Company (as the other party), including any modifications to any existing related party transactions;
- any change, suspension, sale, or termination of the main business scope or nature of the JV Company, or the establishment of any new business by the JV Company, and any significant changes to the mode or manner of conducting any existing business of the JV Company;
- acquisition of any assets or equity of any person or any other investments;
- establishment of any joint ventures, partnerships, strategic alliances, strategic cooperation partnerships, or other similar relationships involving monetary contributions or asset transfers by or to the JV Company;
- making or waiving any loans or borrowings;
- employment of employees and determination of their remuneration;
- any changes to the accounting principles or fiscal year of the JV Company;
- appointment, dismissal, or replacement of the JV Company's independent auditor;
- initiation, termination, or settlement of any litigation or arbitration involving an amount exceeding or reasonably expected to exceed HKD 500,000 or involving any equitable relief; and
- the JV Company's agreement or commitment to undertake any of the above actions.

INFORMATION ABOUT THE COMPANY AND A & S (HK) LOGISTICS

The Company is a company incorporated in the Cayman Islands and is an investment holding company. The Group is principally engaged in the provision of air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong.

A & S (HK) Logistics is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the provision of air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong.

LETTER FROM THE BOARD

INFORMATION ABOUT MR. FEI AND MS. FU

Mr. Fei is an individual investor. He has over 10 years of experience in operation and management of logistics businesses in the PRC. He has extensive business networks in the logistics industry in the PRC.

Ms. Fu is an individual investor. She has over 10 years of experience in operation and management of logistics businesses in the PRC. She has extensive business networks in the logistics industry in the PRC.

The Group became acquainted with Mr. Fei and Ms. Fu through introduction at a business occasion where Mr. Fei and Ms. Fu met with Mr. Law Kwok Leung Alex (our Chairman and an executive Director), who further introduced our management to Mr. Fei and Ms. Fu.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Mr. Fei and Ms. Fu does not have any relationship with the Company and its connected persons and their respective associates and is an Independent Third Party.

FINANCIAL EFFECTS OF THE ESTABLISHMENT OF THE JOINT VENTURE

Immediately prior to the establishment of the joint venture in respect of the JV Company, the JV Company is wholly-owned by the Group. After the issuance of shares of the JV Company to Mr. Fei and Ms. Fu, of which Mr. Fei and Ms. Fu will own as to 34% and 15% of the total JV Shares respectively, the JV Company will remain as a subsidiary of the Company. The financial results of the JV Company will continue to be consolidated into the financial statements of the Company. As the effect of the establishment of the joint venture will not cause a loss of the Group's control over the JV Company, the establishment of joint venture will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in the consolidated statement of profit or loss and other comprehensive income.

REASONS FOR ENTERING INTO THE TRANSACTION

The Group is principally engaged in the provision of air freight forwarding ground handling services and air cargo terminal operating services in Hong Kong. Having a solid experience, reputation and resources in the logistics industry for years, the Company has been proactively explore the possibility of capturing new business opportunities and expanding its business to other logistics businesses, for instance, local supply chain and cold supply chain.

Leveraging the experience and business networks of Mr. Fei and Ms. Fu, the Group will further expand its existing business into local supply chain in Hong Kong with substantial consumer groups and related business opportunities, including logistics services for segments including furniture and housewares, personal health and family care products, food and beverage and cold supply chain.

The Board believes that the formation of the joint venture in respect of the JV Company will be a desirable business opportunity for the Group to expand into the supply chain business, diversifying its existing business operation, thereby broadening the revenue stream of the Group. The Company currently has no intention or plan, or has entered into any agreement, arrangement, undertaking or negotiation to acquire any new businesses, or downsize, cease or dispose of its existing businesses.

LETTER FROM THE BOARD

Pursuant to the JV Agreements, the Group will be entitled to 51% of the JV Shares upon its contribution of the initial start-up capital of the JV Company of HK\$0.51 million is made. In the case that the JV Company is able to achieve an annual net profit of HK\$20.0 million in any of the coming 10 years and either of the Put Option or the Call Option is exercised, the Group will be entitled to an additional 24.5% (or 75.5% in aggregate) of the JV Shares, with an additional investment equals to the Put Price or the Call Price respectively, which shall be determined by an independent professional valuer appointed by the mutual consent of the Parties.

Taking into account that (i) the Company's initial capital commitment of HK\$0.51 million for the establishment of the JV Company, which is considered low compared to its potential earnings; (ii) the fact that the exercise of the Put Call and the Call Option is subject to the financial performance of the JV Company, with an annual profit threshold of over HK\$20.0 million; (iii) the determination of the Put Price and Call Price based on a valuation conducted by an independent professional valuer appointed by the mutual consent of the Parties, with each price considered fair on an individual basis; (iv) the exercise of the Call Option is at the discretion of the Company; and (v) the reasons for entering into the transaction as discussed above, the Board is of the view that the entering of the JV Agreements is in the interests of the Company and the Shareholders as a whole and the terms of the JV Agreements are on normal commercial terms, fair and reasonable.

As none of the Directors has any material interest in the JV Agreements, none of the Directors is required to abstain from voting on the approved Board resolution.

LISTING RULES IMPLICATIONS

The Company's commitment for the establishment of the JV Company is HK\$ 0.51 million.

Pursuant to the JV Agreements, Mr. Fei and Ms. Fu have the Put Option which, under certain conditions, they can require A & S (HK) Logistics to repurchase 50% of their shares in the JV Company. Meanwhile, A & S (HK) Logistics has the Call Option which, under certain conditions, A & S (HK) Logistics can require Mr. Fei and Ms. Fu to sell 50% of their shares in the JV Company. The share transfer of the JV Company under the Put Option or the Call Option shall only be conducted once.

The exercise of the Put Option is not at the discretion of the Company and as at the date of the grant of the Put Option, the Company is unable to determine the total consideration of the repurchase upon the exercise of the Put Option. Nevertheless, the highest possible monetary value of the consideration payable upon the exercise of the Put Option and the Call Option is HK\$95,000,000. Given that one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the grant of the Put Option and the Call Option exceeds 25% but is less than 100%, the entering into of the JV Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will re-comply with the relevant requirements under the Listing Rules (including the shareholders' approval requirement) if the exercise of the Call Option results in a higher classification of notifiable transaction.

LETTER FROM THE BOARD

To the best of the knowledge of the Directors, no Shareholder has a material interest in the JV Agreements and the Transactions contemplated thereunder, and no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company was to convene such general meeting. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting for approving the JV Agreements. As the Company has obtained written approval in accordance with Rule 14.44 of the Listing Rules from Dynamic Victor, which is beneficially interested in an aggregate of 750,000,000 Shares, representing approximately 75.0% of the entire issued capital of the Company as at 12 May 2025, the Company is exempted from convening a general meeting for the purpose of approving JV Agreements and the Transactions contemplated thereunder as permitted under Rule 14.44 of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the JV Agreements are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Had a general meeting been convened by the Company, the Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the resolutions to approve, confirm and ratify the JV Agreements and the Transaction.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

By order of the Board
A & S Group (Holdings) Limited
Law Kwok Leung Alex
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024 is disclosed in the following documents which are published on both the websites of the Stock Exchange and the Company. Please refer to the hyperlinks as stated below:

- interim report of the Company for the six months ended 30 September 2024

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1129/2024112900663.pdf>

- annual report of the Company for the year ended 31 March 2024

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072600451.pdf>

- annual report of the Company for the year ended 31 March 2023

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800827.pdf>

- annual report of the Company for the year ended 31 March 2022

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072200593.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2025, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

Bank guarantees

As at 31 March 2025, the Group had aggregate outstanding bank guarantees of approximately HK\$2.6 million, all of which is secured by pledged bank deposits.

Bank borrowings

As at 31 March 2025, the Group did not have any outstanding bank borrowings.

Lease liabilities

As at 31 March 2025, the Group had unsecured and unguaranteed lease liabilities with outstanding carrying amount of approximately HK\$71.5 million.

Amounts due to non-controlling interests

As at 31 March 2025, the Group did not have any amounts due to non-controlling interests.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, as at the close of business on 31 March 2025, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, and term loans, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including the internally generated funds and the available banking facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, which is for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is a well-established air freight forwarding ground handling services provider and air cargo terminal operating services provider in Hong Kong. The Group's customers include global logistics companies and major freight forwarding agents.

Although the global economic market showed signs of recovery, global uncertainties and instabilities still exist due to the intensification of global geopolitical conflicts. Amid the unstable economic environment, the Group will continue to adopt flexible approaches in its business operation and take effective cost control measures. Despite the volatile situation, the management believes that the demand for transportation, including air cargo, ground transportation and warehousing services will recover progressively in the financial year ended 31 March 2026. To this end, the Group will actively expand its customer base to increase the Group's revenue sources and be committed to strengthening its competitiveness in the logistics service industry to alleviate the impact of social and economic uncertainties.

1. RESPONSIBILITY STATEMENT

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

2. INTERESTS IN SECURITIES

(A) Directors' and chief executives' interests and short position in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, 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 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:

(a) Interests in the Company

Name of Directors	Capacity/Nature of interest	Total number of Shares and underlying Shares	Approximate percentage of issued share capital of the Company
Mr. Law Kwok Leung Alex ("Mr. Alex Law") (Note 1)	Interest of a controlled corporation	750,000,000	75.0%
Mr. Law Kwok Ho Simon ("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. 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.

(B) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares

So far as known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the following person/entities (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:

Name of Shareholder	Capacity	Number of Shares/ underlying Shares held/ interested	Approximate percentage of issued share capital of the Company
Dynamic Victor	Beneficial owner	750,000,000	75.0%
Ms. Lau Lai Ha Sunshine (<i>Note</i>)	Interest of spouse	750,000,000	75.0%

Note:

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.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company and/or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. COMPETING INTERESTS

As at the Latest Practicable Date, 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.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date and which was significant in relation to the business of the Group; and none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2024, being the date to which the latest published audited financial statements of the Company were made up.

6. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the issue of this circular, and which are or may be material:

- (a) the JV Agreement (as amended and supplemented by the Supplemental Deed dated 12 May 2025);
- (b) the Cainiao Tenancy Agreement II entered into between A & S (HK) Logistics and Hong Kong Cingleot Investment Management Limited on 30 September 2024 in respect of the lease of the Portion of L2 (being the Compartment C) of Cainiao Smart Gateway, Chek Lap Kok, Hong Kong with the monthly rent of approximately HK\$0.7 million and the value of the right-of-use assets recognised by the Company of approximately HK\$16.1 million. For further details, please refer to the announcement of the Company dated 30 September 2024; and
- (c) the Cainiao Tenancy Agreement entered into between A & S (HK) Logistics and Hong Kong Cingleot Investment Management Limited on 1 March 2024 in respect of the lease of the Portion of L2 (being the Compartments A, B, and H) of Cainiao Smart Gateway, Chek Lap Kok, Hong Kong with the monthly rent of approximately HK\$2.9 million and the value of the right-of-use assets recognised by the Company of approximately HK\$85.2 million. For further details, please refer to the announcement of the Company dated 15 March 2024.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGE

Save for the disclosures made in the profit warning announcement of the Company dated 31 October 2024 in connection with the unaudited interim results of the Group for the six months ended 30 September 2024 as well as the interim report of the Company for the six months ended 30 September 2024 published on 29 November 2024, as of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2024, being the date to which the latest published audited financial statements of the Group were made up.

9. GENERAL

- (1) The registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KYI-1108, Cayman Islands.
- (2) The principal place of business of the Company is L2 Office, Cainiao Smart Gateway, 8 Chun Yue Road, Chek Lap Kok, Hong Kong.
- (3) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong.
- (4) The secretary of the Company is Ms. Ng Hoi Ying who is a member of The Hong Kong Institute of Certified Public Accountants.
- (5) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Company (www.asl.hk) and the Stock Exchange's website (www.hkexnews.hk) for a period of 14 days from the date of this circular.

- (1) the JV Agreement;
- (2) the Supplemental Deed; and
- (3) this circular.