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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$553.6 million for the year ended 31 March 2025, representing a decrease of approximately 14.8% as compared with approximately HK\$649.6 million for the year ended 31 March 2024.
- Gross profit decreased from approximately HK\$74.1 million for the year ended 31 March 2024 to approximately HK\$39.2 million for the year ended 31 March 2025.
- Gross profit margin decreased from approximately 11.4% for the year ended 31 March 2024 to approximately 7.1% for the year ended 31 March 2025.
- Loss attributable to the owners of the Company was approximately HK\$19.8 million for the year ended 31 March 2025 as compared to a profit of approximately HK\$17.6 million for the year ended 31 March 2024.
- Loss per share was approximately HK1.98 cents for the year ended 31 March 2025 as compared to earnings per share of approximately HK1.76 cents for the year ended 31 March 2024.
- The Board does not recommend the payment of any final dividend for the year ended 31 March 2025.

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of A & S Group (Holdings) Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 (the “**FY2025**”), together with the comparative figures for the year ended 31 March 2024 (the “**FY2024**”).

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	3	553,594	649,570
Direct costs		(514,380)	(575,439)
Gross profit		39,214	74,131
Other income and gains, net	4	3,961	2,062
Administrative and other operating expenses		(59,770)	(53,666)
Operating (loss)/profit		(16,595)	22,527
Finance costs	6	(3,113)	(1,055)
(Loss)/profit before tax	5	(19,708)	21,472
Income tax expense	7	(93)	(3,841)
(Loss)/profit and total comprehensive (expense)/ income for the year attributable to owners of the Company		(19,801)	17,631
Basic and diluted (loss)/earnings per share	8	(HK1.98) cents	HK1.76 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		22,137	10,910
Right-of-use assets		72,554	11,049
Club membership		869	869
		<u>95,560</u>	<u>22,828</u>
Current assets			
Trade receivables	10	116,533	166,390
Other receivables, deposits and prepayments		22,938	31,460
Amount due from a related company		35	35
Tax recoverable		2,628	1,607
Pledged deposit		3,062	3,039
Cash and bank balances		79,225	84,988
		<u>224,421</u>	<u>287,519</u>
Total assets		<u>319,981</u>	<u>310,347</u>
EQUITY			
Capital and reserves			
Share capital		10,000	10,000
Reserves		174,324	214,125
Total equity		<u>184,324</u>	<u>224,125</u>

		2025	2024
	Notes	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Retirement benefits liabilities		1,778	2,684
Lease liabilities		42,011	–
Deferred tax liabilities		–	37
		<u>43,789</u>	<u>2,721</u>
Current liabilities			
Trade payables	11	24,661	36,530
Accruals and other payables	11	37,715	35,950
Lease liabilities		29,492	11,021
		<u>91,868</u>	<u>83,501</u>
Total liabilities		<u>135,657</u>	<u>86,222</u>
Total equity and liabilities		<u><u>319,981</u></u>	<u><u>310,347</u></u>
Net current assets		<u><u>132,553</u></u>	<u><u>204,018</u></u>
Total assets less current liabilities		<u><u>228,113</u></u>	<u><u>226,846</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

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

The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the Company’s principal place of business in Hong Kong is L2 Office, Cainiao Smart Gateway, 8 Chun Yue Road, Chek Lap Kok, Hong Kong. The Company 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.

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention except as explained.

2.1.1 Changes in accounting policies

(a) Amended standards adopted by the Group

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

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

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

(b) *New and amended standards not yet adopted*

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

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

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

3 REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

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

Segment information

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

Information about major customers

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	163,083	159,183
Customer B ¹	163,970	197,862
Customer C	<u>80,919</u>	<u>83,793</u>

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

4 OTHER INCOME AND GAINS, NET

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

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

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

5 (LOSS)/PROFIT BEFORE TAX

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

6 FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on lease liabilities	3,113	1,055

7 INCOME TAX EXPENSE

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

8 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

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

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

9 DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during the year ended 31 March 2025 (2024: HK2.0 cents per ordinary share), nor has any dividend been proposed since the end of the reporting period.

10 TRADE RECEIVABLES

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

The credit period granted to customers is 30 to 90 days from invoice date generally. The Group does not hold any collateral as security.

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

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

11 TRADE AND OTHER PAYABLES

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

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

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

FINANCIAL REVIEW

Revenue

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

Gross profit and gross profit margin

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

Other income and gains, net

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

Administrative and other operating expenses

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

Finance costs

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

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

CAPITAL STRUCTURE

The Group's shares were successfully listed on the Main Board of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group since then. The capital of the Group only comprised of ordinary shares.

GEARING RATIO

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

CAPITAL COMMITMENTS

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

CONTINGENT LIABILITIES

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

INFORMATION ON EMPLOYEES

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

CHARGE ON GROUP ASSETS

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

FOREIGN EXCHANGE RISK

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

TREASURY POLICY

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

SEGMENT INFORMATION

Segment information is presented for the Group as disclosed in Note 3 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

FINAL DIVIDENDS

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

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

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

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2025 as stated in the Prospectus	Actual business progress up to 31 March 2025
Setting up of new warehouse premises	<ul style="list-style-type: none"> – Rental deposit of new warehouse premises in Tuen Mun of around 130,000 sq. ft. – Fitting out and renovation of new warehouse premises – Installation of CCTV system, access control system and burglar alarm system – Installation of cargo storage and forklift operation systems in the new warehouse premises – Installation of RFID applications in the various storage locations in the new warehouses premises for cargo in and out segregation – Installation of measurement and control systems such as automatic measurement and weight check systems for pallet – Acquire mobile devices for scanning applications – Commence operations of the new warehouse premises – Working capital for the initial operation of new warehouse premises 	The Group has set up a new warehouse in the Cainiao Smart Gateway. For details, please refer to the announcements of the Company dated 9 May 2023, 15 March 2024 and 30 September 2024 and the circulars of the Company dated 3 May 2024 and 13 November 2024

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

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

USE OF PROCEEDS FROM THE SHARE OFFER

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

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

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

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed they have fully complied with the required standards set out in the Model Code during the FY2025.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving a high standard of corporate governance that can protect and promote the interests of the Shareholders and to enhance corporate value and accountability of the Company. The Company has adopted the principles and code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules. During the FY2025, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 21 February 2018. The chairman of the Audit Committee is Mr. Kwan Ngai Kit, the independent non-executive Director, and other members included Mr. Ho Chun Chung Patrick, Mr. Iu Tak Meng Teddy and Ms. Pau Yee Ling, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company's website.

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

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2025 set out in the preliminary announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's draft consolidated financial statements for the FY2025. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB on the preliminary announcement.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the FY2025 and the final results announcement of the Group for the FY2025.

EVENTS AFTER THE REPORTING PERIOD

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

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

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

APPRECIATION

Mr. Law Kwok Leung Alex, the chairman of the Board, would like to take this opportunity to express his heartfelt thanks to the members of the Board and all the staff of the Group for their effective work and strenuous efforts. As in the past, the Company will strive to reward the Shareholders for their unwavering support.

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

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Mr. Law Kwok Leung Alex, Mr. Law Kwok Ho Simon and Mr. Chiu Tat Ting Albert as executive Directors; and Mr. Iu Tak Meng Teddy, Mr. Kwan Ngai Kit, Mr. Ho Chun Chung Patrick and Ms. Pau Yee Ling as independent non-executive Directors.