



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



2024

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent non-executive Directors

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

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

COMPANY SECRETARY

Ms. Ng Hoi Ying (*CPA*)

AUTHORISED REPRESENTATIVES

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

COMPLIANCE OFFICER

Mr. Law Kwok Leung Alex

COMPLIANCE ADVISER

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

AUDITOR

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

LEGAL ADVISOR AS TO HONG KONG LAWS

CFN Lawyers
Room Nos. 4101-04, 41/F
Sun Hung Kai Centre
30 Harbour Road
Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 11, 14th Floor, Tower 2
Ever Gain Plaza
88 Container Port Road
Kwai Chung, New Territories
Hong Kong

PRINCIPAL BANKS

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

STOCK CODE

1737

COMPANY'S WEBSITE

www.asl.hk

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

(Unaudited)

Six months ended 30 September

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	3	310,905	310,031
Direct costs		(285,123)	(274,732)
Gross profit		25,782	35,299
Other income and gains	3	1,241	1,533
Administrative and other operating expenses		(25,446)	(27,768)
Operating profit		1,577	9,064
Finance costs	5	(1,507)	(699)
Profit before tax	4	70	8,365
Income tax expense	6	–	(1,216)
Profit and total comprehensive income for the period attributable to the owners of the Company		70	7,149
Basic and diluted earnings per share	7	HK0.01 cents	HK0.71 cents

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Note	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	16,477	10,910
Right-of-use assets	10	72,071	11,049
Club membership	11	869	869
		89,417	22,828
Current assets			
Trade receivables	12	154,924	166,390
Other receivables, deposits and prepayments	13	31,891	31,460
Amount due from a related company		35	35
Tax recoverable		–	1,607
Pledged deposit	14	3,054	3,039
Cash and bank balances	14	84,352	84,988
		274,256	287,519
Total assets		363,673	310,347
EQUITY			
Capital and reserves			
Share capital	15	10,000	10,000
Reserves		194,195	214,125
Total equity		204,195	224,125
LIABILITIES			
Non-current liabilities			
Retirement benefits liabilities		2,684	2,684
Lease liabilities	10	41,532	–
Deferred tax liabilities		37	37
		44,253	2,721
Current liabilities			
Trade payables	16	29,938	36,530
Accruals and other payables		57,208	35,950
Lease liabilities	10	23,398	11,021
Taxation payable		4,681	–
		115,225	83,501
Total liabilities		159,478	86,222
Total equity and liabilities		363,673	310,347
Net current assets		159,031	204,018
Total assets less current liabilities		248,448	226,846

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to the owners of the Company				Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 <i>(Note a)</i>	Merger reserve HK\$'000 <i>(Note b)</i>	Retained earnings HK\$'000	
Balance at 1 April 2023 (audited)	10,000	98,122	(1)	98,373	206,494
Profit and total comprehensive income for the period	–	–	–	7,149	7,149
Balance at 30 September 2023 (unaudited)	10,000	98,122	(1)	105,522	213,643
Balance at 1 April 2024 (audited)	10,000	98,122	(1)	116,004	224,125
Profit and total comprehensive income for the period	–	–	–	70	70
Dividend paid	–	–	–	(20,000)	(20,000)
Balance at 30 September 2024 (unaudited)	10,000	98,122	(1)	96,074	204,195

Notes:

- a. Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.
- b. The merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation in prior years.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Note	(Unaudited)	
		Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities			
Net cash generated from operations	17	30,091	18,453
Income tax refunded		6,288	–
Net cash generated from operating activities		36,379	18,453
Cash flows from investing activities			
Purchases of property, plant and equipment		(8,833)	(530)
Interest income received		218	252
Proceeds from disposal of property, plant and equipment		53	–
Increase in pledged deposit		(15)	–
Net cash used in investing activities		(8,577)	(278)
Cash flows from financing activities			
Principal element on lease liabilities		(26,931)	(25,089)
Interest element on lease liabilities		(1,481)	–
Interest paid on bank borrowings		(26)	–
Net cash used in financing activities		(28,438)	(25,089)
Net decrease in cash and cash equivalents		(636)	(6,914)
Cash and cash equivalents at the beginning of period		84,988	82,694
Cash and cash equivalents at the end of period		84,352	75,780

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

A & S Group (Holdings) Limited (the “**Company**”) was incorporated in the Cayman Islands on 7 July 2016 as an exempted company with limited liability under the Companies Act (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**”) since 14 March 2018 (the “**Listing**”).

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 is Room 11, 14th Floor, Tower 2, Ever Gain Plaza, 88 Container Port Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of air freight forwarding ground handling services and air cargo terminal operating and related services in Hong Kong.

The unaudited interim condensed 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 the nearest thousand (**HK\$’000**) except when otherwise indicated.

2 PRINCIPAL ACCOUNTING POLICIES

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



NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of presentation (Continued)

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

(a) *New and amended standards adopted by the Group*

The Group has applied the following standards, amendments and interpretations for the first time for its annual reporting period commencing on 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of presentation (Continued)

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

HKAS 21 and HKFRS 1 Amendments	Lack of Exchangeability ¹
HKFRS 9 and HKFRS 7 Amendments	Amendments to Classification and Measurement of Financial Instruments ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability; Disclosures ³
HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Hong Kong Interpretation 5 Amendments	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

¹ Effective for accounting periods beginning on or after 1 January 2025

² Effective for accounting periods beginning on or after 1 January 2026

³ Effective for accounting periods beginning on or after 1 January 2027

⁴ No mandatory effective date is determined yet but early application is permitted

The above new and amended standards and interpretations are not expected to have a material impact on the unaudited interim condensed consolidated financial statements of the Group.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3 REVENUE, OTHER INCOME AND GAINS AND SEGMENT INFORMATION

Revenue and other income and gains recognised during the period are as follows:

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers and recognised over time:		
Air freight forwarding ground handling services	212,082	217,399
Air cargo terminal operating and related services	98,823	92,632
	310,905	310,031

Transaction price allocated to remaining performance obligations

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

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Other income and gains		
Bank interest income	218	252
Management fee income	332	664
Others	691	617
	1,241	1,533

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3 REVENUE, OTHER INCOME AND GAINS AND SEGMENT INFORMATION (Continued)

Segment information

The chief operating decision-maker has been identified as the executive directors (the “**Directors**”) of the Company. The executive Directors regard the Group’s business as a single operating segment and review the unaudited interim condensed consolidated financial statements accordingly. Also, all of the Group’s revenue during the six months ended 30 September 2024 and 2023 were derived from Hong Kong, the place of domicile of the Group’s operating subsidiary. 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:

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$’000	HK\$’000
Customer A ¹	77,046	80,717
Customer B ¹	97,405	95,223
Customer C	42,383	40,605

¹ Such customers represent a collective of companies within a group.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Included in direct costs:		
Direct labour costs	62,021	61,110
Dispatched labour costs	151,577	136,001
Costs of packaging materials	7,743	5,874
Depreciation of property, plant and equipment	2,626	2,174
Depreciation of right-of-use assets	24,153	24,992
Expense relating to short-term leases not included in the measurement of lease liabilities		
– Car parking spaces	948	1,144
– Forklifts	3,506	3,548
Included in administrative and other operating expenses:		
Auditors' remuneration	450	426
Depreciation of property, plant and equipment	640	1,015
Expense relating to short-term leases not included in the measurement of lease liabilities		
– Office premises	180	180
Staff costs, including directors' emoluments	7,839	9,600

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5 FINANCE COSTS

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Interest on bank borrowings	26	–
Interest on lease liabilities	1,481	699
	1,507	699

6 INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the six months ended 30 September 2024 and 2023.

The amount of income tax expense charged to the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	(Unaudited)	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong profits tax:		
– Current income tax	–	1,216

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	(Unaudited) Six months ended 30 September 2024	2023
Profit attributable to the owners of the Company (HK\$'000)	70	7,149
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	1,000,000	1,000,000
Basic earnings per share (HK cents)	0.01	0.71

The diluted earnings per share for the six months ended 30 September 2024 and 2023 were the same as the basic earnings per share as there were no dilutive potential ordinary share in issue during the respective periods.

8 DIVIDENDS

During the six months ended 30 September 2024, a final dividend of HK\$2.0 cents per ordinary share in respect of the year ended 31 March 2024 (six months ended 30 September 2023: Nil per ordinary share in respect of the year ended 31 March 2023), amounting to approximately HK\$20.0 million (31 March 2023: Nil), was declared and approved by the shareholders of the Company.

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired items of property, plant and equipment with a cost of approximately HK\$8.8 million (six months ended 30 September 2023: approximately HK\$0.5 million).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

10 LEASES

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

Amounts recognised in the unaudited interim condensed consolidated statement of financial position

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

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Right-of-use assets		
Warehouses and loading bay	72,071	11,049
	72,071	11,049
Lease liabilities		
Current	23,398	11,021
Non-current	41,532	–
	64,930	11,021

As at 30 September 2024, the Group entered into new leases for forklifts and office premises, with non-cancellable period of one year, the total future undiscounted cash flows over the non-cancellable period amounted to approximately HK\$8.0 million (31 March 2024: approximately HK\$4.0 million).

Lease committed

As at 30 September 2024, the Group entered into a new lease for a warehouse that have not yet commenced, with a non-cancellable period ranging from 1 November 2024 to 30 June 2027 the total future discounted cash flows over the non-cancellable period amounted to approximately HK\$16.1 million.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11 CLUB MEMBERSHIP

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Club membership	869	869

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

12 TRADE RECEIVABLES

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Trade receivables	157,613	169,079
Less: Loss allowance	(2,689)	(2,689)
	154,924	166,390

Notes:

- (a) The credit period granted to customers ranges from 30 to 90 days from the invoice date generally. Trade receivables are denominated in HK\$. The Group does not hold any collateral as security.
- (b) The ageing analysis of the trade receivables, net of loss allowance presented, based on invoice date is as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
0-30 days	61,725	60,276
31-60 days	34,802	63,098
61-90 days	42,079	22,835
Over 90 days	19,007	22,870
	157,613	169,079
Less: Loss allowance	(2,689)	(2,689)
	154,924	166,390

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Deposits	22,298	21,341
Prepayments	9,029	9,361
Other receivables	564	758
	31,891	31,460

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there were no recent history of default.

14 CASH AND BANK BALANCES AND PLEDGED DEPOSIT

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Cash at banks (<i>Note a</i>)	83,332	83,960
Cash on hand	1,020	1,028
Time deposits	3,054	3,039
	87,406	88,027
Less: Pledged deposit (<i>Note b</i>)	3,054	(3,039)
Cash and bank balances	84,352	84,988

Notes:

- (a) Cash at banks earns interest at floating rates based on daily bank deposit rates.
- (b) As at 31 March 2024 and 30 September 2024, the pledged deposit was placed to secure the Group's outstanding bank facilities.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

15 SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024, and 30 September 2024	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024, and 30 September 2024	1,000,000,000	10,000

16 TRADE PAYABLES

Payment terms granted by suppliers generally ranges from 7 to 60 days from the invoice date of the relevant purchase. The ageing analysis of trade payables based on the invoice date is as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
0-30 days	21,179	25,560
31-60 days	539	4,146
61-90 days	1,395	633
Over 90 days	6,825	6,191
	29,938	36,530

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17 NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Reconciliation of profit before tax to net cash generated from operations

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Profit before tax	70	8,365
Adjustments for:		
Depreciation of property, plant and equipment	3,266	3,189
Depreciation of right-of-use assets	24,153	24,992
Gain on disposal of property, plant and equipment	(53)	(252)
Interest income	(218)	–
Interest expense on lease liabilities	1,507	699
Operating profit before working capital changes	28,725	36,993
Decrease/(Increase) in trade receivables	11,466	(24,775)
Increase in other receivables, deposits and prepayments	(431)	(1,976)
(Decrease)/increase in trade payables	(6,592)	9,997
Decrease in accruals and other payables	(3,077)	(1,786)
Net cash generated from operations	30,091	18,453

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18 RELATED PARTY TRANSACTIONS

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

(a) Names and relationship with related parties

The following individuals and companies were related parties that had transactions or balances with the Group as at and during the six months ended 30 September 2024.

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

(b) Transactions with related parties

Name of related parties	Nature of transactions	(Unaudited)	
		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
Mr. Alex Law and Mr. Simon Law	Office premises rental	180	180
Gobo Trade Limited	Revenue from logistics services	25	22
	Purchases of office supplies	594	349
	Purchases of packaging materials	2,463	4,081
	Purchases of property, plant and equipment	459	–
Parkston	Security services	3,744	4,048

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19 COMMITMENTS

Capital commitment

As at 30 September 2024, the Group did not have any material capital commitments (31 March 2024: Nil).

20 CONTINGENT LIABILITIES

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

21 EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there was no other important event affecting the Group since 30 September 2024 and up to date of this report.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the six months ended 30 September 2024 (the “**Review Period**”), the global market has faced significant challenges and opportunities in the wake of the after-effect of COVID-19 pandemic and ongoing geopolitical tensions. The Group, as an established air freight forwarding ground handling services provider and air cargo terminal operating services provider in Hong Kong, has continued to provide services to its customers including global logistics companies and major freight forwarding agents during the Review Period.

The global market showed signs of recovery. However, global uncertainties and instabilities still exist due to the intensification of global geopolitical conflicts. As economies began to recover, the demand for air freight services surged due to the growing need for rapid transportation. During the Review Period, the Group recorded a slight increase of approximately 0.3% in revenue and a decrease of approximately 27.0% in gross profit. The decrease in gross profit was primarily attributable to the increase in direct costs during the Review Period. The Board considered that it was mainly due to the new warehouse lease at Cainiao Smart Gateway located at Chek Lap Kok, Hong Kong (“**Cainiao Smart Gateway**”). The move, while strategically beneficial to the Group in the mid and long term, involved several one-time expenses such as relocation logistics, infrastructure setup, and transitional employee adjustments.

Amid the challenging and unstable economic environment, the Group remains cautiously optimistic towards the Group’s future business performance, especially in light of the increasing demand of air freight forwarding ground handling services, its constantly-optimizing service quality and stable customer base. The Group will also continue to adopt flexible approaches in its business operation and take effective cost control measures. In light of the increasing demand of the Group’s air freight forwarding ground handling services from its customers, the Group has set up a warehouse in the Cainiao Smart Gateway to capture such new business opportunities. To this end, the Group consolidated its operation to new warehouses to reduce the operational cost. The Group believes it will enhance its service capabilities and potential profitability in the long term. Meanwhile, the Group will actively expand its customer base to increase the Group’s revenue sources and is committed to strengthening its competitiveness in the logistics service industry to alleviate the impact of social and economic uncertainties.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately 0.3% from approximately HK\$310.0 million for the six months ended 30 September 2023 to approximately HK\$310.9 million for the Review Period. Such increase was mainly attributable to the growth of the Group's air cargo terminal operating and related services.

Gross profit and gross profit margin

Gross profit decreased by approximately 27.0% from approximately HK\$35.3 million for the six months ended 30 September 2023 to approximately HK\$25.8 million for the Review Period. The Group's gross profit margin for the Review Period was approximately 8.3%, representing a decrease of approximately 3.1 percentage points as compared to approximately 11.4% for the six months ended 30 September 2023. It was mainly attributable to the increase in direct costs, including the cost of labour, of approximately 3.8% for the six months ended 30 September 2024.

Other income and gains

Other income and gains mainly comprised of bank interest income, management fee income and other miscellaneous income.

Other income and gains decreased from approximately HK\$1.5 million for the six months ended 30 September 2023 to approximately HK\$1.2 million for the Review Period.

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately 8.4% from approximately HK\$27.8 million for the six months ended 30 September 2023 to approximately HK\$25.4 million for the Review Period. Such decrease was mainly due to the decrease in non-direct labour costs during the Review Period.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Finance costs increased from approximately HK\$0.7 million for the six months ended 30 September 2023 to approximately HK\$1.5 million for the Review Period, which was mainly due to the increase in interest on lease liabilities.

Income tax expense

No income tax expense consumed for the Review Period (six months ended 30 September 2023: approximately HK\$1.2 million).

Profit and total comprehensive income for the period

As a result of the foregoing, the Group recorded a profit and total comprehensive income attributable to the owners of the Company of approximately HK\$70,000 for the Review Period as compared to a profit and total comprehensive income attributable to the owners of the Company of approximately HK\$7.1 million for the six months ended 30 September 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operation and investments were financed principally by cash generated from its business operations. As at 30 September 2024, the Group had net current assets of approximately HK\$159.0 million (31 March 2024: approximately HK\$204.0 million), cash and bank balances of approximately HK\$84.4 million (31 March 2024: approximately HK\$85.0 million) and pledged bank deposit with original maturity over three months of approximately HK\$3.0 million (31 March 2024: approximately HK\$3.0 million). As at 30 September 2024, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$204.2 million (31 March 2024: approximately HK\$224.1 million), and the Group's total debt comprising lease liabilities amounted to approximately HK\$64.9 million (31 March 2024: approximately HK\$11.0 million). The Directors confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

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

GEARING RATIO

As at 30 September 2024, the gearing ratio (calculated on the basis of total lease liabilities divided by the total equity of the Group) was approximately 31.8% (31 March 2024: approximately 4.9%). Such increase was primarily attributable to the increase in lease liabilities for the right-of-use assets recognised under HKFRS 16 during the Review Period.

COMMITMENTS

As at 30 September 2024, the Group did not have any material capital commitments in respect of acquisition of property, plant and equipment (31 March 2024: Nil).

As at 30 September 2024, the Group's operating lease commitments were approximately HK\$8.0 million (31 March 2024: approximately HK\$4.0 million).

CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any material contingent liability (31 March 2024: Nil).

INFORMATION ON EMPLOYEES

As at 30 September 2024, the Group employed 363 employees (31 March 2024: 383 employees). Remuneration packages are generally structured to 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 and mandatory provident funds contributions) for the Review Period amounted to approximately HK\$69.9 million (six months ended 30 September 2023: approximately HK\$70.7 million).



MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE ON GROUP ASSETS

As at 30 September 2024 and 31 March 2024, the Group pledged bank deposits of approximately HK\$3.0 million to the bank to secure the Group's general banking facilities.

FOREIGN EXCHANGE EXPOSURE

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 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 healthy liquidity to ensure that the Group is well placed to take advantage of any future growth opportunities.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed in Note 3 to the unaudited interim condensed consolidated financial statements.

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

Save as disclosed in this report, the Group did not have any significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Review Period. There was no other plan for material investments or capital assets as at 30 September 2024.

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividend for the Review Period (six months ended 30 September 2023: Nil).

EVENT AFTER REPORTING PERIOD

Save as disclosed in this report, there was no other important event affecting the Group since 30 September 2024 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 September 2024 is set out below:

Business strategies as stated in the Prospectus	Business objectives up to 30 September 2024 as stated in the Prospectus	Actual business progress up to 30 September 2024
Setting up of new warehouse premises	— Rental deposit of new warehouse premises in Tuen Mun of around 130,000 sq. ft.	The Group has set up a new warehouse in the Chek Lap Kok area near the Hong Kong International Airport. For details, please refer to the announcements of the Company dated 9 May 2023, 15 March 2024, 5 April 2024 and the circular of the Company dated 3 May 2024
	— 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	

MANAGEMENT DISCUSSION AND ANALYSIS

Business strategies as stated in the Prospectus	Business objectives up to 30 September 2024 as stated in the Prospectus	Actual business progress up to 30 September 2024
Upgrading existing facilities and acquiring additional trucks and equipment	<ul style="list-style-type: none"> <li data-bbox="340 359 714 440">— Acquire two additional 5.5 ton trucks, three additional 9 ton trucks and ten additional 16 ton trucks <li data-bbox="340 469 714 608">— Upgrade other existing facilities in the Group’s warehouses and offices, such as shelving and racking, CCTV surveillance and fire equipment and RFID applications <li data-bbox="340 638 714 748">— Install two automatic measurement and weight check systems for cargo pallets in cargo receiving areas in the existing warehouses <li data-bbox="340 778 714 948">— 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 <li data-bbox="340 978 714 1023">— Maintenance for the upgraded and new facilities or other existing facilities 	<p data-bbox="714 359 1015 440">The Group has acquired thirteen additional 16 ton trucks and one unit of 5.5 ton truck</p> <p data-bbox="714 469 1015 550">The Group has upgraded the CCTV surveillance equipment and security system of the warehouses</p> <p data-bbox="714 638 1015 719">The Group has installed one unit of automatic measurement and weight check system</p> <p data-bbox="714 778 1015 917">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</p> <p data-bbox="714 978 1015 1142">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 as discussed above</p>

MANAGEMENT DISCUSSION AND ANALYSIS

Business strategies as stated in the Prospectus	Business objectives up to 30 September 2024 as stated in the Prospectus	Actual business progress up to 30 September 2024
Implementing new information technology system	<ul style="list-style-type: none"> <li data-bbox="348 360 697 440">— Plan for upgrading the existing warehouse management system and accounting system <li data-bbox="348 480 697 587">— Implement and evaluate the performance of the upgraded warehouse management system and accounting system <li data-bbox="348 647 697 815">— 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 <li data-bbox="348 847 697 1015">— Upgrade the existing hardwares, acquiring new computer facilities, implementing and engage specialised service providers to develop the new human resources management system <li data-bbox="348 1046 697 1121">— Implement and evaluate the performance of the new human resources management system 	<p data-bbox="725 360 1016 616">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</p> <p data-bbox="725 647 1016 727">The Group has recruited one experienced personnel responsible for the information system upgrade</p> <p data-bbox="725 847 1016 954">The Group is working with its information technology consultant to study the hardwares and computer facilities upgrade</p> <p data-bbox="725 1046 1016 1240">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</p>

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM SHARE OFFER

The net proceeds from the listing of the shares of the Company on the Stock Exchange on the Listing Date (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 has 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 for the change in 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 Net Proceeds from the Listing up to 30 September 2024 is set out below:

	Planned use of Net Proceeds up to 30 September 2024 HK\$ million	Unutilised Net Proceeds as at 1 April 2024 HK\$ million	Actual use of Net Proceeds up to 30 September 2024 HK\$ million	Unutilised use of Net Proceeds up to 30 September 2024 HK\$ million
Setting up of new warehouse premises in Chek Lap Kok	36.4	31.8	22.7	9.1
Upgrading on existing facilities and acquisition of additional trucks and equipment	36.4	2.5	–	2.5
New information technology system	14.5	7.7	0.3	7.4
General working capital	5.5	–	–	–
	92.8	42.0	23.0	19.0

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 Company paid up that 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\$8.8 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.

For the implementation of new information technology system, the Group has upgraded the CCTV surveillance and security systems during the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

OTHER INFORMATION

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

As at 30 September 2024, the interests and short positions of each of the Directors and chief executives of the Company ("**Chief Executives**") in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Future Ordinance (the "**SFO**") which are required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix C3 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange, are as follows:

Long positions in ordinary share and underlying shares of the Company

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

Notes:

1. Mr. Alex Law beneficially owns 65% of the issued share capital of Dynamic Victor Limited ("**Dynamic Victor**"). Therefore, Mr. Alex Law is deemed, or taken to be, interested in 750,000,000 shares of the Company held by Dynamic Victor for the purpose of the SFO.
2. Mr. Simon Law beneficially owns 35% of the issued share capital of Dynamic Victor. Therefore, Mr. Simon Law is deemed, or taken to be, interested in 750,000,000 shares of the Company held by Dynamic Victor for the purpose of the SFO.

Save as disclosed above, as at 30 September 2024, none of the Directors and Chief Executives had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

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

So far as known to the Directors or Chief Executives, as at 30 September 2024, the following person/entity (other than the Directors and Chief Executives) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in ordinary share and underlying shares of the Company

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

Note:

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

Save as disclosed above, as at 30 September 2024, there was no person or corporation, other than the Directors and Chief Executives whose interests are set out in the section "Directors' and Chief Executives' interests and short positions in shares, underlying shares and debentures of the Company" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.



OTHER INFORMATION

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the Company's listed securities (including the sale of any treasury shares (as defined under the Listing Rules)) during the Review Period. The Company did not have any treasury shares as at 30 September 2024.

COMPETITION AND CONFLICT OF INTERESTS

During the Review Period, none of the Directors or the controlling shareholders (as defined in the Listing Rules) of the Company (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 the Listing Rules.

Non-Competition Undertaking

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

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

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

OTHER INFORMATION

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

Each of the covenantors also gave certain non-competition undertakings under the Deed of Non-competition as set out in the section headed "Relationship with our Controlling Shareholders – Non-competition undertakings" in the Prospectus.

During the Review Period, the Company had not received any information in writing from any of the Controlling Shareholders in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to be the knowledge of the Controlling Shareholders or their associates (other than any member of the Group).

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by Directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code during the Review Period.

SHARE OPTION SCHEME

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

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

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



OTHER INFORMATION

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

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

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

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

OTHER INFORMATION

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

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The Share Option Scheme is valid and effective for a period of ten years from 21 February 2018, after which no further options will be granted or offered. As at the date of this report, the Share Option Scheme had a remaining life of approximately four years.

As at 1 April 2024 and 30 September 2024, the total number of share options available for grant under the Share Option Scheme was 100,000,000. For the six months ended 30 September 2024, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding share option under the Share Option Scheme. As such, no shares of the Company that may be issued in respect of options granted under all shares schemes of the Company during the Review Period.

CORPORATE GOVERNANCE PRACTICE

The Company and the Board are committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are the key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules.

To the best knowledge of the Board, the Company has complied with the code provisions of the CG Code during the Review Period and up to the date of this report.



OTHER INFORMATION

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, an independent non-executive Director, and other members include Mr. Ho Chun Chung Patrick, Mr. Lu 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 Stock Exchange’s website 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, internal control systems and risk management system and relationship with 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.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group’s interim condensed consolidated financial statements for the Review Period are unaudited, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited interim condensed consolidated financial statements of the Group for the Review Period comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement and the interim report are published on the website of the Stock Exchange at (www.hkexnews.hk) and the Company’s website at (www.asl.hk). The interim report of the Company for the Review Period will be despatched to the shareholders of the Company. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed interim report, free of charge, at any time by writing to the Company or the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited.

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

Hong Kong, 15 November 2024

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