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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 2024

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$649.6 million for the year ended 31 March 2024, representing an increase of approximately 27.7% as compared with approximately HK\$508.5 million for the year ended 31 March 2023.
- Gross profit increased from approximately HK\$45.9 million for the year ended 31 March 2023 to approximately HK\$74.1 million for the year ended 31 March 2024.
- Gross profit margin increased from approximately 9.0% for the year ended 31 March 2023 to approximately 11.4% for the year ended 31 March 2024.
- Profit attributable to the owners of the Company was approximately HK\$17.6 million for the year ended 31 March 2024 as compared to a profit of approximately HK\$8.6 million for the year ended 31 March 2023.
- Earnings per share was approximately HK1.76 cents for the year ended 31 March 2024 as compared to earnings per share of approximately HK0.86 cents for the year ended 31 March 2023.
- The Board proposed to recommend, at the forthcoming annual general meeting of the Company, the payment of a final dividend of HK2.0 cents per ordinary share, amounting to approximately HK\$20.0 million for the year ended 31 March 2024.

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 2024 (the “**FY2024**”), together with the comparative figures for the year ended 31 March 2023 (the “**FY2023**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	649,570	508,456
Direct costs		(575,439)	(462,604)
Gross profit		74,131	45,852
Other income and gains	4	2,062	16,820
Administrative and other operating expenses		(53,666)	(52,297)
Operating profit		22,527	10,375
Finance costs	6	(1,055)	(1,818)
Profit before tax	5	21,472	8,557
Income tax (expense)/credit	7	(3,841)	29
Profit and total comprehensive income for the year attributable to owners of the Company		17,631	8,586
Basic and diluted earnings per share	8	HK1.76 cents	HK0.86 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		10,910	14,617
Right-of-use assets		11,049	61,032
Club membership		869	869
		<u>22,828</u>	<u>76,518</u>
Current assets			
Trade receivables	10	166,390	143,620
Other receivables, deposits and prepayments		31,460	17,317
Amount due from a related company		35	35
Tax recoverable		1,607	6,000
Pledged deposit		3,039	3,016
Cash and bank balances		84,988	82,694
		<u>287,519</u>	<u>252,682</u>
Total assets		<u>310,347</u>	<u>329,200</u>
EQUITY			
Capital and reserves			
Share capital		10,000	10,000
Reserves		214,125	196,494
		<u>224,125</u>	<u>206,494</u>
Total equity		<u>224,125</u>	<u>206,494</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Retirement benefits liabilities		2,684	–
Lease liabilities		–	11,021
Deferred tax liabilities		37	589
		<u>2,721</u>	<u>11,610</u>
Current liabilities			
Trade payables	<i>11</i>	36,530	20,866
Accruals and other payables	<i>11</i>	35,950	41,108
Lease liabilities		11,021	49,122
		<u>83,501</u>	<u>111,096</u>
Total liabilities		<u>86,222</u>	<u>122,706</u>
Total equity and liabilities		<u>310,347</u>	<u>329,200</u>
Net current assets		<u>204,018</u>	<u>141,586</u>
Total assets less current liabilities		<u>226,846</u>	<u>218,104</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

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 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 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 Hong Kong Financial Reporting Standards (“**HKFRSs**”) 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) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2023:

HKFRS 17 (including the October 2020 And February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction

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

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19. Accordingly, the Group has recognised a cumulative catch-up adjustment in profit or loss, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition.

(b) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the FY2024 reporting period 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.

		Effective for the accounting periods beginning on or after
Amendments to HKFRS 16	Lease Liability in a Sale and leaseback	1 January 2024
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	To be determined

The above new and amended standards, interpretation and annual improvements are not expected to have a material impact on the consolidated financial statements of the Group.

3 REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from customers and recognised over time:		
Air freight forwarding ground handling services	452,094	370,560
Air cargo terminal operating and related services	197,476	137,896
	<u>649,570</u>	<u>508,456</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 FY2024 and FY2023 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A ¹	159,183	132,994
Customer B ¹	197,862	165,722
Customer C	83,793	78,531

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

4 OTHER INCOME AND GAINS

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	413	379
Gain on disposal of property, plant and equipment	–	110
Management fee income	1,329	1,282
Government grants (<i>Note</i>)	255	11,487
Provision for loss allowance on trade receivables, net	(1,137)	(1,123)
Others	1,202	4,685
	<u>2,062</u>	<u>16,820</u>

Note: During FY2024, the Group recognised approximately HK\$255,000 related to one-off subsidy from the Transport Department of the Hong Kong Government for subsidising good vehicles. There are no unfilled conditions or other contingencies attaching to the grant.

During FY2023, the Group recognised government grants in respect of COVID-19 related subsidies, of which approximately HK\$9,774,000 related to Employment Support Scheme from the Hong Kong Government, approximately HK\$1,256,000 related to one-off subsidy from the Hong Kong Airport Authority for subsidising the aviation support service operation and approximately HK\$457,000 related to one-off subsidy from the Transport Department of the Hong Kong Government for subsidising goods vehicles. There are no unfilled conditions or other contingencies attaching to these grants.

5 PROFIT BEFORE TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before tax has been arrived at after charging:		
Included in direct costs:		
Direct labour costs	123,043	116,465
Dispatched labour costs	299,979	191,954
Costs of packaging materials	12,577	10,197
Depreciation of property, plant and equipment	4,464	3,982
Depreciation of right-of-use assets	49,983	51,156
Expense relating to short-term leases not included in the measurement of lease liabilities		
– Car parking spaces	2,257	2,166
– Forklifts	7,143	6,892
	<u> </u>	<u> </u>
Included in administrative and other operating expenses:		
Auditors' remuneration		
– Audit services	850	850
Depreciation of property, plant and equipment	1,974	2,585
Expense relating to short-term leases not included in the measurement of lease liabilities		
– Office premises	360	360
Staff costs, including directors' and chief executive officer's emoluments	19,064	17,600
	<u> </u>	<u> </u>

6 FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	1,055	1,805
Interest on bank borrowings	–	13
	<u> </u>	<u> </u>
	<u>1,055</u>	<u>1,818</u>

7 INCOME TAX EXPENSE/(CREDIT)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong profits tax:		
– Current income tax	4,393	200
– Over-provision in respect of prior years	–	(22)
Deferred income tax	(552)	(207)
Income tax expense/(credit)	<u>3,841</u>	<u>(29)</u>

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 FY2024 and FY2023.

8 BASIC AND DILUTED EARNINGS PER SHARE

	2024	2023
Profit attributable to the owners of the Company (HK\$'000)	<u>17,631</u>	<u>8,586</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	<u>1,000,000</u>	<u>1,000,000</u>
Basic earnings per share (HK cents)	<u>1.76</u>	<u>0.86</u>

The diluted earnings per share were the same as the basic earnings per share as there were no dilutive potential ordinary share in issue during FY2024 and FY2023.

9 DIVIDENDS

On 21 June 2024, a final dividend of HK2.0 cents per ordinary share in respect of the year ended 31 March 2024, amounting to approximately HK\$20.0 million has been proposed by the Board. The final dividend is subject to approval by the shareholders of the Company in the forthcoming annual general meeting (2023: Nil).

10 TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	169,079	145,172
Less: Loss allowance	<u>(2,689)</u>	<u>(1,552)</u>
	<u>166,390</u>	<u>143,620</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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-30 days	60,276	49,580
31-60 days	63,098	63,968
61-90 days	22,835	13,633
Over 90 days	<u>22,870</u>	<u>17,991</u>
	169,079	145,172
Less: Loss allowance	<u>(2,689)</u>	<u>(1,552)</u>
	<u>166,390</u>	<u>143,620</u>

Movements on loss allowance of trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At the beginning of the year	1,552	429
Loss allowance recognised	2,689	1,551
Loss allowance reversed	<u>(1,552)</u>	<u>(428)</u>
At the end of the year	<u>2,689</u>	<u>1,552</u>

11 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<u>36,530</u>	<u>20,866</u>
Other payables and accruals		
Accruals	24,440	30,015
Provision for reinstatement cost	6,360	6,543
Deposits received	<u>5,150</u>	<u>4,550</u>
	<u>35,950</u>	<u>41,108</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	25,560	14,694
31–60 days	4,146	3,316
61–90 days	633	2,856
Over 90 days	<u>6,191</u>	<u>–</u>
	<u>36,530</u>	<u>20,866</u>

As at 31 March 2024, included in trade payables was approximately HK\$6,072,000 and HK\$707,000 (2023: HK\$3,855,000 and HK\$655,000) 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 continues to provide services to its customers including global logistics companies and major freight forwarding agents in the FY2024.

During FY2024, global economy showed signs of recovery and improvement, and the demand for freight forwarding services is growing and air cargo terminal operating services is gradually picking up with the recovery of cargo volume processed. Throughout the FY2024, the Group continued to provide services to its customers including global logistics companies and major freight forwarding agents. During the FY2024, the Group's operational and financial performance was moderate, due to the increasing demand for air cargo terminal operating services and the implementation of effective cost control measures.

Although the global economy is recovering, the pace is slower than expected. The Russia-Ukraine conflict continues and the divergences between countries are increasing, which have brought volatilities and difficulties to the macroeconomy. Despite the unstable economic environment, the Group will continue to adopt flexible approaches in its business operation and take effective cost control measures. The management believes that the demand for transport services, including air cargo, ground transportation as well as warehousing services will recover gradually in the second half of 2024. To this end, the Group will strive to maintain good relationship with its existing clients and pro-actively acquire new customers by upgrading its existing facilities and enhancing its competitive strengths, in order to reduce the adverse effects of social uncertainties.

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately 27.7% from approximately HK\$508.5 million for the FY2023 to approximately HK\$649.6 million for the FY2024. Such increase was primarily attributable to the increased demand for the Group's services for the FY2024.

Gross profit and gross profit margin

Gross profit increased by approximately 61.4% from approximately HK\$45.9 million for the FY2023 to approximately HK\$74.1 million for the FY2024. The Group's gross profit margin for the FY2024 was approximately 11.4%, as compared to approximately 9.0% for the FY2023. The increases were primarily due to (i) the effective cost control measures adopted by the Group; and (ii) the increase in overall revenue for the Group's services during the FY2024.

Other income and gains

Other income and gains mainly comprised of bank interest income, management fee income, government grants, provision for loss allowance on trade receivables, net and other miscellaneous income. The Group received approximately HK\$11.5 million of government grants in the FY2023 while received approximately HK\$0.3 million in the FY2024. As a result, other income and gains decreased from approximately HK\$16.8 million for the FY2023 to approximately HK\$2.1 million for the FY2024.

Administrative and other operating expenses

Administrative and other operating expenses increased by approximately 2.6% from approximately HK\$52.3 million for the FY2023 to approximately HK\$53.7 million for the FY2024, which was mainly attributable to an increase in staff costs for the FY2024.

Finance costs

Finance costs decreased from approximately HK\$1.8 million for the FY2023 to approximately HK\$1.1 million for the FY2024, mainly due to the decrease in interest on lease liabilities for the FY2024.

Profit and total comprehensive income for the year

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\$17.6 million for the FY2024 as compared to a profit of approximately HK\$8.6 million for the FY2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations and investments were financed principally by cash generated from its business operations. As at 31 March 2024, the Group had net current assets of approximately HK\$204.0 million (31 March 2023: HK\$141.6 million), cash and bank balances of approximately HK\$85.0 million (31 March 2023: HK\$82.7 million) and pledged bank deposit of approximately HK\$3.0 million (31 March 2023: HK\$3.0 million). As at 31 March 2024, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$224.1 million (31 March 2023: HK\$206.5 million), and the Group's total debt comprising lease liabilities amounted to approximately HK\$11.0 million (31 March 2023: HK\$60.1 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 2024, the gearing ratio (calculated on the basis of total lease liabilities divided by total equity of the Group) was approximately 4.9% (31 March 2023: 29.1%). The decrease in gearing ratio was mainly due to the decrease in lease liabilities.

COMMITMENTS

As at 31 March 2024, the Group did not have any material capital commitments (31 March 2023: Nil).

As at 31 March 2024, the Group's operating lease commitments were approximately HK\$4.0 million (31 March 2023: HK\$4.0 million).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any material contingent liability (31 March 2023: Nil).

INFORMATION ON EMPLOYEES

As at 31 March 2024, the Group employed 383 employees (31 March 2023: 386 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 payment) for the FY2024 amounted to approximately HK\$142.1 million (31 March 2023: HK\$134.1 million).

CHARGE ON GROUP ASSETS

Certain cash deposits of the Group of approximately HK\$3.0 million as at 31 March 2024 and 31 March 2023 are charged to the bank to secure 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 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 announcement, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures for the FY2024. The Group did not have other plan for material investments or capital assets as at 31 March 2024.

FINAL DIVIDENDS

The Board has proposed final dividend of HK2.0 cents per ordinary share of the Company for the FY2024, amounting to approximately HK\$20.0 million (31 March 2023: Nil). The final dividend is subject to approval by the shareholders of the Company in the forthcoming annual general meeting of the Company.

CLOSURE OF REGISTER OF MEMBER

The forthcoming annual general meeting is scheduled to be held on Monday, 9 September 2024 (the “**2024 AGM**”). For determining the entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Wednesday, 4 September 2024 to Monday, 9 September 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all duly completed share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 3 September 2024.

In order to qualify for the entitlement to the proposed final dividend, the register of members of the Company will also be closed from Friday, 13 September 2024 to Tuesday, 17 September 2024, both days inclusive, during which period no transfer of shares in the Company will be registered. All transfer of shares, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 12 September 2024. If the resolution of the proposed final dividend is passed at the 2024 AGM, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on Tuesday, 17 September 2024. The proposed final dividend is expected to be paid on or before Wednesday, 16 October 2024.

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 2024 is set out below:

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2024 as stated in the Prospectus	Actual business progress up to 31 March 2024
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 is in the course of setting 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 and 15 March 2024

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2024 as stated in the Prospectus	Actual business progress up to 31 March 2024
Upgrading existing facilities and acquiring additional trucks and equipment	<ul style="list-style-type: none"> <li data-bbox="464 321 975 491">– Acquire two additional 5.5 ton trucks, three additional 9 ton trucks and ten additional 16 ton trucks <li data-bbox="464 534 975 789">– 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="464 832 975 1044">– Install two automatic measurement and weight check systems for cargo pallets in cargo receiving areas in the existing warehouses <li data-bbox="464 1087 975 1385">– 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="464 1427 975 1555">– Maintenance for the upgraded and new facilities or other existing facilities 	<p data-bbox="997 321 1511 449">The Group has acquired thirteen additional 16 ton trucks and one unit of 5.5 ton truck</p> <p data-bbox="997 534 1511 661">The Group has upgraded the CCTV surveillance equipment and security system of the warehouses</p> <p data-bbox="997 832 1511 959">The Group has installed one unit of automatic measurement and weight check system</p> <p data-bbox="997 1087 1511 1300">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="997 1427 1511 1642">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>

Business strategies as stated in the Prospectus	Business objectives up to 31 March 2024 as stated in the Prospectus	Actual business progress up to 31 March 2024
Implementing new information technology system	<ul style="list-style-type: none"> <li data-bbox="469 325 975 442">– Plan for upgrading the existing warehouse management system and accounting system <li data-bbox="469 495 975 655">– Implement and evaluate the performance of the upgraded warehouse management system and accounting system <li data-bbox="469 708 975 995">– 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="469 1049 975 1304">– 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="469 1357 975 1474">– Implement and evaluate the performance of the new human resources management system 	<p data-bbox="999 325 1509 666">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="999 708 1509 836">The Group has recruited one experienced personnel responsible for the information system upgrade</p> <p data-bbox="999 1049 1509 1219">The Group is working with its information technology consultant to study the hardwares and computer facilities upgrade</p> <p data-bbox="999 1347 1509 1602">The new human resources management system has been launched. The Group is working with the human resources vendor to explore the enhancement resources system to improve the overall efficiency</p>

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 2024 is set out below:

Business objective and strategy	Planned use of	Actual use of		Unutilised use of	Expected timeline
	Net Proceeds as disclosed in the Prospectus and as amended in the announcement	Unutilised Net Proceeds as at 1 April 2023	Net Proceeds during the year ended 31 March 2024		
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	for utilising the unutilised Net Proceeds
Setting up of new warehouse premises in Tuen Mun	—	—	—	—	N/A
Setting up of new warehouse premises in Chek Lap Kok	36.4	36.4	4.6	31.8	31 December 2024
Upgrading existing facilities and acquiring additional trucks and equipment	36.4	3.6	1.1	2.5	31 December 2024
Implementing new information technology system	14.5	8.0	0.3	7.7	31 December 2024
General working capital	5.5	—	—	—	—
Total	92.8	48.0	6.0	42.0	

The Group intends to finance the capital expenditure for setting up new warehouse premises in Chek Lap Kok using the Net Proceeds. Based on the current market conditions, the Directors estimate 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\$19.6 million, rental payment of the warehouse premises for the first year of approximately HK\$11.8 million and working capital for the warehouse premises of approximately HK\$5.0 million. During the FY2024, the Group has paid up the set up cost of the warehouse premises of approximately HK\$1.7 million and the rental payment of approximately HK\$2.9 million.

For the upgrading of existing facilities and the acquisition of additional trucks and equipment, the Group has acquired three units of truck during the FY2024. For the implementation of new information technology system, the Group has maintained the salary of IT staffs and upgraded the CCTV surveillance and security-system during the FY2024.

The unutilised Net Proceeds are expected to be fully utilised within 7 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, all Directors have fully complied with the required standards set out in the Model Code during the FY2024.

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 FY2024, 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 FY2024.

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 FY2024 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 FY2024. 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 FY2024 and the final results announcement of the Group for the FY2024.

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in this announcement, there is no other important event affecting the Group since 31 March 2024 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, 21 June 2024

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.