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# A.Plus Group Holdings Limited

## 優越集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8251)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

## ANNUAL RESULTS

The board of Directors (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2016 together with the comparative figures for the year ended 31 March 2015 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2016*

|   | <i>Notes</i> | <b>2016</b><br><b>HK\$'000</b> | 2015<br>HK\$'000 |
|---|--------------|--------------------------------|------------------|
| Revenue   | 5            | <b>99,762</b>                  | 81,839           |
| Cost of services  |              | <b>(47,748)</b>                | (40,907)         |
| Gross profit  |              | <b>52,014</b>                  | 40,932           |
| Other income  |              | <b>1,007</b>                   | 1,867            |
| Selling and distribution expenses   |              | <b>(9,120)</b>                 | (9,956)          |
| Administrative expenses   |              | <b>(25,869)</b>                | (13,019)         |
| Profit before tax   |              | <b>18,032</b>                  | 19,824           |
| Income tax expense  | 7            | <b>(4,646)</b>                 | (3,271)          |
| Profit and total comprehensive income attributable to the owners of the Company | 8            | <b><u>13,386</u></b>           | <u>16,553</u>    |
| Earnings per share ( <i>HK cents</i> )  |              |                                |                  |
| – Basic and diluted   | 9            | <b><u>5.29</u></b>             | <u>6.57</u>      |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

|  | <i>Notes</i> | <b>2016</b><br><b>HK\$'000</b> | <b>2015</b><br><b>HK\$'000</b> |
|--|--------------|--------------------------------|--------------------------------|
| <b>Non-current assets</b>                        |              |                                |                                |
| Plant and equipment                              |              | <b>2,155</b>                   | 2,388                          |
| Goodwill   |              | <b>11,423</b>                  | –                              |
| Deferred tax assets                              |              | <b>142</b>                     | 116                            |
|  |              | <b>13,720</b>                  | 2,504                          |
| <b>Current assets</b>                            |              |                                |                                |
| Amounts due from customers on services contracts |              | <b>9,062</b>                   | 6,549                          |
| Trade and other receivables                      | <i>11</i>    | <b>20,186</b>                  | 14,719                         |
| Amount due from a director                       |              | –                              | 691                            |
| Bank balances                                    |              | <b>24,041</b>                  | 23,312                         |
|  |              | <b>53,289</b>                  | 45,271                         |
| <b>Current liabilities</b>                       |              |                                |                                |
| Trade and other payables                         | <i>12</i>    | <b>19,584</b>                  | 10,950                         |
| Income tax payables                              |              | <b>1,572</b>                   | 758                            |
|  |              | <b>21,156</b>                  | 11,708                         |
| <b>Net current assets</b>                        |              |                                |                                |
|  |              | <b>32,133</b>                  | 33,563                         |
|  |              | <b>45,853</b>                  | 36,067                         |
| <b>Capital and reserves</b>                      |              |                                |                                |
| Share capital                                    | <i>13</i>    | <b>1</b>                       | –                              |
| Reserves   |              | <b>45,852</b>                  | 36,067                         |
|  |              | <b>45,853</b>                  | 36,067                         |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands as an exempted company with limited liability on 20 April 2015. Its parent and ultimate holding company is Brilliant Ray Global Limited (“Brilliant Ray”) (incorporated in the British Virgin Islands (the “BVI”). The shares of the Company have been listed on the GEM of the Stock Exchange with effect from 19 April 2016.

The Company is an investment holding company. Its major operating subsidiaries are engaged in the provision of financial printing services.

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

## 2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to a group reorganisation (the “Reorganisation”), the Company became the holding company of the Group on 23 March 2016. The Company, Power Future Holdings Limited (“Power Future”), Maplehill Investments Limited (“Maplehill”) and A.Plus Financial Press Limited (“APF”), resulting from the Reorganisation, was directly and/or beneficially owned by the same beneficial owners in substantially the same proportionate ownership interests both before and after the Reorganisation. As such, this Reorganisation is effectively interspersing a shell company over Power Future, Maplehill and APF and there was a continuation of risks and benefits to the ultimate beneficial owners. Accordingly, the Reorganisation has been accounted for as a combination of entities and businesses and the consolidated financial statements have been prepared on a combined basis as if the Company had always been the holding company of Power Future, Maplehill and APF since the beginning of the reporting period. Amongst the ultimate beneficial owners, Mr. Lam Kim Wan and Mr. Fong Wing Kong are regarded as the controlling shareholders of the Group (the “Controlling Shareholders”).

Before the completion of the Reorganisation, the Controlling Shareholders held 50% equity interest in A.Plus International Financial Press Limited (“API”) and did not have control over API. Accordingly, API did not form part of the Group before the completion of the Reorganisation and its financial results have not been combined into the Group under the principles of merger accounting. API became a wholly-owned subsidiary of the Group upon the completion of the Reorganisation on 23 March 2016.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows including the results and cash flows of the Company, Power Future, Maplehill and APF have been prepared as if the current group structure had been in existence since 1 April 2014 or since their respective dates of incorporation. The consolidated statement of financial position of the Group as at 31 March 2015 has been prepared to present the assets and liabilities of the Company, Power Future, Maplehill and APF as if the current group structure had been in existence as at that date.

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has consistently adopted HKFRSs, the Hong Kong Accounting Standards (“HKASs”), amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning on 1 April 2015.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

|   |   |
|---|---|
| HKFRS 9 (2014)                                  | Financial Instruments <sup>2</sup>  |
| HKFRS 15  | Revenue from Contracts with Customers <sup>2</sup>  |
| HKFRS 16  | Leases <sup>4</sup>   |
| Amendments to HKFRSs                            | Annual Improvements to HKFRSs 2012-2014 Cycle <sup>1</sup>  |
| Amendments to HKAS 1                            | Disclosure Initiative <sup>1</sup>  |
| Amendments to HKAS 16 and<br>HKAS 38            | Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>                     |
| Amendments to HKAS 16 and<br>HKAS 41            | Agriculture: Bearer Plants <sup>1</sup>   |
| Amendments to HKAS 27                           | Equity Method in Separate Financial Statements <sup>1</sup>   |
| Amendments to HKFRS 10 and<br>HKAS 28           | Sale or Contribution of Assets between an Investor and its Associate or<br>Joint Venture <sup>3</sup> |
| Amendments to HKFRS 10,<br>HKFRS 12 and HKAS 28 | Investment Entities: Applying the Consolidation Exception <sup>1</sup>                                |
| Amendments to HKFRS 11                          | Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>                             |
| Amendments to HKFRS 15                          | Clarification to HKFRS 15 <sup>2</sup>  |

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2016.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2018.*

<sup>3</sup> *Effective date not yet been determined.*

<sup>4</sup> *Effective for annual periods beginning on or after 1 January 2019.*

### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## 5. REVENUE

Revenue represents revenue arising from provision of financial printing services in Hong Kong. An analysis of the Group's revenue for the year is as follows:

|  | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Results announcements and financial reports                      | 40,739                  | 34,789                  |
| Company announcements and shareholder circulars                  | 42,198                  | 37,101                  |
| Debt offering circulars and initial public offering prospectuses | 6,264                   | 2,054                   |
| Fund documents   | 5,518                   | 4,209                   |
| Others   | 5,043                   | 3,686                   |
|  | <u>99,762</u>           | <u>81,839</u>           |

## 6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of services delivered. The Group is principally engaged in the provision of financial printing services. Accordingly, the Group's operation is attributable to a single reportable and operating segment under HKFRS 8 and no segment information is presented. In addition, all of the Group's revenue is sourced in Hong Kong and assets and liabilities are located in Hong Kong. Accordingly, no geographical information is presented.

During the years ended 31 March 2016 and 2015, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

## 7. INCOME TAX EXPENSE

|                       | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|-----------------------|-------------------------|-------------------------|
| Current tax:          |                         |                         |
| Hong Kong Profits Tax | 4,672                   | 3,237                   |
| Deferred taxation     | (26)                    | 34                      |
|                       | <u>4,646</u>            | <u>3,271</u>            |

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both years.

## 8. PROFIT FOR THE YEAR

|  | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Profit for the year has been arrived at after charging:                            |                         |                         |
| Salaries, wages and other benefits   | 26,413                  | 22,765                  |
| Contribution to defined contribution retirement benefits scheme                    | <u>775</u>              | <u>655</u>              |
| Total staff costs (excluding directors' remuneration)                              | <u>27,188</u>           | <u>23,420</u>           |
| Auditor's remuneration   | 620                     | 21                      |
| Depreciation of plant and equipment  | 1,322                   | 1,711                   |
| Impairment loss of trade receivables (included in administrative expenses)         | 454                     | 178                     |
| Listing expenses   | 10,209                  | –                       |
| Operating lease charges in respect of office premises and certain office equipment | <u>2,734</u>            | <u>2,643</u>            |

## 9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

|  | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Earnings   |                         |                         |
| Earnings for the purpose of basic earnings per share                                   | <u>13,386</u>           | <u>16,553</u>           |
|  | 2016<br><i>'000</i>     | 2015<br><i>'000</i>     |
| Number of shares   |                         |                         |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | <u>253,180</u>          | <u>252,000</u>          |

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2016 and 2015.

The weighted average number of ordinary shares in issue during the year ended 31 March 2016 and 2015 have been retrospectively adjusted for the effect of the capitalisation issue as stated in note 13(e) pursuant to the Reorganisation as stated in the prospectus of the Company dated 31 March 2016 (the "Prospectus") as if such capitalisation issued shares were issued during the two years ended 31 March 2016 on pro rata basis.

## 10. DIVIDENDS

The final dividend for the year ended 31 March 2014 declared by APF to its then shareholders during the year ended 31 March 2015 amounted to HK\$6,000,000. In July 2015, an interim dividend of HK\$18,000,000 was declared and paid by APF to its then shareholders in August 2015.

Other than disclosed above, no dividends have been paid or declared by the Company since its date of incorporation.

## 11. TRADE AND OTHER RECEIVABLES

|  | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Trade receivables  | 16,013                  | 12,907                  |
| <i>Less: Allowance for impairment of trade receivables</i> | <u>(1,020)</u>          | <u>(624)</u>            |
|  | 14,993                  | 12,283                  |
| Prepayments  | 3,754                   | 1,610                   |
| Deposits   | <u>1,439</u>            | <u>826</u>              |
| Trade and other receivables                                | <u><u>20,186</u></u>    | <u><u>14,719</u></u>    |

The Group allows an average credit period of 30 days to its trade customers. The Group does not hold any collateral over its trade and other receivables. The following is an aged analysis of trade receivables, net of allowance for impairment of trade receivables, presented based on the invoice date, at the end of the reporting period.

|                | 2016<br><i>HK\$'000</i> | 2015<br><i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 30 days | 8,473                   | 7,058                   |
| 31 to 60 days  | 2,053                   | 1,909                   |
| 61 to 90 days  | 780                     | 566                     |
| Over 90 days   | <u>3,687</u>            | <u>2,750</u>            |
| Total          | <u><u>14,993</u></u>    | <u><u>12,283</u></u>    |

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of approximately HK\$6,520,000 (2015: HK\$5,225,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss as these balances were either subsequently settled or there has not been a significant change in credit quality and the amounts are still considered recoverable.



Aged analysis of trade receivables presented based on due date is as follows:

|                               | <b>2016</b>            | 2015            |
|-------------------------------|------------------------|-----------------|
|                               | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Neither past due nor impaired | <b>8,473</b>           | 7,058           |
| Past due but not impaired:    |                        |                 |
| Within 30 days                | <b>2,053</b>           | 1,909           |
| 31 to 60 days                 | <b>780</b>             | 566             |
| Over 60 days                  | <b>3,687</b>           | 2,750           |
|                               | <hr/>                  | <hr/>           |
| Total                         | <b>14,993</b>          | 12,283          |
|                               | <hr/> <hr/>            | <hr/> <hr/>     |

The movements in allowance for impairment of trade receivables are as follows:

|                              | <b>2016</b>            | 2015            |
|------------------------------|------------------------|-----------------|
|                              | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| At the beginning of the year | <b>624</b>             | 496             |
| Impairment loss recognised   | <b>454</b>             | 178             |
| Reversal of impairment loss  | <b>(58)</b>            | (50)            |
|                              | <hr/>                  | <hr/>           |
| At the end of the year       | <b>1,020</b>           | 624             |
|                              | <hr/> <hr/>            | <hr/> <hr/>     |

Included in the allowance for impairment of trade receivables are individually impaired trade receivables with an aggregate balance of approximately HK\$1,020,000 (2015: HK\$624,000) based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions.

Included in prepayments as at 31 March 2016, balance of approximately HK\$866,000 (2015: HK\$544,000) is prepayment to a related company in relation to the provision of translation services.

## 12. TRADE AND OTHER PAYABLES

|                              | <b>2016</b>            | 2015                 |
|------------------------------|------------------------|----------------------|
|                              | <b><i>HK\$'000</i></b> | <i>HK\$'000</i>      |
| Trade payables               | <b>5,090</b>           | 4,221                |
| Customer deposit             | <b>2,526</b>           | 173                  |
| Accrued bonus and commission | <b>5,068</b>           | 5,476                |
| Accruals                     | <b>6,900</b>           | 1,080                |
|                              | <hr/>                  | <hr/>                |
| Trade and other payables     | <b><u>19,584</u></b>   | <b><u>10,950</u></b> |

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period.

|                | <b>2016</b>            | 2015                |
|----------------|------------------------|---------------------|
|                | <b><i>HK\$'000</i></b> | <i>HK\$'000</i>     |
| Within 30 days | <b>2,741</b>           | 1,653               |
| 31 to 60 days  | <b>591</b>             | 845                 |
| 61 to 90 days  | <b>399</b>             | 1,029               |
| Over 90 days   | <b>1,359</b>           | 694                 |
|                | <hr/>                  | <hr/>               |
| Trade payables | <b><u>5,090</u></b>    | <b><u>4,221</u></b> |

The average credit period granted is ranging from 30 to 90 days. The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

Included in trade payables as at 31 March 2015, balance of approximately HK\$16,000 (2016: nil) was due to a related company in relation to the provision of translation services.

### 13. SHARE CAPITAL

Movements of the authorised and issued share capital of the Company for the period from 20 April 2015 (date of incorporation of the Company) to 31 March 2016 are as follows:

|  | Number of<br>Ordinary shares | Share capital<br>HK\$    |
|--|------------------------------|--------------------------|
| Ordinary share of HK\$0.01 each                              |                              |                          |
| <i>Authorised:</i>   |                              |                          |
| At 20 April 2015 (date of incorporation) ( <i>note (a)</i> ) | 38,000,000                   | 380,000                  |
| Increase in the period ( <i>note (b)</i> )                   | <u>7,962,000,000</u>         | <u>79,620,000</u>        |
| 31 March 2016  | <u><u>8,000,000,000</u></u>  | <u><u>80,000,000</u></u> |
| <i>Issued and fully paid:</i>                                |                              |                          |
| Share issued upon incorporation ( <i>note (a)</i> )          | 1                            | 0.01                     |
| Shares issued on reorganisation ( <i>notes (c) and (d)</i> ) | <u>99,999</u>                | <u>999.99</u>            |
| At 31 March 2016   | <u><u>100,000</u></u>        | <u><u>1,000</u></u>      |

*Notes:*

- (a) Upon incorporation, the authorised share capital of the Company was HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. One share was allotted and issued nil paid to the subscriber on 20 April 2015, which was then transferred to Brilliant Ray, which was owned by the Controlling Shareholders, on the same date.
- (b) Pursuant to the written resolutions passed by the shareholders of the Company on 23 March 2016, the authorised share capital of the Company was increased from HK\$380,000 to HK\$80,000,000 by the creation of a further 7,962,000,000 shares of HK\$0.01 each.
- (c) On 23 March 2016, the Company through Maplehill, acquired 10,000 shares of API, representing API's entire issued share capital, from Brilliant Ray, and in consideration the Company allotted and issued 15,999 fully paid up shares to Brilliant Ray and credited as fully paid up the one nil-paid share held by Brilliant Ray upon completion of the acquisition of API by the Group.
- (d) On 23 March 2016, the Company through Power Future, acquired 200 shares of APF, representing APF's entire issued share capital, from Brilliant Ray, and in consideration the Company allotted and issued 84,000 shares to Brilliant Ray, credited as fully-paid.

- (e) On 18 April 2016, the Company issued a total of 100,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.30 per share as a result of the completion of the placing. The gross total proceeds from placing of HK\$30,000,000 representing the par value of HK\$1,000,000 credited to the Company's share capital, and share premium of HK\$29,000,000, which can be used for deduction of share issuance expenses. After the share premium account of the Company being credited as a result of the placing, HK\$2,999,000 was capitalised from the share premium account and applied in paying up in full 299,900,000 shares which was allotted and issued to the then shareholders. The Company's total number of issued shares was increased to 400,000,000 shares upon completion of placing.
- (f) All shares issued rank pari passu in all respects with all shares then in issue.

As the Company was not incorporated prior to 20 April 2015 and the Reorganisation was not completed as at 31 March 2015, the share capital in the consolidated statement of financial position as at 31 March 2015 and consolidated statement of changes in equity for the year ended 31 March 2015 represented the combined share capital of Power Future, Maplehill and APF attributable to owners of the Company.

#### **14. EVENTS AFTER THE REPORTING PERIOD**

##### **i) Increase authorised share capital and issuance of shares**

As stated in note 13(e), there was an issuance of shares by way of capitalisation issue and placing.

##### **ii) Completion of listing**

On 19 April 2016, the shares of the Company have been listed on the GEM of the Stock Exchange.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is a financial printing service provider in Hong Kong mainly providing typesetting, design, translation, printing and delivery services in relation to financial reports, announcements, shareholder circulars, debt offering circulars, IPO prospectuses and fund documents. The Group's business is mainly conducted through its two wholly-owned subsidiaries, namely APF and API. APF mainly focuses on documents relating to continuous listing compliance obligations of companies listed on the Stock Exchange, while API aims at enhancing the Group's market presence in relation to debt offering circulars and IPO prospectuses by expanding business relationships with intermediaries such as financial institutions and law firms.

### Results announcements and financial reports

Revenue generated from results announcements and financial reports is derived from companies listed on the Stock Exchange as they are required to publish such documents periodically.

For the year ended 31 March 2016, revenue generated from results announcements and financial reports segment amounted to approximately HK\$40.7 million, representing an increase of approximately 17.1% as compared with approximately HK\$34.8 million in the previous year, which was mainly attributable to the expansion of the Group's customer base of companies listed on the Stock Exchange from 234 for the year ended 31 March 2015 to 251 for the year ended 31 March 2016. For the years ended 31 March 2016 and 2015, the revenue generated from results announcements and financial reports segment represented approximately 40.8% and 42.5% of the Group's total revenue respectively.

### Company announcements and shareholder circulars

Revenue generated from company announcements and shareholder circulars is derived from companies listed on the Stock Exchange, which are subject to compliance requirements of the Stock Exchange for the publication of certain documents as a result of their corporate actions.

For the year ended 31 March 2016, revenue generated from company announcements and shareholder circulars segment amounted to approximately HK\$42.2 million, representing an increase of approximately 13.7% as compared with approximately HK\$37.1 million in the previous year, which was mainly attributable to the abovementioned expansion of the Group's customer base of companies listed on the Stock Exchange. For the years ended 31 March 2016 and 2015, the revenue generated from company announcements and shareholder circulars segment represented approximately 42.3% and 45.3% of the Group's total revenue respectively.

## **Debt offering circulars and IPO prospectuses**

Revenue generated from this segment is derived from companies (i) raising funds in the debt market; and (ii) seeking listing on the Stock Exchange. Such companies may be subject to regulatory requirements for the publication of debt offering circulars and IPO prospectuses, in the case of these ad hoc debt offerings and IPO transactions respectively.

For the year ended 31 March 2016, revenue generated from debt offering circulars and IPO prospectuses segment amounted to approximately HK\$6.3 million, representing an increase of approximately 205.0% as compared with approximately HK\$2.1 million in the previous year, which was mainly attributable to the increase in the number of successful IPO prospectus projects handled by the Group during the year ended 31 March 2016. For the years ended 31 March 2016 and 2015, the revenue generated from debt offering circulars and IPO prospectuses segment represented approximately 6.3% and 2.5% of the Group's total revenue respectively.

## **Fund documents**

The Group also serves financial institutions such as asset management firms, which typically engage us for the financial printing of fund documents.

For the year ended 31 March 2016, revenue generated from fund documents segment amounted to approximately HK\$5.5 million, representing an increase of approximately 31.1% as compared with approximately HK\$4.2 million in the previous year. For the years ended 31 March 2016 and 2015, the revenue generated from fund documents segment represented approximately 5.5% and 5.1% of the Group's total revenue respectively.

## **Others**

Apart from those mentioned above, the Group also offers other services such as standalone translations, design and production of newsletters and leaflets, corporate brochures and reports.

For the year ended 31 March 2016, revenue generated from this segment amounted to approximately HK\$5.0 million, representing an increase of approximately 36.8% as compared with approximately HK\$3.7 million in the previous year. For the years ended 31 March 2016 and 2015, the revenue generated from this segment represented approximately 5.1% and 4.5% of the Group's total revenue respectively.

## **FUTURE PROSPECTS**

Looking ahead, the general slowdown in the economic growth in Hong Kong, Mainland China and around the world will adversely affect the financial market sentiment, and lead to a reduction in fund raising and corporate activities, which in turn may affect the demand for financial printing services.

In June 2016, the Stock Exchange stated in a news release that it plans to take a more focused review when a listing applicant has certain characteristics, and it may impose additional requirements or conditions or exercise its discretion to reject the applicant's listing on the grounds of suitability, and a guidance letter has been issued in this regard. The Stock Exchange also mentioned that it is continuing to explore ways in which reverse takeovers and cash company rules can be tightened post-listing in the news release. In addition, the Stock Exchange issued a Joint Consultation Paper on Proposed Enhancements to the Stock Exchange of Hong Kong Limited's Decision-Making and Governance Structure for Listing Regulation in June 2016, in which the Stock Exchange proposed certain changes to the listing regulatory regime. These recent news and consultation may impose uncertainties on the business prospects of the Group.

Recently, a number of new financial printing service providers entered into the market in Hong Kong and this will not only further intensify the competition within the industry for potential and existing customers, but also for competent and experienced staff.

Despite the above, the Group will continue to implement our existing business strategy to expand our customer base of companies listed on the Stock Exchange and also further penetrate the market of debt offering circulars and IPO prospectuses through developing our business relationships with intermediaries in the future.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased from approximately HK\$81.8 million for the year ended 31 March 2015 to approximately HK\$99.8 million for the year ended 31 March 2016, representing an increase of approximately 21.9%. The increase was primarily attributable to the increase in revenue from results announcements and financial reports segment amounting to approximately HK\$6.0 million, increase in revenue from company announcements and shareholder circulars segment amounting to approximately HK\$5.1 million and increase in revenue from debt offering circulars and IPO prospectuses segment amounting to approximately HK\$4.2 million.

## **Cost of services**

The Group's cost of services mainly include translation cost, printing cost and staff cost, which represented approximately 31.7%, 30.3% and 33.3% of the Group's total cost of services for the year ended 31 March 2016 respectively. The Group's cost of services increased from approximately HK\$40.9 million for the year ended 31 March 2015 to approximately HK\$47.7 million for the year ended 31 March 2016, representing an increase of approximately 16.7%.

The increase in cost of services was mainly attributable to (i) the increase in translation cost amounting to approximately HK\$2.7 million; (ii) the increase in printing cost amounting to approximately HK\$1.3 million; and (iii) the increase in staff cost of account & customer service and desktop publishing staff amounting to approximately HK\$2.0 million. Such increase was generally in line with the Group's revenue growth during the year.

## **Gross profit**

The Group's gross profit increased from approximately HK\$40.9 million for the year ended 31 March 2015 to approximately HK\$52.0 million for the year ended 31 March 2016, representing an increase of approximately 27.1%. Such increase was mainly attributable to the increase in revenue generated from the results announcement and financial reports segment, company announcements and shareholder circulars segment and debt offering circulars and IPO prospectuses segment. The Group's gross profit margin was approximately 50.0% and approximately 52.1% for the years ended 31 March 2015 and 2016 respectively, which remained relatively stable.

## **Other income**

The Group's other income decreased from approximately HK\$1.9 million for the year ended 31 March 2015 to approximately HK\$1.0 million for the year ended 31 March 2016. Such decrease was mainly attributable to the absence of reimbursement income due to the termination of the relevant secondment arrangement.

## **Selling and distribution expenses**

The Group's selling and distribution expenses decreased from approximately HK\$10.0 million for the year ended 31 March 2015 to approximately HK\$9.1 million for the year ended 31 March 2016. Such decrease was mainly attributable to the decrease in staff cost of sales and marketing staff amounting to approximately HK\$0.7 million from approximately HK\$6.8 million for the year ended 31 March 2015 to approximately HK\$6.1 million for the year ended 31 March 2016.



## **Administrative expenses**

The Group's administrative expenses increased from approximately HK\$13.0 million for the year ended 31 March 2015 to approximately HK\$25.9 million for the year ended 31 March 2016. Such increase was mainly attributable to the one-off listing expenses amounting to approximately HK\$10.2 million recognised during the year ended 31 March 2016.

## **Income tax expenses**

The Group's income tax expenses increased from approximately HK\$3.3 million for the year ended 31 March 2015 to approximately HK\$4.6 million for the year ended 31 March 2016. Such increase was mainly attributable to the increase in profit before taxation, excluding the effect of non-deductible expenses such as one-off listing expenses.

## **Profit for the year**

Profit after tax of the Group decreased by approximately 19.1% from approximately HK\$16.6 million for the year ended 31 March 2015 to approximately HK\$13.4 million for the year ended 31 March 2016. The Group's net profit margin also decreased from approximately 20.2% for the year ended 31 March 2015 to approximately 13.4% for the year ended 31 March 2016. Such decreases were mainly attributable to the one-off listing expenses recognised during the year ended 31 March 2016. Profit after tax and net profit margin of the Group for the year ended 31 March 2016 would have been approximately HK\$23.6 million and approximately 23.7% respectively if excluding the one-off listing expenses.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of 31 March 2015 and 31 March 2016, the Group had net current assets of approximately HK\$33.6 million and HK\$32.1 million respectively. As of 31 March 2015 and 31 March 2016, the Group had cash and cash equivalents of approximately HK\$23.3 million and HK\$24.0 million respectively. As of 31 March 2015 and 31 March 2016, the Group did not have any borrowings, bank overdrafts, bank loans and banking facilities. Gearing ratio (which is calculated by dividing total debt by total equity) is not applicable for the Group as at 31 March 2015 and 31 March 2016.

The Group intends to finance its future operations, capital expenditure and other capital requirements with the cash generated from business operations, cash and bank balances available and the net proceeds from the listing.

## **FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS**

Save as disclosed in the section headed “Future plans and use of proceeds” of the Prospectus, the Group did not have other plans for material investment or capital assets as at 31 March 2016. Please also refer to the section headed “Placing price and use of net proceeds” in the announcement of the Company dated 18 April 2016 for the use of net proceeds.

## **SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS**

Save for the group reorganisation as set out in the section headed “History, Reorganisation and group structure” of the Prospectus, the Group did not make any significant investments or material acquisition and disposal during the year ended 31 March 2016.

## **CONTINGENT LIABILITIES**

As at 31 March 2015 and 2016, the Group did not have any significant contingent liabilities.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2016, the Group had a total of 71 full time employees (2015: 63). For the year ended 31 March 2016, the Group incurred staff costs, including Directors’ remuneration, of approximately HK\$30.4 million (2015: approximately HK\$26.7 million).

The Group deeply recognises the intense competition for experienced staff in the financial printing industry and the importance of retaining talented and professional employees for operations and business. As such, the Group ensures that its overall level of remuneration remains competitive in order to retain our staff. The Group adopts performance-based remuneration packages to further motivate our staff. The Group has emphasised on instilling upon our staff a sense of belonging through, among others, the organization of company-wide staff and family activities such as staff tours and annual dinners. In addition, the Group also sponsors team-building events for various departments.

The Group’s principal policies concerning remuneration of Directors and senior management are determined based on the relevant Director’s or member of senior management’s duties, responsibilities, experiences, skills, performance of the Group and are made with reference to those paid by comparable companies. Executive Directors and senior management may receive a discretionary bonus which shall be determined by the Board with regard to the performance of the relevant executive Director or member of senior management and the operating results of the Group as a whole in respect of the financial year. Executive Directors and senior management may be granted share options of the Company as part of the remuneration package, subject to the discretion of the Board. Independent non-executive Directors receive compensation in the form of director fees. Remuneration of Directors and senior management will be reviewed annually by the remuneration committee of the Company.

During the year ended 31 March 2016, the Group has maintained good working relationships with its employees and has not experienced any disruption to its business operations arising from labour disputes or difficulties in recruiting.

## **CAPITAL COMMITMENTS**

As at 31 March 2016, the Group's capital commitment amounted to approximately HK\$0.1 million (2015: nil).

## **CHARGES ON GROUP ASSETS**

As at 31 March 2016, the Group had no charges on the Group's assets (2015: nil).

## **TREASURY POLICIES**

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

## **RISK EXPOSURE**

The Board believes that all the major risk factors relevant to the Group have already been listed in the section headed "Risk factors" of the Prospectus and under the section headed "Future Prospects" in this announcement. Save for disclosed herein, as of 31 March 2016 and the date of this announcement, there was no material adverse change in the general economic and market conditions in the industry in which the Group operate that had affected or would affect its business operations or financial condition materially and adversely.

## **CUSTOMER AND SUPPLIER RELATIONSHIP**

The Group's major customers are companies listed on the Stock Exchange. The Group is committed to build long term and stable business relationships with existing customers through sales and marketing department and dedicated account service team, and will continue to perform customer-relationship building activities from time to time.

The Group maintains a good relationship with its suppliers. The Group had engaged suppliers in consideration of the quality of services provided by them, their costs and time schedules. The Group maintains a sufficient number of suppliers for printing and translation works, and as such the Group has minimal exposure to the loss of any supplier(s).

## **FOREIGN CURRENCY EXPOSURE**

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

## **EVENTS AFTER THE BALANCE SHEET DATE**

Apart from the listing of the shares of the Company on GEM of the Stock Exchange on 19 April 2016 and the related capitalisation issue and placing, no significant events have occurred from 31 March 2016 to the date of this announcement.

## **DIVIDENDS**

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2016.

## **CORPORATE GOVERNANCE**

The shares of the Company were listed on GEM of the Stock Exchange on 19 April 2016 ("Listing Date"). The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance since the Listing Date. During the year ended 31 March 2016 and in preparation for the listing, the Company has, so far applicable, complied with the code provisions as set out in the CG Code.

## **REVIEW OF ANNUAL RESULTS**

The figures in this preliminary results announcement of the Group for the year ended 31 March 2016, which have been reviewed by the audit committee of the Company, have been agreed to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2016 by the Group's auditors, SHINEWING (HK) CPA Limited. The work of SHINEWING (HK) CPA Limited, 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this preliminary results announcement.

## **INTEREST OF COMPLIANCE ADVISER**

The Company has received confirmation from its compliance adviser, Altus Capital Limited (the "Altus Capital"), that as at 31 March 2016, except for the sponsor engagement letter and the compliance adviser's agreement entered into between the Company and Altus Capital on 2 May 2015 and 10 July 2015 respectively in connection with the listing, neither Altus Capital nor its directors, employees or close associates had any interests in the Company or any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company ("Annual General Meeting") is scheduled to be held on 29 September 2016. The notice of Annual General Meeting will be published on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.aplusp.com](http://www.aplusp.com).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 27 September 2016 to Thursday, 29 September 2016, both days inclusive, for the purposes of determining the entitlements of the Shareholders to attend and vote at the forthcoming annual general meeting of the Company. No transfer of shares of the Company may be registered during such period. In order to qualify to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Monday, 26 September 2016.

## **PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE**

Pursuant to the requirements of the GEM Listing Rules, the 2015/16 annual report of the Company will set out all information required by the GEM Listing Rules and will be published on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.aplusgp.com](http://www.aplusgp.com) on or before 30 June 2016.

By order of the Board  
**A.Plus Group Holdings Limited**  
**Lam Kim Wan**  
*Chairman and Executive Director*

Hong Kong, 22 June 2016

*As at the date of this announcement, the executive Directors are Mr. Lam Kim Wan and Mr. Fong Wing Kong, and the independent non-executive Directors are Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of its publication and on the Company's website at [www.aplusgp.com](http://www.aplusgp.com).*