



A.Plus Group Holdings Limited 優越集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 8251

Annual Report 2015/16 年報

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

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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.

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This report, 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 report 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 report misleading.



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Kim Wan (*Chairman*)
(appointed on 20 April 2015)

Mr. Fong Wing Kong
(appointed on 20 April 2015)

Independent Non-executive Directors

Mr. Yue Ming Wai Bonaventure
(appointed on 23 March 2016)

Ms. Sze Tak On
(appointed on 23 March 2016)

Mr. Leung Siu Hong
(appointed on 23 March 2016)

AUTHORISED REPRESENTATIVES

Mr. Lam Kim Wan
Mr. Fong Wing Kong

COMPANY SECRETARY

Mr. Fong Wing Kong (*CPA*)

COMPLIANCE OFFICER

Mr. Fong Wing Kong (*CPA*)

BOARD COMMITTEES

Audit Committee

Mr. Yue Ming Wai Bonaventure
(*Chairman*)

Ms. Sze Tak On
Mr. Leung Siu Hong

Remuneration Committee

Mr. Leung Siu Hong (*Chairman*)
Mr. Yue Ming Wai Bonaventure
Ms. Sze Tak On
Mr. Lam Kim Wan

Nomination Committee

Mr. Lam Kim Wan (*Chairman*)
Mr. Yue Ming Wai Bonaventure
Ms. Sze Tak On
Mr. Leung Siu Hong

AUDITORS

SHINEWING (HK) CPA Limited
43/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

LEGAL ADVISER

Howse Williams Bowers
27/F Alexandra House
18 Chater Road
Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2/F, 35-45B Bonham Strand
Sheung Wan
Hong Kong

COMPANY'S WEBSITE

www.aplusgp.com

STOCK CODE

8251

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPLIANCE ADVISER

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited

Chairman's Statement

On behalf of the board of Directors (the "Board") of the Company, I am pleased to present the results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2016 to the shareholders of the Company ("Shareholders").

LISTING

Successful listing of the Company on the GEM of the Stock Exchange on 19 April 2016 was a key milestone in the Group's development. Our listing status will enhance our corporate image, which in turn would contribute to our marketing efforts and provide a competitive edge, in particular in the debt offering circulars and initial public offering ("IPO") prospectuses segment. In addition, the listing of the Company will enhance the capital base of the Group for future development.

REVIEW

Despite the intense competition in the financial printing industry in Hong Kong, the Group has managed to achieve encouraging overall results during the year under review. The Group recorded a revenue of approximately HK\$99.8 million for the year ended 31 March 2016, representing an increase of approximately 21.9% as compared with approximately HK\$81.8 million in the previous year. Gross profit of the Group for the year ended 31 March 2016 was approximately HK\$52.0 million, representing an increase of approximately 27.1% as compared with approximately HK\$40.9 million in the previous year. However, due to the impact of the one-off listing expense of approximately HK\$10.2 million, profit after tax of the Group for the year ended 31 March 2016 was approximately HK\$13.4 million, representing a decrease of approximately 19.1% as compared with approximately HK\$16.6 million in the previous year. The net profit margin of the Group also decreased from approximately 20.2% in the previous year to approximately 13.4% for 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 excluding the one-off listing expenses.

As at 31 March 2016, there were 1,883 companies listed on the Stock Exchange (including both the main board and GEM), representing an increase of approximately 6.1% as compared with 1,775 companies as at 31 March 2015. There were 115 and 124 new listings in 2014 and 2015 respectively. Stable and continuous growth in the number of listed companies and steady pipeline of IPO transactions in Hong Kong brought an increase in demand for financial printing services which in turn created opportunities for the Group's business development.

FUTURE PROSPECTS

Looking ahead, the Group's business is likely to be affected by the general slowdown in the global economy, while the recent news release and consultation of the Stock Exchange have cast uncertainties on the Group's prospects. The situation is worsened by the trend of new financial printing service providers emerging in the market, which has made us cautious about the market outlook. Despite the above, the Group will continue to implement its 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.



APPRECIATION

I would like to take this opportunity to express my sincere gratitude to our customers, business partners and Shareholders for their continuous support for and trust in the Group. I also wish to express my heartfelt appreciation to all of our staff for their dedication and hard work throughout the year.

Lam Kim Wan

Chairman

Hong Kong, 22 June 2016

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a financial printing service provider in Hong Kong and mainly provides 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 A.Plus Financial Press Limited ("APF") and A.Plus International Financial Press Limited ("API"). APF mainly focuses on documents relating to continuous listing compliance obligations of companies listed on the Stock Exchange, while API concentrates on 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 production and 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 different types of reports, newsletters, leaflets, brochures, etc.

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 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.

Management Discussion and Analysis

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 that 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. The recent news release and consultation may impose uncertainties on the business prospects of the Group.

Recently, a number of new financial printing service providers have entered into the market in Hong Kong. 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 its 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 excluding the one-off listing expenses.

Management Discussion and Analysis

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" in the prospectus of the Company dated 31 March 2016 ("Prospectus"), the Group did not have other plans for material investment or capital assets as at 31 March 2016.

Actual use of net proceeds from the placing of 100,000,000 new shares of the Company (the "Placing") up to the date of this report are set out in paragraphs headed "Use of net proceeds from the Placing" of the Director's Report on page 18 of this report.

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 is aware of 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 places an emphasis on instilling upon our staff a sense of belonging through, the organisation of company-wide staff and family activities such as staff tours and annual dinners among other events. 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 paragraphs headed "Future Prospects" in this section. Save for disclosed herein, as of 31 March 2016 and the date of this report, there was no material adverse change in the general economic and market conditions in the industry in which the Group operates 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 building 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 engages suppliers in consideration of their quality of services, 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).

Management Discussion and Analysis

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 report.

DIVIDENDS

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

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

As set out in the Prospectus, the Group's strategic goal is to become a prominent player in the financial printing industry in Hong Kong. Given that the Placing was completed after 31 March 2016, the implementation plan as set out in the section headed "Future plans and use of proceeds" of the Prospectus will commence during the year ending 31 March 2017.

Actual use of net proceeds from the Placing up to the date of this report are set out in paragraphs headed "Use of net proceeds from the Placing" of the Director's Report on page 18 of this report.



Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Lam Kim Wan (林劍雲), aged 50, has been a director of APF since May 2002 and was appointed as a Director on 20 April 2015. He was redesignated as an executive Director and appointed as the chairman of the Company on 23 March 2016. He is also the chairman of the nomination committee and a member of the remuneration committee of the Company. He is one of the founders of the Group and a director of API. He is primarily responsible for overseeing the corporate strategy, operational management, and sales and marketing of the Group.

Mr. Lam was awarded a Higher Diploma in Business Studies from the City University of Hong Kong (formerly known as City Polytechnic of Hong Kong) in November 1990. He has over 20 years of experience in the financial printing industry in Hong Kong.

Mr. Fong Wing Kong (方永光), aged 49, has been a director of APF since May 2002 and was appointed as a Director on 20 April 2015. He was redesignated as an executive Director and chief financial officer of the Company on 23 March 2016. He is also the company secretary of the Company. He is one of the founders of the Group and a director of API. He is primarily responsible for overseeing the operational management and operations of finance and accounting of the Group.

Mr. Fong obtained a Bachelor of Business Administration (Honours) degree in Marketing from the Hong Kong Baptist University in November 1990, a Master of Arts degree in Information System from City University of Hong Kong in December 1996, a Postgraduate Diploma in Hotel and Tourism Management at the Hong Kong Polytechnic University in August 2003 and a Postgraduate Diploma in Professional Accounting from The Open University of Hong Kong in June 2007. He became a member of the Hong Kong Institute of Certified Public Accountants in January 2010. He has over 20 years experience in management and business development.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yue Ming Wai Bonaventure (余銘維), aged 48, was appointed as an independent non-executive Director on 23 March 2016. He is also the chairman of the audit committee and a member of the remuneration and nomination committees of the Company. He has over 24 years of experience in accounting, auditing, finance and compliance.

Mr. Yue obtained a Bachelor of Business Administration (Honours) degree in Accounting from the Hong Kong Baptist University in November 1990 and was awarded a Master of Science degree in Accounting and Finance from The University of Manchester in December 1994. He was admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Accountants in England and Wales in February 2002, November 2005 and February 2015 respectively. He was also admitted as a member of Chartered Accountants Australia and New Zealand in January 2008 and a member accredited in business valuation by the American Institute of Certified Public Accountants in January 2015.

Biographical Details of Directors and Senior Management

Mr. Yue is the chief financial officer and company secretary of Feishang Anthracite Resources Limited (stock code: 1738), a company listed on the Stock Exchange, since January 2014 and an executive director of such company, since May 2015 and the company secretary of Feishang Non-metal Materials Technology Limited (stock code: 8331), a company listed on the GEM, since December 2015.

Ms. Sze Tak On (施得安), aged 46, was appointed as an independent non-executive Director on 23 March 2016. She is also a member of each of the audit, remuneration and nomination committees of the Company. She has over 21 years of experience in accounting, auditing, finance and compliance.

Ms. Sze obtained a Bachelor of Business Administration degree from the Lingnan University in Hong Kong (formerly known as Lingnan College Hong Kong) in November 1998 and in November 2003, she obtained a Master of Corporate Finance degree from the Hong Kong Polytechnic University. In January and February 2001, she was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Taxation Institute of Hong Kong respectively. In March 2001, she was admitted as a member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. In May 2004, she was admitted as a fellow member of the Association of Chartered Certified Accountants.

Ms. Sze is the financial controller and company secretary of Century Legend (Holdings) Limited (stock code: 79), a company listed on the Stock Exchange, since January and July 2004 respectively.

Mr. Leung Siu Hong (梁兆康), aged 40, was appointed as an independent non-executive Director on 23 March 2016. He is also the chairman of the remuneration committee and a member of the audit and nomination committees of the Company. He has over 18 years of experience in accounting, auditing, finance and compliance.

Mr. Leung obtained a designated degree of Master of Arts in Accountancy from the University of Aberdeen, Scotland, the United Kingdom in October 1997. He also obtained a Master of Corporate Governance degree from the Hong Kong Polytechnic University in October 2011 and a Master of Science degree in Financial Analysis from the Hong Kong University of Science and Technology in June 2014. He is a fellow member of the Hong Kong Institute of Certified Public Accountants since February 2010 and the Association of Chartered Certified Accountants since May 2007. He is also a fellow member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries since July 2013.

Mr. Leung is the financial controller and company secretary of China Starch Holdings Limited (stock code: 3838), a company listed on the Stock Exchange, since February 2008, an independent non-executive director of Legend Strategy International Holdings Group Company Limited (stock code: 1355), a company listed on the Stock Exchange, since June 2015 and an independent non-executive director of China Partytime Culture Holdings Limited (stock code: 1532), a company listed on the Stock Exchange, since August 2015.

COMPANY SECRETARY

The company secretary of the Company is Mr. Fong Wing Kong. Biographical details of Mr. Fong are set out in the subsection headed “Executive Directors” under this section of this report.

COMPLIANCE OFFICER

Mr. Fong Wing Kong was appointed as the compliance officer (Rule 5.19 of the GEM Listing Rules) of the Company on 8 July 2015. Biographical details of Mr. Fong are set out in the subsection headed “Executive Directors” under this section of this report.

SENIOR MANAGEMENT

Mr. Lim Boon Yew (林文耀), aged 41, joined API in January 2012 as the general manager and head of sales and marketing and was appointed as the director of API in February 2013. Mr. Lim’s primary duties are the general management and sales and marketing of API. He has over 12 years of experience in the financial printing industry in Hong Kong and Beijing, the People’s Republic of China.

Mr. Lim obtained a Bachelor of Engineering degree from the Nanyang Technological University, Singapore, in July 1999 and a Master of Business Administration degree from the University of Chicago Booth School of Business, the United States of America, in March 2008.

Mr. Cheung Hok Wai (張學偉), aged 50, joined API in February 2013 as the director of API. Mr. Cheung, who is a practising certified public accountant, is mainly responsible for providing recommendations to API in relation to business strategy and financial management.

Mr. Cheung has over 27 years of experience in auditing, accounting, finance and compliance. He obtained a Bachelor of Science degree in Economics from the University of London, the United Kingdom in August 1991. He also obtained a Master of Business Administration degree from the Hong Kong Baptist University in December 2001. He has been an associate member of the Hong Kong Institute of Certified Public Accountants since April 1992 and a fellow member of The Association of Chartered Certified Accountants since January 1997.

Mr. Wong Tat Lun Eddie (黃達麟), aged 43, has been with the Group since its commencement of business in May 2002 and is currently the marketing director of APF. He is mainly responsible for the development and execution of strategic plans for business development, overseeing the operation of the marketing function of APF. He has over 17 years of experience in customer service, sales coordination and management in the financial printing industry in Hong Kong.

Mr. Lee Man Kin (李文健), aged 49, joined the Group in July 2002 and is currently the sales director of APF. He is mainly responsible for the development and execution of strategic plans in order to achieve key growth sales target and for overseeing the operation of the sales function of APF. He has over 25 years of experience in the general sales and marketing industry in Hong Kong.

Mr. Wong Man On (黃敏安), aged 40, has been with the Group since its commencement of business in May 2002 and is currently the head of desktop publishing. He is mainly responsible for the overall management and operation of the desktop publishing function of the Group. He has over 14 years of experience in desktop publishing of the financial printing industry in Hong Kong.

Biographical Details of Directors and Senior Management

Mr. Lee Ka Fai (李家輝), aged 41, has been with the Group since its commencement of business in May 2002 and is currently the head of design. He is mainly responsible for providing creative input, visual design development and art direction, monitoring overall design quality and managing the design department of the Group. He obtained a Higher Diploma in Communication Design from the Hong Kong Art School in January 2010. He has over 16 years of experience in graphic design industry in Hong Kong.

Mr. Lai Hoi Leung (黎海樑), aged 38, joined the Group in June 2002 and is currently the head of translation. He is mainly responsible for the quality assurance of translation works rendered by translation service providers and managing the translation department of the Group. He obtained a Bachelor of Business Administration (Honours) degree from The University of Hong Kong in December 1999. He has over 14 years of experience in the financial printing industry in Hong Kong.

Mr. Law Chun Yin (羅俊彥), aged 39, joined the Group in July 2010 and is currently the head of account & customer service of APF. He is mainly responsible for the development and execution of strategic plans to achieve all account and customer service goals and overseeing the account and customer service functions of APF. He has over 13 years of experience in the financial printing industry in Hong Kong.

Ms. Chiu Li Yen (丘麗燕), aged 45, joined the Group in January 2015 as the chief information officer. She is mainly responsible for the information technology and computer systems that support the overall operations of the Group. She obtained a Bachelor of Science degree in Computer Science from the University of Portsmouth, the United Kingdom in 1994. She has over 20 years of experience in information technology sector.

Mr. Wun Chun Wai (溫駿偉), aged 36, joined the Group in March 2015 as the assistant financial controller. He is mainly responsible for the overall management and operations of finance and accounting of the Group. He obtained a Bachelor of Commerce (Accounting) degree from the Curtin University of Technology in Commonwealth of Australia in February 2006. He became a full member of CPA Australia in November 2010 and a member of the Hong Kong Institute of Certified Public Accountants in September 2015. He has over 10 years of experience in accounting, auditing and finance.



Directors' Report

The Directors are pleased to present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2016.

CORPORATE REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 20 April 2015. Pursuant to the corporate reorganisation of the Group as set out in the Prospectus, the Company became the holding company of the Group. The shares of the Company were listed on the GEM on 19 April 2016 (the “Listing Date”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of financial printing service in Hong Kong. The activities of the Company’s principal subsidiaries are the provision of financial printing services.

BUSINESS REVIEW

Further discussion and analysis of the business of the Group, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group’s business, can be found in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this report. These discussions form part of this Directors’ report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 43 of this report.

No interim dividend was paid to the Shareholders by the Company during the year ended 31 March 2016 (2015: nil).

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

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 this 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.

Directors' Report

USE OF NET PROCEEDS FROM THE PLACING

The shares of the Company were listed on 19 April 2016 on the GEM. The actual net proceeds from the Placing at the placing price of HK\$0.30 per shares was approximately HK\$15.3 million, which was less than the estimated net proceeds of approximately HK\$24.0 million based on the mid-point placing price of HK\$0.40 per shares. Except for the amount of approximately HK\$1.5 million, representing approximately 10% of the net proceeds, which will be used for working capital and other general corporate purpose, the Group intends to deploy the remaining net proceeds of approximately HK\$13.8 million for the intended purposes in the same proportions as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Set out below is the timeline from the Listing Date to 31 March 2018 for the Group to deploy the net proceeds raised from the Placing taking into account the actual placing price of HK\$0.30 per shares in accordance with the implementation of the future plans, and the actual use of net proceeds up to the date of this report:

	FOR THE SIX MONTH ENDING				TOTAL HK\$ MILLION	ACTUAL USE OF NET PROCEEDS UP TO THE DATE OF THIS REPORT HK\$ MILLION
	FROM THE LISTING DATE TO 30 SEPTEMBER 2016 HK\$ MILLION	31 MARCH 2017 HK\$ MILLION	30 SEPTEMBER 2017 HK\$ MILLION	31 MARCH 2018 HK\$ MILLION		
	Office expansion	0.8	5.8	-		
Recruiting new staff						
- Translation staff	0.3	0.8	0.9	0.9	2.9	-
- Other staff	-	0.1	0.2	0.3	0.6	-
Enhancing information technology system	1.6	2.1	-	-	3.7	0.9
Total:	2.7	8.8	1.1	1.2	13.8	1.2

The unutilised balance was deposited in a licensed bank in Hong Kong. The Group intends to utilise the balance of the net proceeds in the manner as set out above.

DISTRIBUTABLE RESERVES

As at 31 March 2016, the total reserves available for distribution, taking into account accumulated losses, to Shareholders by the Company amounted to approximately HK\$31.5 million (2015: HK\$36.1 million). Details of the movements in the reserves of the Group and of the Company during the year ended 31 March 2016 are set out in the consolidated statement of changes in equity and the note 34 to the consolidated financial statements in this report.



FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last three financial years is set out on page 92 of this report.

PLANT AND EQUIPMENT

Details of the movements in the plant and equipment of the Group during the year ended 31 March 2016 are set out in note 17 to the consolidated financial statements of this report.

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the movements in share capital and share option scheme of the Company during the year ended 31 March 2016 are set out in note 25 and note 26 to the consolidated financial statements of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company (the “Articles of Association”), and there is no restriction against such rights under the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

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.

DIRECTORS

The Directors during the year ended 31 March 2016 and up to the date of this report were:

Executive Directors:

Mr. Lam Kim Wan	(appointed on 20 April 2015 and redesignated as an executive Director on 23 March 2016)
Mr. Fong Wing Kong	(appointed on 20 April 2015 and redesignated as an executive Director on 23 March 2016)

Independent Non-executive Directors:

Mr. Yue Ming Wai Bonaventure	(appointed on 23 March 2016)
Ms. Sze Tak On	(appointed on 23 March 2016)
Mr. Leung Siu Hong	(appointed on 23 March 2016)

Directors' Report

In accordance with Articles 83(3) and 84(1) of the Articles of Association, all the Directors shall retire at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-election.

The Company has received annual confirmation from each of the independent non-executive Directors in regards to their independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that each of the independent non-executive Directors is independent to the Company.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company on 23 March 2016 for an initial term of three years commencing from the Listing Date and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company on 23 March 2016. Each letter of appointment became effective commencing on the date of the letter of appointment and shall continue until 31 March 2019, unless terminated by either party giving at least one month's notice in writing served by either party on the other.

All Directors are subject to rotation and re-election at annual general meetings of the Company at least once every three years pursuant to the Articles of Association.

No Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract/letter of appointment with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As the Company was listed on GEM on 19 April 2016, as at the Listing Date, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) (the "SFO") which are required 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 in which they are taken or deemed to have under such provisions), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 and 5.67 of the GEM Listing Rules, are as follows:

Interest in the shares of the Company

NAME OF DIRECTORS	CAPACITY	NUMBER OF SHARES HELD	APPROXIMATE PERCENTAGE OF ISSUED SHARE CAPITAL
Mr. Lam Kim Wan	Interest in a controlled corporation (Note)	233,160,000	58.3%
Mr. Fong Wing Kong	Interest in a controlled corporation (Note)	233,160,000	58.3%

Note: The Shares are registered in the name of Brilliant Ray Global Limited, the entire issued share capital of which is legally and beneficially owned as to 50.0% by Mr. Lam Kim Wan ("Mr. Lam") and as to 50.0% by Mr. Fong Wing Kong ("Mr. Fong"). Under the SFO, each of Mr. Lam and Mr. Fong is deemed to be interested in 233,160,000 shares in the Company held by Brilliant Ray Global Limited.

Interests in the shares of Brilliant Ray Global Limited (being a holding company of the Company and therefore an associated corporation)

NAME OF DIRECTORS	CAPACITY	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL
Mr. Lam Kim Wan	Beneficial interest	200	50.0%
Mr. Fong Wing Kong	Beneficial interest	200	50.0%

As at the Listing Date, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as at 31 March 2016, none of the Directors or chief executive of the Company had any interest or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Directors' Report

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

As at the Listing Date, the following persons/entities (other than the Directors and chief executives of the Company) had 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 under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be 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:

NAME	CAPACITY	NUMBER OF SHARES HELD	APPROXIMATE PERCENTAGE OF ISSUED SHARE CAPITAL
Brilliant Ray Global Limited	Beneficial owner	233,160,000 (Note 1)	58.3%
Majestic Praise Enterprises Limited	Beneficial owner	24,000,000	6.0%
Mr. Lim Boon Yew	Interest in a controlled corporation	24,000,000 (Note 2)	6.0%

Notes:

1. Brilliant Ray Global Limited is owned as to 50.0% by Mr. Lam and 50.0% by Mr. Fong. Under the SFO, each of Mr. Lam and Mr. Fong is deemed to be interested in all the 233,160,000 shares in the Company held by Brilliant Ray Global Limited.
2. Majestic Praise Enterprises Limited is wholly-owned by Mr. Lim Boon Yew. Under the SFO, Mr. Lim Boon Yew is deemed to be interested in all the 24,000,000 shares in the Company held by Majestic Praise Enterprises Limited.

Save as disclosed above, at the Listing Date, none of the substantial or significant Shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations" above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "Scheme") on 23 March 2016 ("Adoption Date") which became unconditional upon the listing of the Company. Under the terms of the Scheme, the Board may, at its discretion, grant options to eligible participants to subscribe for shares in the Company.

No options were granted since the Adoption Date and up to the date of this report. As of the date of this report, the Company had 40,000,000 shares available for issue under the Scheme (representing 10% of the existing issued share capital of the Company as at the date of this report).

CONTINUING CONNECTED TRANSACTIONS

On 25 March 2016, the Company (for itself and on behalf of the Group) entered into a master service agreement (“Master Service Agreement”) with Supreme Bond Limited and 啟競翻譯諮詢(深圳)有限公司 (Nature Success (Shenzhen) Limited*) (collectively referred as to the “Supreme Bond Group”), pursuant to which the Group will engage Supreme Bond Group, from time to time, for the provision of translation services, for a term commencing from the Listing Date until 31 March 2019. The maximum annual translation service fees payable by the Group to Supreme Bond Group for each of the financial year ending 31 March 2019 shall not exceed HK\$6.8 million. During the year ended 31 March 2016, the aggregate translation service fees paid by the Group to Supreme Bond Group in respect of translation services provided were approximately HK\$4.7 million, representing approximately 9.7% of the Group’s total costs of services for the year ended 31 March 2016. As Supreme Bond Group is indirectly jointly owned as to 50.0% by Mr. Lam and Mr. Fong, Directors and controlling Shareholders, such transactions with Supreme Bond Group constitute continuing connected transactions under the GEM Listing Rules upon the listing of the Company on GEM.

The independent non-executive Directors have reviewed the continuing connected transactions for the year ended 31 March 2016 and confirmed that they have been entered into in the ordinary and usual course of business of the Group on normal commercial terms and according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has engaged the Company’s auditor to perform certain procedures in order to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their conclusions in respect of the continuing connected transactions set out above in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditor’s letter has been provided by the Company to the Stock Exchange.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 30 to the consolidated financial statements of this report. Save for the transactions with Supreme Bond Group in relation to the provision of translation services as mentioned above, none of these related party transactions constitute connected transactions/continuing connected transactions upon listing of the Company or such related party transactions fall under the de minimis provision set forth in Rule 20.74(1)(c) of the GEM Listing Rules and are therefore fully exempt from the reporting, announcement and independent shareholders’ approval requirements.

* for identification purposes only

Directors' Report

DEED OF NON-COMPETITION

On 23 March 2016, Brilliant Ray Global Limited, Mr. Lam and Mr. Fong (being controlling Shareholders,) entered into a deed of non-competition ("Deed of Non-Competition") in favour of the Company (for itself and as trustee for each of the subsidiaries), pursuant to which each of Brilliant Ray Global Limited, Mr. Lam and Mr. Fong, jointly and severally, warrants and undertakes with the Company that, from the Listing Date, he/it shall not, and shall procure his/its close associates and any company directly or indirectly controlled by him/it (other than the Group) not to directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of the Group) to conduct any business which, directly or indirectly, competes or may compete with the business presently carried on by the Company or any of its subsidiaries or any other business that may be carried on by any of them from time to time during the term of the Deed of Non-Competition, in Hong Kong or such other places as the Company or any of its subsidiaries may conduct or carry on business from time to time, including but not limited to provision of financial printing services and translation services to companies listed on the Stock Exchange and other stock exchange, financial institutes or intermediaries. For details of the Deed of Non-Competition, please refer to the section headed "Relationship with Controlling Shareholders" in the Prospectus.

Brilliant Ray Global Limited, Mr. Lam and Mr. Fong have all confirmed to the Company of its/his compliance with the Deed of Non-Competition from the Listing Date up to the date of this report. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied by each of Brilliant Ray Global Limited, Mr. Lam and Mr. Fong and duly enforced since the Listing Date and up to the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers collectively accounted for approximately 14.8% of the total revenue of the Group for the year ended 31 March 2016 (2015: approximately 13.0%) and the Group's largest customer accounted for approximately 5.5% of the total revenue of the Group for the year ended 31 March 2016 (2015: approximately 5.1%).

The Group's top five suppliers accounted for approximately 38.4% of the total cost of services for the year ended 31 March 2016 (2015: approximately 40.8%) and the Group's largest supplier accounted for approximately 9.7% of the total cost of services for the year ended 31 March 2016 (2015: approximately 14.7%).

Supreme Bond Group, which was one of the Group's top five largest suppliers for the year ended 31 March 2016, is indirectly jointly owned as to 50.0% by Mr. Lam and Mr. Fong, Directors and controlling Shareholders. None of the Directors and their respective close associates (within the meaning of the GEM Listing Rules) or any Shareholder who, to the knowledge of the Directors, owns more than 5% of the Company's issued shares has any interest in any of the Group's five largest customers or five largest suppliers for the year ended 31 March 2016 apart from Supreme Bond Group.



DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed under the heading "Continuing connected transactions" above and "Related party transactions" in note 30 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 March 2016.

Save as disclosed under the heading "Continuing connected transactions" above and "Related party transactions" in note 30 to the consolidated financial statements, there is no contract of significance to the business of the Group between the Company or any of its subsidiaries, or a controlling Shareholder or any of its subsidiaries, to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a part, during the year ended 31 March 2016. Save as disclosed in this report, no contract of significance for the provision of services to the Group by a controlling Shareholder or any of its subsidiaries were made during the year ended 31 March 2016.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this report, none of the Directors and controlling Shareholders or their respective close associates (as defined in the GEM Listing Rules) has any interest in a business that competes or may compete with the business of the Group since the Listing Date and up to the date of this report.

PERMITTED INDEMNITY

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

A directors' liability insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year ended 31 March 2016.

DIRECTORS' REMUNERATIONS

The Directors' fees are subject to Shareholders' approval at general meeting. Other emoluments are determined by the Board with reference to Director's duties, responsibilities and performance and results of the Group. Details of the remuneration of Directors are set out in note 13 to the consolidated financial statements of this report.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2016 amounted to HK\$20,000 (2015: HK\$80,000).

Directors' Report

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is a sufficient public float of at least 25% of the Company's issued shares as required under the GEM Listing Rules throughout the period from the Listing Date to the date of this report.

INTEREST OF COMPLIANCE ADVISER

The Company has received confirmation from its compliance adviser, Altus Capital Limited ("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.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2016 have been reviewed by the audit committee of the Company.

AUDITORS

SHINEWING (HK) CPA Limited will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

ENVIRONMENTAL POLICIES, PERFORMANCE AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to maintaining the long term sustainability of the environment and devoted to building an environmentally-friendly corporation. The Group implements policies and practices to achieve resources conservation, energy saving and waste reduction, so as to minimise its impact on the environment.

The Group and its activities are subject to requirements under various laws in Hong Kong. The Group has put in place in-house rules containing measures and work procedures to ensure that the Group's operation is in compliance with the applicable laws and regulations.

On behalf of the Board

Lam Kim Wan

Chairman

Hong Kong, 22 June 2016



Corporate Governance Report

The Company is committed to achieving high standards of corporate governance. The Directors believe that good corporate governance is essential for the continued growth of the Group and for safeguarding and maximising Shareholders' interests.

CORPORATE GOVERNANCE PRACTICES

The shares of the Company were listed on GEM of the Stock Exchange on 19 April 2016. 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, where applicable, complied with the code provisions as set out in the CG Code.

BOARD OF DIRECTORS

Responsibilities of the Board and Management

The overall management of the business of the Group is vested in the Board which assumes responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs. The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's business to the executive Directors and senior management.

The Board is responsible for determining the policy for corporate governance of the Company and performing corporate governance duties such as:

- (a) developing and reviewing the Company's policies and practices on corporate governance;
- (b) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (c) reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirement;
- (d) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) reviewing the Company's compliance with the CG Code.

Corporate Governance Report

The company secretary of the Company assists the chairman of the Board in preparing the agenda for Board meetings. All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary of the Company, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

Mr. Lam Kim Wan serves as the chairman of the Board and is responsible for leading the Board as well as overseeing the corporate strategy and sales and marketing of the Group while both executive Directors are responsible for overseeing the operational management of the Group's business.

The Company has arranged for appropriate insurance cover in respect of legal actions against the Board and to indemnify its Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Composition

The Company has adopted a Board diversity policy to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board has in its composition a balance of skills, expertise, qualifications, experience and diversity of perspectives necessary for independent decision making and fulfilling its business needs. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members.

The Nomination Committee will follow a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be made in consideration of the possible contributions that the selected candidates will bring to the Board.

As at the date of this report, the Board comprises five members, consisting of two executive Directors, Mr. Lam Kim Wan (chairman of the Board) and Mr. Fong Wing Kong, and three independent non-executive Directors, Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong.

The biographical details of each of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this report.

**Independent Non-executive Directors**

The majority of Board members are independent non-executive Directors, which has exceeded the requirement of Rule 5.05A of the GEM Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board members. The Company also fulfilled the requirement that at least one independent non-executive Director possesses appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors a confirmation of his/her independence, in accordance with Rule 5.09 of the GEM Listing Rules. The Company also considers that they are independent. None of the members of the Board are related to one another or have any financial, business, family or other material or relevant relationships with each other.

The independent non-executive Directors provide independent judgement to bear on issues of strategy, policy, performance, accountability, resource, key appointments and standard of conduct through their contributions at Board meetings.

The independent non-executive Directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive Directors will scrutinize the performance of the Company in achieving corporate goals and objectives and monitor performance reporting. By doing so, they are able to contribute positively to the Company's strategy and policies through independent, constructive and informed comments at Board and committee meetings.

The Board values the contribution of the independent non-executive Directors, and strives to ensure constructive relations between them and the executive Directors. All Directors are encouraged to contribute their views during Board meetings.

Appointment and Re-election of Directors

The Company has established formal, considered and transparent procedures for the appointment and succession planning of Directors. Any Board member is entitled to recommend suitable candidates that meet the requirements of the GEM Listing Rules for consideration by the Board. Each of the executive Directors has entered into a service contract with the Company on 23 March 2016 for an initial term of three years commencing from the Listing Date and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter.

Corporate Governance Report

Each of the independent non-executive Directors have entered into a letter of appointment with the Company on 23 March 2016, which became effective commencing on the date of the letter of appointment and shall continue until 31 March 2019, unless terminated by either party giving at least one month's notice in writing served by either party on the other.

Pursuant to the Articles of Association of the Company, the Directors shall hold office subject to retirement by rotation at the annual general meetings of the Company at least once every three years. In addition, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election in such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Training for Directors and company secretary and Continuing Professional Development

Each of the Directors should keep abreast of the responsibilities as a Director, and of the conduct, business activities and developments of the Company.

Directors are aware of the code provision A.6.5 of the CG Code regarding continuing professional development for directors. For the year ended 31 March 2016, all Directors participated in the training regarding director responsibilities and duties by the Company's legal advisers to ensure that he/she has appropriate understanding of his/her responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements. Such programs were related to corporate governance, listed company and directors' continuing obligations. There are also arrangements in place for providing continuing briefing and professional development to Directors whenever necessary.

After listing, the company secretary of the Company will take not less than 15 hours of relevant professional training in each financial year.

BOARD COMMITTEES

The Board established three committees, namely the audit, remuneration and nomination committees on 23 March 2016, to oversee particular aspects of the Group's affairs. Each of the three committees has its specific terms of reference relating to authority and duties.

All members of the audit committee and the majority of members of the remuneration and nomination committees are independent non-executive Directors.

The Board Committees are provided with sufficient resources to perform their duties, and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense. The Board Committees will report back to the Board on their decisions or recommendations.

**Audit Committee**

The audit committee of the Company ("Audit Committee") was established on 23 March 2016 with written terms of reference in compliance with the GEM Listing Rules and the CG Code, which is posted on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.aplusgp.com. The Audit Committee comprises three independent non-executive Directors, namely Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong. The chairman of the Audit Committee is Mr. Yue Ming Wai Bonaventure, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules. None of the members of the Audit Committee are former partners of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- (a) to make recommendations to the Board on the appointment and removal of external auditors.
- (b) to review and supervise the financial statements and material advice in respect of financial reporting process of the Group.
- (c) to oversee the internal control systems of the Group.
- (d) to monitor any continuing connected transactions.

Corporate Governance Report

As the Audit Committee was only established on 23 March 2016 and the Company was listed on GEM on 19 April 2016, no Audit Committee meeting was held for the year ended 31 March 2016. The Audit Committee held two meetings, in May and June 2016 respectively, during which it: i) approved SHINEWING (HK) CPA Limited as the auditors of the Group and the corresponding audit plan; ii) reviewed the continuing connected transactions of the Group for the year ended 31 March 2016; iii) reviewed the audited consolidated financial statements and the annual results announcement of the Group for the year ended 31 March 2016; iv) reviewed the financial control, internal control and risk management system, and financial and accounting policies and practices of the Group; and v) discussed and appraised the audit process and its effectiveness, audit fees and the independence and objectivity of the auditor of the Group for the year ended 31 March 2016 and recommended the re-appointment of external auditors to the Board. The attendance record of each Director at the two Audit Committee meetings is set out below:

MEMBERS OF THE AUDIT COMMITTEE	ATTENDANCE/ NO. OF MEETING
Mr. Yue Ming Wai Bonaventure (<i>Chairman of the Audit Committee</i>)	2/2
Ms. Sze Tak On	2/2
Mr. Leung Siu Hong	2/2

Minutes of Audit Committee meetings are kept by the company secretary of the Company. The draft and final version of the minutes of meetings are sent to all committee members for comments and records respectively within a reasonable time after the meeting. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Sufficient resources are provided by the Company for the Audit Committee to perform its duties.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, removal, resignation or dismissal of the external auditors.



Remuneration Committee

The remuneration committee of the Company ("Remuneration Committee") was established on 23 March 2016 with written terms of reference in compliance with the GEM Listing Rules and the CG Code, which is posted on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.aplusgp.com. The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Leung Siu Hong, Mr. Yue Ming Wai Bonaventure and Ms. Sze Tak On, and one executive Director, namely Mr. Lam Kim Wan. The chairman of the Remuneration Committee is Mr. Leung Siu Hong.

The main duties of the Remuneration Committee include the following:

- (a) to review and make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group.
- (b) to oversee other remuneration-related matters, including benefits-in-kind and other compensation payable to our Directors and senior management of the Group.
- (c) to review performance based remunerations and to establish a formal and transparent procedure for developing policy in relation to remuneration.

The Company's remuneration policy is to maintain competitive remuneration packages based on business needs and market practices. Factors such as qualification, experience, performance and time commitment of individual employee and salaries paid by comparable companies are taken into account during the remuneration package determination process.

As the Remuneration Committee was only established on 23 March 2016 and the Company was listed on GEM on 19 April 2016, no Remuneration Committee meeting was held for the year ended 31 March 2016. The Remuneration Committee held a meeting in June 2016 during which it reviewed the remuneration of the executive Directors and senior management. The attendance record of each Director at the Remuneration Committee meeting is set out below:

MEMBERS OF THE REMUNERATION COMMITTEE	ATTENDANCE/ NO. OF MEETING
Mr. Leung Siu Hong (<i>Chairman of the Remuneration Committee</i>)	1/1
Mr. Yue Ming Wai Bonaventure	1/1
Ms. Sze Tak On	1/1
Mr. Lam Kim Wan	1/1

Corporate Governance Report

Nomination Committee

The nomination committee of the Company ("Nomination Committee") was established on 23 March 2016 with written terms of reference in compliance with the GEM Listing Rules and the CG Code, which is posted on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.aplusgp.com. The Nomination Committee comprises one executive Director, namely Mr. Lam Kim Wan, and three independent non-executive Directors, namely Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong. The chairman of the Nomination Committee is Mr. Lam Kim Wan.

The main duties of the Nomination Committee include the following:

- (a) to review the structure, size, composition and diversity of the Board on a regular basis.
- (b) to identify individuals suitably qualified to become Board members.
- (c) to assess the independence of independent non-executive Directors.
- (d) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors.
- (e) to make recommendations to the Board regarding the candidates to fill vacancies on the Board.

Candidates for appointment as Directors may be sourced internally or externally with an aim to appoint individuals of the highest caliber in their area of expertise and experience.

As the Nomination Committee was established on 23 March 2016 and the Company was listed on GEM on 19 April 2016, no Nomination Committee meeting was held for the year ended 31 March 2016. The Nomination Committee held a meeting in June 2016 during which it: i) reviewed the structure, size and composition of the Board; ii) assessed the independence of the independent non-executive Directors; and iii) recommended to the Board for the re-appointment of all the retiring Directors at the forthcoming annual general meeting of the Company. The attendance record of each Director at the Nomination Committee meeting is set out below:

MEMBERS OF THE NOMINATION COMMITTEE	ATTENDANCE/ NO. OF MEETING
Mr. Lam Kim Wan (<i>Chairman of the Nomination Committee</i>)	1/1
Mr. Yue Ming Wai Bonaventure	1/1
Ms. Sze Tak On	1/1
Mr. Leung Siu Hong	1/1



BOARD MEETINGS AND ATTENDANCE RECORD OF DIRECTORS

Code provision A.1.1 of the CG Code states that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through other electronic means of communication.

As the Company was listed on 19 April 2016, the Board did not hold regular meetings for the year ended 31 March 2016 and the Board will schedule to have at least four regular meetings in the year going forward. In June 2016, one Board meeting was held and the attendance record of each Director is set out below:

NAME OF DIRECTOR	ATTENDANCE/ NO. OF MEETING
Mr. Lam Kim Wan (<i>Chairman of the Board</i>)	1/1
Mr. Fong Wing Kong	1/1
Mr. Yue Ming Wai Bonaventure	1/1
Ms. Sze Tak On	1/1
Mr. Leung Siu Hong	1/1

Notice of regular Board meetings will be served to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Agenda and Board papers together with all appropriate information will be sent to all Directors or committee members at least three days before each Board meeting or committee meeting so as to ensure that there is timely access to relevant information. All Directors can give notice to the Chairman of the Board or the company secretary of the Company if they intend to include matters in the agenda for Board meetings. The Board and the senior management are also obligated to keep the Directors apprised with the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The company secretary, who is an employee of the Company, is responsible to take and keep minutes of all Board meetings and Board committee meetings, which record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. At Board meetings, all Directors have ample opportunity to express their respective views, voice any concerns and discuss the matters under consideration, and the results of voting at Board meetings fairly reflect the consensus of the Board. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection. Directors are entitled to have access to board papers and queries will be responded fully. According to the current practice, any material transaction, which involves a conflict of interests for a substantial Shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. Such Directors must abstain from voting and will not be counted as quorum.

Corporate Governance Report

Directors' commitments

Each Director has confirmed that he/she can give sufficient time and attention to the Company's affairs, and has regularly provided information on the number and nature of offices held in public companies or organisations and other significant commitments, including the identity of such companies or organisations and an indication of the time involved.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As the day-to-day management of the Group's business is supervised by both Mr. Lam and Mr. Fong, being executive Directors and founders, and considering the number of staff and scale of business of the Group, the Directors are of the view that it is not necessary to designate a person to act as the chief executive officer of the Group. Mr. Lam is the chairman of the Board. He provides leadership for the Board and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. The chairman of the Board is primarily responsible for ensuring good corporate governance practices and procedures are established. He encourages all Directors to make full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company. He ensures that appropriate steps are taken to provide effective communication with Shareholders and their views are communicated to the Board as a whole. With the support of the management, the chairman of the Board is also responsible for ensuring that the Directors receive adequate information (whether from senior management or otherwise) in a timely manner, which is accurate, clear, complete and reliable, and appropriate briefing on issues arising at Board meetings as well as to ensure constructive relations between the executive and independent non-executive Directors.

Both executive Directors focus on implementing objectives, policies and strategies approved and delegated by the Board. They are in charge of the Company's day-to-day management and operations and responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval, as well as developing policies and practices on corporate governance and compliance with legal and regulatory requirements.

Going forward, the chairman of the Board will hold meetings with the independent non-executive Directors without the executive Directors present in compliance with the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings in the securities (the "Required Standard of Dealings") as contained in Rules 5.46 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors. Having made specific enquiry, all Directors confirmed that they have complied with the Required Standard of Dealings from the Listing Date up to the date of this report.

The Company has adopted the same standard of dealings in securities for its employees and for directors or employees of its subsidiaries who are likely to be in possession of unpublished inside information of the Company or its securities.



No incident of non-compliance of the Required Standard of Dealings regarding securities transactions by employees was noted by the Company.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the year ended 31 March 2016 are set out in note 13 to the consolidated financial statements of this report.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are set out in the section headed "Biographical Details of Directors and Senior Management" in this report for the year ended 31 March 2016 by band is as follows:

REMUNERATION BAND (IN HK\$)	NUMBER OF INDIVIDUALS
Nil to 500,000	1
500,001 to 1,000,000	6
1,000,001 to 1,500,000	2
1,500,001 to 2,000,000	1

AUDITORS' REMUNERATION

The services provided by SHINEWING (HK) CPA Limited and the associated fees thereof for the year ended 31 March 2016 were as follows:

DESCRIPTION OF SERVICES PERFORMED	FEE (HK\$)
Audit services	620,000
Non-audit services (being Report Accountant in relation to the Listing)	2,235,000

INTERNAL CONTROL

The Company places great importance on internal control and risk management. The Board holds overall responsibility for the system of internal control and for reviewing its effectiveness.

SHINEWING Risk Services Limited has been appointed to carry out a review of the implemented system and procedures, including areas covering financial, operational, legal compliance controls and risk management functions in 2015. The internal control system is implemented to minimize the risk to which the Group is exposed and is used as a management tool for the day-to-day operation of business. The system can only provide reasonable but not absolute assurance against misstatement or losses. For the year ended 31 March 2016, the Board considered the Group's internal control system as adequate and effective and that the Company has complied with the code provisions on internal control of the CG Code.

Corporate Governance Report

COMPANY SECRETARY

The company secretary of the Company is Mr. Fong Wing Kong, who will comply with the relevant training requirement under Rule 5.15 of the GEM Listing Rules after listing.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Group and cash flows position of the Group for the year ended 31 March 2016 and which are in compliance with applicable accounting standards, statutory requirements and other regulatory requirements. Management of the Company is obligated to and has provided such explanation and information to the Board to enable the Board to make an informed assessment of financial and other information put before the Board for approval. The Company's accounts are prepared in accordance with the GEM Listing Rules, the Companies Ordinance, all relevant statutory requirements and applicable accounting standards. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgements and estimates. The Directors endeavour to ensure a balanced, clear and understandable assessment of the Company's position and prospect in the annual reports, interim reports, price-sensitive announcements and other disclosures required under the GEM Listing Rules and other regulatory requirements.

As at 31 March 2016, the Board was not aware of any material misstatement or uncertainties that might relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the external auditors of the Company regarding their reporting responsibility for the financial statements is set out in the Independent Auditor's Report on pages 41 to 42 of this report.

INVESTOR RELATIONS

The Company is committed to maintaining an open and effective investor relations policy and to updating investors on relevant information/developments in a timely manner, subject to relevant regulatory requirements. The Company uses a range of communication channels, such as the annual general meeting, publication of annual, interim and quarterly reports, notices, announcements and circulars, to update Shareholders and investors with the latest business development and financial performance of the Group. The Company also replies to any enquiries from Shareholders in a timely manner. The corporate website of the Company at www.aplusgp.com provides a communication platform through which the public and investor community can access up-to-date information regarding the Company.



Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact details are as follows:

2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong
Fax: (852) 2854 3334
Email: ir@aplushk.com

The company secretary will forward such communications to the Board, the relevant Board committees and/or the chairman of the Board, as appropriate.

SHAREHOLDER RIGHTS

To ensure compliance with the CG Code, the notice of the meeting, the annual report and the circular containing information on the proposed resolutions will be sent to Shareholders at least 20 clear business days before the annual general meeting. Voting at the forthcoming annual meeting of the Company will be by way of a poll. An explanation of the detailed procedures of conducting a poll will be provided to Shareholders at the commencement of the annual general meeting to ensure that Shareholders are familiar with such procedures.

Poll results will be counted by Hong Kong Branch Registrar, Tricor Investor Services Limited and will be posted on the websites of the Company and of the Stock Exchange on the day the general meeting held. The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. The Chairman of the Board as well as the chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, other members of the respective committees, are available to answer questions at the general meetings. The Company will also arrange for the external auditors to attend the annual general meetings to answer relevant questions if necessary.

Separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors.

In addition to regular Board meetings, the Board, on the requisition of Shareholders holding not less than one-tenth of the paid up capital of the Company, may convene an extraordinary general meeting for the transaction of any business specified in such requisition, including putting forward proposals or moving a resolution at the extraordinary general meeting.

The requisition must be deposited at the principal place of business of the Company in Hong Kong at 2/F, 35-45B, Bonham Strand, Sheung Wan, Hong Kong and state clearly the name of the requesting Shareholder(s), his/her/their shareholding in the Company, the reason(s) to convene the meeting and the agenda of the meeting including the details of the business(es) proposed to be transacted.

Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

The Company adopted the amended and restated Memorandum and Articles of Association of the Company on 23 March 2016 to comply with the listing requirements in Hong Kong.

A copy of the amended and restated memorandum and articles of association of the Company is posted on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.aplusgp.com.

SHAREHOLDERS COMMUNICATION POLICY

The Company has established a Shareholders Communication Policy to set out the Company's procedures in providing the Shareholders and the investment community with ready, equal and timely access to balanced and understandable information about the Company, in order to enable the Shareholders to exercise their rights in an informed manner and to allow the Shareholders and the investment community to engage actively with the Company.

Independent Auditor's Report



SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF

A.PLUS GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of A.Plus Group Holdings Limited (the "Company") and its subsidiaries set out on pages 43 to 91, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

Independent Auditor's Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Tang Kwan Lai

Practising Certificate Number: P05299

Hong Kong

22 June 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2016

	NOTES	2016 HK\$'000	2015 HK\$'000
Revenue	8	99,762	81,839
Cost of services		(47,748)	(40,907)
Gross profit		52,014	40,932
Other income	10	1,007	1,867
Selling and distribution expenses		(9,120)	(9,956)
Administrative expenses		(25,869)	(13,019)
Profit before tax		18,032	19,824
Income tax expense	11	(4,646)	(3,271)
Profit and total comprehensive income attributable to the owners of the Company	12	13,386	16,553
Earnings per share (HK cents)			
– Basic and diluted	16	5.29	6.57

Consolidated Statement of Financial Position

AS AT 31 MARCH 2016

	NOTES	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Plant and equipment	17	2,155	2,388
Goodwill	18	11,423	-
Deferred tax assets	24	142	116
		13,720	2,504
Current assets			
Amounts due from customers on services contracts	19	9,062	6,549
Trade and other receivables	20	20,186	14,719
Amount due from a director	21	-	691
Bank balances	22	24,041	23,312
		53,289	45,271
Current liabilities			
Trade and other payables	23	19,584	10,950
Income tax payables		1,572	758
		21,156	11,708
Net current assets			
		32,133	33,563
		45,853	36,067
Capital and reserves			
Share capital	25	1	-
Reserves		45,852	36,067
		45,853	36,067

The consolidated financial statements on page 43 to 91 were approved and authorised for issue by the board of directors on 22 June 2016 and are signed on its behalf by:

Lam Kim Wan
Director

Fong Wing Kong
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2016

	ATTRIBUTABLE TO OWNERS OF THE COMPANY				TOTAL HK\$'000
	SHARE CAPITAL HK\$'000	SHARE PREMIUM HK\$'000	OTHER RESERVE HK\$'000 (NOTE)	RETAINED PROFITS HK\$'000	
At 1 April 2014	-	-	-	25,514	25,514
Profit and total comprehensive income for the year	-	-	-	16,553	16,553
Dividend recognised as distribution (note 15)	-	-	-	(6,000)	(6,000)
At 31 March 2015 and 1 April 2015	-	-	-	36,067	36,067
Profit and total comprehensive income for the year	-	-	-	13,386	13,386
Dividend recognised as distribution (note 15)	-	-	-	(18,000)	(18,000)
Arising from reorganisation (notes 25(c) and (d))	1	-	(1)	-	-
Acquisition of a subsidiary (note 31)	-	14,400	-	-	14,400
At 31 March 2016	1	14,400	(1)	31,453	45,853

Note: Other reserve represented the difference between the nominal value of the issued share capital of A.Plus Group Holdings Limited and share capital of A.Plus Financial Press Limited, upon the group reorganisation on 23 March 2016.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2016

	NOTE	2016 HK\$'000	2015 HK\$'000
OPERATING ACTIVITIES			
Profit before tax		18,032	19,824
Adjustments for:			
Depreciation of plant and equipment		1,322	1,711
Impairment loss of trade receivables		454	178
Gain on disposal of plant and equipment		-	(200)
Reversal of impairment loss of trade receivables		(58)	(50)
Bank interest income		(1)	(1)
Operating cash flows before movements in working capital		19,749	21,462
Increase in amounts due from customers on services contracts		(1,758)	(2,582)
(Increase) decrease in trade and other receivables		(4,469)	528
Increase in trade and other payables		6,911	1,262
Cash generated from operations		20,433	20,670
Income tax paid		(4,686)	(3,189)
NET CASH FROM OPERATING ACTIVITIES		15,747	17,481
INVESTING ACTIVITIES			
Acquisition of a subsidiary	31	3,316	-
Purchase of plant and equipment		(1,026)	(1,858)
Proceeds from disposal of plant and equipment		-	200
Bank interest income received		1	1
Repayment from (advance to) directors		691	(5,517)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		2,982	(7,174)
FINANCING ACTIVITIES			
Repayment to related companies		-	(800)
Dividend paid		(18,000)	-
NET CASH USED IN FINANCING ACTIVITIES		(18,000)	(800)
NET INCREASE IN CASH AND CASH EQUIVALENTS		729	9,507
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		23,312	13,805
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances		24,041	23,312



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

1. CORPORATE INFORMATION

A.Plus Group Holdings Limited (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 Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (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, details of which are set out in note 33.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and its subsidiaries (collectively referred to as 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 has 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

¹ Effective for annual periods beginning on or after 1 January 2016.

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective date not yet been determined.

⁴ Effective for annual periods beginning on or after 1 January 2019.



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

The directors of the Company anticipate that, except as described below, the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an “expected credit loss” model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 9 (2014) Financial Instruments (Continued)

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014), it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.
- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.



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

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations; and
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16. The directors of the Company are in the process of assessing their impact on the consolidated financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.



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

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

- i) when the intangible asset is expressed as a measure of revenue;
- ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

As the Group uses straight-line method for depreciation of plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group’s consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contains a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity’s financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

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

Amendments to HKAS 1 Disclosure Initiative (Continued)

Furthermore, the amendments clarify that:

- (i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
- (ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group’s consolidated financial statements.

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 Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Combination of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling shareholders' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period unless the combining entities or business first came under common control at a later date.



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

Business combinations are accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with HKAS 12 Income Taxes;
- assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 19 Employee Benefits;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Plant and equipment

Plant and equipment for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Cash and cash equivalents

Bank balances in the consolidated statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances as defined above.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amount due from a director and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Group's financial liabilities are other financial liabilities.

Other financial liabilities

Other financial liabilities including trade and other payables are subsequently measured at the amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services rendered in the normal course of business, net of discounts.

Revenue from provision of financial printing services is recognised when i) the services are provided and the transactions can be measured reliably; ii) it is probable that the economic benefits associated with the transaction will flow to the Group; and iii) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from service contract is recognised based on the stage of completion of the contracts as described in the accounting policy for services contracts below. The recognition of revenue on this basis provides information on the extent of service activities and performance at the end of the reporting period as considerable portion of financial printing services are spanned for months and sometimes across different reporting periods.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Services contracts

Where the outcome of a service contract can be estimated reliably and it is probable that the contract will be profitable, service revenue is recognised over the period of the contract by reference to the stage of completion of service contract activity at the end of the reporting period.

When the outcome of a service contract cannot be estimated reliably, service revenue is recognised only to the extent of service costs incurred that are likely to be recoverable.

The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a given period. The stage of completion is measured by reference to work performed to date as a percentage of total estimated service cost of the contract.

The Group presents as an asset the gross amounts due from customers on services contracts for all services contracts in progress for which service costs incurred plus recognised profits exceed progress billings. Progress billings not yet paid by customers are included within trade receivables.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.



4. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Legal title of motor vehicles

Despite the Group having paid the full purchase consideration for the motor vehicles as detailed in note 17, the motor vehicles were held in trust by the directors and senior management of the Company. In the opinion of the directors of the Company, the absence of formal legal title to these motor vehicles does not impair the value of the relevant assets to the Group.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The Group recognises contract revenue and profit of a service contract in relation to provision of financial printing services according to the management's estimation of the total outcome of the contract as well as the percentage of completion of the service contract. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the service contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2016, the carrying amount of goodwill was approximately HK\$11,423,000 (2015: nil). Details of the recoverable amount and calculation are disclosed in note 18. During the years ended 31 March 2016 and 2015, no impairment loss was provided.

Useful lives of plant and equipment

In applying the accounting policy on plant and equipment with respect to depreciation, management estimates the useful lives of various categories of plant and equipment according to the industrial experiences over the usage of plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of plant and equipment is less than the original estimated useful lives due to changes in commercial and technological environment, such difference will impact the depreciation charge for the remaining period. As at 31 March 2016, the carrying value of plant and equipment was approximately HK\$2,155,000 (2015: HK\$2,388,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of trade receivables

The policy for making impairment loss on trade receivables of the Group is based on the evaluation of collectability and aged analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss may be required. As at 31 March 2016, the carrying value of the trade receivables was approximately HK\$14,993,000 (2015: HK\$12,283,000), net of accumulated impairment loss of approximately HK\$1,020,000 (2015: HK\$624,000).

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank balances and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company regularly review and manage the Group's capital structure. As part of this review, the directors of the Company consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new share issue.



7. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	2016 HK\$'000	2015 HK\$'000
Financial assets		
Loans and receivables (including bank balances)	40,473	37,112
Other financial liabilities		
At amortised cost	17,058	10,777

b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, amount due from a director, bank balances and trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The companies of the Group mainly operated in their local jurisdiction with most of the transactions settled in their functional currencies of the operations and did not have significant exposure to risk resulting from changes in foreign currency exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As the directors of the Company consider that the currency risk in response to the changes in exchange rate is insignificant, sensitivity analysis on currency risk is not presented.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates, as its bank balance, which carries an insignificant interest rate, is the only interest-bearing asset while other financial assets and liabilities are not interest-bearing.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

7. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Credit risk

As at the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit quality of counterparty in respect of amount due from a director is assessed by taking into account its financial position and other factors. The directors of the Company are of the opinion that the risk of default by the counterparty is low.

The credit risk on the Group's liquid funds is limited because the counterparties are banks with high credit ratings assigned by authorised credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

At 31 March 2016 and 2015, the Group's remaining maturity for its financial liabilities is mainly within one year from the end of the reporting period. In the opinion of the directors of the Company, the carrying amounts of the financial liabilities are the same as the undiscounted cash flows based on the earliest date on which the Group can be required to pay and therefore, no further analysis is presented in the consolidated financial statements.



7. FINANCIAL INSTRUMENTS (Continued)

c) Fair value measurements recognised in the consolidated statement of financial position

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to their immediate or short-term maturities.

8. 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 HK\$'000	2015 HK\$'000
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
	99,762	81,839

9. 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.

10. OTHER INCOME

	2016 HK\$'000	2015 HK\$'000
Bank interest income	1	1
Gain on disposal of plant and equipment	-	200
Management fee income (note 30(a)(i))	948	1,029
Reimbursement income (note 30(a)(ii))	-	587
Reversal of impairment loss of trade receivables	58	50
	1,007	1,867

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

11. INCOME TAX EXPENSE

	2016 HK\$'000	2015 HK\$'000
Current tax:		
Hong Kong Profits Tax	4,672	3,237
Deferred taxation (note 24)	(26)	34
	4,646	3,271

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

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016 HK\$'000	2015 HK\$'000
Profit before tax	18,032	19,824
Tax calculated at tax rate of 16.5%	2,975	3,271
Tax effect of expenses not deductible for tax purpose	1,691	-
Effect of tax exemption granted (note)	(20)	-
Income tax expense	4,646	3,271

Note: Tax exemption represented a reduction of Hong Kong Profits Tax for the year of assessment 2015/2016 by 75%, subject to a ceiling of HK\$20,000.

12. PROFIT FOR THE YEAR

	2016 HK\$'000	2015 HK\$'000
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	775	655
Total staff costs (excluding directors' remuneration (note 13))	27,188	23,420
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	2,734	2,643



13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 5 (2015: 2) directors and chief executive were as follows:

Year ended 31 March 2016

	DIRECTORS' FEES HK\$'000	SALARIES, ALLOWANCES AND OTHER BENEFITS HK\$'000	CONTRIBUTION TO DEFINED CONTRIBUTION RETIREMENT SCHEME BENEFITS HK\$'000	TOTAL HK\$'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries' undertaking				
Directors:				
Mr. Lam Kim Wan (note i)	-	1,600	18	1,618
Mr. Fong Wing Kong (note i)	-	1,600	18	1,618
Independent non-executive directors:				
Mr. Yue Ming Wai Bonaventure (note ii)	2	-	-	2
Ms. Sze Tak On (note ii)	2	-	-	2
Mr. Leung Siu Hong (note ii)	2	-	-	2
	6	3,200	36	3,242

Notes to the Consolidated Financial Statements

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Year ended 31 March 2015

	DIRECTORS' FEES HK\$'000	SALARIES, ALLOWANCES AND OTHER BENEFITS HK\$'000	CONTRIBUTION TO DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME HK\$'000	TOTAL HK\$'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries' undertaking				
Directors:				
Mr. Lam Kim Wan (note i)	-	1,600	18	1,618
Mr. Fong Wing Kong (note i)	-	1,600	18	1,618
	-	3,200	36	3,236

Notes:

- (i) Appointed as director of the Company on 20 April 2015 and re-designated as an executive director of the Company on 23 March 2016.
- (ii) Appointed as independent non-executive director of the Company on 23 March 2016.
- (iii) The directors' emoluments for the year ended 31 March 2015 and up to the date of appointment represented the amount payable to APF's directors.

No chief executive was appointed during both years.

No directors of the Company waived any emolument in the years ended 31 March 2016 and 2015. No emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2015: two) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three (2015: three) were as follows:

	2016 HK\$'000	2015 HK\$'000
Salaries, allowances, and other benefits	4,541	2,970
Contribution to defined contribution retirement benefits scheme	53	51
	4,594	3,021

Their emoluments were within the following bands:

	2016 NUMBER OF EMPLOYEES	2015 NUMBER OF EMPLOYEES
Nil to HK\$1,000,000	–	1
HK\$1,000,001 to HK\$1,500,000	1	2
HK\$1,500,001 to HK\$2,000,000	2	–

No emoluments have been paid to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during both years.

15. DIVIDEND

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. The rates of dividends and the number of shares ranking for the above dividend are not presented as such information is not considered meaningful for the purpose of this report.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

16. 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 HK\$'000	2015 HK\$'000
Earnings		
Earnings for the purpose of basic earnings per share	13,386	16,553
	2016 '000	2015 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	253,180	252,000

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 25(e) pursuant to the Reorganisation as stated in the prospectus of the Company dated 31 March 2016 as if such capitalisation issued shares were issued during the two years ended 31 March 2016 on pro rata basis.



17. PLANT AND EQUIPMENT

	LEASEHOLD IMPROVEMENTS HK\$'000	FURNITURE AND FIXTURES HK\$'000	OFFICE EQUIPMENT HK\$'000	MOTOR VEHICLES HK\$'000	TOTAL HK\$'000
COST					
At 1 April 2014	3,242	1,197	2,942	2,379	9,760
Additions	-	45	582	1,231	1,858
Written-off	(413)	(319)	(2,351)	-	(3,083)
Disposals	-	-	-	(651)	(651)
At 31 March 2015 and 1 April 2015	2,829	923	1,173	2,959	7,884
Additions	-	20	518	488	1,026
Acquired on acquisition of a subsidiary (note 31)	-	17	46	-	63
At 31 March 2016	2,829	960	1,737	3,447	8,973
ACCUMULATED DEPRECIATION					
At 1 April 2014	2,928	896	2,323	1,372	7,519
Charge for the year	314	224	422	751	1,711
Eliminated on written-off	(413)	(319)	(2,351)	-	(3,083)
Eliminated on disposals	-	-	-	(651)	(651)
At 31 March 2015 and 1 April 2015	2,829	801	394	1,472	5,496
Charge for the year	-	96	469	757	1,322
At 31 March 2016	2,829	897	863	2,229	6,818
CARRYING VALUES					
At 31 March 2016	-	63	874	1,218	2,155
At 31 March 2015	-	122	779	1,487	2,388

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

17. PLANT AND EQUIPMENT (Continued)

The above items of plant and equipment, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the term of the lease or 33.33%, whichever is the shorter
Furniture and fixtures	25%
Office equipment	33.33%
Motor vehicles	33.33%

As at 31 March 2016, motor vehicles with carrying values of approximately HK\$1,218,000 (2015: HK\$1,487,000) were held in trust by the directors and senior management of the Company.

18. GOODWILL

	HK\$'000
Cost and carrying value	
At 1 April 2014, 31 March 2015 and 1 April 2015	-
Arising on acquisition of a subsidiary	11,423
At 31 March 2016	11,423

On 23 March 2016, the Group acquired entire equity interests in API and goodwill of approximately HK\$11,423,000 was recognised upon acquisition.

Impairment test on goodwill

The directors of the Company conducted impairment review on goodwill attributable to API at 31 March 2016 by reference to a valuation report issued by Grant Sherman Appraisal Limited, an independent qualified professional valuer not connected with the Group, who has among its staff members of the Hong Kong Institute of Surveyors. The recoverable amount of API has been determined by reference to value-in-use calculations. The calculation used cash flow projections based on financial budgets approved by management covering a five-year period, and at a pre-tax discount rate of approximately 24.0% per annum. The cash flows beyond the five-year period are extrapolated using 3% average growth rate. These average growth rates are based on the relevant industry growth rates forecasts and do not exceed the long-term average growth rate for the relevant industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows including budgeted sales and gross margin, such estimation is based on the past experience and management's expectations for the market development. The directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.



19. AMOUNTS DUE FROM CUSTOMERS ON SERVICES CONTRACTS

	2016 HK\$'000	2015 HK\$'000
Contract costs incurred plus attributable profit	9,062	6,549
Progress billings to date	-	-
Due from customers on services contracts	9,062	6,549

20. TRADE AND OTHER RECEIVABLES

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

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 HK\$'000	2015 HK\$'000
Within 30 days	8,473	7,058
31 to 60 days	2,053	1,909
61 to 90 days	780	566
Over 90 days	3,687	2,750
Total	14,993	12,283

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FOR THE YEAR ENDED 31 MARCH 2016

20. TRADE AND OTHER RECEIVABLES (Continued)

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:

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

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

	2016 HK\$'000	2015 HK\$'000
At the beginning of the year	624	496
Impairment loss recognised	454	178
Reversal of impairment loss	(58)	(50)
At the end of the year	1,020	624

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.



21. AMOUNT DUE FROM A DIRECTOR

The amount due from a director is unsecured, non-interest bearing and repayable on demand. The amount was fully settled during the year ended 31 March 2016.

	MAXIMUM AMOUNT OUTSTANDING			
	YEAR ENDED 31 MARCH		AS AT 31 MARCH	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Mr. Fong Wing Kong	691	6,921	-	691

22. BANK BALANCES

Bank balances represented short-term deposits with a maturity of three months or less. At 31 March 2016 and 2015, bank balances carried at prevailing market rates of 0.01% per annum.

23. TRADE AND OTHER PAYABLES

	2016 HK\$'000	2015 HK\$'000
Trade payables	5,090	4,221
Customer deposit	2,526	173
Accrued bonus and commission	5,068	5,476
Accruals	6,900	1,080
Trade and other payables	19,584	10,950

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

	2016 HK\$'000	2015 HK\$'000
Within 30 days	2,741	1,653
31 to 60 days	591	845
61 to 90 days	399	1,029
Over 90 days	1,359	694
Trade payables	5,090	4,221

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23. TRADE AND OTHER PAYABLES (Continued)

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.

24. DEFERRED TAXATION

The following is the major deferred tax asset recognised and movements thereof during the current and prior years:

	ACCELERATED TAX DEPRECIATION HK\$'000
At 1 April 2014	150
Charged to profit or loss	(34)
At 31 March 2015 and 1 April 2015	116
Credited to profit or loss	26
At 31 March 2016	142

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

25. SHARE CAPITAL (Continued)

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.

26. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to the written resolution passed on 23 March 2016 for the primary purpose of providing incentives to eligible persons, and will expire on 18 April 2026. Under the Scheme, the board of directors of the Company may grant options to the eligible persons, including employees (full-time or part-time), directors, consultants, advisors of the Group, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

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26. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within 28 days from the date of grant, upon payment of HK\$1.00. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the board of directors of the Company, and shall be the highest of (i) the nominal value of the Company's share; (ii) the closing price of the Company's shares on the date of grant; and (iii) the average closing price of the shares for the five business days immediately preceding the date of grant.

No share options are granted since the adoption of the Scheme and there are no outstanding share options as at 31 March 2016.

27. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2016 HK\$'000	2015 HK\$'000
Within one year	413	2,634
In the second to fifth year inclusive	739	248
	1,152	2,882

Operating lease payments represents rentals payable by the Group for its office premises and certain office equipment. Leases are negotiated and rentals are fixed for a term ranging from 1 to 2 years.

28. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	2016 HK\$'000	2015 HK\$'000
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	140	-



29. RETIREMENT BENEFITS PLAN

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the relevant payroll costs, capped at HK\$1,500 (HK\$1,250 prior to June 2014) per month, to the MPF Scheme, in which the contribution is matched by employees.

The total cost charged to profit or loss of approximately HK\$811,000 (2015: HK\$691,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

30. RELATED PARTY TRANSACTIONS

(a) Save as disclosed elsewhere in the consolidated financial statements, the Group entered into transactions with related parties as follows:

RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	NOTES	2016 HK\$'000	2015 HK\$'000
Mr. Lam Kim Wan	Director and shareholder	Sales proceeds from disposal of plant and equipment		-	200
API	50% indirectly owned by Controlling Shareholders before Reorganisation	Management fee income	(i)	948	1,029
Supreme Bond Limited ("SBL")	50% indirectly owned by Controlling Shareholders	Reimbursement income	(ii)	-	587
		Translation service fee paid or payable to related company		1,378	2,120
啟競翻譯諮詢(深圳)有限公司 (Nature Success (Shenzhen) Limited*) ("Nature Success")	50% indirectly owned by Controlling Shareholders	Translation service fee paid or payable to related company	(iii)	3,274	3,912

* The English name is for identification purposes only.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

30. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

- (i) During the year ended 31 March 2016, amount of approximately HK\$948,000 (2015: HK\$1,029,000) represented the management fee charged to API in relation to the back-office support services provided by the Group.
- (ii) During the year ended 31 March 2015, amount of approximately HK\$587,000 representing the salaries of a staff was reimbursed from SBL for provision of coordination of translation works to SBL. This arrangement had been terminated on 31 March 2015.
- (iii) Nature Success was a subsidiary of SBL during both years.
- (iv) These transactions were carried out at the terms determined and agreed by the Group and relevant parties.

(b) Compensation to key management personnel

The remuneration of directors of the Company and other members of key management personnel during the year was as follows:

	2016 HK\$'000	2015 HK\$'000
Short-term benefits	8,213	7,571
Post employment benefits	180	144
	8,393	7,715

The related party transactions in respect of translation service fee paid or payable to SBL and Nature Success above also constitute continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

31. ACQUISITION OF A SUBSIDIARY

On 23 March 2016, the Group acquired the entire equity interest of API from Brilliant Ray in consideration of allotting and issuing 15,999 fully paid-up shares of the Company and crediting one nil-paid share of the Company held by Brilliant Ray as fully-paid. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was approximately HK\$11,423,000. API is engaged in the provision of financial printing services and was acquired so as to continue the expansion of the Group's operations.



31. ACQUISITION OF A SUBSIDIARY (Continued)

Consideration transferred

	HK\$'000
Share consideration (note)	14,400

Note: The fair value of consideration share is determined based on the placing price of HK\$0.3 and taking into account of the completion of capitalisation issue. Consideration shares represent share capital of HK\$160 and share premium of HK\$14,399,840.

The acquisition-related cost is minimal and has been recognised within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK\$'000
Plant and equipment	63
Amounts due from customers on services contracts	755
Trade and other receivables	1,394
Bank balances	3,316
Trade and other payables	(1,723)
Income tax payables	(828)
	2,977

The fair value of trade and other receivables at the date of acquisition amounted to approximately HK\$1,394,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately HK\$1,754,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to approximately HK\$360,000.

Goodwill arising on acquisition:

	HK\$'000
Consideration transferred	14,400
Less: net assets acquired	(2,977)
	11,423

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

31. ACQUISITION OF A SUBSIDIARY (Continued)

Goodwill arose in the acquisition of API because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the cooperation and synergy already established between the Group and API. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Net cash inflow on acquisition of API was approximately HK\$3,316,000.

Had the acquisition been completed on 1 April 2015, total revenue of the Group for the year would have been approximately HK\$112,435,000, and profit for the year would have been approximately HK\$16,179,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2015, nor is it intended to be a projection of future results.

In determining the "pro-forma" revenue and profit of the Group had API been acquired at the beginning of the current year, the directors of the Company have calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

32. MAJOR NON-CASH TRANSACTIONS

- (i) During the year ended 31 March 2015, dividend payable in amount of HK\$6,000,000 was set off with the amounts due from directors by the same amount. Certain dividends of minority shareholders were received by a director of the Company on their behalf, and such amount has been settled between that director and the respective shareholders.
- (ii) On 23 March 2016, the Group acquired the entire equity interest of API at fair value of consideration of HK\$14,400,000 which was settled by issuance of 15,999 fully paid-up shares of the Company and crediting one-nil paid share of the Company held by Brilliant Ray as fully paid (note 31).



33. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2016 are as follows:

NAME OF SUBSIDIARY	PLACE AND DATE OF INCORPORATION/ OPERATION	ISSUED AND FULLY PAID SHARE CAPITAL	PERCENTAGE OF EQUITY INTEREST ATTRIBUTABLE TO THE COMPANY 2016	PRINCIPAL ACTIVITIES
Directly held:				
Power Future	BVI/Hong Kong 10 March 2015	US\$1	100%	Investment holding
Maplehill	BVI/Hong Kong 20 March 2015	US\$1	100%	Investment holding
Indirectly held:				
APF	Hong Kong/Hong Kong 8 May 2002	HK\$200	100%	Provision of financial printing services
API	Hong Kong/Hong Kong 3 January 2012	HK\$10,000	100%	Provision of financial printing services

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

34. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTE	2016 HK\$'000
Non-current asset		
Investment in subsidiaries		45,892
Current asset		
Bank balance		52
		52
Current liability		
Amount due to a subsidiary		65
Net current liabilities		(13)
Total assets less current liability		45,879
Capital and reserves		
Share capital		1
Reserves	(b)	45,878
		45,879

Notes:

(a) No comparative figure was shown as the Company was incorporated on 20 April 2015.

(b) **Movement in reserves**

	SHARE PREMIUM HK\$'000	OTHER RESERVE HK\$'000 (NOTE)	ACCUMULATED LOSSES HK\$'000	TOTAL HK\$'000
At 20 April 2015 (date of incorporation)	-	-	-	-
Loss and total comprehensive expense for the period	-	-	(13)	(13)
Arising from reorganisation	-	31,491	-	31,491
Acquisition of a subsidiary	14,400	-	-	14,400
At 31 March 2016	14,400	31,491	(13)	45,878

Note: Other reserve represented the difference between the nominal value of the issued share capital of the Company and the net asset value of APF upon the group reorganisation on 23 March 2016.



35. EVENTS AFTER THE REPORTING PERIOD

i) Increase authorised share capital and issuance of shares

As stated in note 25(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.

Financial Summary

	YEAR ENDED 31 MARCH		
	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000
Results			
Revenue	99,762	81,839	65,296
Cost of services	(47,748)	(40,907)	(33,002)
Gross profit	52,014	40,932	32,294
Other income	1,007	1,867	14
Selling and distribution expenses	(9,120)	(9,956)	(9,085)
Administrative expenses	(25,869)	(13,019)	(11,850)
Profit before tax	18,032	19,824	11,373
Income tax expense	(4,646)	(3,271)	(1,877)
Profit and total comprehensive income attributable to the owners of the Company	13,386	16,553	9,496
	AS AT 31 MARCH		
	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000
Assets and Liabilities			
Total assets	67,009	47,775	36,712
Total liabilities	21,156	11,708	11,198
Total capital and reserves	45,853	36,067	25,514

The summary of the consolidated results of the Group for the two years ended 31 March 2014 and 2015 and the consolidated assets, liabilities and non-controlling interests of the Group as at 31 March 2014 and 2015 have been extracted from the Prospectus. This summary is presented on the basis set out in the Prospectus.

The financial information for the two years ended 31 March 2012 and 2013 were not disclosed as consolidated financial statements for the Group have not been prepared for these years.

